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As filed with the Securities and Exchange Commission on May 10, 2004

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

WH HOLDINGS (CAYMAN ISLANDS) LTD.

(Exact Name of Registrant as Specified in Its Charter)

Cayman Islands	**5122**	**N/A**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code No.)	(I.R.S. Employer Identification No.)

P.O. Box 309GT
Ugland House, South Church Street
George Town, Grand Cayman, Cayman Islands
(310) 410-9600
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Brett R. Chapman, Esq.
WH Holdings (Cayman Islands) Ltd.
P.O. Box 309GT
Ugland House, South Church Street
George Town, Grand Cayman, Cayman Islands
(310) 410-9600
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

WH CAPITAL CORPORATION*

(Exact Name of Registrant as Specified in Its Charter)

Nevada	**5122**	**20-1086904**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code No.)	(I.R.S. Employer Identification No.)

1800 Century Park East
Los Angeles, California 90067
(310) 410-9600
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Brett R. Chapman, Esq.
WH Capital Corporation
1800 Century Park East
Los Angeles, California 90067
(310) 410-9600
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

*The co-registrants are co-issuers of the Notes to be registered hereby.

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	**Amount To Be Registered**	**Proposed Maximum Offering Price Per Share(1)**	**Proposed Maximum Aggregate Offering Price(1)**	**Amount of Registration Fee**

9 1/2% Notes Due April 1, 2011	$275,000,000	100%	$275,000,000	$34,842.50

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act of 1933, as amended.
(2) Pursuant to Rule 457(n) under the Securities Act, no separate fee is payable with respect to the guarantees of the Notes.

The co-registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the co-registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 10, 2004

PROSPECTUS

$275,000,000
WH HOLDINGS (CAYMAN ISLANDS) LTD.
WH CAPITAL CORPORATION

Indirect Parent of

Exchange Offer for All Outstanding
9 1/2% Notes Due April 1, 2011
(CUSIP Nos. 92926X AA 3 and G96013 AA 8)
For New
9 1/2% Notes Due April 1, 2011
Which Have Been Registered
Under the Securities Act of 1933

This exchange offer will expire at 5:00 p.m., New York City time, on , 2004, unless extended.

We are offering to exchange our 9 1/2% Notes Due April 1, 2011 (New Notes) which have been registered under the Securities Act of 1933, as amended, for any and all of our outstanding 9 1/2% Notes Due April 1, 2011 (Outstanding Notes) in the aggregate principal amount of $275,000,000.

- We will exchange all Outstanding Notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer.
- You may withdraw tendered Outstanding Notes at any time prior to the expiration of the exchange offer.
- The exchange of Outstanding Notes will not be a taxable exchange for United States federal income tax purposes.
- The terms of the New Notes to be issued are substantially identical to the terms of the Outstanding Notes, except that transfer restrictions, registration rights and liquidated damages provisions relating to the Outstanding Notes do not apply.
- Each broker-dealer that receives securities for its own account pursuant to the exchange offer ("Exchange Securities") must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Outstanding Notes where such Outstanding Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. WH Holdings (Cayman Islands) Ltd. and WH Capital Corporation have agreed that, for a period of 180 days after the Expiration Date (as defined herein), they will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."
- We will not receive any proceeds from the exchange offer. We will pay the expenses of the exchange offer.
- There is no existing market for the New Notes to be issued and we do not intend to apply for their listing on any securities exchange.

See the "Description of Notes" section for more information about the New Notes to be issued in this exchange offer.

The New Notes involve substantial risks similar to those associated with the Outstanding Notes. See the section entitled "Risk Factors" beginning on page 17 for a discussion of these risks.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES AND EXCHANGE COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR THE ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Prospectus dated , 2004.

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). 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 operation; 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 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 in this prospectus. Important factors that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in forward-looking statements include, among others, the following:

- our relationships with our distributors;
- regulatory matters governing our products and network marketing system;
- adverse publicity associated with our products or network marketing organization;
- the competitive nature of our business;
- risks associated with operating internationally, including foreign exchange risks;
- product concentration;
- dependence on increased penetration of existing markets;
- product liability claims;
- uncertainties relating to the application of transfer pricing and similar tax regulations;
- taxation relating to our distributors;
- our reliance on outside manufacturers;
- our substantial indebtedness; and
- our ability to generate sufficient cash.

Additional factors that could cause actual results to differ materially from the forward-looking statements are set forth in this prospectus, including under the headings "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and in our "Prospectus Summary—Summary Historical Consolidated Financial Data" and the related notes. We do not intend, and undertake no obligation, to update any forward-looking statement.

This exchange offer involves risks. Before you tender your Outstanding Notes in exchange for New Notes, you should carefully consider the matters set forth under the heading "Risk Factors" and all other information contained in this prospectus. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements.

MARKET DATA

Market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, and reports by market research firms or other published independent sources. Some data are also based on our good faith estimates, which are derived from our review of internal surveys, as well as the independent sources listed above. Although we believe that these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy or completeness.

PROSPECTUS SUMMARY

The following summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information and financial statements (including the accompanying notes) appearing elsewhere in this prospectus. Unless otherwise noted, the terms "we," "our," "us," "Company" and "Successor" refer to WH Holdings (Cayman Islands) Ltd. ("Holdings") and its subsidiaries, including WH Capital Corporation ("WH Capital Corp.") and Herbalife International, Inc. and its subsidiaries ("Herbalife") for periods subsequent to Herbalife's acquisition on July 31, 2002, and the terms "we," "us," "our," "Company" and "Predecessor" refer to Herbalife before the acquisition for periods through July 31, 2002. Holdings is a holding company, with substantially all of its assets consisting of the capital stock of its indirect, wholly-owned subsidiary, Herbalife. See "—Corporate Structure." The term "Outstanding Notes" refers to the 9 1/2% Notes due 2011 issued on March 8, 2004. The terms "New Notes" and "Notes" refer to the 9 1/2% Notes due 2011 offered by this prospectus. Unless the context indicates otherwise, "on a pro forma basis" or "pro forma" means after giving effect to the offering of the Notes and the transactions described under "Unaudited Pro Forma Condensed Consolidated Financial Data." "Adjusted EBITDA" is defined in Note 2 to the Summary Historical Consolidated Financial Data included herein. You should carefully consider the information set forth under "Risk Factors." In addition, certain statements are forward-looking statements which involve risks and uncertainties. See "Disclosure Regarding Forward-Looking Statements."

The Exchange Offer

In contemplation of the consummation of the Transactions described below under "—The Recapitalization of Holdings and Related Transactions," on March 8, 2004, Holdings and Capital completed a private offering of $275,000,000 of the Outstanding Notes. In connection with that offering, Holdings and Capital entered into a registration rights agreement with the initial purchaser of the Outstanding Notes in which they agreed, among other things, to deliver this prospectus and to complete this exchange offer within 195 days of the issue date of the Outstanding Notes. You are entitled to exchange in this exchange offer Outstanding Notes that you hold for New Notes with substantially identical terms. You should read the discussion under the headings "Summary of the Terms of the New Notes" beginning on page 13 and "Description of Notes" beginning on page 110 for further information regarding the New Notes.

- Subject to customary conditions, which we may waive, the exchange offer is not conditioned upon a minimum aggregate principal amount of Outstanding Notes being tendered.
- Our offer to exchange Outstanding Notes for New Notes will be open until 5:00 p.m., New York City time, on , , 2004 (the "Expiration Date"), unless we extend the Expiration Date.
- You should also carefully review the information set forth under the heading "The Exchange Offer—Procedures for Tendering Outstanding Notes" beginning on page 32 of this prospectus.
- You may withdraw your tenders of Outstanding Notes at any time prior to the expiration of the exchange offer.
- If you fail to tender your Outstanding Notes, you will continue to hold unregistered securities and your ability to transfer them could be adversely affected.
- The exchange of Outstanding Notes for New Notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes.

We believe that the New Notes that will be issued in this exchange offer may be resold by you without compliance with the registration and prospectus delivery provisions of the Securities Act, if you can make the representations in the fifth paragraph under "The Exchange Offer—Exchange Terms" on page 28 below. We cannot guarantee that the Securities Exchange Commission, or SEC, would make a similar decision about this exchange offer. If our belief is wrong, or if you cannot truthfully make the

representations mentioned above, and you transfer any New Note issued to you in the exchange offer without meeting the registration and prospectus delivery requirements of the Securities Act, or without an exemption from such requirements, you could incur liability under the Securities Act. We are not indemnifying you for any such liability. You should read the discussion under the headings "Summary of the Terms of the Exchange Offer" beginning on page 10 and "The Exchange Offer" beginning on page 28 for further information regarding this exchange offer and resale of the New Notes.

The Company

Herbalife, founded in 1980, is a worldwide marketer of weight management, inner nutrition and Outer Nutrition® products that support our customers' wellness and healthy lifestyles. We market and sell these products through a global network marketing organization comprised of over one million independent distributors in 58 countries. Throughout our 24-year operating history, the high quality of our products and the effectiveness of our network marketing organization have been the primary drivers of our growth and geographic expansion and have made Herbalife a brand name recognized worldwide. For the year ended December 31, 2003, our net sales and adjusted EBITDA were approximately $1.2 billion and $167.7 million, respectively.

We are focused on delivering a science-based wellness program and way of life to our distributors and their customers through our product portfolio. Our products seek to appeal to the growing number of consumers who desire to live a healthy lifestyle. We group our products into three categories: *weight management*, which consists of a full range of meal replacement programs and healthy snacks; *inner nutrition*, which consists of nutritional supplements; and *Outer Nutrition*®, which represents personal care products. We currently market a broad range of products as well as literature and promotional materials designed to support our distributors' marketing efforts. Our products are often sold in programs, which are comprised of a series of related products designed to achieve a common wellness or health result, simplify weight management and nutrition for our consumers and maximize our distributors' cross-selling opportunities.

Weight management

- We believe that we have helped millions of people manage their weight safely and effectively for 24 years by providing our customers with numerous weight management products. Among the products we offer are meal replacement products and a variety of healthy snacks designed to provide nutritional support between meals. Our best-selling Formula 1 meal replacement product has been part of our basic weight management program for 24 years and has generated approximately 20% of our net sales over the past three years. For the year ended December 31, 2003, $500.1 million or 43.1% of our net sales were derived from weight management products.

Inner nutrition

- We market numerous dietary and nutritional supplements designed to meet our customers' specific nutritional needs. Each of these supplements contains high-quality herbs, vitamins, minerals and other natural ingredients and focuses on the specific lifestages and lifestyles of our customers, including females, males, children, the elderly, athletes and others. We offer a wide selection of dietary and nutritional supplements, including basic vitamins and minerals such as vitamin C (and related anti-oxidants) and calcium, as well as herbal supplements. In 2003, we introduced *Niteworks*™, developed by Nobel Laureate in Medicine, Dr. Louis Ignarro. *Niteworks*™ supports energy, circulatory and vascular health and enhances blood flow to the heart, brain and other vital organs. For the year ended December 31, 2003, $505.1 million or 43.6% of our net sales were derived from inner nutrition products.

Outer Nutrition®

- Our Outer Nutrition® products complement our other products to improve the appearance of our customers' body, skin and hair. These products include soaps and skin cleansers, moisturizers and lotions, shampoos and conditioners and hair styling products. Our Outer Nutrition® products, which provide personal care for the skin and body and preservation of youthful appearance, are designed to make our customers look and feel their best. For the year ended December 31, 2003, $105.7 million or 9.1% of our net sales were derived from Outer Nutrition® products.

Our products are distributed through a global network marketing organization comprised of over one million independent distributors in 58 countries, except in China where our sales are regulated to be conducted on a wholesale basis to local retailers. We believe that the direct-selling distribution channel is ideally suited to selling our products, because sales of weight management and inner nutrition products are strengthened by ongoing personal contact between retail consumers and distributors. This personal contact enhances the education of consumers in the weight management and nutrition markets and the motivation of consumers to begin and maintain weight management programs for healthy living. In addition, our distributors use Herbalife's products themselves, providing first-hand testimonial proof of product effectiveness, which serves as a powerful sales tool.

We provide our distributors attractive and flexible career opportunities through selling our high-quality products. Our distributors have the opportunity to earn income and receive non-financial rewards designed to motivate and recognize individual achievement. As a result, we believe the income opportunity provided by our network marketing system appeals to a broad cross-section of people throughout the world, particularly those seeking to supplement family income, start a home business or pursue non-conventional, full and part-time employment opportunities. Our distributors, who are independent contractors, earn income on their own sales and can also earn royalties and bonuses on sales made by the distributors in their sales organizations. We believe our network marketing system provides an attractive income opportunity relative to other network marketing companies.

Holdings acquired Herbalife on July 31, 2002, which we refer to herein as the "Acquisition," and was formed by and on behalf of an investment group led by Whitney & Co., LLC ("Whitney") and Golden Gate Private Equity, Inc. ("Golden Gate"), which we refer to herein as the "Equity Sponsors," to consummate the Acquisition.

The Industry

Wellness and personal care markets

We compete primarily in the wellness industry with our weight management and inner nutrition products and in the personal care industry with our Outer Nutrition® products. According to Euromonitor, these markets are substantial in size, representing an estimated $34.8 billion and $173.0 billion of worldwide sales in 2001, respectively. We believe these markets represent significant business opportunities for us given our focus on high-quality products and our distributors' personal interaction with consumers of our products. According to Euromonitor:

- The global nutrition and well-being market is expected to grow to $38 billion in 2004; and
- The worldwide market for personal care and cosmetic products is expected to grow to $202 billion in 2006.

We are capitalizing on demographic trends in our market driving demand for health-related products and increasing the emphasis on healthier lifestyles. The global markets for our products are expected to continue to experience strong growth due to a number of factors, including:

- The aging "baby boom" generation worldwide, which is driving long-term demand for health maintenance products;

- Increasing incidence of obesity and greater awareness of the associated health risks:

  - The American Obesity Association reported in 2000 that 64.5% of adults in the U.S. are overweight (127 million people) compared to 46% of adults in 1976. The number of people who are considered obese (60 million people) more than doubled over the same period, from 14.4% to 30.5%;

  - According to the World Health Organization, the number of obese adults worldwide has increased from 200 million in 1995 to over 300 million in 2000, an increase of approximately 50%. In addition, the World Health Organization estimates that approximately 1.2 billion people worldwide are overweight; and

- Increasing acceptance of herbal and dietary supplements influenced by increasing scientific evidence and media focus about the efficacy of nutritional supplements:

  - The Nutrition Business Journal reported that supplement sales in the U.S. will exceed $20 billion in 2005 compared to just over $12 billion in 1996.

Direct selling

Direct selling as a distribution channel has proven to be extremely effective for sales of weight management, inner nutrition and Outer Nutrition® products and has exhibited strong historical growth. The World Federation of Direct Selling Associations estimates the following statistics about the direct selling channel:

- Wellness and personal care products represented approximately 44% of total worldwide direct selling sales in 2001;

- The worldwide direct-sales channel exceeded $85 billion of sales in 2002, up from just over $33 billion in 1988, representing a compound annual growth rate of 7%; and

- The global direct-selling sales force grew to 43.8 million in 2001, up from 8.5 million in 1988, representing a compound annual growth rate of over 13%.

Competitive Strengths

Recognized Brand Name. Our success is largely due to the strength of the Herbalife brand name, which has been built through consistently offering high-quality products and an attractive income opportunity for our distributors. Our specially-designed formulations and high-quality products, combined with our reputation built over 24 years in the industry, set us apart from the competition and contribute significantly to the recognition of the Herbalife brand name. We believe that our recognized brand name has contributed significantly to our ability to expand our business into new markets and add distributors to our network marketing organization and will enhance our ability to further penetrate our existing markets.

High-Quality, Established Product Portfolio. Our underlying initiative is to expand our reputation as a well-respected industry leader committed to providing the highest quality science-based products for our weight management and nutritional programs to support a healthier way of life. We are well positioned to take advantage of current trends concerning worldwide obesity and consumers increasingly turning to nutrition to address weight-related health concerns. In support of this effort, we have formed a Scientific Advisory Board comprised of leading worldwide experts to conduct product research and advise on product concepts. Members of this board include Chairman, David Heber, M.D., Ph.D., Director of the UCLA Center for Human Nutrition and Director of the UCLA Center for Dietary Supplement Research in Botanicals, and Nobel Laureate in Medicine, Louis Ignarro, Ph.D., Distinguished Professor of Pharmacology at the UCLA School of Medicine. We recently established the Mark Hughes Cellular and Molecular Nutrition Laboratory at UCLA (the "UCLA Lab") through the donation of equipment and technology. Through the UCLA Lab, we fund diverse research projects that support both product development and marketing. We also have formed a Medical Advisory Board to

provide training on product usage and give health-news updates through Herbalife literature, the internet, and live training events around the world. By drawing upon the technical resources of the UCLA Lab and combining its research with the scientific expertise of the Scientific Advisory Board, the educational skills of the Medical Advisory Board and our own research and development group, we will endeavor to enhance Herbalife's reputation as a provider of world class weight management and nutritional products that meet the highest industry standards for quality, safety and efficacy.

Effective Distribution Channel. We believe the direct sales model, the method we have used since we began operations in February 1980, is the most attractive and effective way to sell our products. Sales of our products are strengthened by ongoing personal contact between retail consumers and distributors, thereby enhancing the education of consumers in the weight management and nutrition markets. In turn, the motivation of consumers to begin and maintain weight management programs for healthy living is similarly enhanced. We also believe that sales of our weight management and inner nutrition products are strengthened by the first-hand, testimonial proof of product effectiveness provided by many of our distributors, who are consumers of our products themselves. Additionally, our global direct-selling model provides a more effective channel for our products than traditional retailing methods would: it eliminates a high, fixed-cost infrastructure, provides incentives for existing distributors to develop a sales organization of other individuals selling our products, and offers a highly attractive income opportunity to our distributors.

Product and Market Diversification. We offer a broad range of products across our three primary product segments. For the fiscal year ended December 31, 2003, 43.1% of our net sales were in weight management products, 43.6% in inner nutrition products, 9.1% in Outer Nutrition® products and the remaining 4.2% in literature and promotional materials. Additionally, the geographic diversity of our markets mitigates our financial exposure to any particular market. For the fiscal year ended December 31, 2003, 36.6% of our net sales were in The Americas, 38.7% in Europe, 14.4% in Asia/Pacific Rim and 10.3% in Japan.

Scalable and Profitable Business Model. We believe our business model is attractive due to our significant and sustained profitability and our ability to scale to new market segments and more distributors. We require no company-employed sales force to market and sell our products and our distributor compensation varies directly with sales. Lastly, our distributors bear the majority of our consumer marketing expenses, and supervisors sponsor and coordinate a large share of distributor recruiting and training initiatives.

Strong Cash Flow Generation in a Leveraged Operating Environment. Since the Acquisition, we have generated a significant amount of cash flow and reduced our net debt (total debt less cash and cash equivalents). At July 31, 2002, the date of the Acquisition, we had net debt of approximately $289.3 million. At December 31, 2003, we had reduced our net debt to approximately $168.9 million, an aggregate reduction of approximately $120.4 million over seventeen months. We currently expect our business will continue to generate strong cash flow, which we intend to use to service our debt and reduce indebtedness.

Experienced Management Team. Since the Acquisition, we have worked to strengthen our management team with experienced executives focused on making Herbalife the leading weight management and nutrition company worldwide. Since 2002, we have made several important additions to our management team that we believe will strengthen our capabilities in product development, operations and marketing. Our key hires are as follows:

- Michael O. Johnson, Chief Executive Officer. Mr. Johnson became our Chief Executive Officer in April 2003 after spending 17 years with The Walt Disney Company, where he most recently served as President of Walt Disney International, a position he held since 2000, and where he also served as President of Asia Pacific for The Walt Disney Company and President of Buena Vista Home Entertainment.

- Gregory Probert, Chief Operating Officer. Mr. Probert joined Herbalife in August 2003 after serving as President of DMX MUSIC. Mr. Probert joined DMX MUSIC after spending 12 years with The Walt Disney Company, where he most recently served as Executive Vice President and COO of the Buena Vista Home Entertainment worldwide business.

- Henry Burdick, Vice Chairman and head of new product development. Mr. Burdick has been a director since July 31, 2002 and was appointed as our Vice Chairman in June 2003. Mr. Burdick was the co-founder and at various times served as the Chairman, President and CEO of Pharmavite Corporation, the makers of the Nature Made brand of nutritional supplements. In May 1996, following his retirement from Pharmavite, Mr. Burdick invested in a research and development company called Generation Health. He renamed the company Pharmanex, and was Chairman and CEO until it was sold in 1998 to Nu Skin Enterprises, Inc., a NYSE listed company.

- Matthew Wisk, Chief Marketing Officer. Before becoming our Chief Marketing Officer in July 2003, Mr. Wisk served as Vice President of Marketing for Nokia Mobile Phones for North and South America. He also worked for Nokia in Europe, where he directed the activities of hundreds of marketing and sales professionals. Prior to his tenure at Nokia, Mr. Wisk led marketing for NEC's fax business.

- Brett R. Chapman, General Counsel. Prior to joining Herbalife in October 2003, Mr. Chapman spent thirteen years at The Walt Disney Company, most recently as Senior Vice President and Deputy General Counsel, with responsibility for all legal matters relating to Disney's Media Networks Group, including the ABC Television Network, the company's cable properties including The Disney Channel and ESPN, and Disney's radio and internet businesses.

Our management team also draws significant support from our many veteran members, including William D. Lowe (joined in 1998), our Senior Vice President, Principal Financial and Accounting Officer; Carol Hannah (joined in 1984), our President of Distributor Communications and Support and former Co-President; and Brian L. Kane (joined in 1993), our President of Herbalife's European region and former Co-President.

Business Strategy

Our business strategy is comprised of the following principal elements:

Increase Brand Recognition with Science-based Weight Management and Nutrition Products. Since the Acquisition, we have significantly increased our emphasis on scientific research in the weight management and nutrition arena and increased our focus on developing products with scientifically demonstrated efficacy. Our underlying initiative is to continue to enhance our reputation as an industry leading and well-respected company committed to scientific research. For example, in 2003, we introduced *Niteworks™*, a cardiovascular enhancement product developed by Dr. Louis Ignarro, a Nobel Laureate in Medicine. In addition, we recently funded and opened the Mark Hughes Lab for Cellular and Molecular Nutrition at UCLA. We have also established our own Scientific Advisory Board, which is committed to advancing the field of nutritional science. We are well positioned to take advantage of current worldwide consumer trends indicating that individuals are turning more and more towards weight management and nutritional products to address weight, fitness and age-related health concerns. We believe our focus on nutritional science will result in meaningful product enhancements and give consumers increased confidence in our products.

Provide Superior Personal Interaction, Care and Support for Our Customers. We believe the direct sales model, the method we have used since we began operations in February 1980, is the most attractive and effective way to sell our products in a manner that provides superior personal interaction, care and support for our customers. Sales of our products are strengthened by ongoing personal contact between retail consumers and distributors, thereby enhancing the education of consumers in the weight management and nutrition markets. In turn, the motivation of consumers to

begin and maintain weight management programs for healthy living is similarly enhanced. We also believe that sales of our weight management and inner nutrition products are strengthened by the first-hand, testimonial proof of product effectiveness provided by many of our distributors, who are consumers of our products themselves.

Enhance the Visibility of Herbalife and Consumer Access to Herbalife Products. Our distributors are the only access point for consumers to purchase Herbalife products. While this distribution strategy is highly effective, we believe that we can assist our distributors in reaching a broader consumer base by increasing the visibility of Herbalife and its products. To accomplish this, we intend to supplement our distributors' selling efforts with Herbalife-sponsored marketing and public relations campaigns designed to generate consumer demand for our products. To allow consumers to access our products more easily, we are exploring implementing new ways for consumers to locate distributors, including internet-based referral systems and other new access points to Herbalife products.

Increase Market Penetration. Herbalife has historically grown principally by entering into new markets. Because Herbalife has already succeeded in entering into the most attractive markets for our products and distribution system, an increasingly important part of our strategy for continued growth is to increase the number and range of our products available in existing markets. We believe this will drive sales growth through increased penetration in each of our country markets around the world.

Increase Distributor Productivity and Retention. We recognize that in addition to high-quality products and a rewarding distributor compensation plan, the success of our business depends on the support and training of our distributors. We are strengthening our distributor support services by enhancing customer service capabilities at our call centers, offering greater business-building opportunities through the internet, creating new business support initiatives and offering enriched reward recognition programs. To further enhance distributor productivity and improve retention, we are developing new educational training programs aimed at assisting distributors with their sales, marketing and recruiting techniques. Extensive training opportunities enable distributors to not only develop invaluable business-building and leadership skills, but also to become experts in our products and offer customers sound advice on weight management, nutrition and personal care. By placing a top priority on training, we build credibility among our distributors and further establish Herbalife as an industry leader.

Improve Margins through Expense Management. During the last two years, we have implemented certain product manufacturing and other sustainable expense reduction initiatives that have already resulted in significant improvements in financial performance. We are focused on realizing savings through cost control of corporate expenses and continued focus on the implementation of the above initiatives. Through these initiatives and our improvement in net sales, we have improved our EBITDA from $86.8 million (8.5% of net sales) in 2001 to $167.7 million (14.5% of net sales) in 2003. We believe the combination of reduced product costs and our continued control of corporate spending will enhance profitability and cash flow.

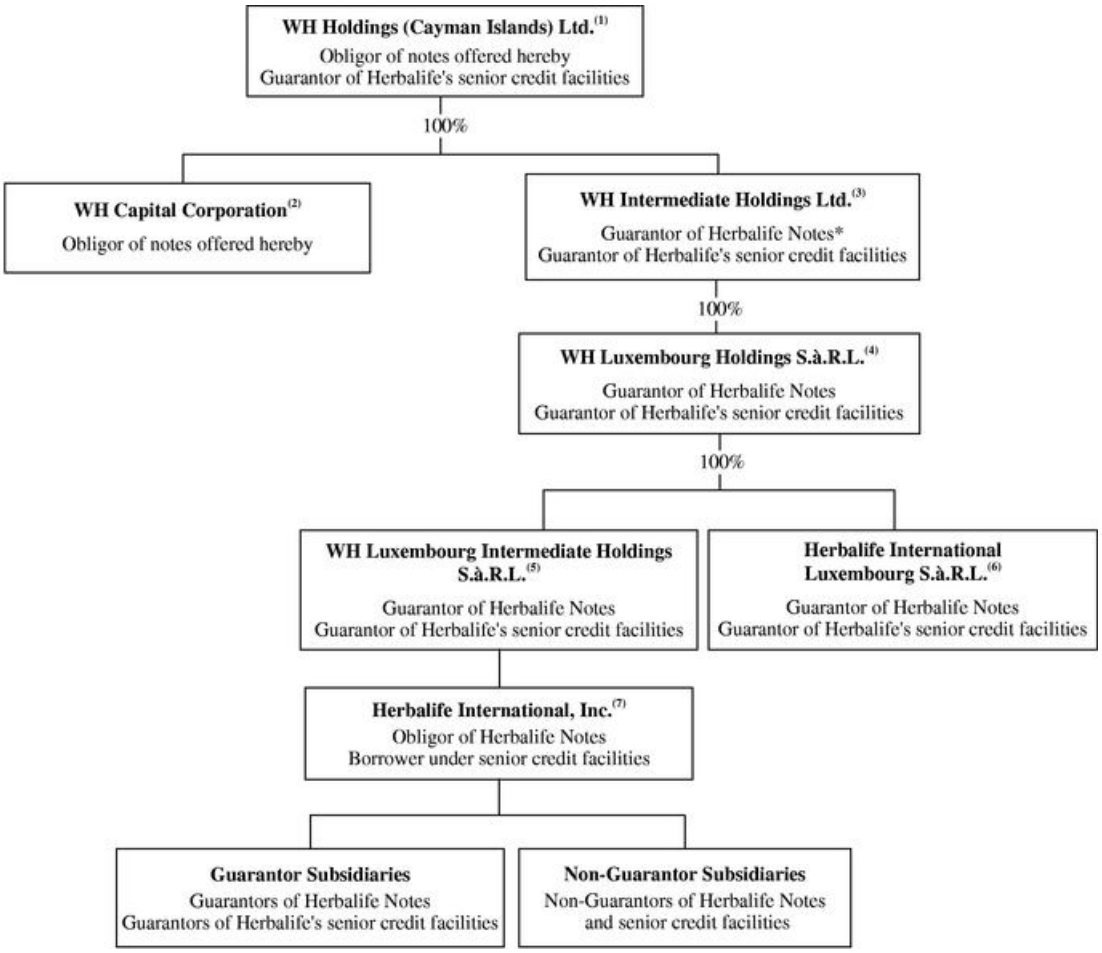
The Recapitalization of Holdings and Related Transactions

The proceeds of the offering of the Outstanding Notes, together with available cash, was used as a part of a recapitalization of Holdings, which consisted of (i) the redemption of all of Holdings' outstanding 12% Series A Cumulative Convertible Preferred Shares, which we refer to herein as the "Preferred Shares," including shares issued upon the exercise of warrants to purchase the Preferred Shares, which we refer to herein as the "Warrants;" (ii) the purchase of all of Holdings' outstanding 15.5% Senior Notes due 2011, which we refer to herein as the "Senior Notes;" (iii) the reduction of outstanding amounts under Herbalife's senior credit facilities; and (iv) the payment of related fees and expenses (collectively, the "Transactions").

Corporate Structure

International activities are an important part of our business. In 2003, international sales accounted for approximately 76% of our net sales. Our ultimate parent company is organized in the Cayman Islands, and its immediate subsidiaries are organized either in the Cayman Islands or in Luxembourg in accordance with our foreign holding and operating company structure. We believe that this foreign holding and operating company structure provides us with an effective platform to organize our international business activities and to take advantage of favorable environments to implement our international business, operating and financial strategies.

The chart below illustrates our organizational structure after giving effect to the Transactions:



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* Herbalife's 11 3/4% Senior Subordinated Notes due 2010 (the "Herbalife Notes").

(1) Holdings is a Cayman Islands holding company that has no operations and no material assets other than its direct and indirect ownership interests of all of the outstanding capital stock of each of WH Capital Corp., Herbalife and Herbalife International Luxembourg S.à.R.L. Holdings is a co-obligor of the Outstanding Notes (and will be a co-obligor of the Notes offered hereby) and is a guarantor of Herbalife's senior credit facilities.

(2) WH Capital Corporation is a wholly-owned subsidiary of Holdings, and was formed to facilitate the offering of the Outstanding Notes. WH Capital Corp. is a co-obligor of the Outstanding Notes (and will be a co-obligor of the Notes offered hereby).

(3) WH Intermediate Holdings Ltd. is a Cayman Islands holding company that has no operations and no material assets other than its indirect ownership interests of all of the outstanding capital stock of each of Herbalife and Herbalife International Luxembourg S.à.R.L. WH Intermediate Holdings Ltd. is a guarantor of the Herbalife Notes and senior credit facilities.

(4) WH Luxembourg Holdings S.à.R.L. is a Luxembourg unipersonal limited liability company that has no operations and no material assets other than its indirect ownership interest of all of the outstanding capital stock of Herbalife and its direct ownership of all of the outstanding ownership interests in Herbalife International Luxembourg S.à.R.L. WH Luxembourg Holdings S.à.R.L. is a guarantor of the Herbalife Notes and senior credit facilities.

(5) WH Luxembourg Intermediate Holdings S.à.R.L. is a holding company that has no operations and no material assets other than its direct ownership interest of all of the outstanding capital stock of Herbalife. WH Luxembourg Intermediate Holdings S.à.R.L. is a guarantor of the Herbalife Notes and senior credit facilities.

(6) Herbalife International Luxembourg S.à.R.L. performs sourcing, distribution and related supply chain and other operational functions. These activities include contracting with third-party manufacturers worldwide for the development and supply of Herbalife products and the sale of these products to related Herbalife entities (for further distribution) and to unrelated third party distributors (including through Herbalife entities that function as commissionaires in certain European countries and Japan). Herbalife International Luxembourg S.à.R.L. is a guarantor of the Herbalife Notes and senior credit facilities.

(7) Herbalife International, Inc. is a holding company whose primary assets consist of its ownership interests in our domestic and foreign operating subsidiaries. Herbalife International, Inc.'s subsidiaries consist of Herbalife International of America, Inc., the operating company through which it conducts its domestic operations, and approximately 44 subsidiaries incorporated under the laws of approximately 36 different foreign jurisdictions, through which it conducts its foreign operations, many of which are guarantors of the Herbalife Notes and senior credit facilities. Herbalife International, Inc. is the obligor of the Herbalife Notes and the borrower under its senior credit facilities.

Summary of the Terms of the Exchange Offer

The following is a summary of the principal terms of the exchange offer. A more detailed description is contained in the section "The Exchange Offer." The term "Outstanding Notes" refers to our outstanding 9 1/2% Notes due 2011, and the terms "New Notes" and "Notes" refer to our 9 1/2% due 2011. The term "indenture" refers to the indenture that governs both the Outstanding Notes and the New Notes.

The Exchange Offer	We are offering to issue registered New Notes in exchange for a like principal amount and like denomination of our Outstanding Notes. We are offering to issue these registered New Notes to satisfy our obligations under a registration rights agreement that we entered into with the initial purchaser of the Outstanding Notes when we sold the Outstanding Notes in a transaction that was exempt from the registration requirements of the Securities Act. The terms of the New Notes offered in the exchange offer are substantially identical to those of the Outstanding Notes. You may tender your Outstanding Notes for exchange by following the procedures described under the caption "The Exchange Offer."
Registration Rights Agreement	We sold the Outstanding Notes on March 8, 2004 to the initial purchaser in a transaction that was exempt from the registration requirements of the Securities Act. In connection with the sale, we entered into a registration rights agreement with the initial purchaser which grants the holders of the Outstanding Notes specified exchange and registration rights. This exchange offer satisfies those rights, which terminate upon consummation of the exchange offer. You will not be entitled to any exchange or registration rights with respect to the New Notes.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on , 2004, which is 30 days after the commencement of the exchange offer, unless we extend it.
Withdrawal	You may withdraw the tender of any Outstanding Notes pursuant to the exchange offer at any time prior to the Expiration Date. We will return, as promptly as practicable after the expiration or termination of the exchange offer, any Outstanding Notes not accepted for exchange for any reason without expense to you.
Interest on the Notes	Interest on the New Notes will accrue from the date of the original issuance of the Outstanding Notes or from the date of the last payment of interest on the Outstanding Notes, whichever is later. No additional interest will be paid on Outstanding Notes tendered and accepted for exchange.
Conditions to the Exchange Offer	The exchange offer is subject to customary conditions, some of which we may waive.

Procedures for Tendering Outstanding Notes	If you wish to accept the exchange offer, you must complete, sign and date the accompanying letter of transmittal in accordance with the instructions in the letter of transmittal, and deliver the letter of transmittal, along with the Outstanding Notes and any other required documentation, to the exchange agent. By executing the letter of transmittal, you will represent to us that, among other things: • any New Notes that you receive will be acquired in the ordinary course of your business; • you are not participating, and you have no arrangement or understanding with any person to participate, in the distribution of the New Notes; • you are not our "affiliate", as defined in Rule 405 of the Securities Act or a broker-dealer tendering Outstanding Notes acquired directly from us; and • if you are not a broker-dealer, you will also be representing that you are not engaged in and do not intend to engage in a distribution of the New Notes. Each broker-dealer receiving New Notes for its own account in exchange for Outstanding Notes must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the New Notes. The letter of transmittal states that, by making this acknowledgement and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. A broker-dealer who acquired the Outstanding Notes for its own account as a result of market-making or other trading activities may use this prospectus for an offer to resell, resale or other transfer of the New Notes. We will accept for exchange any and all Outstanding Notes which are properly tendered (and not withdrawn) in the exchange offer prior to the Expiration Date. The New Notes issued pursuant to the exchange offer will be delivered promptly following the Expiration Date. See "The Exchange Offer—Acceptance of Outstanding Notes for Exchange" beginning on page 30 of this prospectus.
Special Procedures for Beneficial Owners	If you are a beneficial owner whose Outstanding Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender such Outstanding Notes in the exchange offer, please contact the registered holder as soon as possible and instruct them to tender your Outstanding Notes on your behalf and comply with our instructions set forth elsewhere in this prospectus.

Guaranteed Delivery Procedures	If you cannot meet the Expiration Date deadline, or you cannot deliver your Outstanding Notes, the letter of transmittal or any other documentation on time, then you must surrender your Outstanding Notes according to the guaranteed delivery procedures set forth under "The Exchange Offer—Procedures for Tendering Outstanding Notes—Guaranteed Delivery" beginning on page 33 of this prospectus.
Acceptance of Outstanding Notes and Delivery of New Notes	Upon consummation of the exchange offer, we will accept any and all Outstanding Notes that are properly tendered in the exchange offer and not withdrawn prior to 5:00 p.m., New York City time, on the Expiration Date. The New Notes issued pursuant to the exchange offer will be delivered promptly after acceptance of the tendered Outstanding Notes.
U.S. Federal Income Tax Considerations	Your exchange of Outstanding Notes for New Notes to be issued in the exchange offer will not result in any gain or loss to you for U.S. federal income tax purposes.
Use of Proceeds	We will not receive any cash proceeds from the exchange offer.
Exchange Agent	The Bank of New York.
Consequences of Failure to Exchange your Outstanding Notes	Outstanding Notes that are not tendered, or that are tendered but not accepted, will continue to be subject to the restrictions on transfer that are described in the legend on those notes. In general, you may offer or sell your Outstanding Notes only if they are registered under, or offered or sold under an exemption from, the Securities Act and applicable state securities laws. We, however, will have no further obligation to register the Outstanding Notes. If you do not participate in the exchange offer, the liquidity of your Outstanding Notes could be adversely affected.
Consequences of Exchanging Your Outstanding Notes	Based on interpretations of the staff of the SEC, we believe that you may offer for resale, resell or otherwise transfer the New Notes that we issue in the exchange offer without complying with the registration and prospectus delivery requirements of the Securities Act if you make the representations that appear above under the heading "—Procedures for Tendering Outstanding Notes." If any of these conditions is not satisfied and you transfer any New Notes issued to you in the exchange offer without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. We will not be responsible for or indemnify you against any liability you may incur.

Summary of the Terms of the Notes

The terms of the New Notes we are issuing in this exchange offer and the Outstanding Notes are identical in all material respects, except the New Notes offered in the exchange offer:

- will have been registered under the Securities Act;
- will not contain transfer restrictions and registration rights that relate to the Outstanding Notes; and
- will not contain provisions relating to the payment of liquidated damages to be made to the holders of the Outstanding Notes under circumstances related to the timing of the exchange offer.

A brief description of the material terms of the Notes follows:

Issuers	WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company and its wholly-owned subsidiary WH Capital Corporation, a Nevada corporation.
Securities Offered	$275,000,000 aggregate principal amount of 9 1/2% Notes due 2011.
Maturity	April 1, 2011.
Interest	The Notes will bear interest at the rate of 9 1/2% per year from March 8, 2004, payable semi-annually, in arrear, on April 1 and October 1 of each year, commencing on October 1, 2004.
Ranking	The Notes will be our general unsecured obligations, ranking: • equally with any of our existing and future senior indebtedness (other than Holdings' guarantee of Herbalife's obligations under its senior secured credit facilities, to which the Notes offered hereby will be contractually subordinated); and • senior to all of our future subordinated indebtedness. The Notes will be effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries. As of March 31, 2004, our subsidiaries had total indebtedness of $243.2 million to which the Notes will be effectively subordinated in right of payment and that, among other things, limit our ability to access the value or cash flow of our subsidiaries.
Guarantees	Generally, our obligations under the Notes will not be guaranteed by any of our subsidiaries. Under certain circumstances, however, our subsidiaries may be required to guarantee our obligations under the Notes. See "Description of Notes—Limitations on Indebtedness."
Optional Redemption	We may redeem some or all of the Notes at any time and from time to time on or after April 1, 2008, at a redemption price equal to 100% of the principal amount plus a premium declining ratably to par, plus accrued and unpaid interest and liquidated damages, if any, to the redemption date.

	At any time prior to April 1, 2007, we may use the proceeds of certain equity offerings to redeem up to 40% of the aggregate principal amount of Notes originally issued under the indenture and all or a portion of any additional Notes issued after the date of the indenture, in each case at a redemption price equal to 109.50% of the principal amount, plus accrued and unpaid interest and liquidated damages, if any, to the redemption date. In addition, at any time and from time to time prior to April 1, 2008, we may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount plus a make-whole premium, plus accrued and unpaid interest and liquidated damages, if any, to the redemption date.
Change of Control	Upon the occurrence of a change of control, we may be required to purchase the Notes at 101% of their principal amount plus accrued and unpaid interest, if any, to the purchase date.
Certain Covenants	The indenture governing the Notes contains covenants that will limit our and our subsidiaries' ability to, among other things: • pay dividends, redeem share capital or capital stock and make other restricted payments and investments; • incur additional debt or issue preferred shares; • allow the imposition of dividend or other distribution restrictions on our subsidiaries; • create liens on assets; • engage in transactions with affiliates; • guarantee other indebtedness of Holdings; and • merge, consolidate or sell all or substantially all of our assets and the assets of our subsidiaries.

Federal Income Tax Consequences

See "United States Federal Income Tax Consequences" starting on page 153 of this prospectus.

Additional Information

Herbalife's principal executive offices are located at 1800 Century Park East, Los Angeles, California 90067. Herbalife's telephone number is (310) 410-9600.

The principal executive offices of Holdings and its subsidiaries are located c/o Whitney at 177 Broad Street, Stamford, Connecticut 06901. Their telephone number is (203) 973-1400.

Risk Factors

This investment involves risks. Before deciding to surrender your Outstanding Notes for New Notes pursuant to this exchange offer, you should carefully consider the matters set forth under the heading "Risk Factors" beginning on page 17 of this prospectus and all other information contained in this prospectus.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth certain of our historical financial data. We have derived the summary historical consolidated financial data as of December 31, 2002 and 2003 and for the year ended December 31, 2001, the seven month period ended July 31, 2002, the five month period ended December 31, 2002, and the year ended December 31, 2003, from our audited financial statements and the related notes included elsewhere in this prospectus. We have derived the summary historical consolidated financial data for the three months ended March 31, 2003 and as of and for the three months ended March 31, 2004 from the unaudited financial statements and related notes included elsewhere in this prospectus. The summary historical financial data set forth below are not necessarily indicative of the results of future operations and should be read in conjunction with our audited consolidated financial statements, the selected consolidated historical financial data and the unaudited financial statements and, in each case, the related notes included elsewhere in this prospectus, the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the historical consolidated financial statements and accompanying notes included elsewhere in this prospectus.

We present EBITDA and adjusted EBITDA because management believes it provides useful information regarding our ability to service and/or incur debt and that it provides a more comparable measure of our profitability. However, such a measure is not in accordance with GAAP. You should not consider EBITDA in isolation from or as a substitute for net income, cash flows from operating activities and other consolidated income or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity. Adjusted EBITDA is calculated by adding back to EBITDA buy-out transaction expenses and other non-recurring expenses relating to the Acquisition. Adjusted EBITDA, as presented, may not be comparable to similarly titled measures reported by other companies.

For purposes of the presentation below, the pre-Acquisition and post-Acquisition periods for 2002 have been combined in order to facilitate comparisons. The combined information is not necessarily indicative of what actual results would have been for the year ended December 31, 2002.

	Historical						
	Year ended December 31, 2001	January 1 to July 31, 2002	August 1 to December 31, 2002	Year ended December 31, 2002	Year ended December 31, 2003	Three Months Ended March 31, 2003	Three Months Ended March 31, 2004
	(dollars in thousands)						
	(predecessor)	(predecessor)	(successor)	(predecessor and successor combined)	(successor)	(successor)	(successor)
Operations:							
Net sales	$ 1,020,130	$ 644,188	$ 449,524	$ 1,093,712	$ 1,159,433	$ 280,039	$ 324,053
Gross profit	778,608	503,635	354,523	858,158	923,648	223,079	260,435
Operating income(1)	68,775	14,304	52,889	67,193	107,036	39,192	36,736
Net income (loss)	42,588	9,212	14,005	23,217	36,847	16,870	(485)
Other Financial Data:							
EBITDA(2)	86,831	26,026	64,313	90,339	162,641	45,581	48,142
Adjusted EBITDA(2)	$ 86,831	$ 80,734	$ 70,496	$ 151,230	$ 167,733	45,923	48,142
Adjusted EBITDA margin(3)	8.5%	12.5%	15.7%	13.8%	14.5%	16.4%	14.9%
Depreciation and amortization	$ 18,056	$ 11,722	$ 11,424	$ 23,146	$ 55,605	6,389	11,406
Capital expenditures(4)	14,751	6,799	3,599	10,398	20,435	2,720	5,422
Ratio of earnings to fixed charges(5)	8.1	3.6	2.0	2.3	2.2	3.2	1.4
Balance Sheet Data:							
Cash, cash equivalents and marketable securities(6)	$ 201,181			$ 76,024	$ 156,380		$ 123,002
Receivables, net	27,609			29,026	31,977		33,775
Inventories	72,208			56,868	59,397		64,134
Total working capital(7)	177,813			7,186	1,521		18,789
Total assets	470,335			855,705	903,964		873,016
Total debt	10,612			340,759	325,294		510,622
Shareholders' equity	260,916			191,274	237,788		16,776

(1) Operating income for the seven months ended July 31, 2002 and the five months ended December 31, 2002 includes pre-tax charges of $54.7 million and $6.2 million, respectively, relating to fees and expenses in connection with the Acquisition and, for the year ended 2003, includes a $5.1 million charge for legal and related costs associated with litigation resulting from the Acquisition.

(2) EBITDA represents net income plus minority interest, income taxes, net interest expense and depreciation and amortization. We present EBITDA because management believes it provides useful information regarding our ability to service and/or incur debt and that it provides a more comparable measure of our profitability. However, such a measure is not in accordance with GAAP. You should not consider EBITDA in isolation from or as a substitute for net income, cash flows from operating activities and other consolidated income or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity. Adjusted EBITDA is calculated by adding back to EBITDA buy-out transaction expenses and other non-recurring expenses relating to the acquisition. Adjusted EBITDA, as presented, may not be comparable to similarly titled measures reported by other companies.

The following table represents a reconciliation of net income to EBITDA and adjusted EBITDA:

	Historical						
	Year ended December 31, 2001	January 1 to July 31, 2002	August 1 to December 31, 2002	Year ended December 31, 2002	Year ended December 31, 2003	Three Months Ended March 31, 2003	Three Months Ended March 31, 2004
	(dollars in thousands)						
	(predecessor)	(predecessor)	(successor)	(predecessor and successor combined)	(successor)	(successor)	(successor)
Net Income	$ 42,588	$ 9,212	$ 14,005	$ 23,217	$ 36,847	$ 16,870	$ (485)
Minority Interest	725	189	—	189	—	—	—
Income Taxes	28,875	6,267	14,986	21,253	28,721	12,374	9,849
Interest (Income) Expenses, Net	(3,413)	(1,364)	23,898	22,534	41,468	9,948	27,372
Depreciation and Amortization	18,056	11,722	11,424	23,146	55,605	6,389	11,406
EBITDA	86,831	26,026	64,313	90,339	162,641	45,581	48,142
Merger Transaction Expenses(a)	—	54,708	6,183	60,891	—	—	—
Other(b)	—	—	—	—	5,092	342	—
Adjusted EBITDA	$ 86,831	$ 80,734	$ 70,496	$ 151,230	$ 167,733	$ 45,923	$ 48,142

(a) Merger transaction expenses represent costs associated with the Acquisition of approximately $54.7 million and $6.2 million incurred during the seven months ended July 31, 2002 and the five months ended December 31, 2002, respectively.

(b) The year ended December 31, 2003 includes $5.1 million in legal and related costs associated with litigation resulting from the Acquisition.

(3) Adjusted EBITDA margin represents adjusted EBITDA as a percentage of net sales.

(4) Includes acquisitions of property from capitalized leases of $3.8 million for 2001, $2.1 million for the seven months ended July 31, 2002, $1.4 million for the five months ended December 31, 2002, $6.8 million for the year ended December 31, 2003, $1.4 million for the three months ended March 31, 2003 and $0.8 million for the three months ended March 31, 2004.

(5) In calculating ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges. Fixed charges consist of interest expense (which includes amortization of deferred financing costs and discounts) and one-third of rental expense, representing that portion of rental expense deemed to be attributable to interest.

(6) Includes restricted cash at Holdings of $10.6 million and $5.7 million as of December 31, 2002 and December 31, 2003, respectively, which was placed in escrow at the time of the Acquisition to make interest payments on Holdings' Senior Notes. This restricted cash will be released from escrow in connection with the purchase of Holdings' Senior Notes and will be used to fund a portion of the Transactions.

(7) Includes cash, cash equivalents, restricted cash and marketable securities.

(8) Adjusted to reflect the issuance of $275.0 million of the Outstanding Notes, the redemption of the Preferred Shares, repayment of $40.0 million of the senior credit facilities at Herbalife and the purchase of Holdings' Senior Notes.

RISK FACTORS

Investing in the Notes involves a high degree of risk. You should carefully consider the following risk factors in addition to the other information contained in this prospectus before deciding to surrender your Outstanding Notes for New Notes pursuant to this exchange offer. The risks described below are not the only ones we face. Other risks, including those that we do not currently consider material or may not currently anticipate, may impair our business.

Risks Related to our Business

Our failure to maintain our distributor relationships could adversely affect our business.

We distribute our products exclusively through independent distributors, and we depend upon them directly for substantially all of our sales. Accordingly, our success depends in significant part upon our ability to attract, retain and motivate a large base of distributors. The loss of a significant number of distributors could materially adversely affect sales of our products and could impair our ability to attract new distributors. Moreover, in our efforts to attract and retain distributors, we compete with other network marketing organizations, including those in the weight management product, dietary and nutritional supplement, and personal care and cosmetic product industries.

Regulatory matters governing our industry could have a significant negative effect on our business.

In both domestic and foreign markets, we are affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints may exist at the federal, state or local levels in the United States and at all levels of government in foreign jurisdictions.

Product Regulations.

The formulation, manufacturing, packaging, labeling, distribution, importation, sale and storage of our products are subject to extensive regulation by various federal agencies, including the Food and Drug Administration ("FDA"), the Federal Trade Commission (the "FTC"), the Consumer Product Safety Commission and the United States Department of Agriculture and by various agencies of the states, localities and foreign countries in which our products are manufactured, distributed and sold. Our failure or our distributors' failure to comply with those regulations or new regulations could lead to the imposition of significant penalties or claims and could materially adversely affect our business. In addition, the adoption of new regulations or changes in the interpretations of existing regulations may result in significant compliance costs or discontinuation of product sales and may adversely affect the marketing of our products, resulting in significant loss of sales revenues.

Good Manufacturing Practices.

On March 7, 2003, the FDA proposed a new regulation to require current good manufacturing practices in the manufacturing, packing and holding of dietary supplements. We are evaluating this proposal with respect to its potential impact upon the various contract manufacturers that we use to manufacture our products, and cannot assure you of the effect such proposals may have on our contract manufacturers or our business.

Product Claims, Advertising and Distributor Activities.

Our failure to comply with laws and regulations regarding product claims and advertising, including direct claims and advertising by us, as well as claims and advertising and other conduct by distributors for which we may be held responsible, may result in enforcement actions and the imposition of penalties or otherwise materially and adversely affect the distribution and sale of our products. Should

distributor activities in our existing markets be found to violate applicable governmental laws or regulations, it could result in governmental or private actions against us in markets where we operate. In response to complaints from local regulators in some of our markets, we imposed a ban in March 2002 on the inappropriate use by distributors of outdoor signage. We cannot assure you as to the effect such ban will have. Given the size of our distributor force, we cannot ensure that all distributors will comply with applicable legal requirements.

Network Marketing System.

Our network marketing system is subject to a number of federal and state regulations administered by the FTC and various state agencies as well as regulations in foreign markets administered by foreign agencies. Regulations applicable to network marketing organizations generally are directed at ensuring that product sales ultimately are made to consumers and that advancement within an organization is based on sales of the organization's products rather than investments in the organization or other non-retail sales related criteria. The regulatory requirements concerning network marketing systems do not include "bright line" rules and are inherently fact-based.

We are also subject to the risk of private party challenges to the legality of our network marketing system. The multi-level marketing programs of other companies have been successfully challenged in the past, and in a current lawsuit, allegations have been made challenging the legality of our network marketing system. An adverse judicial determination with respect to our network marketing system, or in proceedings not involving us directly but which challenge the legality of multi-level marketing systems, could have a material adverse effect on our business. We are subject to the risk that, in one or more markets, our marketing system could be found not to be in compliance with applicable law or regulations. The failure of our network marketing system to comply with such regulations could have a material adverse effect on our business in a particular market or in general.

Transfer Pricing and Similar Regulations.

In many countries, including the United States, we are subject to transfer pricing and other tax regulations designed to ensure that appropriate levels of income are reported as earned by our United States or local entities and are taxed accordingly. In addition, our operations are subject to regulations designed to ensure that appropriate levels of customs duties are assessed on the importation of our products. Herbalife currently is subject to pending or proposed audits that are at various levels of review, assessment or appeal in a number of jurisdictions involving transfer pricing issues, income taxes, value added taxes, withholding taxes and related interest and penalties in material amounts. In some circumstances, additional taxes, interest and penalties have been assessed, and we will be required to litigate to reverse the assessments. Ultimate resolution of these matters may take several years, and the outcome is uncertain.

Taxation Relating to Distributors.

Our distributors are subject to taxation, and in some instances, legislation or governmental agencies impose an obligation on us to collect taxes, such as value added taxes, and to maintain appropriate records. In addition, we are subject to the risk in some jurisdictions of being responsible for social security and similar taxes with respect to our distributors.

Other Regulations.

We are also subject to a variety of other regulations in various foreign markets, including regulations pertaining to employment and severance pay requirements, import/export regulations and antitrust issues. Our failure to comply, or assertions that we failed to comply, with these regulations could have a material adverse effect on our business in a particular market or in general.

To the extent we decide to commence or expand operations in additional countries, government regulations in those countries may prevent or delay entry into or expansion of operations in those markets. In addition, the ability to sustain satisfactory levels of sales in our existing markets is dependent in significant part on our ability to introduce additional products into these markets. Government regulations in both our domestic and international markets, however, can delay or prevent the introduction, or require the reformulation or withdrawal, of some of our products.

Adverse publicity associated with our products or our ingredients could adversely affect our business.

Because we are highly dependent upon consumers' perception of the safety and quality of our products and ingredients as well as similar products distributed by other companies, we could be adversely affected if any of our products or any similar products or ingredients distributed by other companies prove to be, or are asserted to be, harmful to consumers. In addition, because of our dependence upon consumer perceptions, any adverse publicity associated with illness or other adverse effects resulting from consumers' use or misuse of our products or any similar products distributed by other companies could have a material adverse impact on our business. Adverse publicity could also negatively affect our ability to attract, motivate and retain distributors.

The high level of competition in our industry could adversely affect our business.

The business of marketing weight management, inner nutrition and Outer Nutrition® products is highly competitive. These market segments include numerous manufacturers, distributors, marketers, retailers and physicians that actively compete for the business of consumers both in the United States and abroad. The market is highly sensitive to the introduction of new products or weight management plans, including various prescription drugs, which may rapidly capture a significant share of the market. While we own the proprietary rights to substantially all of our weight management and inner nutrition products, we cannot be sure that another company will not replicate one of our products. In addition, we anticipate that we will be subject to increasing competition in the future from sellers that utilize electronic commerce.

We are subject to significant competition for the recruitment of distributors from other network marketing organizations, including those that market weight management products, dietary and nutritional supplements, and personal care products as well as other types of products. Our ability to remain competitive depends, in significant part, on our success in recruiting and retaining distributors through an attractive compensation plan and other incentives. We cannot ensure that our programs for recruitment and retention of distributors will be successful.

Risks associated with our foreign operations.

A foreign government may impose trade or foreign exchange restrictions or increased tariffs, which could adversely affect our operations. We are also exposed to risks associated with foreign currency fluctuations. For instance, purchases from suppliers are generally made in U.S. dollars while sales to distributors are generally made in local currencies. Accordingly, strengthening of the U.S. dollar versus a foreign currency could have a negative impact on us. Although we engage in transactions to protect against risks associated with foreign currency fluctuations, we cannot be certain any hedging activity will effectively reduce our exchange rate exposure. Our operations in some markets also may be adversely affected by political, economic and social instability in foreign countries. As we continue to focus on expanding our existing international operations, these and other risks associated with international operations may increase. Approximately 76% of our net sales for the year ended December 31, 2003 were generated outside the United States.

A large portion of net sales is concentrated in a small number of countries.

Our earnings in future periods may be susceptible to various risks because of the concentration of net sales in a small number of countries. Of the 58 countries in which we operated as of March 31, 2004, the United States, Japan and Germany accounted for 19.8%, 9.2% and 6.9%, respectively, or 35.9% in the aggregate, of our total net sales. As a result, our performance is primarily dependent upon economic conditions and consumer demand for our products in these three countries.

One of our products constitutes a significant portion of our retail sales.

Our Formula 1 meal replacement product constitutes a significant portion of our retail sales, accounting for approximately 20% of net sales in 2003. If consumer demand for this product decreases significantly or we cease offering this product without a suitable replacement, our operations could be materially adversely affected.

Our ability to grow in the future will be more dependent on increased penetration of existing markets.

We have historically grown principally by entering into new markets. Because we have already succeeded in entering into the most attractive markets for our products and distribution system, an increasingly important part of our strategy for continued growth is to increase the number and range of our products available in existing markets. In addition, our growth will depend upon improved training and other activities that enhance distributor retention in our markets. We cannot assure you that our efforts to increase our market penetration and distributor retention in existing markets will be successful.

In addition, our success has been, and will continue to be, significantly dependent on our ability to manage growth through expansion and enhancement of our worldwide personnel and management, order processing and fulfillment, inventory and shipping systems and other aspects of operations. As we continue to expand our operations, the ability to manage this growth will represent an increasing challenge.

Product liability claims could hurt our business.

Our products consist of herbs, vitamins and minerals and other ingredients that are classified as foods or dietary supplements and are not subject to pre-market regulatory approval in the United States. We generally do not conduct or sponsor clinical studies for our products. As a marketer of dietary and nutritional supplements and other products that are ingested by consumers or applied to their bodies, we have been and may again be subjected to various product liability claims, including that: (i) the products contain contaminants; (ii) the products include inadequate instructions as to their uses; or (iii) the products include inadequate warnings concerning side effects and interactions with other substances. It is possible that widespread product liability claims and the resulting adverse publicity could negatively affect our business. In addition, our product liability insurance may fail to cover future product liability claims thereby requiring us to pay substantial monetary damages and adversely affecting our business (especially given the higher level of self-insurance we have accepted). Finally, we may become required to pay higher premiums and accept higher deductibles in order to secure adequate insurance coverage in the future.

We do not manufacture our own products so we must rely on independent third parties for the manufacture and supply of our products.

All of our products are manufactured by outside companies, except for a small amount of products manufactured in our own manufacturing facility in China. We cannot assure you that these outside manufacturers will continue to reliably supply products to us at the level of quality we require. In the event any of our third-party manufacturers were to become unable or unwilling to continue to provide

the products in required volumes and quality levels, we would be required to identify and obtain acceptable replacement manufacturing sources. There is no assurance that we will be able to obtain alternative manufacturing sources on a timely basis. An extended interruption in the supply of products would result in loss of sales. In addition, any actual or perceived degradation of product quality as a result of reliance on third party manufacturers may have an adverse effect on sales or result in increased product returns and buybacks.

Terrorist attacks or acts of war may seriously harm our business.

Terrorist attacks or acts of war may cause damage or disruption to us, our employees, our facilities and our customers, which could impact our revenues, costs and expenses, and financial condition. The terrorist attacks that took place in the United States on September 11, 2001 were unprecedented events that have created many economic and political uncertainties, some of which may materially adversely affect our business, results of operations, and financial condition. The potential for future terrorist attacks, the national and international responses to terrorist attacks, and other acts of war or hostility have created many economic and political uncertainties, which could materially adversely affect our business, results of operations, and financial condition in ways that we currently cannot predict.

A general economic downturn may reduce our revenues.

Worldwide economic conditions may affect demand for our products. Consumer purchases of our products may decline during recessionary periods and also may decline at other times when disposable income is lower.

A few of our shareholders collectively control us and have the power to cause the approval or rejection of all shareholder actions.

Affiliates of Whitney and Golden Gate own approximately 51% and 29%, respectively, of the voting power of our share capital as of March 31, 2004. Accordingly, the Equity Sponsors together currently have the power to cause the approval or rejection of any matter on which the shareholders may vote, including the Transactions. Certain shareholders are party to a shareholders' agreement that determines the composition of the Board of Directors. The Equity Sponsors' designees will constitute the majority of the Board of Directors. This control over corporate actions may delay, deter or prevent transactions that would result in a change of control. In addition, even if all shareholders other than the Equity Sponsors voted together as a group, they would not have the power to adopt any action or to block the adoption of any action favored by the Equity Sponsors if the Equity Sponsors act in concert. Moreover, the Equity Sponsors may have interests that are in addition to, or that vary from, yours.

Risks Related to the Notes

The market value of the New Notes could be materially adversely affected if only a limited number of New Notes are available for trading.

To the extent that a large amount of the Outstanding Notes are not tendered or are tendered and not accepted in the exchange offer, the trading market for the New Notes could be materially adversely affected. Generally, a limited amount, or "float," of a security could result in less demand to purchase such security and, as a result, could result in lower prices for such security. We cannot assure you that a sufficient number of Outstanding Notes will be exchanged for New Notes so that this does not occur.

There are consequences associated with failing to exchange the Outstanding Notes for the New Notes.

If you do not exchange your Outstanding Notes for New Notes in the exchange offer, you will still have the restrictions on transfer provided in the Outstanding Notes and the indenture. In general, the

Outstanding Notes may not be offered or sold unless registered or exempt from registration under the Securities Act, or in a transaction not subject to the Securities Act and applicable state securities laws. We do not plan to register the Outstanding Notes under the Securities Act.

Our substantial amount of consolidated debt could adversely affect our consolidated financial condition and prevent us from fulfilling our obligations under the Notes.

In connection with the consummation of the Transactions, we have incurred a substantial amount of debt. At March 31, 2004, our total debt was $510.6 million and our shareholders' equity was $16.4 million.

Our substantial amount of debt may have important consequences for us. For example, it may:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to obtain additional financing to fund working capital, capital expenditures and other general corporate requirements;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow for other purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- make it difficult for us to meet our debt service requirements if we experience a substantial decrease in our revenues or an increase in our expenses.

We are a holding company and the Notes are structurally subordinated to the debt of our subsidiaries.

We are a holding company and we conduct substantially all of our operations through our subsidiaries, primarily Herbalife. Our only material assets are our ownership interests in our subsidiaries. Our principal sources of cash are from external financings, dividends and advances from our subsidiaries and investments. The amount of dividends available to us from our subsidiaries depends largely upon each subsidiary's earnings and operating capital requirements. The terms of some of our subsidiaries' borrowing arrangements limit the transfer of funds to us, including Herbalife's senior subordinated notes and senior credit facilities. In addition, the ability of our subsidiaries to make any payments to us will depend on their business and tax considerations and legal restrictions. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the Notes or to make any funds available therefor, whether by dividends, loans or other payments.

As a result of our holding company structure, the Notes will effectively rank junior to all existing and future debt, trade payables and other liabilities of our subsidiaries. Our right to receive any assets of any of our subsidiaries upon their liquidation or reorganization, and therefore the right of holders of the Notes to participate in those assets, will be subject to the prior claims of that subsidiary's creditors, including trade creditors. At March 31, 2004, in addition to trade debt and other liabilities, our subsidiaries had approximately $243.2 million of total indebtedness for borrowed money. In addition, the indenture governing the Notes permits, subject to specified limitations, our subsidiaries to incur additional debt.

Your right to receive payment on the Notes is junior to our secured obligations under our guarantee of our subsidiaries' senior credit facilities.

The Notes will be general unsecured obligations, junior in right of payment to all of our obligations under a guaranty of our subsidiaries' senior credit facilities. The Notes will not be secured by any of our assets, and as such will be effectively subordinated to any secured debt that we have now, including our guaranty of the borrowings under our subsidiaries' senior credit facilities, or may incur in the future to the extent of the value of the assets securing that debt.

In the event that we are declared bankrupt, become insolvent or are liquidated or reorganized, any debt that ranks ahead of the Notes will be entitled to be paid in full from our assets before any payment may be made with respect to the Notes. In any of the foregoing events, we cannot assure you that we would have sufficient assets to pay amounts due on the Notes. As a result, holders of the Notes may receive less, proportionally, than the holders of debt senior to the Notes. The subordination provisions of the indenture governing the Notes also provide that we can make no payment to you during the continuance of payment defaults on our senior debt, and payments to you may be suspended for a period of up to 179 days if a nonpayment default exists under our subsidiaries' senior credit facilities.

At March 31, 2004, the Outstanding Notes ranked junior to approximately $75.4 million of indebtedness under the senior credit facilities, all of which is secured.

To make payments on our debt, we will require a significant amount of cash; our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on our debt, including the Notes, will depend on our ability to generate cash in the future. This, to some extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you that our subsidiaries' businesses will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to pay interest and principal on our debt or to fund our other liquidity needs. We may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

We may not have access to the cash flow and other assets of our subsidiaries that may be needed to make payment on the Notes.

Our operations are conducted through our subsidiaries and our ability to make payment on the Notes is dependent on the earnings and the distribution of funds from our subsidiaries. However, none of our subsidiaries is obligated to make funds available to us for payment on the Notes. In addition, the terms of the agreements governing Herbalife's senior credit facilities and senior subordinated Notes significantly restrict our subsidiaries from paying dividends and otherwise transferring assets to us. Furthermore, Herbalife will be permitted under the terms of its senior credit facilities, senior subordinated notes and other indebtedness to incur additional indebtedness that may severely restrict or prohibit the making of distributions, the payment of dividends or the making of loans by our subsidiaries to us.

We cannot assure you that the agreements governing the current and future indebtedness of our subsidiaries will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to fund scheduled interest and principal payments on the Notes when due. See "Description of Other Indebtedness."

The ability of some of our foreign subsidiaries to distribute cash may be restricted by local law.

Local laws governing some of our foreign subsidiaries may restrict the ability of those foreign subsidiaries to pay dividends and make distributions, loans or advances to us in some circumstances. For example, some foreign subsidiaries could be subject to restrictions on dividends or repatriations of earnings under applicable local law, monetary transfer restrictions and foreign currency exchange regulations in the jurisdictions in which these foreign subsidiaries operate. In any of the foregoing events, we cannot assure you that we would have sufficient assets to pay amounts due on the Notes.

The covenants in the Notes will limit, and the covenants in our subsidiaries' senior credit facilities limit, our and their discretion with respect to certain business matters.

The Notes will contain and our subsidiaries' senior credit facilities contain numerous financial and operating covenants that will restrict our and their ability to, among other things:

- pay dividends, redeem share capital or capital stock and make other restricted payments and investments;
- incur additional debt or issue preferred stock;
- allow the imposition of dividend or other distribution restrictions on our subsidiaries;
- create liens on our and their assets;
- engage in transactions with affiliates; and
- merge, consolidate or sell all or substantially all of our assets and the assets of our subsidiaries.

In addition, our subsidiaries' senior credit facilities require us to meet certain financial ratios and financial conditions, including minimum interest charge and fixed charge ratios and a maximum leverage ratio. Our and their ability to comply with these covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions. Failure to comply with these covenants could result in a default under the Notes and/or the senior credit facilities, causing all amounts thereunder to become due and payable.

Issuance of the Notes and the guarantees issued under certain circumstances by our domestic subsidiaries may be subject to fraudulent conveyance laws.

Under applicable provisions of the U.S. Bankruptcy Code or comparable provisions of state fraudulent transfer or conveyance laws, if at the time the issuer of the Notes incurred the debt evidenced by the Notes, or a domestic subsidiary guarantor incurred the debt evidenced by its guarantee, as the case may be, it either:

- incurred the debt with the intent to hinder, delay or defraud creditors; or
- received less than reasonably equivalent value or fair consideration for incurring the debt; and
    - was insolvent at the time of the incurrence;
    - was rendered insolvent by reason of the incurrence (and the application of the proceeds thereof);
    - was engaged or was about to engage in a business or transaction for which its remaining assets constituted unreasonably small capital to carry on its business; or
    - intended to incur, or believed that it would incur, debts beyond its ability to pay the debts as they matured;

then, in each case, a court of competent jurisdiction could (i) avoid (i.e., cancel) in whole or in part, the Notes or the guarantee and direct the repayment of any amounts paid thereunder, (ii) subordinate

the Notes or the guarantee of such subsidiary guarantor, as the case may be, to our obligations to other existing and future creditors or (iii) take other actions detrimental to the noteholders.

A court would likely find that neither we nor any subsidiary guarantor received reasonably equivalent value or fair consideration for incurring our respective obligations under the Notes and guarantees unless we or the subsidiary benefited directly or indirectly from the Notes' issuance, including the application of the proceeds thereof. In other instances, courts have found that an issuer did not receive reasonably equivalent value or fair consideration if the proceeds of the issuance were paid to the issuer's shareholders, although we cannot predict how a court would rule in this case.

The test for determining solvency for purposes of the foregoing will vary depending on the law of the jurisdiction being applied. In general, a court would consider an entity insolvent either if the sum of its existing debts exceeds the fair value of all its property, or its assets' present fair saleable value is less than the amount required to pay the probable liability on its existing debts as they become due. For this analysis, "debts" includes contingent and unliquidated debts.

In the event that any of our subsidiaries are required to guarantee our obligations under the Notes, such guarantee will be limited in a manner intended to avoid it being deemed a fraudulent conveyance under applicable law.

We may not have the ability to raise the funds necessary to finance a change of control offer required by the indenture governing the Notes.

Upon the occurrence of specific change of control events, we may be required to purchase all Notes at 101% of their principal amount. It is possible that we will not have sufficient funds at the time of a change of control to purchase the Notes or that restrictions in our or our subsidiaries' other debt agreements will not allow the purchases. If we are unable to purchase the Notes upon a change of control, we would be in default under the indenture governing the Notes, which could cause acceleration of our other debt. In addition, some important corporate events, such as leveraged recapitalizations that would increase the level of our debt, would not necessarily constitute a "Change of Control" under the indenture governing the Notes.

You cannot be sure that an active trading market will develop for the Notes and you may have to hold the Notes indefinitely.

The Notes are a new issue of securities for which there currently is no trading market. As a result, we cannot provide any assurances that a market will develop for the Notes or that you will be able to sell your Notes. If any of the Notes are traded after their initial issuance, they may trade at a discount from their initial offering price. Future trading prices of the Notes will depend on many factors, including prevailing interest rates, the market for similar securities, general economic conditions and our financial condition, performance and prospects. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial fluctuations in the prices of the securities. Accordingly, you may be required to bear the financial risk of an investment in the Notes for an indefinite period of time.

We do not intend to apply for listing or quotation of the Notes. The Notes have been designated, however, for trading in The PORTAL® Market. We have been informed by the initial purchaser of the Outstanding Notes that it intends to make a market in the New Notes after this exchange offer. The initial purchaser is not obligated to do so, and it may cease its market-making at any time without notice. In addition, this market-making activity will be subject to the limitations imposed by the Securities Act and the Exchange Act and may be limited during the effectiveness of a registration statement relating to the Notes.

There is uncertainty as to your ability to enforce certain foreign civil liabilities in the Cayman Islands.

We are incorporated as an exempted company with limited liability under the laws of the Cayman Islands. A material portion of our assets are located outside of the United States. As a result, it may be difficult for persons purchasing New Notes (or persons who purchased Outstanding Notes and exchange them for New Notes) to enforce judgments against us or judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States or any state of the United States.

We have been advised by our Cayman Islands counsel, Maples and Calder, that although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will—based on the principle that a judgment by a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given—recognize and enforce a foreign judgment of a court of competent jurisdiction if such judgment is final, for a liquidated sum, not in respect of taxes or a fine or penalty, is not inconsistent with a Cayman Islands judgment in respect of the same matters, and was not obtained in a manner, and is not of a kind, the enforcement of which is contrary to the public policy of the Cayman Islands. There is doubt, however, as to whether the Grand Court of the Cayman Islands will (i) recognize or enforce judgments of U.S. courts predicated upon the civil liability provisions of the securities laws of the United States or any state of the United States, or (ii) in original actions brought in the Cayman Islands, impose liabilities predicated upon the civil liability provisions of the securities laws of the United States or any state of the United States, on the grounds that such provisions are penal in nature.

The Grand Court of the Cayman Islands may stay proceedings if concurrent proceedings are being brought elsewhere.

THE RECAPITALIZATION OF HOLDINGS AND RELATED TRANSACTIONS

The proceeds of the offering of the Outstanding Notes, together with available cash, were used to consummate (i) the redemption of all of Holdings' outstanding 12% Series A Cumulative Convertible Preferred Shares, which we refer to herein as the "Preferred Shares," including Preferred Shares issued in connection with the exercise of all outstanding warrants to purchase the Preferred Shares, which we refer to herein as the "Warrants;" (ii) the purchase of all of Holdings' outstanding Senior Notes; (iii) the reduction of outstanding amounts under the term loan under Herbalife's senior credit facilities; and (iv) the payment of related fees and expenses (collectively, the "Transactions").

Immediately following the Transactions, Holdings no longer had any Preferred Shares or any Warrants to purchase the Preferred Shares outstanding, and Holdings' material obligations principally consisted of the obligations incurred under the Outstanding Notes and its guarantee of Herbalife's senior credit facilities.

Prior to consummating the Transactions, Herbalife amended and restated the credit agreement governing its senior credit facilities to facilitate the Transactions described above. See "Description of Other Indebtedness—Herbalife's Senior Credit Facilities."

THE EXCHANGE OFFER

Exchange Terms

We sold the Outstanding Notes on March 8, 2004 to the initial purchaser pursuant to a purchase agreement. The initial purchaser subsequently sold the Outstanding Notes to:

- "qualified institutional buyers" ("QIBs"), as defined in Rule 144A under the Securities Act, in reliance on Rule 144A; and to
- persons in offshore transactions in reliance on Regulation S under the Securities Act.

As a condition to the initial sale of the Outstanding Notes, Holdings, WH Capital Corp. and the initial purchaser entered into a registration rights agreement. Pursuant to the registration rights agreement, we agreed to:

- file with the SEC by July 21, 2004, a registration statement under the Securities Act with respect to the New Notes, and
- use our reasonable efforts to cause the registration statement to become effective under the Securities Act on or before August 20, 2004.

We agreed to issue and exchange the New Notes for all Outstanding Notes properly surrendered and not withdrawn before the expiration of the exchange offer. A copy of the registration rights agreement has been filed as an exhibit to the registration statement which includes this prospectus. The registration statement is intended to satisfy some of our obligations under the registration rights agreement and the purchase agreement.

Outstanding Notes in an aggregate principal amount of $275,000,000 are currently issued and outstanding. The maximum aggregate principal amount of New Notes that will be issued in exchange for Outstanding Notes is $275,000,000. The terms of the New Notes and the Outstanding Notes are substantially the same in all material respects, except that the New Notes will be freely transferable by the holders except as provided in this prospectus. See "Description of Notes."

The New Notes will bear interest at a rate of 9 1/2% per year, payable semiannually on April 1 and October 1 of each year, beginning on October 1, 2004. Holders of New Notes will receive interest from the date of the original issuance of the Outstanding Notes or from the date of the last payment of interest on the Outstanding Notes, whichever is later. Holders of New Notes will not receive any interest on Outstanding Notes tendered and accepted for exchange. In order to exchange your Outstanding Notes for transferable New Notes in the exchange offer, you will be required to make the following representations, which are included in the letter of transmittal:

- any New Notes that you receive will be acquired in the ordinary course of your business;
- you are not participating, and have no arrangement or understanding with any person to participate, in the distribution of the New Notes;
- you are not our "affiliate," as defined in Rule 405 of the Securities Act, or a broker-dealer tendering Outstanding Notes acquired directly from us;
- if you are a broker-dealer that will receive New Notes for your own account in exchange for Outstanding Notes that were acquired as a result of market-making or other trading activities, you will deliver a prospectus in connection with any resale of the New Notes; and
- you have full power and authority to transfer your Outstanding Notes for New Notes and Holdings and WH Capital Corp. will acquire good an unencumbered title thereto free and clear of any liens, restrictions, charges or encumbrances and not subject to any adverse claims.

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept for exchange any Outstanding Notes properly tendered and not validly withdrawn in the exchange offer, and the exchange agent will deliver the New Notes promptly after the Expiration Date of the exchange offer.

If you tender your Outstanding Notes, you will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of the Outstanding Notes in connection with the exchange offer. We will pay all charges, expenses and transfer taxes in connection with the exchange offer, other than the taxes described below under "—Transfer Taxes."

WE MAKE NO RECOMMENDATION TO YOU AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING ALL OR ANY PORTION OF YOUR OUTSTANDING NOTES INTO THIS EXCHANGE OFFER. IN ADDITION, NO ONE HAS BEEN AUTHORIZED TO MAKE THIS RECOMMENDATION. YOU MUST MAKE YOUR OWN DECISION WHETHER TO TENDER INTO THIS EXCHANGE OFFER AND, IF SO, THE AGGREGATE AMOUNT OF OUTSTANDING NOTES TO TENDER AFTER READING THIS PROSPECTUS AND THE LETTER OF TRANSMITTAL AND CONSULTING WITH YOUR ADVISORS, IF ANY, BASED ON YOUR FINANCIAL POSITION AND REQUIREMENTS.

Expiration Date; Extensions; Termination; Amendments

The exchange offer expires at 5:00 p.m., New York City time, on , 2004, unless we extend the exchange offer, in which case the Expiration Date will be the latest date and time to which we extend the exchange offer.

In order to extend the exchange offer, we will:

- notify the exchange agent of any extension by oral or written notice; and
- issue a press release or other public announcement which will include disclosure of the approximate number of private Notes deposited; such press release or announcement would be issued prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

We expressly reserve the right, so long as applicable law allows:

- to delay our acceptance of Outstanding Notes for exchange;
- to terminate the exchange offer if any of the conditions set forth under "—Conditions Of The Exchange Offer" beginning on page 35 exist;
- to waive any condition to the exchange offer;
- to amend any of the terms of the exchange offer; and
- to extend the Expiration Date and retain all Outstanding Notes tendered in the exchange offer, subject to your right to withdraw your tendered Outstanding Notes as described under "—Withdrawal of Tenders."

Any waiver or amendment to the exchange offer will apply to all Outstanding Notes tendered, regardless of when or in what order the Outstanding Notes were tendered. If the exchange offer is amended in a manner that we think constitutes a material change, or if we waive a material condition of the exchange offer, we will promptly disclose the amendment or waiver by means of a prospectus supplement that will be distributed to the registered holders of the Outstanding Notes, and we will extend the exchange offer to the extent required by Rule 14e-1 under the Exchange Act.

We will promptly follow any delay in acceptance, termination, extension or amendment by oral or written notice of the event to the exchange agent, followed promptly by oral or written notice to the registered holders. Should we choose to delay, extend, amend or terminate the exchange offer, we will have no obligation to publish, advertise or otherwise communicate this announcement, other than by making a timely release to an appropriate news agency.

In the event we terminate the exchange offer, all Outstanding Notes previously tendered and not accepted for payment will be returned promptly to the tendering holders.

In the event that the exchange offer is withdrawn or otherwise not completed, New Notes will not be given to holders of Outstanding Notes who have validly tendered their Outstanding Notes.

Resale Of New Notes

Based on interpretations of the SEC staff set forth in no action letters issued to third parties, we believe that New Notes issued under the exchange offer in exchange for Outstanding Notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act, if:

- you are acquiring New Notes in the ordinary course of your business;
- you are not participating, and have no arrangement or understanding with any person to participate, in the distribution of the New Notes;
- you are not a broker-dealer who purchased Outstanding Notes directly from us for resale pursuant to Rule 144A or any other available exemption under the Securities Act; and
- you are not our "affiliate" within the meaning of Rule 405 under the Securities Act.

However, we have not asked the SEC to consider this particular exchange offer in the context of a no-action letter. Therefore, you cannot be sure that the SEC will treat it in the same way it has treated other exchange offers in the past.

If you tender Outstanding Notes in the exchange offer with the intention of participating in any manner in a distribution of the New Notes:

- you cannot rely on those interpretations by the SEC staff; and
- you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction and such a secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K.

Only broker-dealers that acquired the Outstanding Notes as a result of market-making activities or other trading activities may participate in the exchange offer. Each broker-dealer that receives New Notes for its own account in exchange for Outstanding Notes, where such Outstanding Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the New Notes. Please read the section captioned "Plan of Distribution" on page 160 for more details regarding the transfer of New Notes.

Acceptance Of Outstanding Notes For Exchange

We will accept for exchange Outstanding Notes validly tendered pursuant to the exchange offer, or defectively tendered, if such defect has been waived by us, after the later of: (1) the Expiration Date of the exchange offer and (2) the satisfaction or waiver of the conditions specified below under "—Conditions Of The Exchange Offer." We will not accept Outstanding Notes for exchange

subsequent to the Expiration Date of the exchange offer. Tenders of Outstanding Notes will be accepted only in minimum denominations equal to $100,000 or integral multiples of $1,000 in excess thereof.

We expressly reserve the right, in our sole discretion, to:

- delay acceptance for exchange of Outstanding Notes tendered under the exchange offer, subject to Rule 14e-1 under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders promptly after the termination or withdrawal of a tender offer; or

- terminate the exchange offer and not accept for exchange any Outstanding Notes not theretofore accepted for exchange, if any of the conditions set forth below under "—Conditions Of The Exchange Offer" have not been satisfied or waived by us or in order to comply in whole or in part with any applicable law.

In all cases, New Notes will be issued only after timely receipt by the exchange agent of certificates representing Outstanding Notes, or confirmation of book-entry transfer, a properly completed and duly executed letter of transmittal, or a manually signed facsimile thereof, and any other required documents. For purposes of the exchange offer, we will be deemed to have accepted for exchange validly tendered Outstanding Notes, or defectively tendered Outstanding Notes with respect to which we have waived such defect, if, as and when we give oral, confirmed in writing, or written notice to the exchange agent. Promptly after the Expiration Date, we will deposit the New Notes with the exchange agent, who will act as agent for the tendering holders for the purpose of receiving the New Notes and transmitting them to the holders. The exchange agent will deliver the New Notes to holders of Outstanding Notes accepted for exchange after the exchange agent receives the New Notes.

If, for any reason, we delay acceptance for exchange of validly tendered Outstanding Notes or we are unable to accept for exchange validly tendered Outstanding Notes, then the exchange agent may, nevertheless, on our behalf, retain tendered Outstanding Notes, without prejudice to our rights described under "—Expiration Date; Extensions; Termination; Amendments" beginning on page 29, "—Conditions Of The Exchange Offer" beginning on page 35 and "—Withdrawal Of Tenders" beginning on page 34, subject to Rule 14e-1 under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of a tender offer.

If any tendered Outstanding Notes are not accepted for exchange for any reason, or if certificates are submitted evidencing more Outstanding Notes than those that are tendered, certificates evidencing Outstanding Notes that are not exchanged will be returned, without expense, to the tendering holder, or, in the case of Outstanding Notes tendered by book-entry transfer into the exchange agent's account at a book-entry transfer facility under the procedure set forth under "—Procedures for Tendering Outstanding Notes—Book-Entry Transfer" on page 33, such Outstanding Notes will be credited to the account maintained at such book-entry transfer facility from which such Outstanding Notes were delivered, unless otherwise requested by such holder under "Special Delivery Instructions" in the letter of transmittal, promptly following the exchange date or the termination of the exchange offer.

Tendering holders of Outstanding Notes exchanged in the exchange offer will not be obligated to pay brokerage commissions or transfer taxes with respect to the exchange of their Outstanding Notes other than as described in "—Transfer Taxes" on page 36 or in Instruction 7 to the letter of transmittal. We will pay all other charges and expenses in connection with the exchange offer.

Procedures For Tendering Outstanding Notes

Any beneficial owner whose Outstanding Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee or held through a book-entry transfer facility and

who wishes to tender Outstanding Notes should contact such registered holder promptly and instruct such registered holder to tender Outstanding Notes on such beneficial owner's behalf.

Tender of Outstanding Notes Held Through Depository Trust. The exchange agent and Depository Trust have confirmed that the exchange offer is eligible for the Depository Trust automated tender offer program. Accordingly, Depository Trust participants may electronically transmit their acceptance of the exchange offer by causing Depository Trust to transfer Outstanding Notes to the exchange agent in accordance with Depository Trust's automated tender offer program procedures for transfer. Depository Trust will then send an agent's message to the exchange agent.

The term "agent's message" means a message transmitted by Depository Trust, received by the exchange agent and forming part of the book-entry confirmation, which states that Depository Trust has received an express acknowledgment from the participant in Depository Trust tendering Outstanding Notes that are the subject of that book-entry confirmation that the participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce such agreement against such participant. In the case of an agent's message relating to guaranteed delivery, the term means a message transmitted by Depository Trust and received by the exchange agent which states that Depository Trust has received an express acknowledgment from the participant in Depository Trust tendering Outstanding Notes that they have received and agree to be bound by the notice of guaranteed delivery.

Tender of Outstanding Notes Held in Certificated Form. For a holder to validly tender Outstanding Notes held in certificated form:

- the exchange agent must receive at its address set forth in this prospectus a properly completed and validly executed letter of transmittal, or a manually signed facsimile thereof, together with any signature guarantees and any other documents required by the instructions to the letter of transmittal; and

- the exchange agent must receive certificates for tendered Outstanding Notes at such address, or such Outstanding Notes must be transferred pursuant to the procedures for book-entry transfer described above. A confirmation of such book-entry transfer must be received by the exchange agent prior to the Expiration Date of the exchange offer. A holder who desires to tender Outstanding Notes and who cannot comply with the procedures set forth herein for tender on a timely basis or whose Outstanding Notes are not immediately available must comply with the procedures for guaranteed delivery set forth below.

LETTERS OF TRANSMITTAL AND OUTSTANDING NOTES SHOULD BE SENT ONLY TO THE EXCHANGE AGENT, AND NOT TO US OR TO ANY BOOK-ENTRY TRANSFER FACILITY.

THE METHOD OF DELIVERY OF OUTSTANDING NOTES, LETTERS OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT THE ELECTION AND RISK OF THE HOLDER TENDERING OUTSTANDING NOTES. DELIVERY OF SUCH DOCUMENTS WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE EXCHANGE AGENT. IF SUCH DELIVERY IS BY MAIL, WE SUGGEST THAT THE HOLDER USE PROPERLY INSURED, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, AND THAT THE MAILING BE MADE SUFFICIENTLY IN ADVANCE OF THE EXPIRATION DATE OF THE EXCHANGE OFFER TO PERMIT DELIVERY TO THE EXCHANGE AGENT PRIOR TO SUCH DATE. NO ALTERNATIVE, CONDITIONAL OR CONTINGENT TENDERS OF OUTSTANDING NOTES WILL BE ACCEPTED.

Signature Guarantee. Signatures on the letter of transmittal must be guaranteed by an eligible institution unless:

- the letter of transmittal is signed by the registered holder of the Outstanding Notes tendered therewith, or by a participant in one of the book-entry transfer facilities whose name appears on a security position listing it as the owner of those Outstanding Notes, and the New Notes are to be issued directly to such registered holder, or, if tendered by a participant in one of the book-entry transfer facilities, deposited to the participant's account at the book-entry transfer facility, and neither the "Special Issuance Instructions" nor the "Special Delivery Instructions" box on the letter of transmittal has been completed; or

- the Outstanding Notes are tendered for the account of an eligible institution.

An eligible institution is a firm that is a participant in the Security Transfer Agents Medallion program or the Stock Exchange Medallion program, which is generally a member of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office in the United States.

Book-Entry Transfer. The exchange agent will seek to establish a new account or utilize an existing account with respect to the Outstanding Notes at Depository Trust promptly after the date of this prospectus. Any financial institution that is a participant in the book-entry transfer facility system and whose name appears on a security position listing it as the owner of the Outstanding Notes must make book-entry delivery of Outstanding Notes by causing the book-entry transfer facility to transfer such Outstanding Notes into the exchange agent's account. HOWEVER, ALTHOUGH DELIVERY OF OUTSTANDING NOTES MAY BE EFFECTED THROUGH BOOK-ENTRY TRANSFER INTO THE EXCHANGE AGENT'S ACCOUNT AT A BOOK-ENTRY TRANSFER FACILITY, A PROPERLY COMPLETED AND VALIDLY EXECUTED LETTER OF TRANSMITTAL, OR A MANUALLY SIGNED FACSIMILE THEREOF, MUST BE RECEIVED BY THE EXCHANGE AGENT AT ONE OF ITS ADDRESSES SET FORTH IN THIS PROSPECTUS ON OR PRIOR TO THE EXPIRATION DATE OF THE EXCHANGE OFFER, OR ELSE THE GUARANTEED DELIVERY PROCEDURES DESCRIBED BELOW MUST BE COMPLIED WITH. The confirmation of a book-entry transfer of Outstanding Notes into the exchange agent's account at a book-entry transfer facility is referred to in this prospectus as a "book-entry confirmation." Delivery of documents to the book-entry transfer facility in accordance with that book-entry transfer facility's procedures does not constitute delivery to the exchange agent.

Guaranteed Delivery. If you wish to tender your Outstanding Notes and:

(1) certificates representing your Outstanding Notes are not lost but are not immediately available;

(2) time will not permit your letter of transmittal, certificates representing your Outstanding Notes and all other required documents to reach the exchange agent on or prior to the Expiration Date of the exchange offer; or

(3) the procedures for book-entry transfer cannot be completed on or prior to the Expiration Date of the exchange offer, you may nevertheless tender if all of the following are complied with:

- your tender is made by or through an eligible institution;

- on or prior to the Expiration Date of the exchange offer, the exchange agent has received from the eligible institution a properly completed and validly executed notice of guaranteed delivery, by manually signed facsimile transmission, mail or hand delivery, in substantially the form provided with this prospectus. The notice of guaranteed delivery must:

(a) set forth your name and address, the registered number(s) of your Outstanding Notes and the principal amount of Outstanding Notes tendered;

(b) state that the tender is being made thereby;

(c) guarantee that, within three business days after the Expiration Date, the letter of transmittal or facsimile thereof properly completed and validly executed, together with certificates representing the Outstanding Notes in proper form for transfer, or a book-entry confirmation, and any other documents required by the letter of transmittal and the instructions thereto, will be deposited by the eligible institution with the exchange agent; and

(d) the exchange agent receives the properly completed and validly executed letter of transmittal or facsimile thereof with any required signature guarantees, together with certificates for all Outstanding Notes in proper form for transfer, or a book-entry confirmation, and any other required documents, within three business days after the Expiration Date.

Other Matters. New Notes will be issued in exchange for Outstanding Notes accepted for exchange only after timely receipt by the exchange agent of:

- certificates for (or a timely book-entry confirmation with respect to) your Outstanding Notes;
- a properly completed and duly executed letter of transmittal or facsimile thereof with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message; and
- any other documents required by the letter of transmittal.

We will determine, in our sole discretion, all questions as to the form of all documents, validity, eligibility, including time of receipt, and acceptance of all tenders of Outstanding Notes. Our determination will be final and binding on all parties. ALTERNATIVE, CONDITIONAL OR CONTINGENT TENDERS OF OUTSTANDING NOTES WILL NOT BE CONSIDERED VALID. We reserve the absolute right to reject any or all tenders of Outstanding Notes that are not in proper form or the acceptance of which, in our opinion, would be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to particular Outstanding Notes.

Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding.

Any defect or irregularity in connection with tenders of Outstanding Notes must be cured within the time we determine, unless waived by us. We will not consider the tender of Outstanding Notes to have been validly made until all defects and irregularities have been waived by us or cured. Neither we, the exchange agent, or any other person will be under any duty to give notice of any defects or irregularities in tenders of Outstanding Notes, or will incur any liability to holders for failure to give any such notice.

Withdrawal Of Tenders

Except as otherwise provided in this prospectus, you may withdraw your tender of Outstanding Notes at any time prior to the Expiration Date.

For a withdrawal to be effective:

- the exchange agent must receive a written notice of withdrawal at one of the addresses set forth below under "—Exchange Agent," beginning on page 36; or
- you must comply with the appropriate procedures of Depository Trust's automated tender offer program system.

Any notice of withdrawal must:

- specify the name of the person who tendered the Outstanding Notes to be withdrawn;
- identify the Outstanding Notes to be withdrawn, including the principal amount of the Outstanding Notes; and
- where certificates for Outstanding Notes are transmitted, specify the name in which Outstanding Notes are registered, if different from that of the withdrawing holder.

If certificates for Outstanding Notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of such certificates, the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an eligible institution unless such holder is an eligible institution. If Outstanding Notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at Depository Trust to be credited with the withdrawn Outstanding Notes and otherwise comply with the procedures of such Depository Trust.

If Outstanding Notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at Depository Trust to be credited with the withdrawn Outstanding Notes and otherwise comply with the procedures of Depository Trust.

We will determine all questions as to validity, form, eligibility and time of receipt of any withdrawal notices. Our determination will be final and binding on all parties. We will deem any Outstanding Notes so withdrawn not to have been validly tendered for exchange for purposes of the exchange offer.

Any Outstanding Notes that have been tendered for exchange but that are not exchanged for any reason will be returned to their holder without cost to the holder or, in the case of Outstanding Notes tendered by book-entry transfer into the exchange agent's account at Depository Trust according to the procedures described above, such Outstanding Notes will be credited to an account maintained with Depository Trust for the Outstanding Notes. This return or crediting will take place as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. You may retender properly withdrawn Outstanding Notes by following one of the procedures described under "— Procedures for Tendering Outstanding Notes" beginning on page 32 at any time on or prior to the Expiration Date.

Conditions Of The Exchange Offer

We may terminate, waive any conditions to or amend the exchange offer or, subject to Rule 14e-1 under the Exchange Act which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of the exchange offer, postpone the acceptance for exchange of Outstanding Notes so tendered if, on or prior to the Expiration Date of the exchange offer, we determine that the exchange offer would violate applicable law or any applicable interpretation of the staff of the SEC. We reserve the right to waive any defects, irregularities or conditions of surrender as to particular Outstanding Notes.

Transfer Taxes

We will pay all transfer taxes applicable to the transfer and exchange of Outstanding Notes pursuant to the exchange offer. If, however:

- delivery of the New Notes and/or certificates for Outstanding Notes for principal amounts not exchanged, are to be made to any person other than the record holder of the Outstanding Notes tendered;

- tendered certificates for Outstanding Notes are recorded in the name of any person other than the person signing any letter of transmittal; or
- a transfer tax is imposed for any reason other than the transfer and exchange of Outstanding Notes to us or our order;

the amount of any such transfer taxes, whether imposed on the record holder or any other person, will be payable by the tendering holder prior to the issuance of the New Notes.

Consequences Of Failing To Exchange

If you do not exchange your Outstanding Notes for New Notes in the exchange offer, you will remain subject to the restrictions on transfer of the Outstanding Notes:

- as set forth in the legend printed on the bonds as a consequence of the issuance of the Outstanding Notes pursuant to the exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws; and
- otherwise set forth in the memorandum distributed in connection with the private offering of the Outstanding Notes.

In general, you may not offer or sell the Outstanding Notes unless they are registered under the Securities Act, or if the offer or sale is exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the Outstanding Notes under the Securities Act.

Accounting Treatment

The New Notes will be recorded at the same carrying value as the Outstanding Notes, as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes upon the consummation of the exchange offer. We will amortize the expenses of the exchange offer over the term of the New Notes.

Exchange Agent

The Bank of New York has been appointed as exchange agent for the exchange offer. You should direct questions and requests for assistance, requests for additional copies of this prospectus, the letter of transmittal or any other documents to the exchange agent. You should send certificates for Outstanding Notes, letters of transmittal and any other required documents to the exchange agent addressed as follows:

The Bank of New York

	By Facsimile:
The Bank of New York Corporate Trust Operations Reorganization Unit 101 Barclay Street, 7 East New York, N.Y. 10286 Attn: Ms. Carolle Montreuil	(for eligible institutions only) (212) 298-1915 Confirm by telephone: (212) 815-5920

USE OF PROCEEDS

We will not receive any proceeds from the exchange offer. The proceeds received by us from the sale of the Outstanding Notes were approximately $275.0 million. We used the proceeds from the offering of the Outstanding Notes, together with available cash, to consummate the Transactions.

The following table summarizes the sources and uses of funds for the Transactions as of the March 8, 2004 closing date for the Transactions.

	Amount (dollars in millions)
Sources of funds	
Outstanding Notes	$ 275.0
Available cash(1)	48.8
Total sources	$ 323.8
Uses of funds	
Redeem Holdings' Preferred Shares and pay accrued dividends(2)	$ 221.6
Purchase Holdings' Senior Notes and pay accrued interest(3)	52.1
Reduce Herbalife term loan(4)	40.0
Pay fees and expenses	10.1
Total uses	$ 323.8

(1) Represents $6.7 million of available cash at Holdings and $42.1 million of available cash at Herbalife on the closing date for the Transactions.

(2) Total redemption cost consisted of $183.1 million of liquidation preference and $38.5 million of accrued but unpaid dividends up to (but not including) March 8, 2004. Of these amounts, $3.6 million of liquidation preference and $0.8 million of accrued but unpaid dividends related to Preferred Shares issued in connection with the exercise of the Warrants immediately prior to the redemption of the Preferred Shares.

(3) Total purchase price consisted of $39.6 million principal amount of Holdings' Senior Notes (excluding $1.6 million of unamortized discount), an $11.4 million purchase premium and $1.1 million of accrued interest from January 1, 2004 up to (but not including) March 8, 2004. Holdings used $6.7 million of its available cash including all the restricted cash to purchase the Senior Notes.

(4) As part of the Transactions, Herbalife amended and restated its credit agreement. The amended and restated credit agreement includes terms that, among other things, permitted the issuance of the Outstanding Notes, will permit the issuance of the New Notes offered hereby, provide for ongoing payment of interest expense on the Notes and reduce the pricing on Herbalife's existing senior credit facilities. In connection with this process, Herbalife used $40.0 million of its available cash to reduce outstanding amounts due under its term loan.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2004. You should read this table in conjunction with "Use of Proceeds," "Unaudited Pro Forma Condensed Consolidated Financial Statements," "Selected Consolidated Historical Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Certain Relationships and Related Transactions—Redemption of Preferred Shares," "Certain Relationships and Related Transactions—Purchase of Senior Notes" and our consolidated financial statements, and related Notes included elsewhere in this prospectus.

	At March 31, 2004
	Actual
	(dollars in millions)
Cash and cash equivalents	$ 123.0
Debt:	
Revolving Credit Facility	—
Term Loan Borrowings	75.4
Capitalized Leases and Other Debt	9.6
Senior Subordinated Notes, net(1)	158.2
Outstanding Notes(2)	267.5
Total Debt	510.7
Total Equity	16.8
Total Capitalization	$ 527.5

(1) Net of $1.8 million of unamortized discount.

(2) Net of $7.6 million of underwriting fees.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA

The following table sets forth certain of our historical financial data. We have derived the selected historical consolidated financial data as of December 31, 2002 and 2003 and for the year ended December 31, 2001, the seven month period ended July 31, 2002, the five month period ended December 31, 2002 and the year ended December 31, 2003 from our audited financial statements and the related notes included elsewhere in this prospectus. The selected historical consolidated financial data as of December 31, 1999, 2000 and 2001 and for the years ended December 31, 1999 and 2000 have been derived from our audited financial statements for such years, which are not included in this prospectus. We have derived the selected historical consolidated financial data for the three months ended March 31, 2003 and as of and for the three months ended March 31, 2004 from our unaudited consolidated financial statements and the related notes included elsewhere in this prospectus. The selected consolidated historical financial data set forth below are not necessarily indicative of the results of future operations and should be read in conjunction with the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the historical consolidated financial statements and accompanying notes included elsewhere in this prospectus.

We present EBITDA and adjusted EBITDA because management believes it provides useful information regarding our ability to service and/or incur debt and that it provides a more comparable measure of our profitability. However, such a measure is not in accordance with GAAP. You should not consider EBITDA in isolation from or as a substitute for net income, cash flows from operating activities and other consolidated income or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity. Adjusted EBITDA is calculated by adding back to EBITDA buy-out transaction expenses and other non-recurring expenses relating to the acquisition. Adjusted EBITDA, as presented, may not be comparable to similarly titled measures reported by other companies.

	Year ended December 31,			January 1 to July 31,	August 1 to December 31,	Year ended December 31,	Three months ended March 31,	Three months ended March 31,
	1999	2000	2001	2002	2002	2003	2003	2004
	(predecessor)	(predecessor)	(predecessor)	(predecessor)	(successor)	(successor)	(successor)	(successor)
	(dollars in thousands)							
Operations:								
Net sales(1)	$ 1,098,885	$ 1,085,484	$ 1,020,130	$ 644,188	$ 449,524	$ 1,159,433	$ 280,039	$ 324,053
Cost of sales	264,909	268,992	241,522	140,553	95,001	235,785	56,960	63,618
Gross profit	833,976	816,492	778,608	503,635	354,523	923,648	223,079	260,435
Royalty overrides	397,143	382,322	355,225	227,233	159,915	415,351	99,511	115,857
Marketing, distribution and administrative expenses(2)	344,260	363,731	354,608	207,390	135,536	401,261	84,376	107,842
Merger transaction expenses(3)	—	9,498	—	54,708	6,183	—	—	—
Operating income(2)	92,573	60,941	68,775	14,304	52,889	107,036	39,192	36,736
Interest income (expense), net	1,750	2,354	3,413	1,364	(23,898)	(41,468)	(9,947)	(27,372)
Income before income taxes and minority interest	94,323	63,295	72,188	15,668	28,991	65,568	29,245	9,364
Income taxes	36,314	25,318	28,875	6,267	14,986	28,721	12,375	9,849
Income (loss) before minority interest	58,009	37,977	43,313	9,401	14,005	36,847	16,870	(485)
Minority interest	1,086	1,058	725	189	—	—	—	—
Net income (loss)	$ 56,923	$ 36,919	$ 42,588	$ 9,212	$ 14,005	$ 36,847	$ 16,870	$ (485)
Other Financial Data:								
EBITDA(4)	106,574	76,643	86,831	26,026	64,313	162,641	45,581	48,142
Adjusted EBITDA(4)	$ 106,574	$ 86,132	$ 86,831	$ 80,734	$ 70,496	$ 167,733	$ 45,923	$ 48,142
Net cash provided by (used in):								
Operating activities	95,414	46,141	95,465	37,901	28,039	94,648	(3,506)	25,720
Investing activities	(43,517)	(49,968)	(16,366)	18,995	(456,046)	2,854	11,082	(1,549)
Financing activities	(16,041)	(14,079)	(3,456)	(35,292)	491,519	(18,831)	(1,770)	(50,198)
Depreciation and amortization	14,001	15,693	18,056	11,722	11,424	55,605	6,389	11,406
Capital expenditures(5)	32,607	25,383	14,751	6,799	3,599	20,435	2,720	5,422
Ratio of earnings to fixed charges(6)	11.5	8.1	8.6	3.6	2.0	2.2	3.2	1.4

	As of December 31,			As of December 31,	As of December 31,	As of March 31,
	1999	2000	2001	2002	2003	2004
	(predecessor)	(predecessor)	(predecessor)	(successor)	(successor)	(successor)
	(dollars in thousands)					
Balance Sheet Data (at December 31):						
Cash and cash equivalents(7)	$ 139,443	$ 140,250	$ 201,181	$ 76,024	$ 156,380	123,002
Receivables, net	30,326	24,600	27,609	29,026	31,977	33,775
Inventories	101,557	99,332	72,208	56,868	59,397	64,134
Total working capital	133,137	145,211	177,813	7,186	1,521	18,789
Total assets	415,819	416,937	470,335	855,705	903,964	873,016
Total debt	8,380	8,417	10,612	340,759	325,294	510,622
Shareholders' equity	206,602	222,401	260,916	191,274	237,788	16,776

(1) In previous years, we reported retail sales on the face of our income statement in addition to the required disclosure of net sales. Retail sales represent the gross sales amount reflected on our invoices to our distributors. We do not receive the retail sales amount. "Product sales" represent the actual product purchase price paid to us by our distributors, after giving effect to distributor discounts referred to as "distributor allowances," which total approximately 50% of suggested retail sales prices. Distributor allowances as a percentage of sales may vary by country depending upon regulatory restrictions that limit or otherwise restrict distributor allowances. "Net sales" represents product sales including handling and freight income.

Retail sales data is referred to in "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our use of retail sales reflect the fundamental role of "retail sales" in our accounting systems, internal controls and operations, including the basis upon which the distributors are being paid. In addition, information in daily and monthly reports reviewed by our management relies on retail sales data.

The following represents the reconciliation of retail sales to net sales for each of the periods set forth above:

	Year ended December 31,			January 1 to July 31,	August 1 to December 31,	Year ended December 31,	January 1 to March 31,	January 1 to March 31,
	1999	2000	2001	2002	2002	2003	2003	2004
	(predecessor)	(predecessor)	(predecessor)	(predecessor)	(successor)	(successor)	(successor)	(successor)
	(dollars in thousands)							
Retail sales	$ 1,793,508	$ 1,764,851	$ 1,656,168	$ 1,047,690	$ 731,505	$ 1,894,384	$ 457,073	$ 531,346
Distributor allowance	(837,283)	(820,723)	(774,513)	(492,997)	(345,145)	(899,264)	(216,675)	(253,207)
Product sales	956,225	944,128	881,655	554,693	386,360	995,120	240,398	278,139
Handling and freight income	142,660	141,356	138,475	89,495	63,164	164,313	39,641	45,914
Net sales	$ 1,098,885	$ 1,085,484	$ 1,020,130	$ 644,188	$ 449,524	$ 1,159,433	$ 280,039	$ 324,053

(2) The year ended December 31, 2003 includes $5.1 million in legal and related costs associated with litigation resulting from the Acquisition.

(3) The year ended December 31, 2000 includes fees and expenses in connection with a proposed merger transaction by our founder, Mark Hughes. The seven months ended July 31, 2002 and the five months ended December 31, 2002 include fees and expenses related to the Acquisition.

(4) EBITDA represents net income plus minority interest, income taxes, net interest expense and depreciation and amortization. We present EBITDA and adjusted EBITDA because management believes it provides useful information regarding our ability to service and/or incur debt and that it provides a more comparable measure of our profitability. However such a measure is not in accordance with GAAP. You should not consider EBITDA in isolation from or as a substitute for net income, cash flows from operating activities and other consolidated income or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity. Adjusted EBITDA is calculated by adding back to EBITDA buy-out transaction expenses and other non-recurring expenses relating to the

acquisition. Adjusted EBITDA, as presented, may not be comparable to similarly titled measures reported by other companies.

The following table represents a reconciliation of net income to EBITDA and adjusted EBITDA:

	Year ended December 31,			January 1 to July 31,	August 1 to December 31,	Year ended December 31,	January 1 to March 31,	January 1 to March 31,
	1999	2000	2001	2002	2002	2003	2003	2004
	(predecessor)	(predecessor)	(predecessor)	(predecessor)	(successor)	(successor)	(successor)	(successor)
	(dollars in thousands)							
Net income (loss)	$ 56,923	$ 36,919	$ 42,588	$ 9,212	$ 14,005	$ 36,847	$ 16,870	(485)
Minority interest	1,086	1,058	725	189	—	—	—	—
Income taxes	36,314	25,318	28,875	6,267	14,986	28,721	12,374	9,849
Interest (income) expense, net	(1,750)	(2,354)	(3,413)	(1,364)	23,898	41,468	9,948	27,372
Depreciation & amortization	14,001	15,693	18,056	11,722	11,424	55,605	6,389	11,406
EBITDA	106,574	76,634	86,831	26,026	64,313	162,641	45,581	48,142
Merger transaction expenses	—	9,498	—	54,708	6,183	—	—	—
Other(2)	—	—	—	—	—	5,092	342	—
Adjusted EBITDA	$ 106,574	$ 86,132	$ 86,831	$ 80,734	$ 70,496	$ 167,733	$ 45,923	$ 48,142

(5) Includes acquisition of property from capitalized leases of $1.9 million, $0.4 million, $3.8 million, $2.1 million, $1.4 million and $6.8 million for 1999, 2000, 2001, the seven months ended July 31, 2002, the five months ended December 31, 2002 and the year ended December 31, 2003, respectively.

(6) In calculating ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges. Fixed charges consist of interest expense (which includes amortization of deferred financing costs and discounts) and one-third of rental expense representing that portion of rental expense deemed to be attributable to interest.

(7) Includes restricted cash of $10.6 million and $5.7 million as of December 31, 2002 and December 31, 2003, respectively, and $1.3 million of marketable securities at December 31, 2002.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated financial statements (the "pro forma condensed financial statements") are based on the historical financial statements of Holdings, included elsewhere herein, adjusted to give effect to the offering of the Outstanding Notes and the following: (i) the receipt of proceeds from the offering of the Outstanding Notes; (ii) the redemption of Holdings' Preferred Shares, including Preferred Shares that we expect to be issued in connection with the exercise of Holdings' Warrants, and payment of accrued but unpaid dividends; (iii) the purchase of Holdings' Senior Notes at a negotiated price; (iv) the application of available cash to reduce outstanding amounts under Herbalife's existing senior credit facilities; and (v) the payment of fees and expenses related to the aforementioned. All of the aforementioned items (i) to (v) are collectively referred to herein as the "Transactions." The pro forma condensed financial statements were prepared to illustrate the estimated effects of the Transactions. The unaudited pro forma condensed statements of income for the year ended December 31, 2003 and the three months ended March 31, 2004 give effect to the Transactions as if the transactions had occurred as of January 1, 2003. The pro forma adjustments are based upon available information and certain assumptions that Holdings believes are reasonable. The pro forma condensed financial statements do not purport to represent what Holdings' results of operations would actually have been had the Transactions in fact occurred as of the dates indicated above or to project Holdings' results of operations for these periods indicated or for any other period.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the Year Ended December 31, 2003

	December 31, 2003	Pro forma adjustments	Pro forma
		(dollars in thousands)	
Product sales	$ 995,120		$ 995,120
Handling and freight income	164,313		164,313
Net sales	1,159,433		1,159,433
Cost of sales	235,785		235,785
Royalty overrides	415,351		415,351
Marketing, distribution, and administrative expenses	401,261		401,261
Interest expense, net	41,468	18,094(1)	59,562
Income before income taxes	65,568		47,474
Income taxes	28,721	1,086(2)	29,807
Net income	$ 36,847		$ 17,667

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the Three Months Ended March 31, 2004

	March 31, 2004	Pro forma adjustments	Pro forma
		(dollars in thousands)	
Product sales	278,139		278,139
Handling and freight income	45,914		45,914
Net sales	324,053		324,053
Cost of sales	63,618		63,618
Royalty overrides	115,857		115,857
Marketing, distribution, and administrative expenses	107,842		107,842
Interest expense, net	27,372	(12,195)(1)	15,177
Income before income taxes	9,364		21,559
Income taxes	9,849	326(2)	10,175
Net income	(485)		11,384

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

(1) Interest Expense, Net:

The pro forma adjustments to interest expense are based on the amounts borrowed and the expected rates in effect at the closing of the Transactions:

	Year ended December 31, 2003	Three Months Ended March 31, 2004
	(dollars in millions)	
Elimination of historical interest:		
Interest expense on Holdings' Senior Notes	$ 6.2	$ 16.5
Interest expense on Herbalife's term loan	3.5	0.9
Interest income on Holdings and Herbalife cash used in the transaction	(0.6)	(0.1)
	$ 9.1	$ 17.3
Interest on the new borrowing:		
Interest expense on the Outstanding Notes	26.1	$ 4.9
Amortization of discount and deferred financing costs on Outstanding Notes	1.1	0.2
Pro forma interest expense	27.2	$ 5.1
Pro forma adjustment to interest expense net	$ 18.1	$ (12.2)

Total transaction fees and costs, including those treated as debt discount, of $10.1 million were incurred related to the Outstanding Notes. Such costs will be amortized using the effective interest method, over the term of the related indebtedness. The term of the Outstanding Notes (and the New Notes) is 7 years.

The interest expense on Holdings' Senior Notes being eliminated for the three months ended March 31, 2004 includes $15.4 million charge resulting from the repurchase of these notes on March 8, 2004 and the write off of the associated discount and deferred financing costs.

(2) Income Taxes:

Holdings estimates that it will not be able to obtain a tax benefit for the additional interest expense from the Outstanding Notes or from the New Notes offered hereby, but expects to be taxed on the gain from the elimination of interest expense from the term loan and the interest income from Herbalife's cash used in this transaction. Holdings is currently evaluating alternatives to allow it to obtain full or partial tax benefit for the additional interest expense. The additional tax expense related to the elimination of interest expense is calculated as follows:

	Year ended December 31, 2003	Three Months Ended March 31, 2004
	(dollars in millions)	
Interest expense on Herbalife's term loan	$ 3.3	$ 0.9
Interest income on Herbalife cash used in the transaction	(0.6)	(0.1)
	$ 2.7	$ 0.8
Income tax rate	39.7%	37.0%
Additional tax expenses	$ 1.1	$ 0.3

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in conjunction with "Selected Consolidated Historical Financial Data," "Unaudited Pro Forma Condensed Consolidated Financial Statements" and the related notes and our consolidated financial statements and related notes, each included elsewhere in this prospectus.

General

As a result of the acquisition of Herbalife International, Inc. ("Herbalife") on July 31, 2002 by an investment group led by Whitney & Co., LLC and Golden Gate Private Equity, Inc., (the "Acquisition"), the audited financial statements included elsewhere herein consist of financial information from Herbalife and its subsidiaries (collectively, our "Predecessor") and Holdings and its subsidiaries (collectively, the "Successor," "we," "us," "our" or the "Company"). For the purpose of management's discussion and analysis of financial condition and results of operations, our results of operations, including our segment operations and cash flows for the year ended December 31, 2002 have been derived by combining the results of operations and cash flows of our Predecessor for the period starting January 1, 2002 through July 31, 2002 with the results of operations and cash flows of the Successor from August 1, 2002 through December 31, 2002. The results of operations and cash flows of our Predecessor prior to the Acquisition incorporated in the following discussion are the historical results and cash flows of our Predecessor. These results of our Predecessor do not reflect any purchase accounting adjustments, which are included in our results subsequent to the Acquisition. Due to the results of purchase accounting applied as a result of the Acquisition and the additional interest expense associated with the debt incurred to finance the Acquisition, our results of operations may not be comparable in all respects to the results of operations of our Predecessor prior to the Acquisition. However, our management believes a discussion of our 2002 operations is more meaningful by combining our results with the results of the Predecessor. The terms "we," "us," "our" and "Company" refer to our Predecessor before the Acquisition for periods through July 31, 2002 and to the Successor after the Acquisition for periods subsequent to July 31, 2002 or the entire year from January 1, 2002 to December 31, 2002 as the context requires.

We are a worldwide marketer of weight management products, nutritional supplements, and personal care products that support our customers' wellness and healthy lifestyles. We market and sell these products through a global network marketing organization comprised of over one million independent distributors in 58 countries.

"Retail sales" represent the gross sales amounts reflected on our invoices to our distributors. We do not receive the amount reported as "retail sales," and we do not monitor the actual retail prices charged for our products. "Product sales" represent the actual product purchase price paid to us by our distributors, after giving effect to distributor discounts, referred to as "distributor allowances," which total approximately 50% of suggested retail sales prices. Distributor allowances as a percentage of sales may vary by country depending upon regulatory restrictions that limit or otherwise restrict distributor allowances. "Net sales" represent product sales including handling and freight income. We utilize importers in a limited number of markets and, under some circumstances, we extend credit terms to these importers. Our "gross profit" consists of net sales less "cost of sales," consisting of the prices we pay to our manufacturers for products and costs related to product shipments, duties and tariffs, freight expenses relating to shipment of products to distributors and importers and similar expenses.

"Royalty overrides" consist of (i) royalty overrides and bonuses, which total approximately 15% and 7%, respectively, of the suggested retail sales prices of products earned by qualifying distributors on sales within their distributor organizations, (ii) the President's Team Bonus payable to some of our most senior distributors in the aggregate amount of approximately an additional 1% of product retail sales, and (iii) other discretionary incentive cash bonuses to qualifying distributors. These payments

generally represent compensation to distributors for the development and retention of the distributor sales organizations. Because of local country regulatory constraints, we may be required to modify our typical distributor incentive plans as described above. Consequently, the total distributor discount percentage may vary over time. We also offer reduced distributor allowances and pay reduced royalty overrides with respect to certain products worldwide.

Sales, related royalty overrides, and allowances for product returns are recorded when the merchandise is shipped in accordance with our shipping terms, which is when title passes. Advance sales deposits represent prepaid orders for which we have not shipped the merchandise.

Marketing, distribution and administrative expenses represent our operating expenses, components of which include labor and benefits, sales events, professional fees, travel and entertainment, advertising, occupancy costs, communication costs, bank fees, depreciation and amortization, foreign exchange fees and other miscellaneous operating expenses.

Most of our sales outside the United States are made in the respective local currencies. In preparing our financial statements, we translate revenues into U.S. dollars using average exchange rates. Additionally, the majority of our purchases from our suppliers generally are made in U.S. dollars, while sales to distributors generally are made in local currencies. Consequently, a strengthening of the U.S. dollar versus a foreign currency can have a negative impact on our reported sales and operating margins and can generate transaction losses on intercompany transactions. Throughout the last five years, foreign currency exchange rates have fluctuated significantly. From time to time, we enter into foreign exchange forward contracts and option contracts to mitigate our foreign currency exchange risk.

Results of Operations

Management believes that the growing focus on good health and increasing obesity throughout the world continue to provide an excellent opportunity for our weight management, inner nutrition and Outer Nutrition[nc_cad,176] products.

Our results of operations for the periods described below are not necessarily indicative of results of operations for future periods, which depend upon numerous factors, including our ability to attract and retain new distributors, further penetrate existing markets and introduce additional and new products into our markets.

Quarter ended March 31, 2004 Compared To Quarter ended March 31, 2003

For the three months ended March 31, 2004, net income decreased to ($0.5) million from $16.9 million in 2003. Net sales for the three months ended March 31, 2004, increased 15.7% to $324.1 million from $280.0 million in 2003 helped by the appreciation of foreign currencies, particularly the euro, in addition to increased volume in many markets within Europe and The Americas. The impact from increased sales was offset primarily by a $23.4 million increase in operating expenses resulting from a $5.5 million increase in amortization expense of intangibles, a $4.0 million unfavorable impact from appreciation in foreign currencies and a $7.2 million increase in labor costs, and $15.6 million of additional interest expense resulting from the recapitalization transaction completed in March 2004. Excluding the impact from the additional pre-tax amortization expense related to the Acquisition of $5.5 million and $15.6 million additional interest expense, income before tax in 2004 would have increased 4.5% compared to the same period in 2003. The improved result was attributed to increased sales in Europe, Brazil and Mexico partially offset by declines in Japan, South Korea, and the U.S. We expect our worldwide sales in 2004 to be higher than 2003.

Sales by Geographic Regions

	Three Months Ended March 31,										
	2003					2004					
(in millions)	Retail Sales	Distributor Allowance	Product Sales	Handling & Freight Income	Net Sales	Retail Sales	Distributor Allowance	Product Sales	Handling & Freight Income	Net Sales	% Change In Net Sales
The Americas	$ 161.6	$ (77.0)	$ 84.6	$ 15.6	$ 100.2	$ 181.0	$ (86.6)	$ 94.4	$ 16.9	$ 111.3	11.1%
Europe	173.3	(82.5)	90.8	15.1	105.9	223.6	(106.8)	116.8	19.9	136.7	29.1%
Asia/Pacific Rim	61.7	(27.8)	33.9	4.5	38.4	75.5	(34.8)	40.7	5.4	46.1	20.1%
Japan	60.5	(29.4)	31.1	4.4	35.5	51.2	(24.9)	26.3	3.7	30.0	(15.5)%
Total	$ 457.1	$ (216.7)	$ 240.4	$ 39.6	$ 280.0	$ 531.3	$ (253.1)	$ 278.2	$ 45.9	$ 324.1	15.7%

Net sales in The Americas increased $11.1 million, or 11.1%, for the three months ended March 31, 2004 compared to the same period in 2003. In local currency, net sales increased by 7.7%. The increase was a result of sales growth in both Brazil and Mexico of $7.5 million and $4.5 million, respectively, partly offset by a $2.7 million decline in the U.S. During the months of February and March sales in the U.S. improved compared to last year. Our goal is to continue our efforts to revitalize the U.S. market through new product introductions, such as Shapeworks and Garden 7, enhance distributor business tools, open local sales centers and implement distributor leadership initiatives.

Net sales in Europe increased $30.8 million, or 29.1%, for the three months ended March 31, 2004 compared to the same period in 2003. In local currency, net sales increased 12.7% as compared to 2003. The appreciation of the euro and other European currencies was a major reason for the overall increase in net sales. Also, sales in many countries like Belgium, France, Netherlands, Portugal, Spain, Switzerland and Turkey recorded significant volume growth. In April of 2004, we strengthened our presence in Russia and Greece, expanding our distributor services by taking over the management of product distribution, which was previously handled through third party importers.

Net sales in Asia/Pacific Rim increased $7.7 million, or 20.1%, for the three months ended March 31, 2004 compared to the same period in 2003. In local currency, net sales increased 14.8%. The sales increase was due to a $5.2 million, or 49.9%, increase in Taiwan partly offset by a $3.4 million, or 28.7%, decrease in South Korea. During 2003, we implemented several new initiatives to help stem a sales decline by making improvements to distributor arrangements and, introducing new Internet tools and several new products. These initiatives have helped stabilize sales beginning in the second half of 2003 with net sales of approximately $9 million for each quarter. We expect South Korea's sales to remain at approximately this level.

Net sales in Japan decreased $5.5 million, or 15.5%, for the three months ended March 31, 2004 compared to the same period in 2003. In local currency, net sales in Japan decreased 19.4%. The decline in the Japanese market over the last four years has continued due to strong competition and limited product launches in Japan. In 2004, it is our continued goal to revitalize the Japanese market through new product introductions, enhancing distributor business tools, and implementing distributor leadership initiatives and training to rebuild a positive momentum.

Sales by Product Category

	Three Months Ended March 31,										
	2003					2004					
(in millions)	Retail Sales	Distributor Allowance	Product Sales	Handling & Freight Income	Net Sales	Retail Sales	Distributor Allowance	Product Sales	Handling & Freight Income	Net Sales	% Change In Net Sales
Weight Management	$ 200.7	$ (98.4)	$ 102.3	$ 17.4	$ 119.7	$ 239.0	$ (117.6)	$ 121.4	$ 20.7	$ 142.1	18.7%
Inner Nutrition	206.7	(101.5)	105.2	17.9	123.1	234.5	(115.4)	119.1	20.2	139.3	13.2%
Outer Nutrition®	43.9	(21.5)	22.4	3.8	26.2	49.9	(24.6)	25.3	4.3	29.6	13.0%
Literature, Promotional and Other	5.8	4.7	10.5	0.5	11.0	7.9	4.5	12.4	0.7	13.1	19.1%
Total	$ 457.1	$ (216.7)	$ 240.4	$ 39.6	$ 280.0	$ 531.3	$ (253.1)	$ 278.2	$ 45.9	$ 324.1	15.7%

For the three months ended March 31, 2004, net sales of weight management, inner nutrition and outer nutrition products increased 18.7%, 13.2% and 13.0%, respectively.

Gross Profit. Gross profit was $260.4 million for the three months ended March 31, 2004 compared to $223.1 million in the same period in 2003. As a percentage of net sales, gross profit for the period ended March 31, 2004 increased from 79.7% to 80.4% as compared to the prior period. The slight increase in gross profit reflected a reduction in the inventory provision for slow moving and anticipated obsolescence as a result of better inventory management, lower freight and duty expenses, and the favorable impact of stronger foreign currencies. We expect the gross margin to be maintained at approximately the current level for the remainder of 2004.

Royalty Overrides. Royalty overrides as a percentage of net sales were 35.8% for the three months ended March 31, 2004 as compared to 35.5% in the same period in 2003. The ratio varies slightly from period to period primarily due to changes in the mix of products and countries because full royalty overrides are not paid on certain products or in certain countries.

Marketing, Distribution, and Administrative Expenses. Marketing, distribution, and administrative expenses as a percentage of net sales were 33.3% for the three months ended March 31, 2004, as compared to 30.1% in the same period of 2003. For the three months ended March 31, 2004, these expenses increased $23.4 million to $107.8 million from $84.4 million in the same period in 2003. The increase included a $6.4 million amortization expense of intangibles in 2004 compared to $0.9 million in 2003. The increase was due to the final allocation of the purchase price in connection with the Acqusition during the third quarter of 2003. In addition, marketing, distribution, and administrative expenses were unfavorably impacted by the appreciation of foreign currencies of $4.0 million, higher labor costs of $4.6 million, a bonus relating to a refinancing transaction of $2.6 million, and higher promotional expenses of $2.9 million reflecting timing differences. We currently expect our 2004 marketing, distribution, and administrative expenses to increase approximately 5% over 2003, primarily due to the continued impact of the appreciation of foreign currencies and the timing of certain sales and marketing events.

Net Interest Expense. Net interest expense was $27.4 million for the three months ended March 31, 2004 as compared to $9.9 million in the same period in 2003. The increase was mainly due to the repurchase of the 15.5% Senior Notes in connection with the Transactions. We recorded net additional interest expense of $15.4 million related to the repurchase, which primarily represented the purchase premium and the write-off of discount and deferred financing costs associated with the repurchases of the 15.5% Senior Notes.

Income Taxes. Income taxes were $9.8 million for the three months ended March 31, 2004 as compared to $12.4 million for the same period in 2003. As a percentage of pre-tax income, the estimated effective income tax rate was 105.2% for the three months ended March 31, 2004 and 42.3% for the three months ended March 31, 2003. The increase in the effective tax rate was caused primarily by the lack of any tax benefit estimated for the interest expense described above related to the

repurchase of the 15.5% Senior Notes primarily resulting from the purchases premium and write-off of discount and deferred financing costs of $15.4 million, and the additional interest expense including amortization of discount and deferred financing costs associated with the 9.5% Notes. The premium and write-off described in the preceeding sentence affected the first quarter provision. However, since these items are not going to recur in subsequent quarters, the effective income tax rate in the following three quarters is expected to drop to 46.9%, with the effective income tax rate for the full year of 2004 expected at 57.7%. We are currently evaluating alternatives to allow us to obtain full or partial tax benefit for the additional interest expense associated with the 9.5% Notes.

Foreign Currency Fluctuations. Currency fluctuations had a favorable impact of $4.1 million on net income for the three months ended March 31, 2004 when compared to what current year net income would have been using last year's foreign exchange rates. For the three months ended March 31, 2004, the regional effects were a favorable $0.7 million in The Americas, an unfavorable $0.9 million in Japan, and a favorable $3.4 million in Europe, with no material impact in the Pacific Rim.

Year ended December 31, 2003 compared to year ended December 31, 2002

For the year ended December 31, 2003, net income increased to $36.8 million from $23.2 million in 2002. Net sales for the for the year ended December 31, 2003, increased 6% to $1,159.4 million from $1,093.7 million in 2002 helped by the appreciation of foreign currencies and in particular the euro. Excluding the impact of pre-tax amortization expense of intangibles resulting from the Acquisition of $34.5 million and $1.5 million in 2003 and 2002, respectively, transaction expenses of $60.9 million in 2002 relating to the Acquisition, 2003 legal and related costs associated with litigation resulting from the Acquisition of $5.1 million, $6.2 million in incremental fees and expenses paid to our Equity Sponsors in 2003, and the favorable impact of foreign currency appreciation of approximately $15.8 million in 2003, operating income increased 5.7% to $137.0 million in 2003 from $129.6 million in 2002. The improved result was attributed to increased sales throughout Europe, Brazil and Mexico partly offset by the decreased sales in the U.S., Japan and South Korea. We expect that sales in the U.S., Japan and South Korea will improve following the execution of our revitalization initiatives for 2004, which are described below. We anticipate some impact associated with the discovery of Bovine Spongiform Encephalopathy ("BSE"), a disease commonly referred to as "mad cow disease," in the United States, but do not expect this issue to have a material effect on our business.

Sales by Geographic Regions

	Year Ended December 31,										
	2002					2003					
	Retail Sales	Distributor Allowance	Product Sales	Handling & Freight Income	Net Sales	Retail Sales	Distributor Allowance	Product Sales	Handling & Freight Income	Net Sales	% Change in Net Sales
	(dollars in millions)										
The Americas	$ 683.1	$ (324.7)	$ 358.4	$ 65.9	$ 424.3	$ 687.9	$ (328.9)	$ 359.0	$ 65.4	$ 424.4	—
Europe	560.3	(266.3)	294.0	48.7	342.7	733.4	(349.4)	384.0	64.2	448.2	30.8%
Asia/Pacific Rim	294.7	(130.0)	164.7	20.8	185.5	271.6	(123.6)	148.0	19.5	167.5	-9.7%
Japan	241.1	(117.1)	124.0	17.2	141.2	201.5	(97.4)	104.1	15.2	119.3	-15.5%
Total	$ 1,779.2	$ (838.1)	$ 941.1	$ 152.6	$ 1,093.7	$ 1,894.4	$ (899.3)	$ 995.1	$ 164.3	$ 1,159.4	6.0%

Net sales in The Americas remained flat with 2002. In local currency, net sales increased by 1.9%. The slight increase was a result of increases in both Brazil and Mexico, which were mostly offset by declining sales in the U.S. Net sales in Brazil and Mexico increased 71.4% and 13.3%, respectively, while net sales in the U.S. declined 10.3% in 2003. In the fourth quarter of 2003, the sales decline in the U.S. slowed in connection with the introduction of a new sales promotion. In 2004, it is our goal to revitalize the U.S. market through new product introductions, the enhanced use of internet tools, the

opening of strategically located sales centers, and the implementation of distributor leadership initiatives to rebuild a positive momentum.

Net sales in Europe increased $105.5 million or 30.8% in 2003 compared to the prior year. In local currency, net sales increased 14.7% as compared to 2002. The appreciation of the euro and other European currencies was a primary reason for the overall sales increase, but sales in many of the established countries like Belgium, France, Netherlands, Spain, Switzerland and Turkey had notable volume growth. In 2004, it is our goal to strengthen our presence in Europe and in particular in Russia and Greece by expanding our distributor services and taking over the management of product distribution, which in the past has been handled through third party importers.

Net sales in Asia/Pacific Rim decreased $18.0 million or 9.7% in 2003 as compared to the prior year. In local currency, net sales decreased 13.3%. The sales decrease was due to a $32.5 million or 42.5% decline in South Korea partly offset by a $9.6 million or 25% increase in Taiwan. During 2003 we implemented several new initiatives to help the distributors in South Korea regain momentum, including improving their incentive arrangements and introducing new internet tools and several new products. We believe that these initiatives have helped stabilize sales during the second half of 2003.

Net sales in Japan decreased $21.9 million, or 15.5% during 2003 as compared to the prior year. In local currency, net sales in Japan decreased 22.8%. The decline in the Japanese market over the last year has continued due to strong competition and the general deterioration in economic conditions in Japan. In 2004, it is our goal to revitalize the Japanese market through new product introductions, enhanced use of internet tools, and the implementation of distributor leadership initiatives and training to rebuild positive momentum.

Sales by Product Category

	Year Ended December 31,										
	2002					2003					
	Retail Sales	Distributor Allowance	Product Sales	Handling & Freight Income	Net Sales	Retail Sales	Distributor Allowance	Product Sales	Handling & Freight Income	Net Sales	% Change in Net Sales
	(dollars in millions)										
Weight Management	$ 779.8	$ (381.1)	$ 398.7	$ 66.9	$ 465.6	$ 840.4	$ (413.2)	$ 427.2	$ 72.9	$ 500.1	7.4%
Inner nutrition	797.7	(389.8)	407.9	68.4	476.3	849.0	(417.5)	431.5	73.6	505.1	6.0%
Outer Nutrition®	182.0	(88.9)	93.1	15.6	108.7	177.6	(87.3)	90.3	15.4	105.7	-2.8%
Literature, Promotional and Other	19.7	21.7	41.4	1.7	43.1	27.4	18.7	46.1	2.4	48.5	12.5%
Total	$ 1,779.2	$ (838.1)	$ 941.1	$ 152.6	$ 1,093.7	$ 1,894.4	$ (899.3)	$ 995.1	$ 164.3	$ 1,159.4	6.0%

For the year ended December 31, 2003, net sales of weight management and inner nutrition products increased 7.4% and 6.0%, respectively, while Outer Nutrition® declined 2.8% as compared to the prior year. We have over the last year increased our emphasis on science-based products and have contributed to, and helped fund, the UCLA Lab. During 2002 we rationalized our Outer Nutrition® line by eliminating color cosmetics. We believe that our Outer Nutrition® product line is now better aligned with our other product categories.

Gross Profit. Gross profit was $923.6 million for the year ended December 31, 2003 compared to $858.2 million in the prior year. As a percentage of net sales, gross profit for the year ended December 31, 2003 increased from 78.5% to 79.7% as compared to the prior year. The increase in gross profit reflected a reduction in the inventory provision for slow moving and anticipated obsolescence as a result of better inventory management, lower freight and duty expenses, and the favorable impact of stronger foreign currencies.

Royalty Overrides. Royalty overrides as a percentage of net sales were 35.8% for the year ended December 31, 2003 as compared to 35.4% in the prior year. The ratio varies slightly from period to

period primarily due to a change in the mix of products and countries because full royalty overrides are not paid on certain products or in certain countries.

Marketing, Distribution and Administrative Expenses. Marketing, distribution and administrative expenses as a percentage of net sales were 34.6% for the year ended December 31, 2003, as compared to 31.4% in the prior year. For the year ended December 31, 2003, these expenses increased $58.4 million to $401.3 million from $342.9 million in the prior year. The increase included $34.5 million amortization expense of intangibles in 2003 compared to $1.5 million in 2002. In addition, marketing, distribution and administrative expenses were unfavorably impacted by approximately $10.9 million due to the appreciation of foreign currencies, by approximately $6.9 million due to increased promotional expenses, by approximately $9.1 million due to litigation costs and related legal expenses, and by approximately $6.2 million due to fees and expenses paid to our Equity Sponsors subsequent to the Acquisition. Lower labor costs partly offset the increased expense reflecting efficiencies realized from various cost savings initiatives. We currently expect our 2004 marketing, distribution and administrative expenses to be flat with 2003.

Merger Transaction Expenses. In 2002, we recorded $21.9 million relating to fees and $39.0 million of stock option expenses in connection with the Acquisition.

Net Interest Expense. Net interest expense was $41.5 million for the year ended December 31, 2003 as compared to $22.5 million in the prior year. The increase was mainly due to a full year's interest expense relating to the term loan, Herbalife's senior subordinated notes and Holdings' Senior Notes in 2003 as compared to only five months of interest expense for those same items in 2002.

Income Taxes. Income taxes were $28.7 million for the year ended December 31, 2003 as compared to $21.3 million for the prior year. As a percentage of pre-tax income, the estimated annual effective income tax rate was 43.8% for 2003 and 47.6% for 2002. The decrease in effective tax rate reflected primarily the acquisition-related expenses incurred by Holdings in 2002.

Foreign Currency Fluctuations. Currency fluctuations had a favorable impact of $9.5 million on net income for the year ended December 31, 2003 when compared to what current year net income would have been using last year's foreign exchange rates. For the year ended December 31, 2003, the regional effects were $(3.2) million in The Americas, $1.5 million in the Pacific Rim, $11.2 million in Europe, and no material impact in Japan.

Net Income. Net income for the year ended December 31, 2003 was $36.8 million compared to net income of $23.2 million for the prior year. Net income increased primarily because of the factors noted above.

Year ended December 31, 2002 compared to year ended December 31, 2001

Net sales for year ended December 31, 2002 increased 7.2% to $1,093.7 million, as compared to net sales of $1,020.1 million in the prior year.

Sales by Geographical Regions

	Year Ended December 31,										
	2001					2002					
	Retail Sales	Distributor Allowance	Product Sales	Handling & Freight Income	Net Sales	Retail Sales	Distributor Allowance	Product Sales	Handling & Freight Income	Net Sales	% Change in Net Sales
	(dollars in millions)										
Americas	$ 620.2	$ (291.9)	$ 328.3	$ 58.6	$ 386.9	$ 683.1	$ (324.7)	$ 358.4	$ 65.9	$ 424.3	9.7%
Europe	459.5	(216.1)	243.4	39.8	283.2	560.3	(266.3)	294.0	48.7	342.7	21.0%
Asia/Pacific Rim	271.9	(118.9)	153.0	19.0	172.0	294.7	(130.0)	164.7	20.8	185.5	7.8%
Japan	304.6	(147.6)	157.0	21.0	178.0	241.1	(117.1)	124.0	17.2	141.2	-20.7%
Total	$ 1,656.2	$ (774.5)	$ 881.7	$ 138.4	$ 1,020.1	$ 1,779.2	$ (838.1)	$ 941.1	$ 152.6	$ 1,093.7	7.2%

Net sales in The Americas increased $37.4 million or 9.7% as compared to the prior year. In local currency, net sales increased by 13.7%. The increase was mainly due to well-organized distributor sales meetings, and strong local leadership.

Net sales in Europe increased $59.5 million or 21.0% in 2002 as compared to the prior year. In local currency, net sales in Europe increased 14.6%. The increase was partly due to strong local distributor leadership and effective lead generation system.

Net sales in Asia/Pacific Rim increased $13.5 million or 7.8% during 2002 as compared to the prior year. In local currency, net sales for Asia/Pacific Rim increased 5.8%. The increase was due to sales growth in Australia, Taiwan and Thailand of 39.9%, 11.1% and 76.1%, respectively.

Net sales in Japan decreased $36.8 million, or 20.7% during 2002 as compared to the prior year. In local currency, net sales for Japan decreased 18.3%. The decline was due to deteriorating economic conditions and the intensified competitive sales environment.

Sales by Product Category

	Year Ended December 31,										
	2001					2002					
	Retail Sales	Distributor Allowance	Product Sales	Handling & Freight Income	Net Sales	Retail Sales	Distributor Allowance	Product Sales	Handling & Freight Income	Net Sales	% Change in Net Sales
	(dollars in millions)										
Weight Management	$ 707.9	$ (345.2)	$ 362.7	$ 59.2	$ 421.9	$ 779.8	$ (381.1)	$ 398.7	$ 66.9	$ 465.6	10.4%
Inner Nutrition	744.6	(363.1)	381.5	62.2	443.7	797.7	(389.8)	407.9	68.4	476.3	7.3%
Outer Nutrition®	178.2	(86.9)	91.3	14.9	106.2	182.0	(88.9)	93.1	15.6	108.7	2.4%
Literature, Promotional and Other	25.5	20.7	46.2	2.1	48.3	19.7	21.7	41.4	1.7	43.1	-10.8%
Total	$ 1,656.2	$ (774.5)	$ 881.7	$ 138.4	$ 1,020.1	$ 1,779.2	$ (838.1)	$ 941.1	$ 152.6	$ 1,093.7	7.2%

For the year ended December 31, 2002, net sales of weight management, inner nutrition and Outer Nutrition® products increased as compared to the prior year. The increases were partially offset by a decrease in sales of literature, promotional and other materials and an increase in returns and refunds.

Gross Profit. Gross profit was $858.2 million for the year ended December 31, 2002 compared to $778.6 million in the prior year. As a percentage of net sales, gross profit for the year ended December 31, 2002 increased from 76.3% to 78.5% as compared to the prior year. The increase in gross profit reflected the realization of product cost savings attributed to new supply contracts initiated in 2001 and a reduction in the inventory provision for slow moving and anticipated obsolescence when comparing 2002 to 2001.

Royalty Overrides. Royalty overrides as a percentage of net sales were 35.4% for the year ended December 31, 2002 as compared to 34.8% in the prior year. The ratio varies slightly from period to period primarily due to a change in the mix of products and countries because full royalty overrides are not paid on certain products or in certain countries.

Marketing, Distribution and Administrative Expenses. Marketing, distribution and administrative expenses as a percentage of net sales were 31.4% for the year ended December 31, 2002, as compared to 34.8% in the prior year. For the year ended December 31, 2002, these expenses decreased $11.7 million to $342.9 million from $354.6 million in the prior year. The decrease was due to $9.3 million in charges for non-income tax contingencies for various tax audits in 2001, a $5.4 million decrease in severance expense from 2001 to 2002, partially offset by $1.3 million higher foreign exchange losses in 2002.

Merger Transaction Expenses. In 2002, we recorded $21.9 million relating to fees and $39.0 million of stock option expenses in connection with the Acquisition.

Net Interest Expense. Net interest expense was $22.5 million for the year ended December 31, 2002 as compared to net interest income of $3.4 million in the prior year. In 2002, the interest expense was mainly related to the term loan, Holdings' Senior Notes and the senior subordinated notes issued to finance the Acquisition.

Income Taxes. Income taxes were $21.3 million for the year ended December 31, 2002 as compared to $28.9 million for the prior year. As a percentage of pre-tax income, the estimated annual effective income tax rate was 47.6% and 40% for 2002 and 2001, respectively.

Foreign Currency Fluctuations. Currency fluctuations had an unfavorable effect of $1.0 million on net income for the year ended December 31, 2002 when recalculating current year net income using last year's foreign exchange rates. For the year ended December 31, 2002, the regional effects were $3.2 million unfavorable in The Americas, $1.1 million unfavorable in the Pacific Rim, and $3.3 million favorable in Europe.

Net Income. Net income for the year ended December 31, 2002 was $23.2 million compared to net income of $42.6 million for the prior year. Excluding the impact of Acquisition expenses, amortization of intangibles and changes in net interest expense, net income for the year ended December 31, 2002 would have been $76.2 million. Net income excluding the impact of Acquisition expenses for the year ended December 31, 2002 increased principally because of a 7.2% increase in net sales and a 2.1% increase in gross profit as a percentage of net sales.

Holdings' Liquidity and Capital Resources

We have historically met our working capital and capital expenditure requirements, including funding for expansion of operations, through net cash flows provided by operating activities. Our principal source of liquidity is our operating cash flows. A substantial decrease in sales of our products would reduce the availability of funds.

For the year ended December 31, 2003, net cash provided by operating activities was $94.6 million compared to $65.9 million in the prior year. The increase in cash generated from operating activities was primarily related to the increase in net income adjusted for non cash items of $54.9 million partially offset by a decrease in working capital of $26.2 million.

For the three months ended March 31, 2004, we generated $25.7 million from operating cash flows compared to the use of $3.5 million in the same period in 2003. The increase in cash generated from operations is primarily related to changes in working capital which were primarily due to payments of severance, deferred compensation liability and debt interests.

Capital expenditures including acquisitions of property under capitalized leases for the year ended December 31, 2003 were $20.4 million compared to $10.4 million in the prior year. The majority of the 2003 capital expenditures resulted from investment in management information systems, office facilities and equipment in the United States.

Capital expenditures including capital leases for the three months ended March 31, 2004 were $5.4 million compared to $2.7 million in the same period in 2003. The majority of these expenditures represented investments in management information systems, office facilities and equipment in the United States. In 2004, we expect to incur approximately $40 million in similar types of investments. These investments will be primarily centered around our internet, order management, and inventory systems. It is our expectation that these investments will result in additional distributor recruiting, retention, and retailing activities which we expect ultimately will drive additional revenue generation. As currently contemplated, the projected cost in 2004 for these new investments will be between $20 million and $25 million. Accordingly, we anticipate that we will incur up to $40 million in capital expenditures for fiscal year 2004.

As of December 31, 2003, we had $1.5 million in working capital. Cash, cash equivalents and marketable securities, including restricted cash, were $156.4 million at December 31, 2003, compared to $76.0 million at December 31, 2002.

As of March 31, 2004, we had working capital of $18.5 million. Cash and cash equivalents were $123.0 million at March 31, 2004, compared to $150.7 million at December 31, 2003. Our cash, in addition to liquidity provided from future operating cash flows and a revolving credit facility of $25 million, are expected to be sufficient to meet our working capital requirements for the foreseeable future. During the first quarter of our fiscal year, we generally make annual payments including certain distributor bonuses, which amount to approximately 1% of annual retail sales. In addition, on January 15th and July 15th of each year, we make coupon payments on Herbalife's $11^{3}/_{4}$% Senior Subordinated Notes due 2010, which amount to approximately $9.4 million.

In connection with the Acquisition, we consummated certain related financing transactions, which included Herbalife's issuance of its $11^{3}/_{4}$% Senior Subordinated Notes due 2010 in the amount of $165 million, Holdings' issuance of the Senior Notes in the amount of $38 million and the entering into of Herbalife's senior credit facilities, consisting of a term loan in the amount of $180 million and a revolving credit facility in the amount of $25 million.

In March 2004, we and our lenders amended our Credit Agreement. Under the terms of the amendment, we made a prepayment of $40.0 million. In connection with this prepayment, our lenders waived the March 31, 2004 mandatory amortization payment of $6.5 million along with a mandatory 50% excess cash flow payment for the year ended December 31, 2003. The amendment also included a lower interest rate margin, increased capital spending allowance and the ability for our parent company to complete a recapitalization. Our debt agreement has a provision that requires us to make annual payments to the extent of excess cash flow, as defined. The schedule of the principal payments was also modified so that we were obligated to pay approximately $4.4 million on March 31, 2004 and in each subsequent quarter through June 30, 2008.

In March 2004, Holdings and its wholly-owned subsidiary WH Capital Corporation completed a $275 million offering of 9.5% Notes due 2011 (the "Outstanding Notes"). The proceeds of the offering together with available cash were used to pay the cash redemption price due upon redemption of all outstanding Holdings convertible Preferred Shares, including all accrued and unpaid dividends, to redeem Holdings' 15.5% Senior Notes, and to pay related fees and expenses. Interest on the Outstanding Notes will be paid in cash semi-annually in arrear on April 1 and October 1 of each year, starting on October 1, 2004. The Outstanding Notes are Holdings' general unsecured obligations, ranking equally with any of the existing and future senior indebtedness and senior to all of Holdings' future subordinated indebtedness. Also, the Outstanding Notes are effectively subordinated to all existing and future indebtedness and other liabilities of Holdings' subsidiaries.

For further discussion of the financings, see Note 4 in the Notes to the Consolidated Financial Statements contained herein and "Risk Factors—Risks Relating to the Notes."

The following summarizes our contractual obligations at December 31, 2003, and the effect such obligations are expected to have on our liquidity and cash flow in future periods.

	Payments Due				
	Total	Less than 1 year	1 - 2 years	3 - 5 years	More than 5 years
	(dollars in millions)				
Long Term Debt(1)	$ 319.8	$ 69.2	$ 15.7	$ 38.7	$ 196.2
Capital Leases(1)(2)	5.7	3.3	1.9	0.5	—
Operating Leases(2)	29.7	12.6	9.4	7.3	0.4
Total	$ 355.2	$ 85.1	$ 27.0	$ 46.5	$ 196.6

(1) See Note 4 in the Notes to the Consolidated Financial Statements

(2) See Note 5 in the Notes to the Consolidated Financial Statements

In addition to the commitments noted above, we have several retirement plans for which we have recorded a long-term compensation liability of $22.4 million as of December 31, 2003. We have established an irrevocable trust whose assets are not intended to be reachable by our creditors, and a "rabbi trust" whose assets will be used to pay the benefits if we remain solvent, but can be reached by our creditors if we become insolvent. The values of the assets in the irrevocable trust and the "rabbi trust" were $2.8 million and $18.5 million, respectively, as of December 31, 2003. Please see Notes 6 and 7 in the Notes to Consolidated Financial Statements for a description of these plans. As these amounts will be paid to employees upon retirement or in some cases upon termination of employment, the period in which these benefits will be paid cannot be determined.

We also have contingent liabilities related to legal proceedings and other matters arising in the ordinary course of business. Although it is reasonably possible we may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not have a material impact on our consolidated financial statements.

Historically, we have not been subjected to material price increases by our suppliers. We believe that in the event of price increases, we have the ability to respond to a portion of any price increases by raising the price of our products. The majority of our purchases from suppliers are generally made in U.S. dollars, while sales to Herbalife distributors generally are made in local currencies. Consequently, strengthening of the U.S. dollar versus a foreign currency can have a negative impact on operating margins and can generate transaction losses on intercompany transactions. For discussion of our foreign exchange contracts and other hedging arrangements, see the quantitative and qualitative disclosures about market risks described below.

As a result of the Transactions and the Notes offering, we have incurred significant debt service payments, including interest due in future years. It is estimated that total pro forma cash interest expense would have been approximately $53.0 million in 2003 if amounts under the Notes were outstanding for the full year. No principal payment on the Notes will be required until April 2011.

Our senior credit facilities impose certain restrictions on our ability to make capital expenditures. The indenture governing the Notes and our amended and restated senior credit facilities restrict, among other things, our ability to borrow money, pay dividends on or repurchase capital stock, make investments and sell assets or enter into mergers or consolidations. For more information, see "Description of Other Indebtedness," "Description of Notes" and "Risk Factors."

We expect that funds provided from operations and available borrowings under our revolving credit facility will provide sufficient working capital to operate our business, make expected capital expenditures and meet foreseeable liquidity requirements, including debt service on the Notes and the senior credit facilities. There can be no assurance, however, that our business will generate sufficient

cash flows or that future borrowings will be available in an amount sufficient to enable us to service our debt, including the Notes, or to fund our other liquidity needs. See "Risk Factors."

For a discussion of certain contingencies that may impact liquidity and capital resources, see Note 9 in the Notes to Consolidated Financial Statements included herein.

Quantitative and Qualitative Disclosures About Market Risks

We are exposed to market risks, which arise during the normal course of business from changes in interest rates and foreign currency exchange rates. On a selected basis, we use derivative financial instruments to manage or hedge these risks. All hedging transactions are authorized and executed pursuant to written guidelines and procedures.

We have adopted Statement of Financial Accounting Standards No. ("SFAS") 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS 133, as amended and interpreted, established accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. All derivatives, whether designated in hedging relationships or not, are required to be recorded on the balance sheet at fair value. If the derivative is designated as a fair-value hedge, the changes in the fair value of the derivative and the underlying hedged item are recognized concurrently in earnings. If the derivative is designated as a cash-flow hedge, changes in the fair value of the derivative are recorded in other comprehensive income ("OCI") and are recognized in the statement of operations when the hedged item affects earnings. SFAS 133 defined new requirements for designation and documentation of hedging relationships as well as ongoing effectiveness assessments in order to use hedge accounting. For a derivative that does not qualify as a hedge, changes in fair value are recognized concurrently in earnings.

A discussion of our primary market risk exposures and derivatives is presented below.

Foreign Exchange Risk

We enter into foreign exchange derivatives in the ordinary course of business primarily to reduce exposure to currency fluctuations attributable to intercompany transactions and translation of local currency revenue. Most of these foreign exchange contracts are designated for forecasted transactions.

We purchase average rate put options, which give us the right, but not the obligation, to sell foreign currency at a specified exchange rate ("strike rate"). These contracts provide protection in the event the foreign currency weakens beyond the option strike rate. In some instances, we sell (write) foreign currency call options to finance the purchase of put options, which gives the counterparty the right, but not the obligation, to buy foreign currency from us at a specified strike rate. These contracts serve to limit the benefit we would otherwise derive from strengthening of the foreign currency beyond the strike rate. Such written call options are only entered into contemporaneously with purchased put options. The fair value of option contracts is based on third-party bank quotes.

The following table provides information about the details of our option contracts at March 31, 2004.

Foreign Currency	Coverage	Average Strike Price	Fair Value	Maturity Date
	(in millions)		(in millions)	
Purchased Puts (Company may Sell yen/Buy USD)				
Japanese yen	$ 10.5	103.65-107.62	$ 0.1	Apr-Jun 2004
Japanese yen	$ 10.5	103.34-107.25	$ 0.2	July-Sep 2004
Japanese yen	$ 10.5	102.98-106.80	$ 0.2	Oct-Dec 2004
Purchased Puts (Company may Sell euro/Buy USD)				
Euro	$ 9.2	1.1588-1.1881	$ —	Apr-Jun 2004
Euro	$ 5.5	1.1564-1.1579	$ —	Jul-Sep 2004
Euro	$ 5.5	1.1550-1.1558	$ 0.1	Oct-Dec 2004

The following table provides information about the details of our option contracts at December 31, 2003 and December 31, 2002:

Foreign Currency	Coverage	Average Strike Price	Fair Value	Maturity Date
	(in millions)		(in millions)	
At December 31, 2003				
Purchased Puts (Company may Sell yen/Buy USD)				
Japanese yen	$ 6.0	107.75 - 107.97	—	Jan - Mar 2004
Japanese yen	$ 6.0	107.39 - 107.62	$ 0.1	Apr - Jun 2004
Japanese yen	$ 6.0	106.95 - 107.25	$ 0.2	Jul - Sep 2004
Japanese yen	$ 6.0	106.43 - 106.80	$ 0.2	Oct - Dec 2004
	$ 24.0		$ 0.5	
Written Calls (Counterparty may Buy yen/Sell USD)				
Japanese yen	$ 6.0	102.00	—	Jan - Mar 2004
Japanese yen	$ 6.0	102.00	—	Apr - Jun 2004
Japanese yen	$ 6.0	102.00	$ (0.1)	Jul - Sep 2004
Japanese yen	$ 6.0	102.00	$ (0.1)	Oct - Dec 2004
	$ 24.0		$ (0.2)	
Purchased Puts (Company may Sell euro/Buy USD)				
Euro	$ 9.4	1.1635 - 1.1910	—	Jan - Mar 2004
Euro	$ 9.4	1.588 - 1.1881	$ 0.1	Apr - Jun 2004
Euro	$ 5.7	1.1564 - 1.1579	—	Jul - Sep 2004
Euro	$ 5.7	1.150 - 1.1558	$ 0.1	Oct - Dec 2004
	$ 30.2		$ 0.2	
Written Calls (Counterparty may Buy euro/Sell USD)				
Euro	$ 5.7	1.2100	$ (0.2)	Jan - Mar 2004
Euro	$ 5.7	1.2100	$ (0.3)	Apr - Jun 2004
Euro	$ 5.7	1.2100	$ (0.3)	Jul - Sep 2004
Euro	$ 5.7	1.2100	$ (0.3)	Oct - Dec 2004
	$ 22.8		$ (1.1)	
At December 31, 2002				
Purchased Puts (Company may Sell yen/Buy USD)				
Japanese yen	$ 6.0	118.43 - 119.68	$ 0.1	Jan - Mar 2003
Japanese yen	$ 6.0	118.03 - 119.30	$ 0.1	Apr - Jun 2003
	$ 12.0		$ 0.2	
Purchased Puts (Company may Sell euro/Buy USD)				
Euro	$ 9.0	1.0155 - 1.0300	—	Jan - Mar 2003
Euro	$ 9.0	1.0155 - 1.0300	$ 0.2	Apr - Jun 2003
	$ 18.0		$ 0.2	

Foreign exchange forward contracts are occasionally used to hedge advances between subsidiaries and bank loans denominated in currencies other than their local currency. The objective of these contracts is to neutralize the impact of foreign currency movements on the subsidiary's operating results. The fair value of forward contracts is based on third-party bank quotes.

The following table provides information about the details of our forward contracts at March 31, 2004.

Foreign Currency	Contract Date	Forward Position	Maturity Date	Contract Rate	Fair Value
		(in millions)			(in millions)
Buy TWD Sell EURO	3/1/2004	$ 2.5	4/1/2004	41.3670	$ 2.6
Buy TWD Sell EURO	3/1/2004	$ 1.0	4/1/2004	41.2750	$ 1.0
Buy CAD Sell EURO	3/1/2004	$ 1.1	4/1/2004	1.6651	$ 1.1
Buy DKK Sell EURO	3/1/2004	$ 0.8	4/1/2004	7.4503	$ 0.8
Buy AUD Sell EURO	3/1/2004	$ 3.8	4/1/2004	1.6142	$ 3.8
Buy SEK Sell EURO	3/1/2004	$ 0.8	4/1/2004	9.2429	$ 0.8
Buy NOK Sell EURO	3/1/2004	$ 0.8	4/1/2004	8.6800	$ 0.9
Buy GBP Sell USD	3/22/2004	$ 3.3	4/23/2004	1.8440	$ 3.3
Buy SEK Sell USD	3/22/2004	$ 1.6	4/23/2004	7.4582	$ 1.6
Buy JPY Sell USD	3/22/2004	$ 18.8	4/23/2004	106.8000	$ 19.3
Buy EURO Sell USD	3/22/2004	$ 1.0	4/23/2004	1.2360	$ 1.0
Buy EURO Sell RUB	3/22/2004	$ 3.7	4/23/2004	35.3850	$ 3.9

The table below describes the forward contracts that were outstanding at December 31, 2003 and December 31, 2002:

Foreign Currency	Contract Date	Forward Position	Maturity Date	Contract Rate	Fair Value
		(in millions)			(in millions)
At December 31, 2003					
Buy TWD Sell Euro	12/2/03	$ 2.6	1/5/04	41.1200	$ 2.5
Buy CAD Sell Euro	12/2/03	$ 1.2	1/5/04	1.5682	$ 1.2
Buy DKK Sell Euro	12/2/03	$ 0.8	1/5/04	7.4410	$ 0.8
Buy SEK Sell Euro	12/2/03	$ 0.8	1/5/04	9.0145	$ 0.8
Buy AUD Sell Euro	12/2/03	$ 1.1	1/5/04	1.6552	$ 1.1
Buy AUD Sell Euro	12/19/03	$ 1.5	1/5/04	1.6810	$ 1.5
Buy GBP Sell USD	12/19/03	$ 3.2	1/23/04	1.7636	$ 3.2
Buy SEK Sell USD	12/19/03	$ 1.6	1/23/04	7.3270	$ 1.7
Buy JPY Sell USD	12/19/03	$ 14.0	1/23/04	107.7050	$ 14.1
Buy EUR Sell USD	12/19/03	$ 1.0	1/23/04	1.2381	$ 1.0
At December 31, 2002					
Buy USD/Sell Mexican Peso	12/3/02	$ 10.6	1/6/03	10.21	$ 10.8
Buy USD/Sell Brazilian Real	12/12/02	$ 1.0	1/16/03	3.74	$ 0.1

All foreign subsidiaries, excluding those operating in hyper-inflationary environments, designate their local currencies as their functional currency. At March 31, 2004, the total amount of foreign subsidiary cash was $72.7 million, of which $7.7 million was invested in U.S. dollars. At December 31, 2003, the total amount of cash held by foreign subsidiaries, primarily in Japan and Korea, was $63.4 million, of which $3.7 million was invested in U.S. dollars.

Interest Rate Risk

We have maintained an investment portfolio of high-quality marketable securities. According to our investment policy, we may invest in taxable and tax exempt instruments including asset-backed securities. In addition, the policy establishes limits on credit quality, maturity, issuer and type of instrument. We do not use derivative instruments to hedge our investment portfolio.

The table below presents principal cash flows and interest rates by maturity dates and the fair values of our borrowings as of March 31, 2004. Fair values for fixed rate borrowings have been determined based on recent market trade values. The fair values for variable rate borrowings approximate their carrying value. Variable interest rates disclosed represent the rates on the borrowings at March 31, 2004. Interest rate risk related to the our capital leases is not significant.

	Expected Maturity Date							
	2004	2005	2006	2007	2008	Thereafter	Total	Fair Value
	(Dollars in millions)							
Long-term Debt								
Fixed Rate	—	—	—	—	—	$ 158.2	$ 158.2	$ 184.8
Average Interest Rate						11.75%		
Variable Rate	$ 13.1	$ 17.4	$ 17.4	$ 17.4	$ 10.2	$ —	$ 75.5	$ 75.5
Average Interest Rate	3.67%	3.67%	3.67%	3.67%	3.67%			
Fixed Rate	—	—	—	—	—	$ 267.5	$ 267.5	$ 286.7
Average Interest Rate						9.5%		

The table below presents principal cash flows and interest rates by maturity dates and the fair values of our borrowings at December 31, 2003. Fair values for fixed rate borrowings have been determined based on market trade values. The fair values for variable rate borrowings approximate their carrying value. Variable interest rates disclosed represent the rates on the borrowings at December 31, 2003. Interest rate risk related to our capital leases at the time was not significant.

	Expected Maturity Date							
	2004	2005	2006	2007	2008	Thereafter	Total	Fair Value
	(dollars in millions)							
Long-term Debt								
Fixed Rate	—	—	—	—	—	$ 158.2	$ 158.2	$ 189.6
Average Interest Rate	—	—	—	—	—	11.75%	11.75%	—
Variable Rate	$ 66.1	$ 15.0	$ 15.0	$ 15.0	$ 8.7	—	$ 119.8	$ 119.8
Average Interest Rate	5.14%	5.14%	5.14%	5.14%	5.14%	—	5.14%	—
Fixed Rate	—	—	—	—	—	$ 38.0	$ 38.0	$ 38.0
Average Interest Rate	—	—	—	—	—	15.5%	15.5%	—

The interest rate cap is used to hedge the interest rate exposure on the term loan which has a variable interest rate. It provides protection in the event the LIBOR rates increases beyond the cap rate.

The table below describes the interest rate cap that was outstanding:

Interest Rate	Notional Amount	Cap Rate	Fair Value	Maturity Date
	(in millions)		(in millions)	
At March 31, 2004				
Interest Rate Cap	$ 32.5	5%	$ —	October 2005
At December 31, 2003				
Interest Rate Cap	$ 34.4	5%	—	10/31/2005
At December 31, 2002				
Interest Rate Cap	$ 43.8	5%	$ 0.1	10/31/2005

Critical Accounting Policies

Our accounting policies are described in Note 2 in the Notes to Consolidated Financial Statements contained herein. Our Consolidated Financial Statements are prepared in conformity with accounting principles generally accepted in the United States, which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. We consider the following policies to be most critical in understanding the judgments that are involved in preparing the financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows.

Allowances for product returns are provided at the time the product is shipped. This accrual is based upon historic trends and experience. If the actual product returns differ from past experience, changes in the allowances are made.

We write down our inventory to provide for estimated obsolete or unsalable inventory based on assumptions about future demand for our products and market conditions. If future demand and market conditions are less favorable than management's assumptions, additional inventory write-downs could be required. Likewise, favorable future demand and market conditions could positively impact future operating results if written-off inventory is sold.

We perform goodwill impairment tests on an annual basis and on an interim basis if an event or circumstance indicates that it is more likely than not that impairment has occurred. We assess the impairment of other amortizable intangible assets and long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors we consider important that could trigger an impairment review include significant underperformance to historical or projected operating results, substantial changes in our business strategy and significant negative industry or economic trends. If such indicators are present, we evaluate the fair value of the goodwill of the reporting unit to its carrying value. For other intangible assets and long-lived assets, we determine whether the sum of the estimated undiscounted cash flows attributable to the assets in question is less than their carrying value. If it is less, we recognize an impairment loss based on the excess of the carrying amount of the assets over their respective fair values. Fair value of goodwill, other intangible assets and long-lived assets is determined by discounted future cash flows, appraisals or other methods. If the long-lived asset determined to be impaired is to be held and used, we recognize an impairment charge to the extent the present value of anticipated net cash flows attributable to the asset are less than the asset's carrying value. The fair value of the long-lived asset then becomes the asset's new carrying value, which we depreciate over the remaining estimated useful life of the asset. To the extent we determine there are indicators of impairment in future periods, write-downs may be required.

Contingencies are accounted for in accordance with SFAS 5, "Accounting for Contingencies." SFAS 5 requires that we record an estimated loss from a loss contingency when information available prior to issuance of our financial statements indicates that it is probable that an asset has been

impaired or a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Accounting for contingencies such as legal and income tax matters requires us to use judgment. Many of these legal and tax contingencies can take years to be resolved. Generally, as the time period increases over which the uncertainties are resolved, the likelihood of changes to the estimate of the ultimate outcome increases. However, an adverse outcome in these matters could have a material impact on our financial condition and operating results.

Deferred income tax assets have been established for net operating loss carryforwards of certain foreign subsidiaries and have been reduced by a valuation allowance to reflect them at amounts estimated to be ultimately recognized. The net operating loss carryforwards expire in varying amounts over a future period of time. Realization of the income tax carryforwards is dependent on generating sufficient taxable income prior to expiration of the carryforwards. Although realization is not assured, we believe it is more likely than not that the net carrying value of the income tax carryforwards will be realized. The amount of the income tax carryforwards that is considered realizable, however, could change if estimates of future taxable income during the carryforward period are adjusted.

New Accounting Pronouncements

In December 2003, the SEC issued Staff Accounting Bulletin ("SAB") No. 104, "Revenue Recognition," which codifies, revises, and rescinds certain sections of SAB No. 101, "Revenue Recognition," in order to make this interpretive guidance consistent with current authoritative accounting and auditing guidance and SEC rules and regulations. The changes noted in SAB No. 104 did not have a material effect on our consolidated results of operations, consolidated financial position, or consolidated cash flows.

In May 2003, the FASB issued SFAS 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS 150 establishes standards on the classification and measurement of certain instruments with characteristics of both liabilities and equity. SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. SFAS 150 requires the classification of any financial instruments with a mandatory redemption feature, an obligation to repurchase equity shares, or a conditional obligation based on the issuance of a variable number of its equity shares, as a liability. The adoption of SFAS 150 did not have a material effect on our consolidated financial statements.

In April 2003, the FASB issued SFAS 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," effective for contracts entered into or modified after June 30, 2003. This amendment clarifies when a contract meets the characteristics of a derivative, clarifies when a derivative contains a financing component, and amends certain other existing pronouncements. The adoption of SFAS 149 did not have a material effect on our consolidated financial statements.

The FASB issued Interpretation 46 ("FIN 46"), "Consolidation of Variable Interest Entities" in January 2003, and a revised interpretation of FIN 46 ("FIN 46-R"). FIN 46 requires certain variable interest entities ("VIEs") to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or sufficient equity to finance its activities without additional subordinated financial support from other parties. The provisions of FIN 46 are effective immediately for all arrangements entered into after January 31, 2003. We have not invested in any entities that we believe are variable interest entities for which we are the primary beneficiary. The adoption of FIN 46 and FIN 46-R had no impact on our financial position, results of operations, or cash flows.

In November 2002, the FASB issued Interpretation No. 45 ("FIN 45"), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," which addresses the disclosure to be made by a guarantor in its interim and annual financial

statements about its obligations under guarantees. The disclosure requirements are effective for interim and annual financial statements ending after December 15, 2002. We do not have any material guarantees that require disclosure under FIN 45.

FIN 45 also requires the recognition of a liability by a guarantor at the inception of certain guarantees. FIN 45 requires the guarantor to recognize a liability for the non-contingent component of a guarantee, which is the obligation to stand ready to perform in the event that specified triggering events or conditions occur. The initial measurement of this liability is the fair value of the guarantee at inception. The recognition of the liability is required even if it is not probable that payments will be required under the guarantee or if the guarantee was issued with a premium payment or as part of a transaction with multiple elements. The initial recognition and measurement provisions are effective for all guarantees within the scope of FIN 45 issued or modified after December 31, 2002. We have adopted the disclosure requirements of FIN 45 and will apply the recognition and measurement provisions for all guarantees entered into or modified after December 31, 2002.

As noted above, we have adopted the disclosure requirements of FIN 45 and will apply the recognition and measurement provisions for all guarantees entered into or modified after December 31, 2002. As of March 31, 2004, we have not entered into any guarantees within the scope of FIN 45.

BUSINESS

General

We are a worldwide marketer of weight management, inner nutrition and Outer Nutrition® products that support our customers' wellness and healthy lifestyles. We market and sell these products through a global network marketing organization comprised of over one million independent distributors in 58 countries. Throughout our 24-year operating history, the high quality of our products and the effectiveness of our network marketing organization have been the primary drivers of our growth and geographic expansion. For the year ended December 31, 2003, our net sales and EBITDA were approximately $1.2 billion and $167.7 million, respectively.

Company History

Herbalife was founded in 1980 to offer safe and effective alternatives to weight management solutions then in the market. From inception, we have utilized a direct selling distribution model, as this model provides a unique and effective method for Herbalife distributors to offer personal attention to consumers of weight management products. Our distributor base grew quickly, by increasing penetration in the United States and by expanding abroad. Throughout the 1980's, we began operations in other English-speaking countries such as Canada, the United Kingdom, Australia and New Zealand, and subsequently entered several of our larger international markets including Mexico (1989), Japan (1989), Germany (1990), Italy (1992) and South Korea (1996). In conjunction with our entry into new markets, we expanded our product portfolio with new product introductions in our weight management and inner nutrition categories and introduced our Outer Nutrition® product line in 1995.

Historically, Herbalife was managed as a grass-roots enterprise with an entrepreneurial management approach. Following the death of our founder, Mark Hughes, in May 2000, the then current management team continued to run Herbalife, but began to explore strategic options including a sale of the company. As a result of this process, in July 2002, Herbalife was acquired by Whitney, Golden Gate and their affiliates.

Since the Acquisition, we have worked to strengthen our management team with experienced executives focused on making Herbalife the leading weight management and nutrition company worldwide. Since 2002, we have made several important additions to our management team that we believe will strengthen our capabilities in product development, operations and marketing. Our key hires are as follows:

- Michael O. Johnson, Chief Executive Officer. Mr. Johnson became our Chief Executive Officer in April 2003 after spending 17 years with The Walt Disney Company, where he most recently served as President of Walt Disney International, a position he held since 2000, and where he also served as President of Asia Pacific for The Walt Disney Company and President of Buena Vista Home Entertainment.

- Gregory Probert, Chief Operating Officer. Mr. Probert joined Herbalife in August 2003 after serving as President of DMX MUSIC. Mr. Probert joined DMX MUSIC after spending 12 years with The Walt Disney Company, where he most recently served as Executive Vice President and COO of the Buena Vista Home Entertainment worldwide business.

- Henry Burdick, Vice Chairman and head of new product development. Mr. Burdick has been a director since July 31, 2002 and was appointed as our Vice Chairman in June 2003. Mr. Burdick was the co-founder and at various times served as the Chairman, President and CEO of Pharmavite Corporation, the makers of the Nature Made brand of nutritional supplements. In May 1996, following his retirement from Pharmavite, Mr. Burdick invested in a research and development company called Generation Health. He renamed the company Pharmanex, and was

Chairman and CEO until it was sold in 1998 to Nu Skin Enterprises, Inc., a NYSE listed company.

- Matthew Wisk, Chief Marketing Officer. Before becoming our Chief Marketing Officer in July 2003, Mr. Wisk served as Vice President of Marketing for Nokia Mobile Phones for North and South America. He also worked for Nokia in Europe, where he directed the activities of hundreds of marketing and sales professionals. Prior to his tenure at Nokia, Mr. Wisk led marketing for NEC's fax business.

- Brett R. Chapman, General Counsel. Prior to joining Herbalife in October 2003, Mr. Chapman spent thirteen years at The Walt Disney Company, most recently as Senior Vice President and Deputy General Counsel, with responsibility for all legal matters relating to Disney's Media Networks Group, including the ABC Television Network, the company's cable properties including The Disney Channel and ESPN, and Disney's radio and internet businesses.

Our management team also draws significant support from our many veteran members, including William D. Lowe (joined in 1998), our Senior Vice President, Principal Financial and Accounting Officer, Carol Hannah (joined in 1984), our President of Distributor Communications and Support and former Co-President and Brian L. Kane (joined in 1993), our President of Herbalife's European region and former Co-President.

We believe that the efforts of this team are already being reflected in our recent operating success and continued improvement in our financial performance. For a detailed description of our employment arrangements with our management team, see "Management—Employment Contracts."

Business Strategy

Our business strategy is comprised of the following principal elements:

- ***Increase Brand Recognition with Science-based Weight Management and Nutrition Products.*** Since the Acquisition, we have significantly increased our emphasis on scientific research in the weight management and nutrition arena and increased our focus on developing products with scientifically demonstrated efficacy. Our underlying initiative is to continue to enhance our reputation as an industry leading and well-respected company committed to scientific research. For example, in 2003, we introduced *Niteworks*™, a cardiovascular enhancement product developed by Dr. Louis Ignarro, a Nobel Laureate in Medicine. In addition, we recently funded and opened the Mark Hughes Lab for Cellular and Molecular Nutrition at UCLA. We have also established our own Scientific Advisory Board, which is committed to advancing the field of nutritional science. We are well positioned to take advantage of current worldwide consumer trends indicating that individuals are turning more and more towards weight management and nutritional products to address weight, fitness and age-related health concerns. We believe our focus on nutritional science will result in meaningful product enhancements and give consumers increased confidence in our products.

- ***Provide Superior Personal Interaction, Care and Support for Our Customers.*** We believe the direct sales model, the method we have used since we began operations in February 1980, is the most attractive and effective way to sell our products in a manner that provides superior personal interaction, care and support for our customers. Sales of our products are strengthened by ongoing personal contact between retail consumers and distributors, thereby enhancing the education of consumers in the weight management and nutrition markets. In turn, the motivation of consumers to begin and maintain weight management programs for healthy living is similarly enhanced. We also believe that sales of our weight management and inner nutrition products are strengthened by the first-hand, testimonial proof of product effectiveness provided by many of our distributors, who are consumers of our products themselves.

- ***Enhance the Visibility of Herbalife and Consumer Access to Herbalife Products.*** Our distributors are the only access point for consumers to purchase Herbalife products. While this distribution strategy is highly effective, we believe that we can better assist our distributors in reaching a broader consumer base by increasing the visibility of Herbalife and its products. To accomplish this, we intend to supplement our distributors' selling efforts with Herbalife-sponsored marketing and public relations campaigns designed to generate consumer demand for our products. To allow consumers to access our products more easily, we are exploring implementing new ways for consumers to locate distributors, including internet-based referral systems and other new access points to Herbalife products.

- ***Increase Market Penetration.*** We have historically grown principally by entering into new markets. Because we believe that we have already succeeded in entering into the most attractive markets for our products and distribution system, an increasingly important part of our strategy for continued growth is to increase the number and range of our products available in our existing markets. We believe this will drive sales growth through increased penetration in each of our country markets around the world.

- ***Increase Distributor Productivity and Retention.*** We recognize that in addition to high-quality products and a rewarding distributor compensation plan, the success of our business depends on the support and training of our distributors. We are strengthening our distributor support services by enhancing customer service capabilities at our call centers, offering greater business-building opportunities through the internet, creating new business support initiatives and offering enriched reward recognition programs. To further enhance distributor productivity and improve retention, we are developing new educational training programs aimed at assisting distributors with their sales, marketing and recruiting techniques. Extensive training opportunities enable distributors to not only develop invaluable business-building and leadership skills, but also to become experts in our products and offer customers sound advice on weight management and nutrition. By placing a top priority on training, we build credibility among our distributors and further establish Herbalife as an industry leader.

- ***Improve Margins through Expense Management.*** During the last two years, we have implemented certain product manufacturing and other sustainable expense reduction initiatives that have already resulted in significant improvements in financial performance. We are focused on realizing savings through cost control of corporate expenses and continued focus on the implementation of the above initiatives. Through these initiatives and our improvement in net sales, we have improved our adjusted EBITDA from $86.8 million (8.5% of net sales) in 2001 to $167.7 million (14.5% of net sales) in 2003. We believe the combination of reduced product costs and our continued control of corporate spending will enhance profitability and cash flow.

Product Overview

For 24 years, our products have helped distributors and customers from around the world lose weight, improve their health and experience life-changing results. We have built our heritage on developing formulas that blend the best of nature with innovative techniques from nutritional science, appealing to the growing base of consumers seeking to live a healthier lifestyle.

We group our products into three categories: *weight management*, which consists of a full range of meal replacement programs and healthy snacks; *inner nutrition*, which consists of nutritional supplements; and *Outer Nutrition®,* which represents personal-care products. To ensure ease and simplicity of use, we have created program solutions that draw upon our experience of developing results-oriented and conveniently designed products. Our program solutions target specific consumer markets such as women, men, mature adults, sports enthusiasts, as well as weight-loss and weight-management customers and individuals looking to enhance their overall well-being.

Herbalife's broad-reaching products and programs are sold through an international network of more than one million independent distributors. We support our distributors' success by offering complementary sales and marketing materials, comprehensive live training, internet-based educational programs and a growing library of audiotapes, videos, CDs and DVDs geared toward product and business-opportunity knowledge.

The following chart summarizes our net-sales information by product category during the indicated periods.

	Net sales by category year ended December 31,					
	2001		2002		2003	
Product category	Net sales	Percent of sales	Net sales	Percent of sales	Net sales	Percent of sales
	(dollars in millions)					
Weight-Management	$ 421.9	41.4%	$ 465.6	42.6%	$ 500.1	43.1%
Inner Nutrition	443.7	43.5%	476.3	43.6%	505.1	43.6%
Outer Nutrition®	106.2	10.4%	108.7	9.9%	105.7	9.1%
Literature, Promotional and Other	48.3	4.7%	43.1	3.9%	48.5	4.2%
Total	$ 1,020.1	100.0%	$ 1,093.7	100.0%	$ 1,159.4	100.0%

Weight management

We believe that our products have helped millions of people manage their weight safely and effectively by providing our customers with numerous weight-management formulas. Among the products we offer are meal replacements, weight-loss accelerators and a variety of healthy snacks. These products include the following: (1) Formula 1 Protein Drink Mix, a meal-replacement protein powder available in five different flavors, including a kosher selection; (2) HPLC Shake Mix, a meal-replacement formula developed for consumers interested in lowering their carbohydrate intake, available in two flavors; (3) Performance Protein Powder, a high-quality soy and whey protein source developed to be added to our meal replacements to boost protein intake and decrease hunger; (4) Formula 2 Multivitamin-Mineral & Herbal Tablets, which provide essential vitamins and nutrients and are part of our weight-management programs; (5) accelerators, including Total Control™, Green Ephedra Free, and Snack Defense™, which address specific challenges associated with dieting; and (6) healthy snacks, formulated to provide between-meal nutrition and satisfaction. For the year ended December 31, 2003, $500.1 million or 43.1% of our net sales were derived from weight management products.

Inner nutrition

We market numerous dietary and nutritional supplements designed to meet our customers' specific nutritional needs. Each of these supplements contains high-quality herbs, vitamins, minerals and other natural ingredients and focuses on specific health concerns of our customers. For example, in 2003, Herbalife introduced *Niteworks*™, developed by Nobel Laureate in Medicine, Dr. Louis Ignarro. *Niteworks*™ supports energy, circulatory and vascular health and enhances blood flow to the heart, brain and other vital organs. For the year ended December 31, 2003, $505.1 million or 43.6% of our net sales were derived from inner nutrition products.

Outer Nutrition®

Our Outer Nutrition® products complement our weight-management and inner nutrition products and improve the appearance of our customers' body, skin and hair. These products include skin cleansers, toners, moisturizers and facial masks, shampoos and conditioners, body-wash items and a selection of fragrances for men and women. The Outer Nutrition® line is designed to make our

customers look and feel their best. For the year ended December 31, 2003, $105.7 million or 9.1% of our net sales were derived from Outer Nutrition® products.

Literature, promotional and other products

We also sell literature and promotional materials, including sales aids, informational audiotapes, videotapes, CDs and DVDs, and distributor kits (called "International Business Packs"). Historically, product returns and buy-backs have not been significant. For the year ended December 31, 2003, $48.5 million or 4.2% of our net sales were derived from literature and promotional materials.

Product Manufacturing and Development

New product ideas have in the past been derived from a number of sources, including trade publications, scientific and health journals, our executives, staff and consultants and outside parties. Going forward, this process will be enhanced by our Scientific Advisory Board, which includes leading scientists, and our Medical Advisory Board, which includes leading medical doctors from around the world. In early 2003, we contributed to the establishment of the UCLA Lab at the UCLA Center for Human Nutrition. The UCLA Lab's mission is to advance nutritional science to new levels of understanding by using the most progressive research and development technologies available. The UCLA Lab will enable UCLA researchers for the first time to fingerprint herbs and to couple this with tests of the effects of herbs on living cells. We intend to take full advantage of the expertise at UCLA and other major universities by committing to support research that will utilize herbs that have been identified and profiled using these state-of-the-art techniques.

Since our products consist of herbs, vitamins, minerals and other ingredients that we regard as safe when taken as suggested by us, we do not generally conduct clinical studies of our products. However, in advance of introducing products into our markets, local counsel and other representatives, retained by us, investigate product formulation matters as they relate to regulatory compliance and other issues if necessary. Our products are then reformulated to suit both the regulatory and marketing requirements of the particular market.

All of our products are manufactured by outside companies, with the exception of products distributed in and sourced from China where we have our own manufacturing facility. All manufacturing companies are Herbalife quality and production certified. Our weight management products and nutritional supplements are manufactured for us by multiple manufacturers. We have established excellent relationships with these manufacturers and obtained improvements in supply services, product quality and product delivery. Historically, we have not been subject to material price increases by our suppliers, and we believe that in the event of price increases, we have the ability to respond to a portion of the price increases by raising the prices of our products. We own the proprietary rights to substantially all of our weight management products and dietary and nutritional supplements.

Product Return and Buy-Back Policies

In most markets, our products include a customer satisfaction guarantee. Under this guarantee, within 30 days of purchase, any customer who is not satisfied with an Herbalife product for any reason may return it or any unused portion of it to the distributor from whom it was purchased for a full refund from the distributor or credit toward the purchase of another Herbalife product. If they return the products to us on a timely basis, distributors may obtain replacements from us for such returned products. In addition, in most jurisdictions, we maintain a buy-back program, pursuant to which we will repurchase products sold to a distributor provided that the distributor resigns as an Herbalife distributor, returns the product in marketable condition generally within twelve months of original

purchase and meets certain documentation and other requirements. We believe this buy-back policy addresses a number of the regulatory compliance issues pertaining to network marketing systems.

Historically, product returns and buy-backs have not been significant. Product returns, refunds and buy-backs approximated 1.9%, 2.4% and 2.5% of retail sales in 2003, 2002 and 2001, respectively.

Network Marketing System

General

Our products are distributed through a global network marketing organization comprised of over one million independent distributors in 58 countries as of March 31, 2004, except in China where our sales are regulated to be conducted on a wholesale basis to local retailers.

We believe that the direct-selling distribution channel is ideally suited to selling our products, because sales of weight management and wellness products are strengthened by ongoing personal contact between retail consumers and distributors. This personal contact enhances the education of consumers in the weight management and nutrition markets and the motivation of consumers to begin and maintain weight management programs for healthy living. In addition, our distributors use Herbalife's products themselves providing first-hand testimonial proof of product effectiveness, which serves as a powerful sales tool.

We provide our distributors attractive and flexible income and career opportunities by selling our high-quality products. Our distributors have the opportunity to earn income and receive non-financial rewards designed to motivate and recognize individual achievement. As a result, we believe the income opportunity provided by our network marketing system appeals to a broad cross-section of people throughout the world, particularly those seeking to supplement family income, start a home business or pursue non-conventional, full or part-time employment opportunities. Our distributors, who are independent contractors, earn income on their own sales and can also earn royalties and bonuses on sales made by the distributors in their sales organizations. We believe our network marketing system provides an attractive income opportunity relative to other network marketing companies.

In connection with the Acquisition, we entered into an agreement with our distributors that no material changes adverse to the distributors will be made to the existing marketing plan and that we will continue to distribute our products exclusively through our independent distributors.

Structure of the network marketing system

To become a distributor, a person must be sponsored by an existing distributor, except in China where no sponsorship is allowed, and must purchase an International Business Pack from us, except in South Korea, where there is no charge for a distributor kit. To become a supervisor or qualify for a higher level, distributors must achieve specified volumes of product purchases or earn certain amounts of royalty overrides during specified time periods and must re-qualify for the levels once each year. To attain supervisor status, a distributor generally must purchase products representing at least 4,000 volume points in one month or 2,500 volume points in two consecutive months. China has its own unique qualifying program. Volume points are point values assigned to each of our products that are equal in all countries and are based on the suggested retail price of U.S. products. Supervisors may then attain higher levels, which consist of the Global Expansion Team, the Millionaire Team and the President's Team, by earning increasing amounts of royalty overrides based on purchases by distributors within their organizations. Supervisors contribute significantly to our sales and some key supervisors who have attained the highest levels within our distributor network are responsible for their organization's generation of a substantial portion of our sales and for recruiting a substantial number of our distributors.

The following table sets forth the approximate number of our supervisors at the dates indicated:

	February*				
	2000	2001	2002	2003	2004**
Approximate number of supervisors	160,000	165,000	172,000	173,000	191,000

* In February of each year, we delete from the rank of supervisor those supervisors who did not satisfy the supervisor qualification requirements during the preceding twelve months. Distributors who meet the supervisor requirements at any time during the year are promoted to supervisor status at that time, including any supervisors who were deleted, but who subsequently requalified. We rely on distributors' certifications as to the amount and source of their product purchases from other distributors. Although we apply review procedures with respect to the certifications, they are not directly verifiable by us.

** In 2004 certain modifications were made to the requalifications resulting in approximately 19,000 additional supervisors.

Distributor earnings

Distributor earnings are derived from several sources. First, distributors may earn profits by purchasing our products at wholesale prices, which are discounted 25% to 50% from suggested retail prices, depending on the distributors' level within our distributor network, and selling our products to retail customers or to other distributors. Second, distributors who sponsor other distributors and establish their own sales organizations may earn (i) royalty overrides, 15% of product retail sales in the aggregate, (ii) production bonuses, 7% of product retail sales in the aggregate and (iii) President's Team bonus, 1% of product retail sales in the aggregate. In China, distributors are limited to earn profits from retailing our products by purchasing our products with discounts and rebates up to 50% of suggested retail price and then reselling them to customers. Distributors may also earn a 5% or 10% sales volume bonus on their own purchases.

Distributors earn the right to receive royalty overrides upon attaining the level of supervisor and above, and production bonuses upon attaining the level of Global Expansion Team and above. Once a distributor becomes a supervisor, he or she has an incentive to qualify, by earning specified amounts of royalty overrides, as a member of the Global Expansion Team, the Millionaire Team or the President's Team, and thereby receive production bonuses of up to 7%. We believe that the right of distributors to earn royalty overrides and production bonuses contributes significantly to our ability to retain our most productive distributors.

We seek to expand our distributor base in each market by offering distributors attractive compensation opportunities. We believe our international sponsorship program provides a significant advantage to our distributors as compared with distributors in some other network marketing organizations. This program permits distributors to sponsor distributors in other countries where we are licensed to do business and where we have obtained required product approvals.

Distributor training

We and our distributor leadership conduct over 25,000 training sessions annually on local, regional and global levels to educate and motivate our distributors. In addition to these training sessions, we have our own "Herbalife Broadcast Network" that we use to provide distributors continual training and information. The Herbalife Broadcast Network can be seen on the DISH Network satellite television service and on the internet. We use the Herbalife Broadcast Network to provide our distributors with the most current product and marketing information.

Geographic Presence

The following chart sets forth the markets in which we currently operate, the number of countries open in such markets as of March 31, 2004 and net sales information by region during the past three fiscal years.

Geographic region	Year ended December 31, 2001	2002	2003	Percent of total net sales 2003	Number of countries open as of March 31, 2004
			(dollars in millions)		
Americas	$ 386.9	$ 424.3	$ 424.4	36.6%	11
Europe	283.2	342.7	448.2	38.7%	34
Asia/Pacific Rim	172.0	185.5	167.5	14.4%	12
Japan	178.0	141.2	119.3	10.3%	1
Total	$ 1,020.1	$ 1,093.7	$ 1,159.4	100.0%	58

We conduct business in 58 countries located in The Americas, Europe, Asia/Pacific Rim and Japan. Net sales in those regions represented 36.6%, 38.7%, 14.4% and 10.3%, respectively, of our total net sales in 2003. The fiscal year ended December 31, 2003 marks the first year in which we separately recognize revenues from sales to distributors in Japan and the net sales information reported in the table above for prior periods reflects the net sales attributable to that market during those periods. For more information about our results of operation in these four geographic regions, see Note 11 in the Notes to Consolidated Financial Statements included elsewhere herein.

Historically a significant portion of our sales have been from a few countries. In 2003, our top six countries accounted for approximately 56.4% of total net sales. Over the most recent five years, the top six countries of each year have gone from representing approximately 72.5% of net sales in 1999 to 56.4% of net sales in 2003.

After entering a new country, we have in many instances experienced an initial period of rapid growth in sales as new distributors were recruited, followed by a decline in sales. We believe that a significant factor affecting these markets has been the opening of other new markets within the same geographic region or with the same or similar language or cultural bases and the corresponding tendency of some distributors to focus their attention on the business opportunities provided by new markets instead of developing their established sales organizations in existing markets. Additionally, in some instances, we have become aware that certain sales in certain existing markets were attributable to purchasers who distributed our products in countries that had not yet been opened. When these countries were opened, the sales in existing markets shifted to the newly opened markets, resulting in a decline in sales in the existing markets. To the extent we determine to open new markets in the future, we will continue to seek to minimize the impact on distributor focus in existing markets and to ensure that adequate distributor support services and other Herbalife systems are in place to support growth.

A significant factor contributing to potential sales declines is adverse publicity. We believe that unfavorable press reports are generally based upon a lack of familiarity with us and our network marketing system and often originate from competitive forces in the local market. The effect of occasional adverse publicity has at times also led to increased regulatory scrutiny in some countries, which may also have an adverse effect on sales.

Our business strategy includes placing greater emphasis on sustaining and increasing sales levels in our existing markets, particularly where we have experienced declines in sales after an initial period of growth. We seek greater market penetration in our markets by refining sales, marketing and recruiting initiatives and by increasing the availability of our existing products in those markets where we currently offer only a small percentage of our full product line. See "—Business Strategy." A foreign

government may impose trade or foreign exchange restrictions or increased tariffs, which could adversely affect our operations. We are also exposed to risks associated with foreign currency fluctuations. For instance, purchases from suppliers are generally made in U.S. dollars while sales to distributors are generally made in local currencies. Accordingly, strengthening of the U.S. dollar versus a foreign currency could have a negative impact on us. Although we engage in transactions to protect against risks associated with foreign currency fluctuations, we cannot be certain any hedging activity will effectively reduce our exchange rate exposure. Our operations in some markets also may be adversely affected by political, economic and social instability in foreign countries. As we continue to focus on expanding our existing international operations, these and other risks associated with international operations may increase. Approximately 76% of our net sales for the year ended December 31, 2003 were generated outside the United States.

Operations

Our global distribution system features centralized distribution and telephone ordering systems coupled with storefront distributor service centers. Distribution and service centers are conveniently located and attractively designed in order to encourage local distributors to meet and network with each other and learn more about our products, marketing system and upcoming events. In addition, they can showcase the business while improving their selling productivity. Our major distribution warehouses have been automated with "pick-to-light" picking systems which consistently deliver over 99.5% order accuracy and handling systems that provide for inspection of every shipment before it is sent to delivery. Shipping and processing standards for orders placed are either the same day or the following business day. We have central sales ordering facilities for answering and processing telephone orders. Operators at such centers are capable of conversing in multiple languages.

Our weight management, inner nutrition and Outer Nutrition® products are distributed to foreign markets either from the facilities of our manufacturers or from our Los Angeles and Venray, Netherlands distribution centers. Products are distributed in the United States market from our Los Angeles distribution center or from our Memphis distribution center. Nutrition products manufactured in countries globally are generally transported by truck, cargo ship or plane to our international markets and are warehoused in either one of our foreign distribution centers or a contracted third party warehouse and distribution center. After arrival of the products in a foreign market, distributors purchase the products from the local distribution center or the associated sales center. Our Outer Nutrition® products are predominantly manufactured in Europe and the United States. The products manufactured in Europe are shipped to a centralized warehouse facility, from which delivery by truck, ship or plane to other international markets occurs.

Management Information, Internet and Telecommunication Systems

In order to facilitate our continued growth and support distributor activities, we continually upgrade our management information, internet and telecommunication systems. These systems include: (i) a centralized host computer located in Southern California, which is linked to our international markets through a dedicated wide area network that provides on-line, real-time computer connectivity and access; (ii) local area networks of personal computers within our markets, serving our regional administrative staffs; (iii) an international e-mail system through which our employees communicate; (iv) a standardized Northern Telecom Meridian telecommunication system in most of our markets; (v) fully integrated Oracle supply chain management system that has been installed in our distribution centers; and (vi) internet websites to provide a variety of online services for distributors (status of qualifications, meeting announcements, product information, application forms, educational materials and, in the United States, sales ordering capabilities). These systems are designed to provide financial and operating data for management, timely and accurate product ordering, royalty override payment processing, inventory management and detailed distributor records. We intend to continue to invest in our systems in order to strengthen our operating platform.

Regulation

General. In both our United States and foreign markets, we are affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints may exist at the federal, state or local levels in the United States and at all levels of government in foreign jurisdictions, including regulations pertaining to: (i) the formulation, manufacturing, packaging, labeling, distribution, importation, sale and storage of our products; (ii) product claims and advertising, including direct claims and advertising by us, as well as claims and advertising by distributors, for which we may be held responsible; (iii) our network marketing system; (iv) transfer pricing and similar regulations that affect the level of U.S. and foreign taxable income and customs duties; and (v) taxation of distributors (which in some instances may impose an obligation on us to collect the taxes and maintain appropriate records).

Products. The formulation, manufacturing, packaging, storing, labeling, promotion, advertising, distribution and sale of our products are subject to regulation by various governmental agencies, including (i) the Food and Drug Administration ("the FDA"), (ii) the Federal Trade Commission (the "FTC"), (iii) the Consumer Product Safety Commission ("CPSC"), (iv) the United States Department of Agriculture ("USDA"), (v) the Environmental Protection Agency ("EPA"), and (vi) the United States Postal Service. Our activities also are regulated by various agencies of the states, localities and foreign countries in which our products are manufactured, distributed and sold. The FDA, in particular, regulates the formulation, manufacture and labeling of foods, dietary supplements, cosmetics and over-the-counter ("OTC") drugs, such as those distributed by us. FDA regulations require us and our suppliers to meet relevant current good manufacturing practice ("CGMP") regulations for the preparation, packing and storage of foods and OTC drugs. On March 7, 2003, the FDA released for comment its proposed CGMP's for dietary supplements.

Most OTC drugs are subject to FDA Monographs that establish labeling and composition for these products. Our products must comply with these Monographs, and our manufacturers must list all products with the FDA and follow CGMP. Our cosmetic products are regulated for safety by the FDA, which requires that ingredients meet industry standards for non-allergenicity and non-toxicity. Performance claims for cosmetics may not be "therapeutic."

The 1994 Dietary Supplement Health and Education Act ("DSHEA") revised the provisions of the Federal Food, Drug and Cosmetic Act ("FFDCA") concerning the composition and labeling of dietary supplements and, we believe, is generally favorable to the dietary supplement industry. The legislation creates a new statutory class of dietary supplements. This new class includes vitamins, minerals, herbs, amino acids and other dietary substances for human use to supplement the diet, and the legislation grandfathers, with some limitations, dietary ingredients that were on the market before October 15, 1994. A dietary supplement that contains a dietary ingredient that was not on the market before October 15, 1994 will require evidence of a history of use or other evidence of safety establishing that it is reasonably expected to be safe. Manufacturers of dietary supplements that make specified types of statements on dietary supplements, including some product performance claims, must have substantiation that the statements are truthful and not misleading. The majority of the products marketed by us are classified as dietary supplements under the FFDCA.

In January 2000, the FDA published a final rule that defines the types of statements that can be made concerning the effect of a dietary supplement on the structure or function of the body pursuant to DSHEA. Under DSHEA, dietary supplement labeling may bear structure or function claims, which are claims that the products affect the structure or function of the body, without prior FDA approval. They may not bear a claim that they can prevent, treat, cure, mitigate or diagnose disease (a disease claim). The new final rule describes how the FDA will distinguish disease claims from structure or function claims. In February 2001, the FDA issued a notice requesting comments on the types of information that should be included in guidance to applying the regulations on statements made for dietary supplements concerning the effect of a dietary supplement on the structure or function of the

body. In January 2002, the FDA issued a Structure/Function Claims Small Entity Compliance Guide, which provided guidance to industry on the requirements that apply to determining whether a claim for a dietary supplement is a structure/function claim or a disease claim. The Company has continued its efforts to make sure that its dietary supplement product labeling complies with the requirements of the structure or function final rule, which became effective in 2000, as well as with the more recently issued Compliance Guide.

As a marketer of dietary and nutritional supplements and other products that are ingested by consumers, we are subject to the risk that one or more of the ingredients in our products may become the subject of adverse regulatory action. A number of states restricted the sale of dietary supplements containing botanical sources of ephedrine alkaloids. As a result of these state regulations, Herbalife stopped sales of its dietary supplements containing botanical sources of ephedrine alkaloids due to a shift in consumer preference for "ephedra free products" and a significant increase in products liability insurance premiums for products containing botanical sources of ephedrine group alkaloids.

In addition, we have ceased sales of Thermojetics® original green herbal tablets containing ephedrine alkaloids derived from Chinese *Ma Huang*, as well as Thermojetics® green herbal tablets and Thermojetics® gold herbal tablets (the latter two containing the herb *Sida cordifolia* which is another botanical source of ephedrine alkaloids).

On February 6, 2004, the FDA published a rule finding that dietary supplements containing ephedrine alkaloids present an unreasonable risk of illness or injury under conditions of use recommended or suggested in the labeling of the product, or, if no conditions of use are suggested in the labeling, under ordinary conditions of use, and are therefore adulterated under Section 402(f)(1)(A) of the FFDCA. This rule will become effective 60 days after publication so as to allow for congressional review in accordance with 5 U.S.C. 801-808. As noted earlier, we decided to cease marketing dietary supplements containing ephedra well before the FDA's action. As of January 2003, we stopped selling products containing ephedrine alkaloids.

The FDA has on record a small number of reports of adverse reactions allegedly resulting from the ingestion of our Thermojetics® original green tablet. Many other companies manufacture products containing various amounts of *Ma Huang*, and the FDA has on record hundreds of reports of adverse reactions to these products. On September 16, 2002, the FDA changed its policies for notifying companies of anecdotal adverse event reports for dietary supplements. Since then, we have received three special nutritional adverse events reports from the FDA which were not specific to any product.

As a further outgrowth of the ephedra review, the FDA, in January 2004, announced that it would undertake a review of the safety of citrus aurantium, the ingredient we have utilized in place of ephedra. Unconfirmed reports of adverse events were disclosed by the FDA in 2004. The FDA's review has led us to consider another substitute ingredient.

The FDA's decision to ban ephedra has triggered a significant reaction by the national media, which is calling for the repeal or amendment of DSHEA. These media view supposed "weaknesses" within DSHEA as the underlying reason why ephedra was allowed to remain on the market. We have been advised that DSHEA opponents in Congress may use this anti-DSHEA momentum to advance existing or new legislation to amend or repeal DSHEA. We should expect to see the following:

1) Calls for mandatory adverse event reporting for supplements;

2) Premarket approval for safety and effectiveness of dietary ingredients;

3) Specific premarket review of dietary ingredient stimulants that are and will be used to replace ephedra;

4) Reversal of the burden of proof standard which now rests on the FDA; and

5) A redefining of "dietary ingredient" to remove either botanicals or selected classes of ingredients now treated as dietary ingredients.

On March 7, 2003, the FDA proposed a new regulation to require current good manufacturing practices affecting the manufacture, packing, and holding of dietary supplements. The proposed rule would establish standards to ensure that dietary supplements and dietary ingredients are not adulterated with contaminants or impurities, and are labeled to accurately reflect the active ingredients and other ingredients in the products. It also includes proposed requirements for designing and constructing physical plans, establishing quality control procedures, and testing manufactured dietary ingredients and dietary supplements, as well as proposed requirements for maintaining records and for handling consumer complaints related to CGMPs. We are evaluating this proposal with respect to its potential impact upon the various contract manufacturers that we use to manufacturer our products, some of whom might not meet the new standards. It is important to note that the proposed rule, in an effort to limit disruption, includes a three-year phase-in for small businesses of any final rule that is issued. This will mean that some of our contract manufacturers will not be fully impacted by the proposed rule until at least 2007. However, the proposed rule can be expected to result in additional testing costs.

In December 1999, we introduced a new line of weight management products that are suitable for diets that are high in protein and low in carbohydrates. The line, which consists of eight nutritionally balanced high-protein products that are also low in carbohydrates, is called the Thermojetics® HPLC Program. The FDA has not authorized the use of a low carbohydrate claim on the label of individual food products, and therefore we have not made such a claim on the label of any of the eight products that together comprise our Thermojetics® HPLC Program. We believe, however, that it is permissible to accurately describe the entire program as one that is suitable for a diet that is high in protein and low in carbohydrates, and we have elected to do so by virtue of the name that we have selected for this weight management program. In addition, we are exploring other alternatives which do not involve specifically describing the program as low in carbohydrates.

Some of the products marketed by us are considered conventional foods and are currently labeled as such. Within the United States, both this category of products and dietary supplements are subject to the Nutrition, Labeling and Education Act ("NLEA"), and regulations promulgated under the NLEA. The NLEA regulates health claims, ingredient labeling and nutrient content claims characterizing the level of a nutrient in the product. The ingredients added to conventional foods must either be generally recognized as safe by experts ("GRAS") or approved food additives under FDA regulations.

In foreign markets, prior to commencing operations and prior to making or permitting sales of our products in the market, we may be required to obtain an approval, license or certification from the country's ministry of health or comparable agency. Where a formal approval, license or certification is not required, we nonetheless seek a favorable opinion of counsel regarding our compliance with applicable laws. Prior to entering a new market in which a formal approval, license or certificate is required, we work extensively with local authorities in order to obtain the requisite approvals. The approval process generally requires us to present each product and product ingredient to appropriate regulators and, in some instances, arrange for testing of products by local technicians for ingredient analysis. The approvals may be conditioned on reformulation of our products or may be unavailable with respect to some products or some ingredients. Product reformulation or the inability to introduce some products or ingredients into a particular market may have an adverse effect on sales. We must also comply with product labeling and packaging regulations that vary from country to country. Our failure to comply with these regulations can result in a product being removed from sale in a particular market, either temporarily or permanently.

The FTC, which exercises jurisdiction over the advertising of all of our products, has in the past several years instituted enforcement actions against several dietary supplement companies and against manufacturers of weight loss products generally for false and misleading advertising of some of their

products. These enforcement actions have often resulted in consent decrees and monetary payments by the companies involved. In addition, the FTC has increased its scrutiny of the use of testimonials, which we also utilize. Although we have not been the target of FTC enforcement action for the advertising of our products, we cannot be sure that the FTC, or comparable foreign agencies, will not question our advertising or other operations in the future. In November 1998, the FTC issued a guide for the dietary supplement industry, describing how the FTC applies the law that it administers to advertisements for dietary supplements. It is unclear whether the FTC will subject advertisements of this kind, including our advertisements, to increased surveillance to ensure compliance with the principles set forth in the guide.

In some countries, regulations applicable to the activities of our distributors also may affect our business because in some countries we are, or regulators may assert that we are, responsible for our distributors' conduct. In these countries, regulators may request or require that we take steps to ensure that our distributors comply with local regulations. The types of regulated conduct include: (i) representations concerning our products; (ii) income representations made by us and/or distributors; (iii) public media advertisements, which in foreign markets may require prior approval by regulators; and (iv) sales of products in markets in which the products have not been approved, licensed or certified for sale.

In some markets, it is possible that improper product claims by distributors could result in our products being reviewed by regulatory authorities and, as a result, being classified or placed into another category as to which stricter regulations are applicable. In addition, we might be required to make labeling changes.

We are unable to predict the nature of any future laws, regulations, interpretations or applications, nor can we predict what effect additional governmental regulations or administrative orders, when and if promulgated, would have on our business in the future. They could, however, require: (i) the reformulation of some products not capable of being reformulated; (ii) imposition of additional record keeping requirements; (iii) expanded documentation of the properties of some products; (iv) expanded or different labeling; (v) additional scientific substantiation regarding product ingredients, safety or usefulness; and/or (vi) additional distributor compliance surveillance and enforcement action by Herbalife.

Any or all of these requirements could have a material adverse effect on our results of operations and financial condition. All of our officers and directors are subject to a permanent injunction issued in October 1986 pursuant to the settlement of an action instituted by the California Attorney General, the State Health Director and the Santa Cruz County District Attorney. We consented to the entry of this injunction without in any way admitting the allegations of the complaint. The injunction prevents us and our officers and directors from making specified claims in future advertising of our products and requires us to implement some documentation systems with respect to payments to our distributors. At the same time, the injunction does not prevent us from continuing to make specified claims concerning our products that have been made and are being made, provided that we have a reasonable basis for making the claims.

We are aware that, in some of our international markets, there has been recent adverse publicity concerning products that contain ingredients that have been genetically modified ("GM"). In some markets, the possibility of health risks or perceived consumer preference thought to be associated with GM ingredients has prompted proposed or actual governmental regulation. Some of our products contain ingredients that would be or might be classified as having been genetically modified. We cannot anticipate the extent to which regulations in our markets will restrict the use of GM ingredients in our products or the impact of any regulations on our business in those markets. In response to any applicable regulations, we would, where practicable, reformulate or re-label our products to satisfy the regulations. We believe, based upon currently available information, that compliance with regulatory requirements in this area should not have a material adverse effect on us or our business. However,

because publicity and governmental scrutiny of GM ingredients is a relatively new and evolving area, there can be no assurance in this regard. If a significant number of our products were found to be genetically modified and regulations in our markets significantly restricted the use of GM ingredients in our products, our business could be materially adversely affected.

In addition, in certain of our markets there has been recent adverse publicity concerning infection of bovine products and by-products by BSE, which may cause what is commonly referred to as mad cow disease. Certain of our products contain ingredients derived from bovine sources. We are not aware of any infection or contamination of any of our products by BSE. Should any such infection or contamination be detected, it could have a material adverse effect on our business. Additionally, if governments preclude importation of products from the U.S. containing bovine-derived ingredients, it could adversely impact product availability and/or future price. Further, even if no such infection or contamination is detected, adverse publicity concerning the BSE risk, or governmental or regulatory developments aimed at combating the risk of BSE contamination by regulating bovine products and/or by-products, could have a material adverse effect on our business. We anticipate some impact associated with the discovery of BSE in the United States, but do not expect this issue will have a material effect on our business.

Network marketing system. Our network marketing system is subject to a number of federal and state regulations administered by the FTC and various state agencies as well as regulations in foreign markets administered by foreign agencies. Regulations applicable to network marketing organizations generally are directed at ensuring that product sales ultimately are made to consumers and that advancement within our organization is based on sales of the organization's products rather than investments in the organizations or other non-retail sales related criteria. For instance, in some markets, there are limits on the extent to which distributors may earn royalty overrides on sales generated by distributors that were not directly sponsored by the distributor. When required by law, we obtain regulatory approval of our network marketing system or, when this approval is not required, the favorable opinion of local counsel as to regulatory compliance. Nevertheless, we remain subject to the risk that, in one or more markets, our marketing system could be found not to be in compliance with applicable regulations. Failure by us to comply with these regulations could have a material adverse effect on our business in a particular market or in general.

We also are subject to the risk of private party challenges to the legality of our network marketing system. For example, in *Webster v. Omnitrition International, Inc.*, 79 F.3d 776 (9th Cir. 1996), the multi-level marketing program of Omnitrition International, Inc. ("Omnitrition") was successfully challenged in a class action by Omnitrition distributors who alleged that Omnitrition was operating an illegal "pyramid scheme" in violation of federal and state laws. We believe that our network marketing system satisfies the standards set forth in the Omnitrition case and other applicable statutes and case law defining a legal marketing system, in part based upon significant differences between our marketing system and that described in the Omnitrition case.

Herbalife is a defendant in a purported class action lawsuit pending in the U.S. District Court of California (*Jacobs v. Herbalife International, Inc., et al*) originally filed on February 19, 2002 challenging marketing practices of several distributors and Herbalife under various state and federal laws. As a result of recent rulings of the Court, only claims under federal securities law remain. We understand that the plaintiffs have refiled certain state law claims in the Superior Court of the State of California, County of San Francisco. As of the date of this prospectus, we have not been served with a complaint. The parties are in discussions regarding a possible settlement but no binding settlement agreement has yet been reached. We believe that we have meritorious defenses to the suit.

Herbalife and certain of its distributors have been named as defendants in a purported class action lawsuit filed July 16, 2003 in the Circuit Court of Ohio County in the State of Virginia (*Mey v. Herbalife International, Inc., et al*). Herbalife removed the lawsuit to federal court and the plaintiff sought to remand the lawsuit to state court. The plaintiff's motion was denied. The complaint alleges that certain

telemarketing practices of certain Herbalife distributors violate the Telephone Consumer Protection Act and seeks to hold Herbalife liable for the practices of its distributors. We believe that we have meritorious defenses to the suit.

It is an ongoing part of our business to monitor and respond to regulatory and legal developments, including those that may affect our network marketing system. However, the regulatory requirements concerning network marketing systems do not include bright line rules and are inherently fact-based. An adverse judicial determination with respect to our network marketing system could have a material adverse effect on our business. An adverse determination could: (i) require us to make modifications to our network marketing system, (ii) result in negative publicity or (iii) have a negative impact on distributor morale. In addition, adverse rulings by courts in any proceedings challenging the legality of multi-level marketing systems, even in those not involving us directly, could have a material adverse effect on our operations.

Transfer pricing and similar regulations. In many countries, including the United States, we are subject to transfer pricing and other tax regulations designed to ensure that appropriate levels of income are reported as earned by our U.S. or local entities and are taxed accordingly. In addition, our operations are subject to regulations designed to ensure that appropriate levels of customs duties are assessed on the importation of our products.

Although we believe that we are in substantial compliance with all applicable regulations and restrictions, we are subject to the risk that governmental authorities could audit our transfer pricing and related practices and assert that additional taxes are owed. For example, we are currently subject to pending or proposed audits that are at various levels of review, assessment or appeal in a number of jurisdictions involving transfer pricing issues, income taxes, duties, value added taxes, withholding taxes and related interest and penalties in material amounts. In some circumstances, additional taxes, interest and penalties have been assessed, and we will be required to litigate to reverse the assessments. We and our tax advisors believe that there are substantial defenses to the allegations that additional taxes are owing, and we are vigorously against the imposition of additional proposed taxes. The ultimate resolution of these matters may take several years, and the outcome is uncertain.

In the event that the audits or assessments are concluded adversely to us, we may or may not be able to offset or mitigate the consolidated effect of foreign income tax assessments through the use of U.S. foreign tax credits. Currently, we anticipate utilizing the majority of our foreign tax credits in the year in which they arise with the unused amount carried forward. Because the laws and regulations governing U.S. foreign tax credits are complex and subject to periodic legislative amendment, we cannot be sure that we would in fact be able to take advantage of any foreign tax credits in the future. As a result, adverse outcomes in these matters could have a material impact on our financial condition and operating results.

Other regulations. We also are subject to a variety of other regulations in various foreign markets, including regulations pertaining to social security assessments, employment and severance pay requirements, import/export regulations and antitrust issues. As an example, in many markets, we are substantially restricted in the amount and types of rules and termination criteria that we can impose on distributors without having to pay social security assessments on behalf of the distributors and without incurring severance obligations to terminated distributors. In some countries, we may be subject to these obligations in any event.

Our failure to comply with these regulations could have a material adverse effect on our business in a particular market or in general. Assertions that we failed to comply with regulations or the effect of adverse regulations in one market could adversely affect us in other markets as well by causing increased regulatory scrutiny in those other markets or as a result of the negative publicity generated in those other markets.

Compliance procedures. As indicated above, Herbalife, our products and our network marketing system are subject, both directly and indirectly through distributors' conduct, to numerous federal, state and local regulations, both in the United States and foreign markets. Beginning in 1985, we began to institute formal regulatory compliance measures by developing a system to identify specific complaints against distributors and to remedy any violations by distributors through appropriate sanctions, including warnings, suspensions and, when necessary, terminations. In our manuals, seminars and other training programs and materials, we emphasize that distributors are prohibited from making therapeutic claims for our products.

Our general policy regarding acceptance of distributor applications from individuals who do not reside in one of our markets is to refuse to accept the individual's distributor application. From time to time, exceptions to the policy are made on a country-by-country basis.

In order to comply with regulations that apply to both us and our distributors, we conduct considerable research into the applicable regulatory framework prior to entering any new market to identify all necessary licenses and approvals and applicable limitations on our operations in that market. Typically, we conduct this research with the assistance of local legal counsel and other representatives. We devote substantial resources to obtaining the necessary licenses and approvals and bringing our operations into compliance with the applicable limitations. We also research laws applicable to distributor operations and revise or alter our distributor manuals and other training materials and programs to provide distributors with guidelines for operating a business, marketing and distributing our products and similar matters, as required by applicable regulations in each market. We, however, are unable to monitor our supervisors and distributors effectively to ensure that they refrain from distributing our products in countries where we have not commenced operations, and we do not devote significant resources to this type of monitoring.

In addition, regulations in existing and new markets often are ambiguous and subject to considerable interpretive and enforcement discretion by the responsible regulators. Moreover, even when we believe that we and our distributors are initially in compliance with all applicable regulations, new regulations regularly are being added and the interpretation of existing regulations is subject to change. Further, the content and impact of regulations to which we are subject may be influenced by public attention directed at us, our products or our network marketing system, so that extensive adverse publicity about us, our products or our network marketing system may result in increased regulatory scrutiny.

It is an ongoing part of our business to anticipate and respond to new and changing regulations and to make corresponding changes in our operations to the extent practicable. Although we devote considerable resources to maintaining our compliance with regulatory constraints in each of our markets, we cannot be sure that (i) we would be found to be in full compliance with applicable regulations in all of our markets at any given time or (ii) the regulatory authorities in one or more markets will not assert, either retroactively or prospectively or both, that our operations are not in full compliance. These assertions or the effect of adverse regulations in one market could negatively affect us in other markets as well by causing increased regulatory scrutiny in those other markets or as a result of the negative publicity generated in those other markets. These assertions could have a material adverse effect on us in a particular market or in general. Furthermore, depending upon the severity of regulatory changes in a particular market and the changes in our operations that would be necessitated to maintain compliance, these changes could result in our experiencing a material reduction in sales in the market or determining to exit the market altogether. In this event, we would attempt to devote the resources previously devoted to the market to a new market or markets or other existing markets. However, we cannot be sure that this transition would not have an adverse effect on our business and results of operations either in the short or long-term.

Trademarks

We use the umbrella trademarks Herbalife, Thermojetics, Dermajetics, and have several other trademarks and trade names registered in connection with our products and operations. Our trademark registrations are issued through the United States Patent and Trademark Office and in comparable agencies in the foreign countries. We consider our trademarks and trade names to be an important factor in our business. We also take care in protecting the intellectual property rights of our proprietary formulas.

Competition

The business of marketing weight management, inner nutrition and Outer Nutrition® products is highly competitive. This market segment includes numerous manufacturers, distributors, marketers, retailers and physicians that actively compete for the business of consumers both in the United States and abroad. The market is highly sensitive to the introduction of new products or weight management plans, including various prescription drugs that may rapidly capture a significant share of the market. As a result, our ability to remain competitive depends in part upon the successful introduction of new products. In addition, we anticipate that we will be subject to increasing competition in the future from sellers that utilize electronic commerce. We cannot be sure of the impact of electronic commerce or that it will not adversely affect our business.

We are subject to significant competition for the recruitment of distributors from other network marketing organizations, including those that market weight management products, nutritional supplements, and personal care products, as well as other types of products. Some of our competitors are substantially larger than we are, and have available considerably greater financial resources than we have. Our ability to remain competitive depends, in significant part, on our success in recruiting and retaining distributors through an attractive compensation plan and other incentives. We believe that our production bonus program, international sponsorship program and other compensation and incentive programs provide our distributors with significant earning potential. However, we cannot be sure that our programs for recruitment and retention of distributors will be successful.

Employees

As of March 31, 2004, we had 2,247 full-time employees. These numbers do not include our distributors, who generally are independent contractors rather than our employees. Except for some employees in Mexico and in some European countries, none of our employees are members of any labor union, and we have never experienced any business interruption as a result of any labor disputes.

Properties

We lease all of our physical properties located in the United States. Our executive offices, located in Century City, California, include approximately 115,000 square feet of general office space under lease arrangements expiring in February 2006. We lease an aggregate of approximately 144,000 square feet of office space, computer facilities and conference rooms at the Operations Center in Inglewood, California, under a lease that expires in October 2006, and approximately 150,000 square feet of warehouse space in two separate facilities located in Los Angeles and Memphis. The Los Angeles and Memphis lease agreements have terms through June 2006 and August 2006, respectively. In Venray, Netherlands, we lease our European centralized warehouse of approximately 175,000 square feet. The lease expires in June 2007. We also lease warehouse, manufacturing plant and office space in a majority of our other geographic areas of operation. We believe that our existing facilities are adequate to meet our current requirements and that comparable space is readily available at each of these locations.

Legal Proceedings

We are from time to time engaged in routine litigation. We regularly review all pending litigation matters in which we are involved and establish reserves deemed appropriate by management for these litigation matters when a probable loss estimate can be made.

Herbalife is a defendant in a purported class action lawsuit pending in the U.S. District Court of California (*Jacobs v. Herbalife International, Inc., et al*) originally filed on February 19, 2002 challenging marketing practices of several distributors and Herbalife under various state and federal laws. As a result of recent rulings of the Court, only claims under federal securities law remain. We understand that the plaintiffs have refiled certain state law claims in the Superior Court of the State of California, County of San Francisco. As of the date of this prospectus, we have not been served with a complaint. The parties are in discussions regarding a possible settlement but no binding settlement agreement has yet been reached. We believe that we have meritorious defenses to the suit.

Herbalife and certain of its distributors have been named as defendants in a purported class action lawsuit filed July 16, 2003 in the Circuit Court of Ohio County in the State of Virginia (*Mey v. Herbalife International, Inc., et al*). Herbalife removed the lawsuit to federal court and the plaintiff sought to remand the lawsuit to state court. The plaintiff's motion was denied. The complaint alleges that certain telemarketing practices of certain Herbalife distributors violate the Telephone Consumer Protection Act and seeks to hold Herbalife liable for the practices of its distributors. We believe that we have meritorious defenses to the suit. At the current time, we cannot make an estimate of the range of exposure of this matter with any degree of certainty.

As a marketer of dietary and nutritional supplements and other products that are ingested by consumers or applied to their bodies, we have been and are currently subjected to various product liability claims. The effects of these claims to date have not been material to us, and the reasonably possible range of exposure on currently existing claims is not material to us. We believe that we have meritorious defenses to the allegations contained in the lawsuits. We currently maintain product liability insurance with an annual deductible of $10 million.

Certain of our subsidiaries have been subject to tax audits by governmental authorities in their respective countries. In certain of these tax audits, governmental authorities are proposing that significant amounts of additional taxes and related interest and penalties are due. We and our tax advisors believe that there are substantial defenses to their allegations that additional taxes are owing, and we are vigorously contesting the additional proposed taxes and related charges. These matters may take several years to resolve, and we cannot be sure of their ultimate resolution. However, it is the opinion of management that adverse outcomes, if any, will not likely result in a material effect on our financial condition and operating results.

MANAGEMENT

Biographical information follows for each person who serves as a director and/or an executive officer of Holdings and Herbalife. The table sets forth certain information regarding these individuals (ages are as of May 10, 2004).

Name	Age	Position with Herbalife	Director/Officer Since*
Peter M. Castleman(4)(5)	47	Chairman of the Board	2002
Michael O. Johnson(3)(6)	49	Chief Executive Officer, Director	2003
Gregory Probert(6)	47	Chief Operating Officer	2003
Henry Burdick(4)(6)	62	Vice Chairman, Director	2002
William D. Lowe	54	Senior Vice President, Principal Financial and Accounting Officer	1998
Matthew Wisk	44	Chief Marketing Officer	2003
Brett R. Chapman(6)	49	General Counsel	2003
Carol Hannah	55	President—Distributor Communications and Support	1984
Prescott Ashe(2)	37	Director	2002
Ken Diekroeger(1)	41	Director	2002
James H. Fordyce(1)(2)(5)	45	Director	2002
John C. Hockin(2)(4)	34	Director	2002
Stefan L. Kaluzny(2)(5)	37	Director	2002
Markus Lehmann	42	Director	2003
Charles L. Orr(2)	60	Director	2002
Steven E. Rodgers(1)	32	Director	2002
Jesse Rogers(1)(4)(5)	47	Director	2002
Leslie Stanford(4)	46	Director	2002

(1) Member of the compensation committee of Holdings and Herbalife.

(2) Member of the audit committee of Holdings and Herbalife.

(3) Non-voting member of the executive committee of Holdings and Herbalife.

(4) Member of the product committee of Holdings and Herbalife.

(5) Member of the executive committee of Holdings and Herbalife.

(6) Officer of Holdings.

* Directors are elected each year to terms of one year, until the following year's meeting of shareholders.

Peter M. Castleman is the Chairman and Managing Partner of Whitney, a position that he has held for more than a decade. Prior to joining Whitney over fifteen years ago, Mr. Castleman was with Morgan Stanley & Co. and prior to that with J.P. Morgan & Co., Inc. Mr. Castleman received his MBA from Harvard Business School and his undergraduate degree from Duke University. Mr. Castleman is currently a director of several private companies. He was previously a director of numerous other companies, including The North Face, Inc., Advance Paradigm, Eon Labs Inc., and Pharmanex, Inc.

Michael O. Johnson is Chief Executive Officer. Mr. Johnson joined Herbalife in April 2003 after 17 years with The Walt Disney Company, where he most recently served as President of Walt Disney International, and also served as President of Asia Pacific for The Walt Disney Company and President of Buena Vista Home Entertainment. Mr. Johnson has also previously served as a publisher of *Audio Times* magazine, and has directed the regional sales efforts of Warner Amex Satellite Entertainment Company for three of its television channels, including MTV, Nickelodeon and The Movie Channel. Mr. Johnson received his Bachelor of Arts in Political Science from Western State University.

Gregory Probert is Chief Operating Officer of Herbalife. Mr. Probert joined Herbalife in August 2003 after serving as President and CEO of DMX MUSIC for over 2 years. Mr. Probert joined DMX MUSIC after serving as Chief Operating Officer of planetLingo, where he led the team that designed and built the company's first product, an online conversational system for the $20 billion ESL market in Japan. Immediately prior to planetLingo, Mr. Probert spent 12 years with The Walt Disney Company, where he most recently served as Executive Vice President and Chief Operating Officer for the $3.5 billion Buena Vista Home Entertainment worldwide business. Mr. Probert's positions with The Walt Disney Company also included service as Executive Vice President and Managing Director of the International Home Video Division, Senior Vice President and Managing Director of Buena Vista Home Entertainment, Asia Pacific Region, based in Hong Kong, and Chief Financial Officer of Buena Vista International, Disney's theatrical distribution arm, among others. Mr. Probert received his Bachelor of Science from the University of Southern California and his MBA from California State University, Los Angeles.

Henry Burdick is Vice Chairman and in charge of new product development. Mr. Burdick was the co-founder and at various times served as the Chairman, President and CEO of Pharmavite Corporation, the makers of the Nature Made brand of nutritional supplements. In May 1996, following his retirement from Pharmavite, Mr. Burdick invested in a research and development company called Generation Health. He renamed the company Pharmanex, and was Chairman and CEO until it was sold in 1998 to Nu Skin Enterprises, Inc., a NYSE listed company. Mr. Burdick was born in Santiago, Cuba and received a B.A. from California State University, Northridge.

William D. Lowe joined Herbalife in March 1998 and currently is Senior Vice President, Principal Financial and Accounting Officer. In May 2001, Mr. Lowe became the head of Treasury, International Expansion and the Controller's Office. In September 2001, Mr. Lowe's responsibilities were expanded to include financial planning, product pricing and travel and in December 2002 to include taxation. Mr. Lowe started his career with Mobil Corporation and for 23 years held senior management positions responsible for foreign exchange risk management, cash and banking, project financings, mergers and acquisitions, asset sales and employee benefits in New York, Tokyo, London, and Fairfax, Virginia. Mr. Lowe received his Bachelor of Arts in Economics from Georgetown University and his MBA in Finance and International Business from Columbia University.

Matthew Wisk joined Herbalife in July 2003 as Chief Marketing Officer. Mr. Wisk previously served as Vice President of Marketing for Nokia Mobile Phones for North and South America. He also worked for Nokia in Europe, where he headed up marketing for a $7 billion division driving the activities of hundreds of marketing and sales professionals. Prior to Nokia, Mr. Wisk led the marketing for NEC's fax business. Mr. Wisk received his MBA from Michigan State University and began his career with GTE on an executive development program, where his efforts included starting the mobile

communications business in Los Angeles, California in the mid 1980s. Mr. Wisk received both his Bachelor of Arts and MBA from Michigan State University.

Brett R. Chapman joined Herbalife in October 2003 as General Counsel. Prior to joining Herbalife, Mr. Chapman spent thirteen years at The Walt Disney Company, most recently as Senior Vice President and Deputy General Counsel, with responsibility for all legal matters relating to Disney's Media Networks Group, including the ABC Television Network, the company's cable properties including The Disney Channel and ESPN, and Disney's radio and internet businesses. Mr. Chapman received his Bachelor of Science and Master of Science in Business Administration from California State University, Northridge and his Juris Doctorate from Southwestern University School of Law.

Carol Hannah joined Herbalife in November 1984 and currently is President—Distributor Communications and Support. Previously she held the position of Co-President, with Brian L. Kane. Ms. Hannah has served in various positions, with primary responsibilities in providing sales and training support for Herbalife's independent distributors. In May 1996, she was promoted to Executive Vice President, Sales Operations and Distributor Services, and in July 2000 to Executive Vice President, Sales, holding that position until September 2002, when she was appointed as Co-President of Herbalife. Prior to joining Herbalife, Ms. Hannah held management positions in the retail apparel and catalog industry.

Prescott Ashe is a Managing Director of Golden Gate Capital. Prior to joining Golden Gate Capital, Mr. Ashe was an investment professional at Bain Capital, which he initially joined in 1991. Prior to Bain Capital, Mr. Ashe was a consultant at Bain & Company. Mr. Ashe received his JD from Stanford Law School and his Bachelor of Science in Business Administration from the University of California at Berkeley. He is currently a director of Dynamic Details Incorporated and Integrated Circuit Systems, Inc., as well as several private companies.

Ken Diekroeger is a Managing Director of Golden Gate Capital. From 1996 to 2000, Mr. Diekroeger was a managing director and partner with American Industrial Partners. Earlier in his career, Mr. Diekroeger was a consultant at Bain & Company. Mr. Diekroeger received his MBA from Stanford University and his Bachelor of Science in Industrial Engineering from Stanford University. He is currently a director of Stanadyne Automotive Corporation and several private companies.

James H. Fordyce is a partner with Whitney. Prior to joining Whitney, Mr. Fordyce was with Heller Financial and prior to that with Chemical Bank. Mr. Fordyce received his MBA from Fordham University and his undergraduate degree from Lake Forest College. Mr. Fordyce currently is a director of several private companies.

John C. Hockin is a partner with Whitney and a founding member of Whitney's San Francisco office. Prior to joining Whitney, Mr. Hockin was with Morgan Stanley & Co., Release Software and J&J Lids, a company he co-founded and successfully sold. Mr. Hockin received his MBA from Stanford Business School, and his undergraduate degree from Yale University. Mr. Hockin is currently a director of several private companies.

Stefan L. Kaluzny is a Principal of Golden Gate Capital. Prior to joining Golden Gate Capital, Mr. Kaluzny was the founder and Chief Executive Officer of Delray Farms, a $100 million specialty foods retailer. Prior to Delray Farms, Mr. Kaluzny was a consultant at Bain & Company. Mr. Kaluzny received his MBA from Harvard Business School and his Bachelor of Arts from Yale University. He is currently a director of several private companies.

Markus Lehman has been an independent Herbalife distributor for 12 years. A member of the International Chairman's Club, Mr. Lehman is active with distributors of Herbalife's products throughout the world. Mr. Lehman has been active in training other Herbalife Distributors around the world, and has served on various strategy and planning groups for Herbalife. He is involved in various charities including the Herbalife Family Foundation.

Charles L. Orr is an independent director and advisor to companies operating in the e-commerce, financial services and direct selling industries. From 1993 through 2000, Mr. Orr was President and CEO of Shaklee Corporation which included the brand names of Harry and David, Jackson and Perkins and Shaklee. His prior business affiliations include CIGNA, Continental Insurance, Federated Investors, RCA Computer Systems, Southwestern Life and Xerox. Mr. Orr received his MBA from the University of Connecticut and Bachelor of Arts from Wesleyan University. He is an advisor to several private companies, a former director of Provident Mutual Life Insurance Company and currently serves as a board member of the Direct Selling Education Foundation.

Steven E. Rodgers is a partner with Whitney where he leads Whitney's investments in the healthcare industry. Prior to joining Whitney, Mr. Rodgers was with Tiger Management, and prior to that, Alex Brown & Sons Incorporated. Mr. Rodgers received his MBA from Stanford University and his undergraduate degree from Dartmouth College. Mr. Rodgers is currently a director of several private companies.

Jesse Rogers is a Managing Director of Golden Gate Capital, a San Francisco-based private equity investment firm with approximately $700 million of capital under management. Prior to joining Golden Gate Capital, Mr. Rogers was a partner at Bain & Company for over ten years, where he served as the West Coast head of the consumer products practice and founded Bain & Company's worldwide Private Equity Group. Mr. Rogers received his MBA from Harvard Business School and his Bachelor of Arts from Stanford University. He is currently a director of several private companies and previously served as a director of Beringer Wine Estates and Bain & Company.

Leslie Stanford has been an independent Herbalife distributor for 22 years. A member of the International Chairman's Club, Ms. Stanford is active with distributors of Herbalife's products throughout the world. Ms. Stanford has been active in training other Herbalife distributors around the world, and has served on various strategy and planning groups for Herbalife. She graduated from the University of Alberta, and is involved in various charities including the Herbalife Family Foundation.

Director Compensation

Each independent director receives $25,000 per year for services as a director, plus (1) $5,000 for each Board meeting attended by the director, (2) $2,500 for each committee of the Board on which the director serves, (3) $3,000 per diem for other meetings and (4) reimbursement of all travel and related expenses. Additionally, each independent director was granted options to purchase 50,000 common shares of Holdings at a strike price of $0.44 and options to purchase 50,000 common shares of Holdings at a strike price of $1.76. These options will vest pro rata with 5% vesting on the date of grant and the balance vesting in equal quarterly installments over 19 calendar quarters. In addition the Board granted Henry Burdick options to purchase 300,000 common shares of Holdings at a strike price of $0.44 and options to purchase 300,000 common shares of Holdings at a strike price of $1.76. Both of these grants to Henry Burdick are fully vested.

Directors who are employees of Holdings or any of its affiliates or have been designated as directors by the affiliates of Holdings or its distributors are not independent directors for purposes of director compensation.

Executive Compensation

Summary Compensation Table. The following table sets forth the annual and long-term compensation of our Chief Executive Officer and each of the four other most highly compensated

executive officers (collectively, the "Named Executive Officers") for the fiscal years ended December 31, 2001, 2002 and 2003.

		Annual Compensation			Long-Term Compensation: Awards			
Name and Principal Position	**Year**	**Salary($)**	**Bonus($)(1)(13)**	**Other Annual Compensation ($)(2)**	**Restricted Stock Award(s)($)**	**Securities Underlying Options/ SARs(#)**	**LTIP Payouts($)**	**All Other Compensation ($)(3)**
Michael O. Johnson Chief Executive Officer (Joined the Company April 3, 2003)	2003	$ 604,807(12)	$ 1,350,000	$ —	$ —	5,911,845	$ —	$ 25,790(5)
Brian L. Kane(4)	2003	$ 712,500	$ 425,000	$ —	$ —	1,811,375	—	$ 79,091(6)
President, Europe	2002	725,384	982,500	—	—	—	—	2,386,977
	2001	700,000	792,000	60,000	—	—	—	392,420
Carol Hannah(4)	2003	$ 712,500	$ 425,000	$ —	$ —	1,811,375	—	$ 35,344(7)
President Distributor	2002	777,885	1,054,688	—	—	—	—	3,435,425
Communications and Support	2001	752,000	792,000	60,000	—	—	—	476,305
Gregory Probert Chief Operating Officer (Joined the Company July 31, 2003)	2003	$ 207,885(12)	450,000	—	—	850,000	—	$ 6,231
David Kratochvil	2003	$ 400,000	$ 100,000	$ —	$ —	—	$ —	$ 31,135(9)
Chief Logistics Officer	2002	425,961	125,000	—	—	300,000	—	86,428(10)
	2001	400,000	95,385	30,000	—	—	—	108,533
John Purdy	2003	$ 380,000	$ 95,000	$ —	$ —	—	$ —	$ 42,459(10)
Senior Vice President	2002	380,000	125,000	—	—	300,000	—	178,597
Asia/Pacific Rim	2001	350,000	74,712	30,000	—	—	—	305,032
Robert Levy	2003	$ 380,000	$ 95,000	$ —	$ —	—	$ —	$ 49,766(11)
Senior Vice President The	2002	380,000	150,000	—	—	300,000	—	49,502
Americas	2001	360,868	83,462	30,000	—	—	—	37,966

(1) The 2001 amounts reflect bonuses earned under the 1994 Performance-Based Annual Incentive Compensation Plan. The 2002 bonus amounts of Mr. Kane and Ms. Hannah were earned under the 1994 Performance-Based Annual Incentive Compensation Plan for the first six months and a discretionary bonus was awarded for the last six months of 2002 and the year ended December 31, 2003.

(2) Amounts shown represent payments for non-accountable expense reimbursement allowances and the aggregate of other payments or benefits that do not individually exceed 25% of the total perquisite or personal benefits for Messrs. Kane, Kratochvil, Purdy, Levy, and Ms. Hannah.

(3) For 2003, these amounts represent payments under the Executive Long-Term Disability Plan, Executive Life Insurance Plan, the Herbalife International Employees 401(k) Profit Sharing Plan and Trust, the Executive Medical Plan, the Deferred Compensation Plan, private use and transfer of a company-owned car, vacation payout, and employee awards.

(4) Until April 3, 2003, Mr. Kane and Ms. Hannah served as Co-Presidents.

(5) Mr. Johnson's amount includes $1,575 from the Executive Long-Term Disability Plan, $929 from the Executive Life Insurance Plan, $11,517 from the Executive Medical Plan, and $11,769 from the Deferred Compensation Plan.

(6) Mr. Kane's amount includes $2,100 from the Executive Long-Term Disability Plan, $1,238 from the Executive Life Insurance Plan, $6,000 from the 401(k) Tax-Sheltered Savings Plan, $15,356 from the Executive Medical Plan, $20,553 from the Deferred Compensation Plan, $13,702 from vacation pay-out, and $20,142 for private use of company owned car including the fair value of the car when transferred to Mr. Kane.

(7) Ms. Hannah's amount includes $2,100 from the Executive Long-Term Disability Plan, $1,238 from the Executive Life Insurance Plan, $6,000 from the 401(k) Tax-Sheltered Savings Plan, $5,452 from the Executive Medical Plan, and $20,554 from the Deferred Compensation Plan.

(8) Mr. Probert's amount includes $700 from the Executive Long-Term Disability Plan, $413 from the Executive Life Insurance Plan, $5,119 from the Executive Medical Plan.

(9) Mr. Kratochvil's amount includes $1,680 from the Executive Long-Term Disability Plan, $1,238 from the Executive Life Insurance Plan, $6,000 from the 401(k) Tax-Sheltered Savings Plan, $10,678 from the Executive Medical Plan, and $11,539 from the Deferred Compensation Plan.

(10) Mr. Purdy's amount includes $1,596 from the Executive Long-Term Disability Plan, $1,238 from the Executive Life Insurance Plan, $6,000 from the 401(k) Tax-Sheltered Savings Plan, $15,356 from the Executive Medical Plan, and $10,962 from the Deferred Compensation Plan, and $7,308 from vacation pay-out.

(11) Mr. Levy's amount includes $1,596 from the Long-Term Disability Plan, $1,238 from the Executive Life Insurance Plan, $6,000 from the 401(k) Tax-Sheltered Savings Plan, $15,356 from the Executive Medical Plan, $10,962 from the Deferred Compensation Plan, and $14,615 from vacation pay-out.

(12) Amounts are pro-rated to reflect partial year served in such office.

(13) The Board's Compensation Committee recently approved a pool of up to $4 million to be available to be paid to such persons and in such amounts as may be determined by the Chief Executive Officer in recognition of such individual's and the Company's recent performance.

Option Grants in Last Fiscal Year.

The following table contains information concerning options to purchase common shares of Holdings granted in 2003 to each of the Named Executive Officers. In the judgment of the Board, the per share exercise price of all options described below are higher than the fair market value of Holdings' common shares on the grant date.

	Individual Grants				
Name	Number of Securities Underlying Options Granted	Percent of Total Options Granted to Employees in Fiscal Year	Exercise Price Per Share($)	Expiration Date	Grant Date Present Value ($)(1)
Michael O. Johnson	1,182,369	7%	$ 0.44	4/3/2013	$ 1,123,251
	1,182,369	7%	1.76	4/3/2013	—
	1,182,369	7%	5.28	4/3/2013	—
	1,182,369	7%	8.80	4/3/2013	—
	1,182,369	7%	12.32	4/3/2013	—
Brian L. Kane	1,207,583	7%	$ 0.44	3/10/2013	$ 809,081
	603,792	3%	1.76	3/10/2013	
Carol Hannah	1,207,583	7%	$ 0.44	3/10/2013	$ 809,081
	603,792	3%	1.76	3/10/2013	—
Gregory Probert	250,000	1%	$ 2.50	7/31/2013	—
	150,000	1%	3.50	7/31/2013	—
	150,000	1%	5.50	7/31/2013	—
	150,000	1%	8.50	7/31/2013	—
	150,000	1%	11.50	7/31/2013	—
David Kratochvil	—	—	—	—	—
John Purdy	—	—	—	—	—
Robert Levy	—	—	—	—	—

(1) In accordance with the rules of the Securities and Exchange Commission, we used the Black Scholes option pricing model to estimate the grant date present value of the options set forth in this table. The assumptions used for the valuation include: 0% price volatility; 3% risk free rate of return; 0% dividend yield and options exercise averaging 5 year term. We did not make any adjustment for non-transferability or risk of forfeiture.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values.

The following table sets forth information with respect to: (1) common shares of Holdings acquired upon exercise of stock options and (2) unexercised options to purchase common shares of Holdings granted as of December 31, 2003.

Name	Shares Acquired on Exercise(#)	Value Realized($)	Securities Underlying Unexercised Options at Fiscal Year-End(#)		Value of Unexercised In-the-Money Options at Fiscal Year-End ($ in millions)(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Michael O. Johnson			—	5,911,845	$ —	$ 3.5
Brian L. Kane			543,413	1,267,962	$ 0.9	$ 2.2
Carol Hannah			543,413	1,267,962	$ 0.9	$ 2.2
Gregory Probert			—	850,000	$ —	$ —
David Kratochvil			75,000	225,000	$ 0.1	$ 0.3
John Purdy			75,000	225,000	$ 0.1	$ 0.3
Robert Levy			75,000	225,000	$ 0.1	$ 0.3

(1) Represents the difference between the fair market value of common shares on December 31, 2003, based on an independent valuation on September 30, 2003, and the exercise price of the options.

Description of Benefit Plans

WH Holdings (Cayman Islands) Ltd. Stock Incentive Plan. Holdings has established a stock incentive plan that provides for the grant of options to purchase common shares of Holdings or stock appreciation rights to employees or consultants of Herbalife. The purpose of the plan is to promote the long-term financial interest and growth of the Company by attracting and retaining employees and consultants who can make a substantial contribution to the success of the Company, to motivate and to align interests with those of the equity holders.

Each stock option agreement and SAR award agreement will specify the date when all or any installment of an award is to become exercisable but, generally, no award may be exercisable after the expiration of 10 years from the date it was granted. Upon termination of employment for any reason other than "cause," the unvested awards would continue to be exercisable for a period of time, following which the award will terminate.

Upon termination of employment of a senior executive, Holdings may repurchase the shares if such termination: (i) was due to resignation or for cause (A) before the seventh anniversary of the date of option grant, at an amount equal to the lesser of: (a) the fair market value at the time of such repurchase and (b) the exercise price, and (B) after the seventh anniversary of the date of option grant, at an amount equal to the fair market value at the time of such repurchase; or (ii) was involuntary without cause or because of death, retirement or disability at an amount equal to the greater of: (a) the fair market value at the time of such repurchase and (b) the exercise price.

Upon termination of employment of an employee other than a senior executive, Holdings will have the right to repurchase the shares acquired upon the exercise of options within a specified period at a price equal to either (a) the fair market value of the shares at the time of repurchase or (b) the exercise price, however, the right to repurchase at the exercise price lapses at the rate of 20% for each full grant year.

WH Holdings (Cayman Islands) Ltd. Independent Directors Stock Option Plan. Holdings has established an independent directors stock option plan that provides for the grant of options to purchase common shares of Holdings to independent directors of Holdings. Directors who are employees of Holdings or any of its affiliates or have been designated as directors by the affiliates of Holdings or its distributors are not independent directors for purposes of director compensation.

The purpose of the plan is to promote the long-term financial interest and growth of the Company by attracting and retaining independent directors who can make a substantial contribution to the success of the Company, to motivate and to align interests with those of the equity holders. The option plan is administered by the compensation committee. One million shares have been reserved for grant under this plan.

Approximately 15.5% of the share capital at the time of the Merger or 18.7 million shares of Holdings are available for grant under the two plans. As of December 31, 2003, the Company had granted approximately 17.7 million stock options to eligible employees equal to 17.4% of the share capital of Holdings, of which 0.8 million were under the Independent Directors Plan.

Upon termination of an independent director, Holdings and the institutional shareholders have the right to repurchase the shares if such termination (i) was voluntary, due to resignation or for cause at an amount equal to the lesser of: (a) the fair market value at the time of such termination; or (b) the exercise price; (ii) was involuntary without cause or because of death, retirement or disability at an amount equal to the greater of: (a) the fair market value at the time of such termination; or (b) the exercise price.

Deferred Compensation Plans. We maintain three deferred compensation plans for select groups of management or highly compensated employees: (1) the Herbalife Management Deferred Compensation Plan, effective January 1, 1996 (the "Management Plan"), which is applicable to directors and vice presidents; (2) the Herbalife Senior Executive Compensation Plan, effective January 1, 1996 (the "Senior Executive Plan"), which is applicable to eligible employees at the rank of Senior Vice President and higher and (3) the Supplemental Senior Executive Deferred Compensation Plan (the "Supplemental Plan") effective July 30, 2002. The Management Plan and the Senior Executive Plan are referred to as the "Deferred Compensation Plans." The Deferred Compensation Plans were amended and restated effective January 1, 2001.

The Deferred Compensation Plans are unfunded and benefits are paid from our general assets, except that we have contributed amounts to a "rabbi trust" whose assets will be used to pay benefits if we remain solvent, but can be reached by our creditors if we become insolvent. The Deferred Compensation Plans allow eligible employees, who are selected by the administrative committee that manages and administers the plans (the "Deferred compensation committee"), to elect annually to defer up to 50% of their annual base salary and up to 100% of their annual bonus for each calendar year (the "Annual Deferral Amount"). We make matching contributions on behalf of each participant in the Senior Executive Plan ("Matching Contributions").

Effective January 1, 2002, the Senior Executive Plan was amended to provide that the amount of the Matching Contributions is to be determined by us in our discretion. For 2002 the Matching Contribution was equal to an amount of up to 7.5% of a participant's annual base salary. Effective January 1, 2003, the Matching Contribution has been reduced to 3% and remains 3% for 2004.

Each participant in a Deferred Compensation Plan may determine how his or her Annual Deferral Amount and Matching Contributions, if any, will be deemed to be invested by choosing among several investment funds or indices designated by the Deferred compensation committee. The Deferred Compensation Plans, however, do not require us to actually acquire or hold any investment fund or other assets to fund the Deferred Compensation Plans. The entire interest of each participant in a Deferred Compensation Plan is always fully vested and non-forfeitable.

In connection with a participant's election to defer an Annual Deferral Amount, the participant may also elect to receive a short-term payout, equal to the Annual Deferral Amount and the Matching Contributions, if any, attributable thereto plus earnings, and shall be payable two or more years from the first day of the year in which the Annual Deferral Amount is actually deferred. As of January 2004, the Deferred Compensation Plans were amended to allow for deferral of the short-term payout date if

the deferral is made within the time period specified therein. Subject to the short-term payout provision and specified exceptions for unforeseeable financial emergencies, a participant may not withdraw, without incurring a ten percent (10%) withdrawal penalty, all or any portion of his or her account under the Deferred Compensation Plans prior to the date that such participant either (1) is determined by the Deferred compensation committee to have incurred permanent and total disability or (2) dies or otherwise terminates employment.

The Supplemental Plan is unfunded and all benefits thereunder are paid from our general assets, except that we have contributed amounts to a "rabbi trust" whose assets will be used to pay benefits if we remain solvent, but can be reached by our creditors if we become insolvent. The Supplemental Plan allows employees to participate who are highly compensated and who are eligible to participate in the Herbalife International, Inc. Senior Executive Change in Control Plan (the "Change in Control Plan"). The Deferred compensation committee allows eligible employees to defer up to 100% of their Change in Control Payment. A "Change in Control Payment" is an amount equal to three times an eligible employee's compensation.

Each participant in the Supplemental Plan will be deemed to have invested in funds that provide a return equal to the short-term applicable federal rate, within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"). The Supplemental Plan, however, does not require us to actually acquire or hold any investment fund or other assets to fund the Supplemental Plan. The entire interest of each participant in a Supplemental Plan is always fully vested and non-forfeitable. In connection with a participant's election to defer the Change in Control Payment, the participant may also elect to receive a short-term payout, equal to the deferral amount plus earnings and payable two or more years from the first day of the year in which the deferral amount is actually deferred. Subject to the short-term payout provision and specified exceptions for unforeseeable financial emergencies, a participant may not withdraw, without incurring a ten percent (10%) withdrawal penalty, all or any portion of his or her account under the Supplemental Plan prior to the date that such participant either (1) is determined by the Deferred compensation committee to have incurred permanent and total disability or (2) dies or otherwise terminates employment.

Executive Retention Plan. We have an Executive Retention Plan. The purpose of the Executive Retention Plan is to provide financial incentives for a select group of management and highly compensated employees of the Company to continue to provide services to the Company during the period immediately before and immediately after change in control, as defined.

As a result of certain actions by Herbalife's Board, the Acquisition was not deemed to be a Change in Control under the Executive Retention Plan. Thus, the consummation of the Acquisition did not result in the payment of any benefit pursuant to the Executive Retention Plan.

We also established an Executive Retention Trust to provide benefits under the Executive Retention Plan. The Executive Retention Trust is an irrevocable trust established with an institutional trustee. This irrevocable trust's assets will be used to pay the benefits of the Executive Retention Plan and are not intended to be reachable by our creditors. The value of the assets in the irrevocable trust was $2.8 million as of March 31, 2004. The Administrative Committee of the Executive Retention Plan will establish an individual account in the Executive Retention Trust for each participant in the Executive Retention Plan. Until the occurrence of a change in control, the Administrative Committee will control the investment of the assets in the Executive Retention Trust, and will determine the allocation of the assets of the Executive Retention Trust to the individual accounts of participants. Each participant who qualifies for a benefit under the Executive Retention Plan will receive a lump sum benefit equal to the dollar amount in his or her individual account in the Executive Retention Trust. The benefit shall be paid within 90 days after the participant qualifies for the benefit. If a participant's employment with the Company terminates before the participant qualifies for a benefit under the Executive Retention Plan, the participant's account in the Executive Retention Trust will revert to the

Company. A participant's benefit under the Executive Retention Plan will be reduced if the amount would cause payment of federal excise tax.

401(k) profit sharing plan. We maintain a tax-qualified profit sharing plan pursuant to Sections 401(a) and 401(k) of the Code (the "401(k) Plan"). The 401(k) Plan allows any eligible employee, including specified common-law employees, to contribute each pay period from 2% to 17% of the employee's earnings (but not in excess of $13,000 per year, as adjusted after 2003) or $16,000 in the case of those participants over 50 years of age for investment in mutual funds held by the 401(k) Plan's trust. The Company makes contributions to the 401(k) Plan in an amount equal to 3% of the earnings of each employee who elects to defer 2% or more of his or her earnings and beginning on January 1, 2003 a matching contribution equal to one dollar for each dollar of deferred earnings not to exceed 3% of the participant's earnings. The 401(k) Plan also imposes restrictions on the aggregate amount that may be contributed by higher-paid employees in relation to the amount contributed by the remaining employees. A participating employee is fully vested at all times in his or her contributions and in the trust fund's earnings attributable to his or her contributions. An employee becomes fully vested in the Company's contributions and earnings of the trust fund attributable to the Company's contributions (1) upon the employee's death, (2) upon the employee's disability, or (3) upon the employee reaching the 401(k) Plan's normal retirement age, which is the latter of age 65 and the completion of five years of service with the Company. An employee may not withdraw all or any portion of his or her account prior to the date that the employee either (1) incurs a hardship or (2) terminates employment with the Company. Effective January 1, 2003, the 401(k) Plan was amended to provide that an employee vests in 20% increments annually until fully vested upon the fifth anniversary of his participation in the 401(k) Plan.

Employment Contracts

On April 3, 2003, we announced the appointment of Mr. Michael O. Johnson as Chief Executive Officer and director. Our subsidiaries, Herbalife and Herbalife International of America, Inc. ("Herbalife America") entered into an executive employment agreement (the "Johnson Employment Agreement") with Mr. Johnson effective as of April 3, 2003. For his services, Mr. Johnson is entitled to receive an annual salary of $850,000. Under the terms of the Johnson Employment Agreement, in addition to his salary, Mr. Johnson shall be entitled to participate in or receive benefits under each benefit plan or arrangement made available by the us to our senior executives on terms no less favorable than those generally applicable to senior executives of Herbalife and Herbalife America.

Mr. Johnson is also eligible to receive an annual cash bonus in such amounts, and based on such targets, established annually by the Board of Directors in accordance with the Johnson Employment Agreement. Mr. Johnson's annual bonus for the fiscal year ending December 31, 2003 was $1,350,000 and was dependent, in part, on our operating subsidiaries' 2003 EBITDA performance.

In addition, Mr. Johnson has been granted stock options under the WH Holdings (Cayman Islands) Ltd. Executive Officer Stock Option Plan to purchase an aggregate of 5,911,845 common shares of Holdings at exercise prices as follows: 1,182,369 shares at $0.44 per share, 1,182,369 shares at $1.76 per share, 1,182,369 shares at $5.28 per share, 1,182,369 shares at $8.80 per share, and 1,182,369 shares at $12.32 per share. The options vest under a schedule over time through June 30, 2008. The options expire 10 years after the date of grant.

In the event of any Change of Control (as defined in the WH Holdings (Cayman Islands) Ltd. Executive Officer Stock Option Plan), 50% of the shares granted pursuant to the options (pro rata according to the number of shares exercisable at the relevant exercise prices specified above for each of the individual tranches) will become immediately vested and exercisable. If, following any Change of Control, all or any portion of the options remain outstanding and Mr. Johnson's employment is terminated (other than by reason of Mr. Johnson's resignation without Good Reason or termination by

us for Cause (each as defined in the Johnson Employment Agreement)) at any time following such Change of Control, 100% of the shares granted pursuant to the options will immediately vest and become exercisable. In the event Mr. Johnson's employment is terminated by reason of Mr. Johnson's death or disability or during the 90 day period before any Change of Control, 100% of the shares granted pursuant to the options will immediately vest and become exercisable.

We have also entered into an executive employment agreement (the "Probert Employment Agreement") effective July 31, 2003 with Mr. Gregory Probert through our subsidiary Herbalife America. Pursuant to the Probert Employment Agreement, Mr. Probert served as Executive Vice President until December 31, 2003 and as Chief Operating Officer thereafter. The term of the Probert Employment Agreement expires on August 11, 2006. For his services as Executive Vice President, Mr. Probert was compensated at a pro-rated salary of $525,000 per annum. Starting on January 1, 2004, for his services as Herbalife America's Chief Operating Officer, Mr. Probert is entitled to receive an annual salary of $680,000. Under the terms of the Probert Employment Agreement, in addition to his salary, Mr. Probert is entitled to participate in or receive benefits under each benefit plan or arrangement made available by us to our senior executives on terms no less favorable than those generally applicable to senior executives of Herbalife America.

In addition, Mr. Probert received an annual cash bonus of $450,000 for the fiscal year ending December 31, 2003 and is eligible to receive an annual cash bonus equal to 100% of the applicable annual bonus thereafter, calculated in accordance with the then-current bonus formula approved by us for our most senior officers.

Mr. Probert has also been granted stock options under the WH Holdings (Cayman Islands) Ltd. Executive Officer Stock Option Plan to purchase an aggregate of 850,000 common shares of Holdings at exercise prices as follows: 250,000 shares at $2.50 per share, 150,000 shares at $3.50 per share, 150,000 shares at $5.50 per share, 150,000 shares at $8.50 per share, and 150,000 shares at $11.50 per share. The options vest under a schedule over time through July 31, 2008. The options expire 10 years after the date of grant.

In the event of any Change of Control (as defined in the WH Holdings (Cayman Islands) Ltd. Executive Officer Stock Option Plan), 50% of the shares granted pursuant to the options (pro rata according to the number of shares exercisable at the relevant exercise prices specified above for each of the individual tranches) will become immediately vested and exercisable. If, following any Change of Control, all or any portion of the options remain outstanding and Mr. Probert's employment is terminated (other than by reason of Mr. Probert's resignation without Good Reason or termination by us for Cause at any time following such Change of Control, 100% of the shares granted pursuant to the options will immediately vest and become exercisable. In the event Mr. Probert's employment is terminated by reason of Mr. Probert's death or disability or during the 90 day period before any Change of Control, 100% of the shares granted pursuant to the options will immediately vest and become exercisable.

Mr. Burdick is an at-will employee and for his services as Vice Chairman, Mr. Burdick is entitled to receive an annual salary of $500,000. In addition, Mr. Burdick is eligible to receive a discretionary bonus. For 2003 the bonus was zero.

Mr. Burdick was granted 50,000 options to purchase Holdings common shares at an exercise price of $0.44 per share and 50,000 options to purchase Holdings common shares at an exercise price of $1.76 per share under the WH Holdings (Cayman Islands) Ltd. Independent Directors Stock Option Plan, of which 30,000 were exercisable within 60 days of December 31, 2003. In addition the Board granted Mr. Burdick options to purchase 300,000 common shares of Holdings at a strike price of $0.44 and options to purchase 300,000 common shares of Holdings stock at a strike price of $1.76 under the WH Holdings (Cayman Islands) Ltd. Independent Directors Stock Option Plan. These 600,000 options have vested. In 2003, Mr. Burdick accepted an executive management position with us and now serves

as our Vice Chairman. As a result, Mr. Burdick may no longer be considered an independent director. Under the WH Holdings (Cayman Islands) Ltd. Independent Directors Stock Option Plan, the termination of Mr. Burdick as an independent director results in the unexercisable portion of the options granted pursuant to the plan terminating on the date of such termination and the remaining exercisable portion of the options granted pursuant to the plan becoming exercisable for thirty days following termination as an independent director. In light of the fact that the termination of Mr. Burdick's status as an independent director occurred at the request of the Board, in 2003, the Compensation Committee of the Board took action to waive those provisions that would have resulted in the termination of the unexercisable portion of Mr. Burdick's options granted under the plan and that would have caused the remaining exercisable portion of those options to become exercisable for only thirty days following the termination of his status as an independent director.

In connection with the engagement of Mr. Burdick as Vice Chairman, Mr. Burdick was granted an aggregate of 400,000 options to purchase common shares of Holdings under the WH Holdings (Cayman Islands) Ltd. Executive Officer Stock Option Plan at exercise prices as follows: 80,000 shares at $0.44 per share, 80,000 shares at $1.76 per share, 80,000 shares at $5.28 per share, 80,000 shares at $8.80 per share, and 80,000 shares at $12.32 per share. The options vest under a schedule over time through June 30, 2008. The options expire 10 years after the date of grant.

In the event of any Change of Control (as defined in the WH Holdings (Cayman Islands) Ltd. Executive Officer Stock Option Plan), 50% of the shares granted pursuant to the options (pro rata according to the number of shares exercisable at the relevant exercise prices specified above for each of the individual tranches) issued to Mr. Burdick under that plan will become immediately vested and exercisable. If, following any Change of Control, all or any portion of the options issued to Mr. Burdick under the WH Holdings (Cayman Islands) Ltd. Executive Officer Stock Option Plan remain outstanding and Mr. Burdick's employment is terminated (other than by reason of Mr. Burdick's resignation without Good Reason or termination by us for Cause) at any time following such Change of Control, 100% of the shares granted pursuant to the options issued to Mr. Burdick under that plan will immediately vest and become exercisable. In the event Mr. Burdick's employment is terminated by reason of Mr. Burdick's death or disability or during the 90 day period before any Change of Control, 100% of the shares granted pursuant to the options issued to Mr. Burdick under the WH Holdings (Cayman Islands) Ltd. Executive Officer Stock Option Plan will immediately vest and become exercisable.

Mr. Lowe is an at-will employee and for his services as Senior Vice President, Principal Financial and Accounting Officer, Mr. Lowe is entitled to receive an annual salary of $350,000. In addition, Mr. Lowe is eligible to receive a target bonus in the amount of 35% of Mr. Lowe's annual salary.

Mr. Lowe was granted an aggregate of 300,000 options to purchase common shares of Holdings under the WH Holdings (Cayman Islands) Ltd. Stock Incentive Plan at exercise prices as follows: 150,000 shares at $0.44 per share and 150,000 shares at $1.76 per share. The options vest under a schedule over time through October 22, 2007. The options expire ten (10) years after the date of grant.

We have also entered into an executive employment agreement (the "Wisk Employment Agreement") with Mr. Matt Wisk through our subsidiary Herbalife America, pursuant to which Mr. Wisk will serve as Chief Marketing Officer, effective as of July 21, 2003. The term of the Wisk Employment Agreement expires on July 21, 2005, at which time Mr. Wisk shall be employed on an at-will basis. For his services, Mr. Wisk is entitled to receive an annual salary of $388,000. Under the terms of the Wisk Employment Agreement, in addition to his salary, Mr. Wisk was entitled to reimbursement for relocation expenses, in accordance with our past practice of reimbursing executives for such reasonable and customary expenses. Additionally, Mr. Wisk shall be entitled to participate in or receive benefits under each benefit plan or arrangement made available by us to our senior

executives on terms no less favorable than those generally applicable to senior executives of Herbalife America.

Mr. Wisk received an annual cash bonus of $150,000 for the fiscal year ending December 31, 2003, and is eligible to receive an annual cash bonus equal to 50% of Mr. Wisk's annual salary thereafter. He has also been granted a non-qualified stock option grant under the WH Holdings (Cayman Islands) Ltd. Stock Option Plan to purchase an aggregate of 300,000 common shares of Holdings at exercise prices as follows: the first 60,000 shares at $2.50 per share, the second 60,000 shares at $3.50 per share, the third 60,000 shares at $5.50 per share, the fourth 60,000 shares at $8.50 per share, and the fifth 60,000 shares at $11.50 per share. The options vest under a schedule over time through July 14, 2008. The options expire 10 years after the date of grant.

Unless otherwise approved by a written resolution of the Committee (as defined in the WH Holdings (Cayman Islands) Ltd. Stock Option Plan) prior to or contemporaneously with the closing of any such transaction, any portion of the options granted to Mr. Wisk under that plan (whether vested or unvested and whether or not then exercisable) which has not been exercised prior to or in connection with any merger or consolidation of Holdings into another corporation, the exchange of all or substantially all of the assets of Holdings for the securities of another corporation, a Change of Control or the recapitalization, reclassification, liquidation or dissolution of Holdings or any other fundamental corporate transaction involving Holdings or any of its subsidiaries with the same or a similar purpose or effect shall expire and be cancelled and of no further force and effect effective upon the closing of any such transaction.

Before July 21, 2005, if Mr. Wisk terminates his employment by reason of Mr. Wisk's death, disability or for "good reason" as defined in the Wisk Employment Agreement, or he is terminated by us with or without cause, Mr. Wisk will receive $680,000 less the amount of salary already received. If such termination occurs prior to July 21, 2004, Mr. Wisk will receive an additional payment of $85,000. During the at-will employment period after July 21, 2005, if Mr. Wisk terminates his employment by reason of Mr. Wisk's death, disability or for "good reason" or he is terminated by us, Mr. Wisk will receive a minimum six-month severance payment calculated at Mr. Wisk's then-current salary, in an amount not less than $170,000.

On October 6, 2003, we appointed Mr. Brett R. Chapman as General Counsel. We have entered into an executive employment agreement (the "Chapman Employment Agreement") with Mr. Chapman effective as of October 6, 2003 through our subsidiary, Herbalife America. For his services, Mr. Chapman is entitled to receive an annual salary of $435,000. Under the terms of the Chapman Employment Agreement, in addition to his salary, Mr. Chapman shall be entitled to participate in or receive benefits under each benefit plan or arrangement made available by us to our senior executives on terms no less favorable than those generally applicable to senior executives of Herbalife America.

In addition, Mr. Chapman received an annual cash bonus of $140,000 for the fiscal year ending December 31, 2003 and is eligible to receive an annual cash bonus equal to 100% of the applicable annual bonus thereafter, calculated in accordance with the then-current bonus formula approved by us for our most senior officers. Mr. Chapman's target bonus is set in the Chapman Employment Agreement at an amount equal to 50% of Mr. Chapman's annual salary for the year with respect to which the bonus is to be paid.

Mr. Chapman has also been granted stock options under the WH Holdings (Cayman Islands) Ltd. Option Plan to purchase an aggregate of 325,000 common shares of Holdings at exercise prices as follows: 150,000 shares at $2.50 per share, 43,750 shares at $3.50 per share, 43,750 shares at $5.50 per share, 43,750 shares at $8.50 per share, and 43,750 shares at $11.50 per share. The options vest under a schedule over time through October 6, 2008. The options expire 10 years after the date of grant.

In the event of any Change of Control (as defined in the WH Holdings (Cayman Islands) Ltd. Executive Officer Stock Option Plan), 50% of the shares granted pursuant to the options (pro rata according to the number of shares exercisable at the relevant exercise prices specified above for each of the individual tranches) issued to Mr. Chapman under that plan will become immediately vested and exercisable. If, following any Change of Control, all or any portion of the options issued to Mr. Chapman under the WH Holdings (Cayman Islands) Ltd. Executive Officer Stock Option Plan remain outstanding and Mr. Chapman's employment is terminated (other than by reason of Mr. Chapman's resignation without Good Reason or termination by us for Cause (as defined in the Chapman Employment Agreement)) at any time following such Change of Control, 100% of the shares granted pursuant to the options issued to Mr. Chapman under that plan will immediately vest and become exercisable. In the event Mr. Chapman's employment is terminated by reason of Mr. Chapman's death or disability or during the 90 day period before any Change of Control, 100% of the shares granted pursuant to the options issued to Mr. Chapman under the WH Holdings (Cayman Islands) Ltd. Executive Officer Stock Option Plan will immediately vest and become exercisable.

We have also entered into an executive employment agreement (the "Hannah Employment Agreement") with Carol Hannah through our subsidiaries Herbalife and Herbalife America. The Hannah Employment Agreement became effective as of March 10, 2003. The Hannah Employment Agreement is for a three year term. Ms. Hannah is engaged as President of Distributor Communications and Support. For her services, Ms. Hannah is entitled to receive an annual salary of $712,500. Under the terms of the Hannah Employment Agreement, in addition to her salary, Ms. Hannah shall be entitled to participate in or receive benefits under each benefit plan or arrangement made available by us to our senior executives on terms no less favorable than those generally applicable to senior executives of Herbalife and Herbalife America.

Under the terms of the Hannah Employment Agreement, if, at any time during the term of the Hannah Employment Agreement, (1) Herbalife terminates Ms. Hannah's employment without Cause (as defined in the Hannah Employment Agreement) Herbalife must pay Ms. Hannah (in addition to all accrued base salary, bonus for the year preceding the year of termination, benefits and other amounts Ms. Hannah is entitled to) an amount equal to one year's salary and bonus (the bonus for the year of termination shall be equal to one year's base salary). In addition, Herbalife shall continue to afford to Ms. Hannah medical, dental, vision, long-term disability and life insurance benefits for one year. If Ms. Hannah (1) dies or (2) becomes disabled at any time during the term of the Hannah Employment Agreement, upon the Death or Disability of Ms. Hannah (as defined in the Hannah Employment Agreement), Herbalife must pay Ms. Hannah or her beneficiaries or estate (in addition to all accrued base salary, bonus for the year preceding the year of termination, benefits and other amounts Ms. Hannah is entitled to) Ms. Hannah's base salary and bonus for one year (the bonus for the year of termination shall be equal to one year's base salary). In the event Ms. Hannah terminates her employment or Herbalife terminates Ms. Hannah's employment for Cause, Herbalife must pay Ms. Hannah all accrued base salary, bonus for the year preceding the year of termination, benefits and other amounts Ms. Hannah is entitled to.

Ms. Hannah has been granted stock options as of March 10, 2003 under the WH Holdings (Cayman Islands) Ltd. Option Plan to purchase 1,207,583 common shares of Holdings at an exercise price of $0.44 per share and 603,792 common shares of Holdings at an exercise price of $1.76 per share. The options granted to Ms. Hannah are subject to a vesting schedule whereby 15% of the options vest immediately and thereafter, vest at a rate of 5% each quarter until all of the options become fully vested and exercisable as of June 30, 2007. The options expire 10 years after the date of grant.

Under the terms of the stock option grants, in the event Ms. Hannah's employment with Herbalife is terminated for whatever reason, the unexercisable portion of Ms. Hannah's stock options will terminate on the date of such termination and the exercisable portion of Ms. Hannah's stock options

will be treated as follows. Subject to Herbalife's right to repurchase the shares and subject to the shareholders' agreement, if Ms. Hannah's employment is terminated for Cause, the exercisable portion of Ms. Hannah's stock options will terminate on the date of such termination. If Ms. Hannah's employment is terminated for any reason except for Cause, the exercisable portion of Ms. Hannah's stock options will be exercisable for 30 days following the termination. If Ms. Hannah's employment is terminated on account of a "disability" as defined in Section 22(e) of the Code or death, Ms. Hannah or Ms. Hannah's personal representative may exercise the exercisable portion of Ms. Hannah's stock options for 90 days following the termination of employment on account of such disability or Ms. Hannah's death. In addition, in connection with certain transaction involving a change in control (as defined in the stock option agreement) or the initial public offering of Herbalife's common shares, the previously unexercisable portion of Ms. Hannah's stock options will immediately become 100% vested and exercisable immediately prior to the closing of any such transaction.

Compensation Committee Interlocks and Insider Participation

From January 1 through December 31, 2003, the Compensation Committee consisted of Messrs. Jesse Rogers, James Fordyce, Steven Rodgers, and Ken Diekroeger. Steven Rodgers was an officer of Holdings from April 2002 through the end of the last fiscal year.

Compensation Committee Report

Herbalife's executive compensation programs are administered by the Compensation Committee and, to the extent summarized below, our Chief Executive Officer or the person performing similar functions.

The compensation policy is designed to motivate the overall success of the Company by:

- Attracting, retaining and rewarding highly qualified and productive individuals;
- Delivering a significant portion of compensation through performance-based incentives;
- Directing incentive compensation to overall Company and individual performance; and
- Encouraging executive stock ownership to align the interests of management with those of shareholders.

Base Salary and Annual Incentive Compensation

Mr. Johnson's base salary beginning April 3, 2003 was established through negotiations between him and the Compensation Committee. The Compensation Committee believes Mr. Johnson's compensation should be heavily influenced by the Company's performance. In evaluating Mr. Johnson's compensation, the Compensation Committee considered the financial results of the Company, the compensation (including base salary, annual and long-term incentives) paid to Mr. Johnson by his previous employer, the compensation (including base salary, annual and long-term incentives) paid to executives in similar positions in similar industries, Mr. Johnson's reputation, leadership experience and leadership skills, and the compensation paid to other senior executives of the Company. As discussed above with respect to the payment of performance bonuses, Mr. Johnson received a bonus for fiscal 2003 in an amount equal to that required under the formula specified in the Johnson Employment Agreement plus an additional discretionary amount which, in the Compensation Committee's opinion, reflected the progress the Company made during fiscal 2003.

Base salaries for each of the other Named Executive Officers were established through negotiations between Mr. Johnson or his predecessor and each such Named Executive Officer. See the Summary Compensation Table under "—Executive Compensation."

Long-Term Incentive Plans

Our executives are encouraged to own common shares of Holdings, issuable upon exercise of stock options, thereby aligning the interests of management with those of shareholders and tying a significant portion of executive compensation to long-term performance. The vesting schedules for stock options are set by the Compensation Committee. All options granted to executive officers have had an exercise price of more than or equal to 100% of fair market value on the date of grant.

Tax Issues

The Compensation Committee intends to seek to structure executive compensation arrangements to maximize the deductibility of Named Executive Officer compensation under applicable federal and state tax laws, including the Omnibus Budget Reconciliation Act of 1993, while also taking into account the need to provide appropriate incentives to our key executives. However, no assurance can be given that we will preserve, or will seek to preserve, the deductibility of all executive compensation.

COMPENSATION COMMITTEE

Jesse Rogers
James Fordyce
Steven Rodgers
Ken Diekroeger

May 10, 2004

PRINCIPAL SHAREHOLDERS

Whitney V, L.P. and Whitney Strategic Partners V, L.P. (together with certain affiliated investment funds) and CCG Investments (BVI), L.P. (together with certain of its co-investment funds), as well as selected members of our distributor organization and our management are the owners of all of the outstanding capital stock of Holdings. The address for Whitney V, L.P. and Whitney Strategic Partners V, L.P. is c/o Whitney & Co., LLC, 177 Broad Street, Stamford, Connecticut 06901. The address for CCG Investments (BVI), L.P. is c/o Golden Gate Private Equity, Inc., One Embarcadero Center, 33rd Floor, San Francisco, California 94111.

Prior to the consummation of the Transactions, Holdings' outstanding securities consisted of 102 million shares of its 12% Series A Cumulative Convertible Preferred Shares, par value $0.001 per share. After the consummation of the Transactions, Holdings' outstanding securities consists of 104.1 million Common Shares, par value $0.001 per share, each share being entitled to one vote on matters submitted to shareholders' vote.

Management participates in our equity through option grants by Holdings under a stock incentive plan. See "Certain Relationships and Related Transactions—Certain Transactions Relating to Holdings—WH Holdings (Cayman Islands) Ltd. Stock Incentive Plan."

The following table shows the beneficial ownership of common shares of Holdings as of March 31, 2004, and thus the indirect beneficial ownership of the equity interest of Herbalife as of that date, held by (i) each of Holdings' and Herbalife's directors, (ii) each of the five mostly highly compensated executive officers of Herbalife, (iii) all directors and executive officers as a group and (iv) each person or entity known to Herbalife to beneficially own more than five percent (5%) of the outstanding common shares of Holdings.

Name and address of beneficial owner	Number of shares	Percentage ownership on a fully diluted basis(1)
Whitney V, L.P.**	52,032,570	50.0%
Whitney Strategic Partners V, L.P.**	456,460	*
Whitney Private Debt Fund, L.P.**	805,585	*
Green River Offshore Fund**	85,929	*
Total	**53,380,544**	**51.3%**
CCG Investments (BVI), L.P.***	26,454,793	25.4%
CCG Associates—QP, LLC***	1,329,857	1.3%
CCG Associates—AI, LLC***	123,654	*
CCG Investment Fund—AI, LP***	354,406	*
CCG AV, LLC—Series C***	872,712	*
CCG AV, LLC—Series E***	708,836	*
CCG CI***	452,484	*
Total	**30,296,742**	**29.1%**
Peter M. Castleman(2)**	53,380,544	51.3%
James H. Fordyce**	0	*
John C. Hockin(2)**	52,489,030	50.4%
Steven E. Rodgers(2)**	52,489,030	50.4%
Jesse Rogers(3)***	30,296,742	29.1%
Prescott Ashe(3)***	30,296,742	29.1%
Ken Diekroeger(3)***	30,296,742	29.1%
Stefan L. Kaluzny***	0	*
Leslie Stanford(4)****	2,582,955	2.5%
Markus Lehman****	1,105,682	1.1%
Charles L. Orr(5)****	49,205	*
Henry Burdick(6)****	1,307,181	1.3%
Michael O. Johnson(7)****	1,740,701	1.7%
Carol Hannah(8)****	1,202,163	1.2%
Brian L. Kane(9)****	918,072	*
Gregory Probert(10)****	0	*
David Kratochvil(11)****	118,409	*
John B. Purdy(12)****	140,000	*
Robert Levy(13)****	118,409	*
All Directors and Executive Officers as a Group (19 persons)		
Total	**92,960,063**	**86.1%**

* Less than 1%.

** c/o Whitney & Co., LLC, 177 Broad Street, Stamford, Connecticut 06901.

*** c/o Golden Gate Private Equity, Inc., One Embarcadero Center, 33rd Floor, San Francisco, California 94111.

**** c/o Herbalife International, Inc., 1800 Century Park East, Los Angeles, California 90067.

(1) Applicable percentage of ownership as of March 31, 2004 is based upon 104,054,388 common shares outstanding, and the relevant number of shares of common stock issuable upon exercise of stock options which are exercisable presently or within 60 days. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission, and includes voting and investment power with respect to shares. Unless otherwise indicated below, to

the knowledge of Herbalife, all persons listed below have sole voting and investment power with respect to their common shares, except to the extent authority is shares by spouses under applicable law and to the extent provided in the shareholders' agreement. See "Certain Relationships and Related Transactions—Certain Transactions Relating to Holdings—Shareholders' Agreement." Pursuant to the rules of the Securities and Exchange Commission, the number of shares of Common Stock deemed outstanding includes shares issuable pursuant to options or warrants held by the respective person or group which may be exercised within 60 days of March 31, 2004.

(2) Represents shares beneficially owned by the Whitney V, L.P. and Whitney Strategic Partners V, L.P., and, for Mr. Castleman, also includes the shares beneficially owned by Whitney Private Debt Fund, L.P. and Green River Offshore Fund. Messrs. Castleman, Rodgers and Hockin are managing members of the entity that is the general partner of Whitney V, L.P. and Whitney Strategic Partners V, L.P. Accordingly, they may be deemed to share beneficial ownership of such shares. Mr. Castleman is also a managing member of the entities that are the general partners of Whitney Private Debt Fund, L.P., and Green River Offshore Fund, and accordingly he may be deemed to share beneficial ownership of such shares. Each of Messrs. Castleman, Rodgers and Hockin disclaims beneficial ownership of all shares owned by Whitney V, L.P., Whitney Strategic Partners V, L.P., Whitney Private Debt Fund, L.P. and Green River Offshore Fund, except to the extent of his pecuniary interest in each such entity.

(3) Represents shares beneficially owned by CCG Investments (BVI), L.P., CCG Associates—QP, LLC, CCG Associates—AI, LLC, CCG Investment Fund—AI, LP, CCG AV, LLC—Series C, CCG AV, LLC- Series E and CCG CI, LLC, the "Golden Gate Entities". Messrs. Rogers and Ashe are managing members of the entities that are general partners of the Golden Gate Entities. Accordingly, they may be deemed to share beneficial ownership of such shares. Each of Messrs. Rogers and Ashe disclaim beneficial ownership of all shares owned by the Golden Gate Entities, except to the extent of his pecuniary interest in the Golden Gate Entities.

(4) Represents shares beneficially owned by Leslie Stanford though Blueline Capital, LLC.

(5) Mr. Orr was granted 50,000 options to purchase common shares of Holdings at an exercise price of $0.44 per share and 50,000 options to purchase common shares of Holdings at an exercise price of $1.76 per share, of which 35,000 are exercisable within 60 days of March 31, 2004.

(6) Mr. Burdick was granted 50,000 options to purchase common shares of Holdings at an exercise price of $0.44 per share and 50,000 options to purchase common shares of Holdings at an exercise price of $1.76 per share, of which 35,000 are exercisable within 60 days of March 31, 2004. In addition the Board granted Mr. Burdick options to purchase 300,000 common shares of Holdings at a strike price of $0.44 and options to purchase 300,000 common shares of Holdings at a strike price of $1.76. These 600,000 options have vested and are exercisable within 60 days of March 31, 2004. Mr. Burdick was granted an additional 80,000 options to purchase common shares of Holdings at an exercise price of $0.44 per share, 80,000 options to purchase common shares of Holdings at an exercise price of $1.76 per share, 80,000 options to purchase common shares of Holdings at an exercise price of $5.28 per share 80,000 options to purchase common shares of Holdings at an exercise price of $8.80 per share 80,000 options to purchase common shares of Holdings at an exercise price of $12.32 per share of which 104,000 are exercisable within 60 days of March 31, 2004.

(7) Mr. Johnson was granted 1,182,369 options to purchase common shares of Holdings at an exercise price of $0.44 per share, 1,182,369 options to purchase common shares of Holdings at an exercise price of $1.76 per share, 1,182,369 options to purchase common shares of Holdings at an exercise price of $5.28 per share 1,182,369 options to purchase common shares of Holdings at an exercise price of $8.80 per share 1,182,369 options to purchase common shares of Holdings at an

exercise price of $12.32 per share of which 1,537,081 are exercisable within 60 days of March 31, 2004.

(8) Ms. Hannah was granted 1,207,583 options to purchase common shares of Holdings at an exercise price of $0.44 per share and 603,792 options to purchase common shares of Holdings at an exercise price of $1.76 per share, of which 633,981 are exercisable within 60 days of March 31, 2004.

(9) Mr. Kane was granted 1,207,583 options to purchase common shares of Holdings at an exercise price of $0.44 per share and 603,792 options to purchase common shares of Holdings at an exercise price of $1.76 per share, of which 633,981 are exercisable within 60 days of March 31, 2004.

(10) Mr. Probert was granted 250,000 options to purchase common shares of Holdings at an exercise price of $2.50 per share, 150,000 options to purchase common shares of Holdings at an exercise price of $3.50 per share, 150,000 options to purchase common shares of Holdings at an exercise price of $5.50 per share 150,000 options to purchase common shares of Holdings at an exercise price of $8.50 per share, and 150,000 options to purchase common shares of Holdings at an exercise price of $11.50 per share of which none are exercisable within 60 days of March 31, 2004.

(11) Mr. Kratochvil was granted 150,000 options to purchase common shares of Holdings at an exercise price of $0.44 per share and 150,000 options to purchase common shares of Holdings at an exercise price of $1.76 per share, of which 90,000 are exercisable within 60 days of March 31, 2004.

(12) Mr. Purdy was granted 150,000 options to purchase common shares of Holdings at an exercise price of $0.44 per share and 150,000 options to purchase common shares of Holdings at an exercise price of $1.76 per share, of which 90,000 are exercisable within 60 days of March 31, 2004.

(13) Mr. Levy was granted 150,000 options to purchase common shares of Holdings at an exercise price of $0.44 per share and 150,000 options to purchase common shares of Holdings at an exercise price of $1.76 per share, of which 90,000 are exercisable within 60 days of March 31, 2004.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Redemption of Preferred Shares

A portion of the proceeds from the offering of the Outstanding Notes was applied to pay the cash redemption price for all of Holdings' outstanding Preferred Shares. To permit Holdings to convert the Preferred Shares, we amended Holdings' charter documents to permit its Board of Directors to elect to convert all of the outstanding Preferred Shares into the right to receive a cash payment, for each Preferred Share converted, equal to the original issue price for the Preferred Shares ($1.76 per share), and all accrued and unpaid dividends, plus one common share of Holdings. In connection with the consummation of the Transactions described herein, all of the outstanding Warrants to purchase Holdings' Preferred Shares were exercised in exchange for Holdings' Preferred Shares, and all of Holdings' Preferred Shares (including the Preferred Shares issuable upon the exercise of the Warrants) were then converted into an aggregate of approximately 104.1 million of Holdings' common shares. We do not believe that this conversion affected any pre-existing rights to acquire Holdings' common shares, unless the agreement or instrument granting the right to acquire Holdings' common shares provided otherwise.

All of the outstanding Preferred Shares, immediately prior to their conversion into common shares, were held by the Equity Sponsors and their affiliates, certain members of our management, and selected distributors. In addition, affiliates of the Equity Sponsors and GarMark Partners, L.P. ("GarMark") held Warrants to purchase an aggregate of 2,040,816 of the Preferred Shares. These parties held certain rights that may have presented an actual or potential conflict of interest in connection with our proposal to convert the Preferred Shares.

Certain Equity Sponsors (and/or their affiliates) and the selected distributors holding Preferred Shares were and are parties to a shareholders' agreement pursuant to which they have certain rights to determine the composition of Holdings' Board of Directors. See "—Shareholders' Agreement."

In addition, an affiliate of Whitney, one of the Equity Sponsors, was a party to a securities purchase agreement providing that affiliate with the right to designate one observer to Holdings' Board of Directors to attend each meeting of the Board and each meeting of the committees of the Board for so long as that party holds at least $10 million of the Senior Notes (subject to certain exceptions). Holdings purchased all of the Senior Notes on March 8, 2004, the closing date of the Transactions. See "—Purchase of Senior Notes."

Purchase of Senior Notes

A portion of the proceeds from the offering of the Outstanding Notes was applied to purchase the Senior Notes at a negotiated price.

All of the Senior Notes, immediately prior to the closing of the Transactions, were held by GarMark, Whitney Private Debt Fund, L.P. ("Whitney Private Debt"), and Green River Offshore Fund Ltd. ("Green River"). Whitney Private Debt and Green River are affiliates of Whitney. GarMark purchased $23 million in principal amount of the Senior Notes and received Warrants for 1,235,231 of the Preferred Shares and Whitney Private Debt purchased $15 million in principal amount of the Senior Notes and received Warrants for 805,585 of the Preferred Shares on July 31, 2002 pursuant to a Securities Purchase Agreement among Holdings, as issuer, and GarMark and Whitney Private Debt, as purchasers. On November 27, 2002, Green River purchased $1.6 million in principal amount of the Senior Notes from GarMark and received Warrants for 85,929 of the Preferred Shares from GarMark.

The holders of the Senior Notes held certain rights that may have presented an actual or potential conflict of interest in connection with our proposal to purchase the Senior Notes. The Securities Purchase Agreement provided that each holder of $10 million or more of the Senior Notes (subject to certain exceptions) could designate one observer to Holdings' Board of Directors to attend each

meeting of the Board and each meeting of the committees of the Board. Each of Whitney Private Debt and GarMark held $10 million or more of the Senior Notes. In addition, certain affiliates of Whitney were and are parties to a shareholders' agreement with certain of Holdings' other shareholders pursuant to which Whitney V, L.P., an affiliate of Whitney, is permitted to nominate four individuals to Holdings' Board of Directors, and two additional nominees to Holdings' Board must be acceptable to Whitney V, L.P. and CCG Investments (BVI), L.P., an affiliate of Golden Gate Private Equity, Inc. See "—Shareholders' Agreement."

On February 3, 2004, the Board of Directors approved the offering of the Outstanding Notes and the consummation of the Transactions, subject to development of the final terms and the approval of those terms by a Special Offering Committee of the Board of Directors established to determine and approve on behalf of Holdings the final terms of the Outstanding Notes and the related Transactions. During that portion of the meeting relating to the discussion and approval of the purchase of the Senior Notes (a portion of which are owned by Whitney and its affiliates), Messrs. Peter M. Castleman, James H. Fordyce, John C. Hockin and Steven E. Rodgers, members of Holdings' Board of Directors who are also partners of Whitney and various of its affiliates, abstained from the discussion and vote. The remaining members of the Board, after considering relevant factors, determined that the purchase of our Senior Notes was desirable and in the best interests of Holdings, and approved the purchase of the Senior Notes at such price and on such terms as the Special Offering Committee deemed appropriate in connection with the sale of the Outstanding Notes.

On March 3, 2004, the Special Offering Committee approved the final terms of the Outstanding Notes and the related Transactions as set forth in this prospectus, with those of its members who are affiliated with Whitney abstaining from the discussion and vote concerning the purchase of Holdings' Senior Notes.

Certain Transactions Relating to Holdings

Transactions in securities

Selected members of our distributor organization and senior management have purchased, either from Holdings or from the Equity Sponsors, 12% Series A Cumulative Convertible Preferred Shares of Holdings. The price paid by participating members of our distributor organization and senior management to the Equity Sponsors in the August and October 31, 2002 offering was $1.76 per share. In connection with the January 31, 2003 offering to members of our President's Team by the Equity Sponsors, the price paid by distributors to the Equity Sponsors was $1.97 per share. In connection with the May 30, 2003 offering by the Equity Sponsors to members of our President's Team and by Holdings to members of our Chairman's Club, the price paid by members of our President's Team to the Equity Sponsors and by members of our Chairman's Club to Holdings was $2.21 per share. Michael O. Johnson, our Chief Executive Officer, purchased from Holdings 203,620 shares on June 24, 2003. The price paid by Mr. Johnson was the same price paid by members of our distributor organization in the May 30th offering.

In connection with a separation and general release agreement with Mr. Francis X. Tirelli effective December 24, 2002, the Equity Sponsors repurchased 284,091 Preferred Shares of Holdings held by Mr. Tirelli at a purchase price of $1.78 per share.

Shareholders' agreement

In connection with the subscription for the purchase of Holdings' shares, participating distributors and senior management are required to become party to a shareholders' agreement entered into by certain of the Equity Sponsors and Holdings (the "shareholders' agreement"). This agreement restricts the ability of the shareholders to freely transfer preferred shares and common shares held by them (other than to the transferor's family members, other shareholders and the Equity Sponsors). The

Equity Sponsors and their transferees may have also entered into an institutional shareholders' agreement which contains substantially similar restrictions to the shareholders' agreement relating to transfers by the Equity Sponsors and their transferees.

The Equity Sponsors also have rights of co-sale and bring-along rights on shares owned by other shareholders. The other shareholders have preemptive rights, and pro rata tag-along rights on certain sales of shares by the Equity Sponsors which will reduce the Equity Sponsors' holdings below a threshold.

If a distributor shareholder is terminated, unless such distributor sells its shares to another distributor, Holdings shall have the right to repurchase such shares. If a shareholder that is a member of senior management is terminated, first the Equity Sponsors, then Holdings shall have the right to repurchase such shares before such terminated shareholder can sell its shares to third parties. Also, under the shareholders' agreement, the shareholders will agree to vote in favor of the election of the following designees to Holdings' Board of Directors:

- Four (4) nominees designated by Whitney V, L.P.;
- Four (4) nominees designated by CCG Investments (BVI), L.P.;
- Herbalife's Chief Executive Officer;
- Two (2) nominees acceptable to Whitney V, L.P. and CCG Investments (BVI), L.P.; and
- Up to two (2) nominees designated by distributor shareholders.

If the distributors own at least 11,000,000 common shares, they may designate one nominee to the Board of Directors of Holdings. If the distributors own more than 11,000,000 but less than 16,500,000 common shares of our equity, they may also select one observer to attend all meetings of our Board of Directors. If the distributors own 16,500,000 common shares or more of our equity, they may designate two nominees. The nominees of the distributors shall be elected by a plurality of the distributor shareholders.

In the event an Equity Sponsor does not have a designee serving on the Board of Directors for any reason, one person designated by such Equity Sponsor will be permitted to attend as an observer at all meetings of the Board of Directors of Holdings.

Registration rights agreement

Members of our distributor organization holding Holdings' equity securities are also party to a registration rights agreement between the Equity Sponsors and Holdings (the "Holdings registration rights agreement"). Under the Holdings registration rights agreement, the Equity Sponsors have the ability, under certain circumstances, to cause Holdings to register certain equity securities and to participate in registrations by Holdings of its equity securities. Upon an initial public offering, if the Equity Sponsors shall include their shares for registration, the other shareholders may also participate pro rata.

In addition to an initial public offering, if Holdings at any time proposes to register any of its securities under the Securities Act for sale to the public, in certain circumstances holders of preferred shares or common shares issued upon conversion of the preferred shares (including distributor shareholders) may require Holdings to include their shares in the securities to be covered by the registration statement. Such registration rights are subject to customary limitations specified in the Holdings registration rights agreement.

Indemnity agreement

In connection with the purchase of Preferred Shares, Holdings and WH Acquisition Corp. entered into an indemnity agreement with the Equity Sponsors pursuant to which Holdings and Herbalife (as successor-in-interest to WH Acquisition Corp.) agreed to indemnify the Equity Sponsors for losses and claims resulting from, arising out of or any way related to the Acquisition, including existing litigation. Whitney had been sued in San Francisco by Rosemont Associates and Joseph Urso for $20 million in a suit alleging breach of contract, breach of covenants of good faith and fair dealing, *quantum meruit* and other causes of action arising out of the sale of Herbalife to Whitney and others. This lawsuit has recently been settled for an undisclosed sum that is not material to us or our financial condition. See "—Legal Proceedings."

Agreements with the Equity Sponsors

In connection with the Acquisition, we entered into various agreements with the Equity Sponsors. Pursuant to the monitoring fee agreement entered into in connection with the Acquisition, Whitney and GGC Administration, LLC, an affiliate of CCG Investments (BVI), L.P., conduct certain activities related to such parties' and its affiliates' investments in Holdings.

In consideration of those services, Herbalife pays to Whitney and GGC Administration, LLC, quarterly, fees for monitoring services rendered (determined on an hourly basis), and such obligations are guaranteed by Holdings. Such monitoring fees are currently being paid quarterly at a rate of $5.0 million per annum, divided between Whitney and GGC Administration, LLC at a ratio of 65% to 35%, respectively. Herbalife also agreed to reimburse Whitney and GGC Administration, LLC for their reasonable out-of-pocket expenses and to pay additional transaction fees to them in the event Holdings and/or any of its subsidiaries completes add-on acquisitions, divestitures, a transaction resulting in a change of control (as defined therein) or financing involving Holdings and/or any of its subsidiaries, and that such obligations shall be guaranteed by Holdings. In fiscal 2003, Herbalife reimbursed Whitney and GGC Administration, LLC approximately $3.1 million for their reasonable out-of-pocket expenses incurred since the date of the Acquisition through the payment date. We currently anticipate that Herbalife will continue to reimburse the Equity Sponsors for approximately $2.3 million per year in reasonable, reimbursable out-of-pocket expenses.

Holdings and its subsidiaries have also agreed to provide customary joint and several indemnification to Whitney and GGC Administration, LLC. See "—Legal Proceedings" and "—Indemnity Agreement."

WH Holdings (Cayman Islands) Ltd. stock incentive plan

Holdings has established a stock incentive plan that provides for the grant of options to purchase common shares of Holdings and stock appreciation rights to employees and consultants of Herbalife. The incentive plan is administered by a committee appointed by the Board of Directors of Holdings. Upon conversion of the options into common shares of Holdings, employees of Herbalife will be required to enter into a shareholders' agreement and a registration rights agreement with Holdings. In addition, Holdings established a stock option plan that provides for the grant of options to executive officers of Herbalife. See "—Description of Benefit Plans" and "—Employment Contracts."

WH Holdings (Cayman Islands) Ltd. independent directors stock option plan

Holdings has established an independent directors stock option plan that provides for the grant of options to purchase common shares of Holdings to independent directors of Holdings. Directors who are employees of Holdings or any of its affiliates or have been designated as directors by the affiliates of Holdings or its distributors are not independent directors for purposes of director compensation. Holdings has granted options to Henry Burdick and Charles Orr under this plan.

DESCRIPTION OF OTHER INDEBTEDNESS

Herbalife's Senior Credit Facilities

Upon the consummation of the Acquisition, Herbalife entered into senior credit facilities with various lenders, including Whitney Private Debt Fund, L.P., and UBS AG, Stamford Branch as administrative agent. Set forth below is a summary of the terms of the senior credit facilities.

The senior credit facilities consist of (i) a senior term loan facility in the original aggregate principal amount of $180 million and (ii) a senior revolving credit facility in the aggregate principal amount of $25.0 million. The term loan will mature on June 30, 2008. The revolving credit facility is available until July 31, 2007. As of March 31, 2004, the outstanding amounts under the senior term loan facility were approximately $75.4 million. There were no amounts outstanding under the revolving credit facility as of March 31, 2004.

The senior credit facilities are guaranteed by certain of the subsidiaries of Herbalife that are also guarantors under Herbalife's senior subordinated notes. The senior credit facilities are also guaranteed by us. The obligations under the senior credit facilities are secured by (i) first priority pledges of (A) all of the stock of the guarantors, and (B) with limited exceptions, 65% of the equity interests of the foreign subsidiaries of Herbalife that are not guarantors, and (ii) security interests in and liens on all accounts receivable, inventory and other property and assets of ours and the guarantors.

All amounts outstanding under Herbalife's senior credit facilities bear interest, at its option, subject to certain limitations, as follows: (i) with respect to our senior revolving credit facility: at the base rate plus 2.75% per annum or at the reserve adjusted LIBOR Rate plus 3.75% per annum; and (ii) with respect to amounts outstanding under our senior term loan facility: at the base rate plus 3.00% per annum or at the reserve adjusted LIBOR Rate plus 4.00% per annum.

The applicable margin for the revolving loans under the senior credit facilities is subject to adjustment based upon the consolidated total leverage ratio of Herbalife. The base rate is a fluctuating interest rate equal to the higher of (a) UBS' prime rate or (b) the Federal Funds Effective Rate plus 0.5%. Herbalife also pays customary administration fees and expenses and commitment fees of 0.50% per annum on the unused portion of the revolving credit facility.

Herbalife may prepay borrowings under the senior credit facilities in whole or in part, in minimum amounts and subject to certain other conditions set forth in the credit agreement. Subject to specified exceptions, Herbalife is currently required to make mandatory prepayments to the lenders from certain asset sales, from proceeds of new debt or equity issuances, from insurance proceeds and from excess cash flow.

In addition, the senior credit facilities contain various covenants, including, without limitation, financial covenants as well as restrictions on Herbalife's ability to:

- make investments;
- engage in transactions with affiliates;
- repurchase or prepay debt;
- terminate or materially amend material contracts;
- incur other indebtedness or issue certain types of equity;
- create liens on its assets;
- sell its assets; and
- pay dividends on its capital stock.

The senior credit facilities also include customary indemnities and events of default, including a change of control, as defined in the senior credit facilities.

We amended and restated Herbalife's senior credit facility in order to (i) permit the issuance of the Outstanding Notes and the New Notes offered hereby and the use of proceeds therefrom, (ii) decrease the applicable margins on the interest rates applicable to loans under the senior credity facility, (iii) waive the excess cash flow prepayment required for the 2003 fiscal year, (iv) permit the funding of interest and certain tax payments on the Outstanding Notes and the New Notes offered hereby so long as no default exists or would result therefrom, (v) permit certain sales by Herbalife to guarantors of certain assets relating to foreign operations and equity interests in foreign subsidiaries and (vi) permit certain additional flexibility in adjustments to the capital structure of Holdings and its subsidiaries.

Herbalife's Senior Subordinated Notes

On June 27, 2002, WH Acquisition Corp. issued $165.0 million aggregate principal amount of 11 3/4% senior subordinated notes due 2010. The notes were initially purchased by UBS Warburg, LLC. The notes were resold to various qualified institutional buyers and non-U.S. persons pursuant to Rule 144A and Rule 903 or Rule 904, respectively, under the Securities Act of 1933. Upon consummation of the merger of WH Acquisition Corp. with and into Herbalife on July 31, 2002, Herbalife assumed the obligations of WH Acquisition Corp. under the Notes. In September, 2003 Herbalife repurchased $5 million aggregate principal amount of its senior subordinated Notes.

Interest on the notes is payable semi-annually on January 15 and July 15 of each year, and the notes mature on January 15, 2010. The notes are guaranteed by all of the existing subsidiaries of WH Intermediate Holdings, including the subsidiaries of Herbalife, that are guarantors under Herbalife's senior credit facilities, and, under the circumstances specified in the indenture future subsidiaries will also be required to guarantee the notes. The notes are unsecured and junior to Herbalife's obligations under its senior credit facilities and any future senior indebtedness.

Herbalife has the option to redeem the notes, in whole or in part, at any time on or after July 15, 2006 at redemption prices declining ratably from 105.875% of their principal amount on July 15, 2006 to 100% of their principal amount on or after July 15, 2008, plus accrued interest. At any time on or prior to July 15, 2005, Herbalife may also redeem up to 35% of the aggregate principal amount of the notes at a redemption price of 111.750% of their principal amount, plus accrued interest, upon certain offerings of securities of WH Intermediate Holdings. Upon a change of control, as defined in the indenture pursuant to which the notes were issued, Herbalife is required to offer to purchase the notes at a purchase price equal to 101% of their principal amount, plus accrued interest.

In addition, under certain conditions, if WH Intermediate Holdings has excess cash flow for any fiscal year, then Herbalife is required to use such proceeds to prepay, repay, redeem or purchase senior indebtedness of Herbalife or to make an offer to the holders of the notes and such other indebtedness ranking on a parity with the notes at a purchase price in cash equal to 100% of the principal amount (or accreted value in the case of Indebtedness issued with original issue discount) of the notes or such other indebtedness to be purchased, together with accrued and unpaid interest and liquidated damages, if any, thereon to the repurchase date.

The indenture governing the notes contains covenants that limits WH Intermediate Holdings and Herbalife, including certain of their respective subsidiaries', ability to, among other things:

- pay dividends, redeem capital stock and make other restricted payments and investments; incur additional debt or issue preferred shares;
- allow the imposition of dividend or other distribution restrictions on their respective subsidiaries;
- create liens on assets;
- engage in transactions with affiliates; and
- merge, consolidate or sell all or substantially all of their respective assets and the assets of their respective subsidiaries.

DESCRIPTION OF NOTES

On March 8, 2004, WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company ("*Holdings*" or sometimes referred to herein as the "*Company*"), and WH Capital Corporation, a Nevada corporation ("*Capital*," and, together with Holdings, the "Issuers"), as Issuers, issued the Outstanding Notes (the "*Outstanding Notes*"). The Outstanding Notes were issued pursuant to an indenture dated March 8, 2004 (the "*Indenture*") among the Issuers and The Bank of New York, as trustee (the "*Trustee*"). The Indenture will also govern the terms and conditions of the New Notes, which we will issue in exchange for the Outstanding Notes under the Indenture.

The terms of the New Notes and the Outstanding Notes are identical in all material respects, except the New Notes:

- will have been registered under the Securities Act;
- will not contain transfer restrictions and registration rights that relate to the Outstanding Notes; and
- will not contain provisions relating to the payment of liquidated damages to be made to the holders of the Outstanding Notes under circumstances related to the timing of the exchange offer.

Any Outstanding Notes that remain outstanding after the exchange offer, together with the New Notes issued in the exchange offer, will be treated as a single class of securities under the indenture for voting purposes.

The following summaries of certain provisions of the Indenture and the Registration Rights Agreement dated March 8, 2004 (the "*Registration Rights Agreement*") among the Issuers and the Initial Purchaser are summaries only, do not purport to be complete and are qualified in their entirety by reference to all of the provisions of the Indenture and the Registration Rights Agreement, as the case may be.

You can find the definitions of certain capitalized terms in this section under the subheading "—Certain Definitions." For purposes of this section, references to the "*Issuers*" or "*we*," "*our*," or "*us*" include only Holdings and Capital and their respective successors in accordance with the terms of the Indenture and not our subsidiaries and references to the "*Notes*" include both the New Notes and the Outstanding Notes (to the extent not exchanged for New Notes).

The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "*TIA*"). The Notes are subject to all such terms, and the holders of the Notes (the "*Holders*") are referred to the Indenture and the TIA for a statement thereof. A copy of the form of the Indenture is available from the Trustee upon request.

The following description is a summary of the material provisions of the Indenture. It does not restate the Indenture in its entirety. We urge you to read the Indenture because the Indenture, and not this description, defines your rights as a Holder.

Brief Description of the Notes

The Notes

The Notes are:

- our joint and several general unsecured obligations;
- ranked equally in right of payment to all of our existing and future obligations (other than the Company's guarantee of the Credit Agreement, to which the Notes will be contractually subordinated); and

- ranked senior in right of payment to all of our existing and future Subordinated Indebtedness.

The Notes will be issued in fully registered form only, without coupons, in denominations of $1,000 and integral multiples thereof.

The term "*Subsidiaries*" as used in this Description of Notes does not include Unrestricted Subsidiaries. As of the Issue Date, none of our subsidiaries were Unrestricted Subsidiaries.

Principal, Maturity and Interest; Additional Notes

On the Issue Date, we initially issued Notes with a maximum aggregate principal amount of $275.0 million. The Indenture provides, in addition to the Notes being issued on the Issue Date, for the issuance of additional Notes having identical terms and conditions to the Notes offered hereby (the "*Additional Notes*"), subject to compliance with the terms of the Indenture, including the covenant "Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock." Any such Additional Notes would be issued on the same terms as the Notes offered hereby and would constitute part of the same series of securities as the Notes and would vote together as one series on all matters. All references to Notes herein includes the Additional Notes, except as stated otherwise.

The Notes will mature on April 1, 2011. The Notes will bear interest at 9 1/2% per annum from March 8, 2004 or from the most recent date to which interest has been paid or provided for (the "*Interest Payment Date*"), payable semi-annually in arrear on April 1 and October 1 of each year, commencing October 1, 2004, to the Persons in whose names such Notes are registered at the close of business on March 15 or September 15 immediately preceding such Interest Payment Date. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Methods of Receiving Payments on the Notes

Principal of, premium, if any, and interest (and Liquidated Damages, if any) on the Notes will be payable, and the Notes may be presented for registration of transfer or exchange, at our office or agency maintained for such purpose, which office or agency shall be maintained in the Borough of Manhattan, The City of New York. Except as set forth below, at our option, payment of interest may be made by check mailed to the Holders at the addresses set forth upon our registry books. (See "Form and Transfer of the Notes—Same Day Settlement and Payment"). No service charge will be made for any registration of transfer or exchange of the Notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Until otherwise designated by us, our office or agency will be the corporate trust office of the Trustee presently located at the office of the Trustee in the Borough of Manhattan, The City of New York.

Subordination to Credit Agreement Indebtedness

The Notes will be our general, unsecured obligations, contractually subordinated in right of payment only to Indebtedness outstanding under the Credit Agreement. This effectively means that holders of Indebtedness outstanding under the Credit Agreement must be paid in full before any amounts are paid to the Holders in the event a bankruptcy or insolvency proceeding is commenced by or against us and that holders of Indebtedness can block payments to the Holders in the event of a default by us on such Indebtedness, all as more fully described below.

At March 31, 2004, we had outstanding our secured guaranty of an aggregate of approximately $75.4 million of Indebtedness outstanding under the Credit Agreement, and no other Indebtedness other than the Notes.

The rights of Holders will be effectively subordinated to all existing and future indebtedness and preferred stock of our subsidiaries.

We may not make payment (by setoff or otherwise), as applicable, on account of any Obligation in respect of the Notes, including the principal of, premium, if any, or interest on the Notes or Liquidated Damages, or on account of the redemption provisions of the Notes (including any repurchases of Notes), for cash or property (other than payments made with Junior Securities):

(1) upon the maturity of any of the Indebtedness outstanding under the Credit Agreement, whether by lapse of time, acceleration (unless waived) or otherwise, unless and until all principal of, premium, if any, and the interest on such Indebtedness are first paid in full in cash or Cash Equivalents (or such payment is duly provided for), or

(2) in the event of default in the payment of any principal of, premium, if any, or interest on our Indebtedness outstanding under the Credit Agreement, when it becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise (a "*Payment Default*"), unless and until such Payment Default has been cured or waived.

Upon (1) the happening of an event of default, other than a Payment Default, that permits the holders of Indebtedness outstanding under the Credit Agreement to declare such Indebtedness to be due and payable and (2) written notice of such event of default given to us by the representative under the Credit Agreement (a "*Payment Blockage Notice*"), then, unless and until such event of default has been cured or waived, no payment (by setoff or otherwise) may be made by us or on our behalf on account of any Obligation in respect of the Notes, including the principal of, premium, if any, or interest on the Notes, (including any repurchases of any of the Notes), or on account of the redemption provisions of the Notes (or Liquidated Damages), in any such case, other than payments made with Junior Securities. Notwithstanding the foregoing, unless the Indebtedness outstanding under the Credit Agreement has been declared due and payable within 179 days after the Payment Blockage Notice is delivered as set forth above (the "*Payment Blockage Period*") (and such declaration has not been rescinded or waived), at the end of the Payment Blockage Period, we shall be required to pay all sums not previously paid to the Holders during the Payment Blockage Period due to the foregoing prohibitions and to resume all other payments as and when due on the Notes.

Any number of Payment Blockage Notices may be given;*provided, however*, that:

(1) not more than one Payment Blockage Notice shall be given within a period of any 360 consecutive days, and

(2) no non-payment default that existed upon the date of such Payment Blockage Notice or the commencement of such Payment Blockage Period shall be made the basis for the commencement of any other Payment Blockage Period (for purposes of this provision, any subsequent action, or any subsequent breach of any financial covenant for a period commencing after the expiration of such Payment Blockage Period that, in either case, would give rise to a new event of default, even though it is an event that would also have been a separate breach pursuant to any provision under which a prior event of default previously existed, shall constitute a new event of default for this purpose).

Upon any distribution of our assets upon any dissolution, winding up, total or partial liquidation or reorganization of us, whether voluntary or involuntary, in bankruptcy, insolvency, receivership or a similar proceeding or upon assignment for the benefit of creditors or any marshaling of assets or liabilities:

(1) the holders of all Indebtedness outstanding under the Credit Agreement will first be entitled to receive payment in full in cash or Cash Equivalents (or have such payment duly provided for) before the Holders are entitled to receive any payment on account of any Obligation in respect of the Notes, including the principal of, premium, if any, and interest on the Notes (or Liquidated Damages) (other than payments made with Junior Securities); and

(2) any payment or distribution of our assets of any kind or character from any source, whether in cash, property or securities (other than Junior Securities) to which the Holders or the Trustee on behalf of the Holders would be entitled (by setoff or otherwise), except for the subordination provisions contained in the Indenture, will be paid by the liquidating trustee or agent or other Person making such a payment or distribution directly to the holders of the Indebtedness outstanding under the Credit Agreement or their representative to the extent necessary to make payment in full (or have such payment duly provided for) on all such Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of the Indebtedness outstanding under the Credit Agreement.

In the event that, notwithstanding the foregoing, any payment or distribution of our assets (other than payments made with Junior Securities) shall be received by the Trustee or the Holders at a time when such payment or distribution is prohibited by the foregoing provisions, such payment or distribution shall be held in trust for the benefit of the holders of the Indebtedness outstanding under the Credit Agreement, and shall be paid or delivered by the Trustee or such Holders, as the case may be, to the holders of the Indebtedness outstanding under the Credit Agreement remaining unpaid or unprovided for or to their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Indebtedness may have been issued, ratably according to the aggregate principal amounts remaining unpaid on account of such Indebtedness held or represented by each, for application to the payment of all such Indebtedness remaining unpaid, to the extent necessary to pay or to provide for the payment of all such Indebtedness in full in cash or Cash Equivalents after giving effect to any concurrent payment or distribution to the holders of such Indebtedness.

No provision contained in the Indenture or the Notes will affect our obligation, which is absolute and unconditional, to pay, when due, principal of, premium, if any, and interest or if applicable, Liquidated Damages on the Notes. The subordination provisions of the Indenture and the Notes will not prevent the occurrence of any Default or Event of Default under the Indenture or limit the rights of the Trustee or any Holder to pursue any other rights or remedies with respect to the Notes.

As a result of these subordination provisions, in the event of the liquidation, bankruptcy, reorganization, insolvency, receivership or similar proceeding or an assignment for the benefit of our creditors or a marshaling of our assets and liabilities, the Holders may receive ratably less than other creditors.

Optional Redemption

At any time prior to April 1, 2008, we may redeem the Notes for cash, in whole or in part, from time to time, upon not less than 30 nor more than 60 days' notice to each Holder of the Notes to be redeemed at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus the Applicable Premium as of, and accrued and unpaid interest, including Liquidated Damages, if any, to the date of the redemption (the date of any such redemption prior to April 1, 2008, an "*Early Redemption Date*").

At any time on or after April 1, 2008, we may redeem the Notes for cash, in whole or in part, upon not less than 30 days nor more than 60 days notice to each Holder of Notes to be redeemed, at the following redemption prices (expressed as percentages of the principal amount) if redeemed during the 12-month period commencing April 1 of the years indicated below, in each case together with accrued and unpaid interest and Liquidated Damages, if any, thereon to the date of redemption of the

Notes (the date of any such redemption, together with any Early Redemption Date and any Equity Proceeds Redemption Date referred to below, a "*Redemption Date*"):

Year	Percentage
2008	104.750%
2009	102.375%
2010 and thereafter	100.000%

At any time or from time to time on or prior to April 1, 2007, upon one or more Qualified Equity Offerings, up to 40% of the aggregate principal amount of the Notes issued pursuant to the Indenture may be redeemed at our option within 90 days of such Qualified Equity Offering, on not less than 30 days, but not more than 60 days, notice to each Holder of the Notes to be redeemed, with cash received by us from the Net Cash Proceeds of such Qualified Equity Offering, at a redemption price equal to 109.50% of principal, together with accrued and unpaid interest and Liquidated Damages, if any, thereon to the date of redemption of the Notes (any such date, an "*Equity Proceeds Redemption Date*"); *provided, however*, that immediately following such redemption not less than 60% of the aggregate principal amount of the Notes originally issued pursuant to the Indenture on the Issue Date remain outstanding.

If a Redemption Date hereunder is on or after an interest record date ("*Record Date*") on which the Holders of record have a right to receive the corresponding Interest due and Liquidated Damages, if any, and on or before the associated Interest Payment Date, any accrued and unpaid interest and Liquidated Damages, if any, due on such Interest Payment Date will be paid to the Person in whose name a Note is registered at the close of business on such Record Date.

Selection and Notice

In the case of a partial redemption, the Trustee shall select the Notes or portions thereof for redemption on a *pro rata* basis, by lot or in such other manner it deems appropriate and fair. The Notes may be redeemed in part in multiples of $1,000 only.

Notice of any redemption will be sent, by first class mail, at least 30 days and not more than 60 days prior to the date fixed for redemption to the Holder of each Note to be redeemed to such Holder's last address as then shown upon the registry books of our registrar. Any notice which relates to a Note to be redeemed in part only must state the portion of the principal amount equal to the unredeemed portion thereof and must state that on and after the date of redemption, upon surrender of such Note, a New Note or Notes in a principal amount equal to the unredeemed portion thereof will be issued. On and after the date of redemption, interest will cease to accrue on the Notes or portions thereof called for redemption, unless we default in the payment thereof.

Repurchase at the Option of the Holders

Repurchase of Notes at the option of the holder upon a change of control

The Indenture provides that in the event that a Change of Control has occurred, each Holder will have the right, at such Holder's option, pursuant to an offer (subject only to conditions required by applicable law, if any) by us (the "*Change of Control Offer*"), to require us to repurchase all or any part of such Holder's Notes (*provided*, that the principal amount of such Notes must be $1,000 or an integral multiple thereof) on a date (the "*Change of Control Repurchase Date*") that is no later than 45 Business Days after the occurrence of such Change of Control, at a cash price equal to 101% of the principal amount thereof (the "*Change of Control Purchase Price*"), together with accrued and unpaid interest and Liquidated Damages, if any, to the Change of Control Repurchase Date.

The Change of Control Offer shall be made within 20 Business Days following a Change of Control and shall remain open for 20 Business Days following its commencement or such other period

as may be required by applicable law (the "*Change of Control Offer Period*"). Upon expiration of the Change of Control Offer Period, we shall promptly purchase all Notes properly tendered in response to the Change of Control Offer.

As used herein, a "*Change of Control*" means:

(1) prior to consummation of an Initial Public Offering, the Principals and their Affiliates shall cease to beneficially own at least 51% of the voting power of the Voting Equity Interests of the Company;

(2) following the consummation of an Initial Public Offering, (A) any merger or consolidation of the Company with or into any Person or any sale, transfer or other conveyance, whether direct or indirect, of all or substantially all of the assets of the Company on a consolidated basis, in one transaction or a series of related transactions, if, immediately after giving effect to such transaction(s), any "person" (including any group that is deemed to be a "person") (other than the Principals and their Affiliates) becomes the "beneficial owner," directly or indirectly, of more than 35% of voting power of the aggregate Voting Equity Interests of the transferee(s) or surviving entity or entities, (B) any "person" (including any group that is deemed to be a "person") (other than the Principals and their Affiliates) is or becomes the "beneficial owner," directly or indirectly, of more than 35% of the voting power of the aggregate Voting Equity Interests of the Company, or (C) the Continuing Directors cease for any reason to constitute a majority of the Company's Board of Directors then in office;

(3) 100% of the outstanding Equity Interests of WH Intermediate cease to be held of record by the Company, a Subsidiary Guarantor, a Limited Debtor Subsidiary, Luxembourg Holdings, Luxembourg Intermediate Holdings and/or Herbalife;

(4) 100% of the outstanding Equity Interests of Luxembourg Holdings cease to be held of record by WH Intermediate, the Company, a Subsidiary Guarantor, a Limited Debtor Subsidiary, Luxembourg Intermediate Holdings and/or Herbalife;

(5) 100% of the outstanding Equity Interests of Luxembourg Intermediate Holdings cease to held of record by Luxembourg Holdings, the Company, a Subsidiary Guarantor, a Limited Debtor Subsidiary, WH Intermediate and/or Herbalife; or

(6) 100% of the outstanding Equity Interests of Herbalife cease to be held of record by Luxembourg Intermediate Holdings, the Company, a Subsidiary Guarantor, a Limited Debtor Subsidiary, Luxembourg Holdings and/or Herbalife;

provided, however that any consolidation, merger, sale, lease, conveyance or transfer of assets (including upon a dissolution or liquidation) pursuant to and in accordance with the covenant "Limitation on Merger, Sale or Consolidation" shall not constitute a "Change on Control" under clauses (3), (4), (5) or (6) above.

As used in this covenant, "person" (including any group that is deemed to be a "person") has the meaning given by Sections 13(d) of the Exchange Act, whether or not applicable.

Notwithstanding the foregoing, we are not required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us, including any requirements to repay in full all Indebtedness outstanding under the Credit Agreement as set forth in the following paragraph of this Section, and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Indenture provides that, prior to the commencement of a Change of Control Offer, but in any event within 30 days following any Change of Control, we will:

(1) repay in full all Indebtedness outstanding under, and terminate, the Credit Agreement, or

(2) obtain the requisite consents under the Credit Agreement to permit the repurchase of the Notes as provided herein.

Our failure to comply with the preceding sentence shall constitute an Event of Default described in clause (3) under "Events of Default" below.

On or before the Change of Control Repurchase Date, we will:

(1) accept for payment Notes or portions thereof properly tendered pursuant to the Change of Control Offer,

(2) deposit with the paying agent for us (the "*Paying Agent*") cash sufficient to pay the Change of Control Purchase Price (together with accrued and unpaid interest and Liquidated Damages, if any) of all Notes so tendered, and

(3) deliver to the Trustee the Notes so accepted together with an Officers' Certificate listing the Notes or portions thereof being purchased by us.

The Paying Agent promptly will pay the Holders so accepted an amount equal to the Change of Control Purchase Price (together with accrued and unpaid interest and Liquidated Damages, if any, to the Change of Control Repurchase Date) and the Trustee promptly will authenticate and deliver to such Holders a New Note equal in principal amount to any unpurchased portion of the Note surrendered. Any Notes not so accepted will be delivered promptly by us to the Holder thereof. We publicly will announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Repurchase Date.

The Change of Control purchase feature of the Notes may make more difficult or discourage a takeover of us, and, thus, the removal of incumbent management.

The phrase "all or substantially all" of a Person's assets will likely be interpreted under applicable state law and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" of our assets has occurred. In addition, no assurances can be given that we will be able to acquire the Notes tendered upon the occurrence of a Change of Control.

Any Change of Control Offer will be made in compliance with all applicable laws, rules and regulations, including, if applicable, Regulation 14E under the Exchange Act and the rules thereunder and all other applicable Federal and state securities laws. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, our compliance with such laws and regulations shall not in and of itself cause a breach of our obligations under such covenant.

If the Change of Control Repurchase Date hereunder is on or after an interest payment Record Date and on or before the associated Interest Payment Date, any accrued and unpaid interest (and Liquidated Damages, if any) due on such Interest Payment Date will be paid to the Person in whose name a Note is registered at the close of business on such Record Date.

Sale of assets and subsidiary stock

The Indenture provides that we will not, and we will not permit any of our Subsidiaries to, in one or a series of related transactions, sell, transfer, assign or otherwise dispose of, directly or indirectly, any of their property, business or assets, including by merger or consolidation (in the case of a Subsidiary of the Company), and including any sale or other transfer or issuance of any Equity Interests of any Subsidiary of the Company, whether by the Company or through the issuance, sale or

transfer of Equity Interests by a Subsidiary of the Company and including any sale and leaseback transaction (any of the foregoing, an "*Asset Sale*"), unless:

(1) with respect to any Asset Sale or related series of Asset Sales involving securities, property or assets with an aggregate fair market value in excess of $1.0 million, at least 75% of the total consideration for such Asset Sale or series of related Asset Sales consists of cash or Cash Equivalents; and

(2) the Company or such Subsidiary determines in good faith that the Company or such Subsidiary, as applicable, receives, as applicable, fair market value for such Asset Sale.

For purposes of (1) above, total consideration received means the total consideration received for such Asset Sales minus the amount of (a) Indebtedness assumed by a transferee in an Asset Sale and (b) property that within 30 days of such Asset Sale is converted into cash or Cash Equivalents; *provided*, that such cash and Cash Equivalents shall be treated as Net Cash Proceeds attributable to the original Asset Sale for which such property was received.

The Indenture provides that within 360 days following such Asset Sale, the Net Cash Proceeds therefrom (the "*Asset Sale Amount*") are:

(a) invested in Related Business Assets and property (except in connection with the acquisition of a Person that becomes a Subsidiary of the Company in a Related Business) other than Notes, bonds, obligation and securities, or make Permitted Investments pursuant to and in accordance with clauses (f) and (g) of the definition thereof which in the good faith reasonable judgment of our Board of Directors will immediately constitute or be a part of a Related Business of the Company or such Subsidiary (if it continues to be a Subsidiary) immediately following such transaction, or

(b) used to retire Indebtedness of a Subsidiary of the Issuers (other than the Notes) or Indebtedness of the Company or a Subsidiary incurred pursuant to paragraph (c) of the covenant "Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock" (including, in the case of a revolver or similar arrangement that makes credit available, permanently reducing the commitment by such amount) to the extent that such Indebtedness was incurred in reliance on such paragraph, or

(c) applied to the optional redemption of the Notes in accordance with the terms of the Indenture and our other Indebtedness ranking on a parity with the Notes and with similar provisions requiring us to redeem such Indebtedness with the proceeds from such Asset Sale, *pro rata* in proportion to the respective principal amounts (or accreted values in the case of Indebtedness issued with an original issue discount) of the Notes and such other Indebtedness then outstanding.

Pending the final application of any Net Cash Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Cash Proceeds in any manner that is not prohibited by the Indenture.

The accumulated Net Cash Proceeds from Asset Sales not applied as set forth in (a), (b) or (c) of the preceding paragraph shall constitute Excess Proceeds. Within 30 days after the date that the amount of Excess Proceeds exceeds $15.0 million, the Company shall apply the Excess Proceeds (the "*Asset Sale Offer Amount*") to the repurchase of the Notes and such other Indebtedness ranking on a parity with the Notes and with similar provisions requiring us to make an offer to purchase such Indebtedness with the proceeds from such Asset Sale pursuant to a cash offer (subject only to conditions required by applicable law, if any) (*pro rata* in proportion to the respective principal amounts (or accreted values in the case of Indebtedness issued with an original issue discount) of the Notes and such other Indebtedness then outstanding) (the "*Asset Sale Offer*") at a purchase price of 100% of the principal amount (or accreted value in the case of Indebtedness issued with an original

issue discount) (the "*Asset Sale Offer Price*") together with accrued and unpaid interest and Liquidated Damages, if any, to the date of payment. Each Asset Sale Offer shall remain open for 20 Business Days following its commencement (the "*Asset Sale Offer Period*").

Upon expiration of the Asset Sale Offer Period, we shall apply the Asset Sale Offer Amount plus an amount equal to accrued and unpaid interest and Liquidated Damages, if any, to the purchase of all Indebtedness properly tendered in accordance with the provisions hereof (on a *pro rata* basis if the Asset Sale Offer Amount is insufficient to purchase all Indebtedness so tendered) at the Asset Sale Offer Price (together with accrued interest and Liquidated Damages, if any, to the redemption date). To the extent that the aggregate amount of Notes and such other *pari passu* Indebtedness tendered pursuant to an Asset Sale Offer is less than the Asset Sale Offer Amount, we may use any remaining Net Cash Proceeds in any manner not otherwise prohibited by the Indenture and following the consummation of each Asset Sale Offer the Excess Proceeds amount shall be reset to zero.

Notwithstanding, and without complying with, the provisions of this covenant:

(1) the Company and the Subsidiaries of the Company may, in the ordinary course of business, (a) convey, sell, transfer, assign or otherwise dispose of inventory and other assets in the ordinary course of business and (b) liquidate Cash Equivalents;

(2) the Company and the Subsidiaries of the Company may convey, sell, transfer, assign or otherwise dispose of all or substantially all of its assets pursuant to and in accordance with the covenant "Limitation on Merger, Sale or Consolidation;"

(3) the Company and the Subsidiaries of the Company may convey, sell, transfer, assign or otherwise dispose of assets to the Company or any Subsidiary of the Company;

(4) the Company and the Subsidiaries of the Company may settle, release or surrender tort or other litigation claims in the ordinary course of business;

(5) the Company and the Subsidiaries of the Company may make Permitted Investments pursuant to and in accordance with clauses (f) and (g) and Restricted Investments under "Limitation on Restricted Payments;"

(6) the Company and the Subsidiaries of the Company may incur Liens (and the disposition of assets related to such Liens by the secured party pursuant to a foreclosure) that are not prohibited by the Indenture; and

(7) Subsidiaries of the Company may issue Equity Interests of such Subsidiary upon redemption of, or in exchange for, other outstanding securities of such Subsidiary the issuance of which was not prohibited by the Indenture.

Any Asset Sale Offer shall be made in compliance with all applicable laws, rules, and regulations, including, if applicable, Regulation 14E of the Exchange Act and the rules and regulations thereunder and all other applicable Federal and state securities laws. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this paragraph, our compliance or the compliance of any of our subsidiaries with such laws and regulations shall not in and of itself cause a breach of our obligations under such covenant.

If the payment date in connection with an Asset Sale Offer hereunder is on or after an interest payment Record Date and on or before the associated Interest Payment Date, any accrued and unpaid interest (and Liquidated Damages, if any) due on such Interest Payment Date will be paid to the Person in whose name a Note is registered at the close of business on such Record Date.

Certain Covenants

The Indenture contains certain covenants that, among other things, restrict our ability and the ability of our Subsidiaries to borrow money, grant liens, pay dividends on or repurchase capital stock, make investments and sell assets or enter into mergers or consolidations. The following summary of certain covenants of the Indenture are summaries only, do not purport to be complete and are qualified in their entirety by reference to all of the provisions of the Indenture. We urge you to read the Indenture because the Indenture, and not this description, details your rights as a holder of the Notes.

Limitation on incurrence of additional indebtedness and disqualified capital stock

The Indenture provides that, except as set forth in this covenant, we will not and we will not permit any of our Subsidiaries to, directly or indirectly, issue, assume, guaranty, incur, become directly or indirectly liable with respect to (including as a result of an Acquisition), or otherwise become responsible for, contingently or otherwise (individually and collectively, to "incur" or, as appropriate, an "incurrence"), any Indebtedness (including Disqualified Capital Stock and Acquired Indebtedness), other than Permitted Indebtedness.

Notwithstanding the foregoing if:

(1) no Default or Event of Default shall have occurred and be continuing at the time of, or would occur after giving effect on a *pro forma* basis to, such incurrence of Indebtedness, and

(2) on the date of such incurrence (the "*Incurrence Date*"), our Consolidated Coverage Ratio for the Reference Period immediately preceding the Incurrence Date, after giving effect on a *pro forma* basis to such incurrence of such Indebtedness and, to the extent set forth in the definition of Consolidated Coverage Ratio the use of proceeds thereof, would be at least 2.0 to 1.0,

then we and our Subsidiaries may incur such Indebtedness (including Disqualified Capital Stock).

In addition, the foregoing limitations of the first paragraph of this covenant will not prohibit:

(a) our incurrence or the incurrence by any Subsidiary of the Company of Purchase Money Indebtedness; *provided*, that

(1) the aggregate amount of such Indebtedness incurred and outstanding at any time pursuant to this paragraph (a) (plus any Refinancing Indebtedness issued to retire, defease, refinance, replace or refund such Indebtedness) shall not exceed $50.0 million (or the equivalent thereof, at the time of incurrence, in the applicable foreign currency), and

(2) in each case, such Indebtedness shall not constitute more than 100% of our cost or the cost to such Subsidiary of the Company (determined in accordance with GAAP in good faith by our Board of Directors), as applicable, of the property so purchased, constructed, improved or leased;

(b) our incurrence or the incurrence by any Subsidiary of the Company of Indebtedness in an aggregate amount incurred and outstanding at any time pursuant to this paragraph (b) of up to $25.0 million (or the equivalent thereof, at the time of incurrence, in the applicable foreign currencies); and

(c) our incurrence or the incurrence by any of our Subsidiaries of Indebtedness pursuant to the Credit Agreement in an aggregate amount incurred and outstanding at any time pursuant to this paragraph (c), without regard to the notional amount of any Interest Swap or Hedging Obligations relating thereto that constitute Permitted Indebtedness pursuant to clause (f) of

the definition thereof (plus any Refinancing Indebtedness incurred to retire, defease, refinance, replace or refund such Indebtedness) of up to $205.0 million (or the equivalent thereof at the time of incurrence in the applicable foreign currency), minus the amount of any such Indebtedness (1) retired with the Net Cash Proceeds from any Asset Sale applied to permanently reduce the outstanding amounts or the commitments with respect to such Indebtedness pursuant to clause (b) of the second paragraph of the covenant "Sale of Assets and Subsidiary Stock," (2) assumed by a transferee in an Asset Sale and (3) the aggregate amount of all mandatory principal payments and prepayments in respect of term loans thereunder (excluding any such payments to the extent refinanced at the time of payment under a replacement or refinancing thereof) actually made; *provided, that*, this clause (3) shall not reduce the aggregate amount of Indebtedness available to be incurred and outstanding by the Company and its Subsidiaries pursuant to this clause (c) below $35.0 million.

In addition, the Company will not permit WH Intermediate, Luxembourg Holdings, Luxembourg Intermediate Holdings or Herbalife to refinance, redeem, repurchase or repay the Herbalife Notes or issue additional Indebtedness (other than Senior Indebtedness) unless WH Intermediate, Luxembourg Holdings, Luxembourg Intermediate Holdings, Herbalife and all of their respective subsidiaries that have guaranteed such Indebtedness fully and unconditionally guarantee the Notes; provided that such guarantee shall be subordinated to Senior Indebtedness of WH Intermediate, Luxembourg Holdings, Luxembourg Intermediate Holdings, Herbalife and such subsidiaries in substantially the same manner that the Herbalife Notes and the related guarantees are subordinated to Senior Indebtedness; provided, further, that the obligation to execute any such guarantee shall not apply if and for so long as such guarantee is restricted or prohibited by the terms of any Senior Indebtedness of WH Intermediate, Luxembourg Holdings, Luxembourg Intermediate Holdings or Herbalife. The Company will not permit WH Intermediate, Luxembourg Holdings, Luxembourg Intermediate Holdings or Herbalife to issue any Indebtedness (other than Credit Agreement) after the Issue Date that restricts or prohibits the guarantee of the Notes required by the prior sentence. The terms of Herbalife's amended and restated credit agreement would currently restrict such guarantee.

Indebtedness (including Disqualified Capital Stock) of any Person which is outstanding at the time such Person becomes a Subsidiary of the Company (including upon designation of any subsidiary or other Person as a Subsidiary of the Company) or is merged with or into or consolidated with the Company or a Subsidiary of the Company shall be deemed to have been incurred at the time such Person becomes or is designated a Subsidiary of the Company or is merged with or into or consolidated with the Company or a Subsidiary of the Company.

Notwithstanding any other provision of this covenant, but only to avoid duplication, a guarantee of Indebtedness of the Company or any Subsidiary of the Company incurred in accordance with the terms of the Indenture (other than Indebtedness incurred pursuant to clause (a) hereof) issued at the time such Indebtedness was incurred or if later at the time the guarantor thereof became a Subsidiary of the Company will not constitute a separate incurrence, or amount outstanding, of Indebtedness. For purposes of determining compliance with this covenant, in the event that an item of Indebtedness is entitled to be incurred pursuant to this covenant or one or more clauses of the definition of Permitted Indebtedness, the Company shall, in its sole discretion, classify (or later reclassify in whole or in part, in its sole discretion) such item of Indebtedness in any manner that complies with this covenant.

Limitation on restricted payments

The Indenture provides that we will not, and we will not permit any Subsidiary of the Company to, directly or indirectly, make any Restricted Payment if, after giving effect to such Restricted Payment on a *pro forma* basis:

(1) a Default or an Event of Default shall have occurred and be continuing,

(2) we are not permitted to incur at least $1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio in the covenant "Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock," or

(3) the aggregate amount of all Restricted Payments made by the Company and the Subsidiaries of the Company, as applicable, including after giving effect to such proposed Restricted Payment, on and after the Issue Date, would exceed, without duplication, the sum of:

(a) 50% of the Company's aggregate Consolidated Net Income for the period (taken as one accounting period), commencing on the first day of the fiscal quarter in which the Issue Date occurs, to and including the last day of the fiscal quarter ended immediately prior to the date of each such calculation for which the Company's consolidated financial statements are required to be delivered to the Trustee or, if sooner, filed with the Securities and Exchange Commission (the "*Commission*") (or, in the event Consolidated Net Income for such period is a deficit, then minus 100% of such deficit), plus

(b) the aggregate Net Cash Proceeds received by us from a Capital Contribution or from the sale of our Qualified Capital Stock (other than (i) to a Subsidiary of the Company, (ii) to the extent applied in connection with a Qualified Exchange or a Permitted Investment pursuant to clause (e) of the definition thereof, and (iii) Net Cash proceeds received by us from a Capital Contribution or from the sale of our Qualified Capital Stock, or, (iv) to avoid duplication, otherwise given credit for in any provision of the following paragraph), after the Issue Date, plus

(c) except in each case, in order to avoid duplication, to the extent any such payment or proceeds have been included in the calculation of Consolidated Net Income, an amount equal to the net reduction in Investments (other than returns of or from Permitted Investments) in any Person resulting from cash distributions on or cash repayments of any Investments, including payments of interest on Indebtedness, dividends, repayments of loans or advances, or other distributions or other transfers of assets, in each case to the Company or any Subsidiary or from the Net Cash Proceeds from the sale of any such Investment or from redesignations of Unrestricted Subsidiaries as Subsidiaries (valued in each case as provided in the definition of " Investments"), not to exceed, in each case, the amount of Investments previously made by the Company or any Subsidiary in such Person, including, if applicable, such Unrestricted Subsidiary, less the cost of disposition, plus

(d) $7.5 million.

The foregoing clauses (2) and (3) of the immediately preceding paragraph, however, will not prohibit:

(A) repurchases of Capital Stock from our employees, distributors or directors (or their heirs or estates) or employees or directors (or their heirs or estates) of, the Company or any Subsidiary of the Company upon the death, disability or termination of employment (or termination of distribution, in the case of a distributor) in an aggregate amount to all employees or directors (or their heirs or estates) not to exceed $5.0 million in the aggregate on and after the Issue Date,

(B) provided that (x) prior to declaration and disbursement of a Tax Amounts Payment, the Company delivers to the Trustee an Officer's Certificate (i) certifying that the Tax Amounts CPA has made the determinations required to be made by the Tax Amounts CPA pursuant to the Indenture and (y) setting forth in reasonable detail the basis for the determination of the Tax Amounts Payment, then, with respect to each Tax Determination Year, the disbursement of a Tax Amounts Payment following the close of such Tax Determination Year, or

(C) for the avoidance of doubt, payments of up to an aggregate of $5 million in Monitoring Fees to the Principals and their Related Parties in any twelve month period pursuant to the Monitoring Services Agreements plus reasonable out-of-pocket expenses.

The foregoing clauses (1), (2) and (3) of the preceding paragraph will not prohibit:

(D) any dividend, distribution or other payments by any Subsidiary of the Company on its Equity Interests that is paid*pro rata* to all holders of such Equity Interests,

(E) a Qualified Exchange, and

(F) the payment of any dividend on Qualified Capital Stock within 60 days after the date of its declaration if such dividend could have been made on the date of such declaration in compliance with the foregoing provisions.

The full amount of any Restricted Payment made pursuant to the foregoing clauses (A), (D), and (F) (but not pursuant to clauses (B), (C) or (E)) of the immediately preceding sentence, however, will be counted as Restricted Payments made for purposes of the calculation of the aggregate amount of Restricted Payments available to be made referred to in clause (3) of the first paragraph under the heading "—Limitation on Restricted Payments;" *provided, however*, that if there is a Final Determination in respect of any particular Tax Determination Year for which a Tax Amounts Payment has been disbursed pursuant to the foregoing clause (B), the Final Determination Amount related thereto (other than interest and penalties) will be counted as a Restricted Payment made for purposes of the calculation of such aggregate Restricted Payments from and after the date such Final Determination is made.

For purposes of this covenant, the amount of any Restricted Payment made or returned, if other than in cash, shall be the fair market value thereof, as determined in the good faith reasonable judgment of our Board of Directors, at the time made or returned, as applicable. Additionally, within 5 days of each Restricted Payment in excess of $250,000 that is not a Restricted Investment, we shall deliver an Officers' Certificate to the Trustee describing in reasonable detail the nature of such Restricted Payment, stating the amount of such Restricted Payment, stating in reasonable detail the provisions of the Indenture pursuant to which such Restricted Payment was made and certifying that such Restricted Payment was made in compliance with the terms of the Indenture.

Limitation on dividends and other payment restrictions affecting subsidiaries

The Indenture provides that we will not and we will not permit any Subsidiary of the Company to, directly or indirectly, create, assume or suffer to exist any consensual restriction on the ability of any Subsidiary of the Company to pay dividends or make other distributions to or on behalf of, or to pay any obligation to or on behalf of, or otherwise to transfer assets or property to or on behalf of, or make or pay loans or advances to or on behalf of, the Company or any Subsidiary of the Company, except:

(1) restrictions imposed by the Notes or the Indenture or by our other Indebtedness (other than Existing Indebtedness);*provided*, that such restrictions are no more restrictive taken as a whole than those imposed by the Indenture and the Notes,

(2) restrictions imposed by applicable law,

(3) existing restrictions under Existing Indebtedness (as in effect on the Issue Date) (other than Indebtedness incurred in connection with the Credit Agreement),

(4) restrictions under any Acquired Indebtedness not incurred in violation of the Indenture or any agreement (including any Equity Interest) relating to any property, asset, or business acquired by the Company or any Subsidiary of the Company, which restrictions in each case existed at the time

of acquisition, were not put in place in connection with or in anticipation of such acquisition and are not applicable to any Person, other than the Person acquired, or to any property, asset or business, other than the property, assets and business so acquired,

(5) any restriction imposed by Indebtedness incurred under the Credit Agreement pursuant to the covenant "Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock;" *provided*, that such restriction or requirement is no more restrictive taken as a whole than that imposed by the Credit Agreement as of the Issue Date,

(6) other restrictions imposed by Indebtedness of our Subsidiaries incurred pursuant to the covenant "Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock," *provided*, that such restriction is not materially less favorable to the Company, as determined in good faith by the Company's Board of Directors, than the restrictions in the Credit Agreement or the Herbalife Notes, in each case, taken as a whole, as in effect on the Issue Date,

(7) restrictions solely with respect to any Subsidiary of the Company imposed pursuant to a binding agreement which has been entered into for the sale or disposition of all of the Equity Interests or assets of such Subsidiary; *provided*, that such restrictions apply solely to the Equity Interests or assets of such Subsidiary which are being sold,

(8) in connection with and pursuant to permitted Refinancings, replacements of restrictions imposed pursuant to clauses (1), (3), (4), or this clause (8) of this paragraph that are not more restrictive taken as a whole than those being replaced and do not apply to any other Person or assets than those that would have been covered by the restrictions in the Indebtedness so refinanced or replaced, and

(9) customary provisions with respect to the disposition or distribution of assets in joint venture agreements and other similar agreements relating solely to the assets subject to such agreement.

Notwithstanding the foregoing, (a) customary provisions restricting subletting or assignment of any lease entered into in the ordinary course of business, consistent with industry practice shall not be prohibited by this covenant and (b) any asset subject to a Lien which is not prohibited to exist with respect to such asset pursuant to the terms of the Indenture may be subject to customary restrictions on the transfer or disposition thereof pursuant to such Lien.

Limitation on liens securing indebtedness

We will not create, incur, assume or suffer to exist any Lien of any kind, other than Permitted Liens, upon any of our assets now owned or acquired on or after the date of the Indenture securing any of our Indebtedness, unless we provide that the Notes are equally and ratably so secured; provided that if such Indebtedness is Subordinated Indebtedness, the Lien securing such Subordinated Indebtedness shall be contractually subordinate and junior to the Lien securing the Notes with the same relative priority as such Subordinated Indebtedness shall have with respect to the Notes.

Limitation on transactions with affiliates

The Indenture provides that we will not and will not let any Subsidiary of the Company, on or after the Issue Date, enter into or suffer to exist any contract, agreement, arrangement or transaction with any Affiliate (an "*Affiliate Transaction*"), or any series of related Affiliate Transactions, (other than Exempted Affiliate Transactions), (1) unless it is determined that the terms of such Affiliate Transaction are fair and reasonable to us, and no less favorable to us than could have been obtained in an arm's length transaction with a non-Affiliate, and (2) if involving consideration to either party in excess of $5.0 million, unless such Affiliate Transaction(s) has been approved by a majority of the members of our Board of Directors that are disinterested in such transaction, if there are any directors who are so disinterested, and (3) if involving consideration to either party in excess of $10.0 million, or

$7.5 million if there are no disinterested directors for such transaction, unless, in addition we, prior to the consummation thereof, obtain a written favorable opinion as to the fairness of such transaction to us from a financial point of view from an independent investment banking firm of national reputation in the United States or, if pertaining to a matter for which such investment banking firms do not customarily render such opinions, an appraisal or valuation firm of national reputation in the United States. Within 5 days of any Affiliate Transaction(s) involving consideration to either party of $5.0 million or more (other than Exempted Affiliate Transactions), the Company shall deliver to the Trustee an Officers' Certificate addressed to the Trustee certifying that such Affiliate Transaction complied with clause (1), (2), and (3), as applicable.

Limitation on merger, sale or consolidation of the company

The Indenture provides that we will not consolidate with or merge with or into another Person, or, directly or indirectly, sell, lease, convey or transfer (including by means of a dissolution or liquidation) all or substantially all of the Company's assets (such amounts to be computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another Person or group of affiliated Persons or adopt a plan of liquidation, unless:

(1) either (a) the Company is the continuing entity or (b) the resulting, surviving or transferee entity is a corporation organized under the laws of the United States, any state thereof or the District of Columbia (a "*Domestic Corporation*") or any member country of the European Union or another Permitted Jurisdiction, and expressly assumes by supplemental indenture all of the Company's obligations in connection with the Notes and the Indenture; *provided*, that if the surviving or transferee entity is not a Domestic Corporation, a co-issuer that is a Domestic Corporation shall also be an obligor with respect to the Notes;

(2) no Default or Event of Default shall exist or shall occur immediately after giving effect on a *pro forma* basis to such transaction; and

(3) unless such transaction is for the purpose of reincorporation into another jurisdiction and not in connection with any other transaction with any Person other than a Wholly-Owned Subsidiary of the Company, immediately after giving effect to such transaction on a *pro forma* basis, the consolidated resulting, surviving or transferee entity would immediately thereafter be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio set forth in the covenant "Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock."

Upon any consolidation, merger, sale, conveyance or transfer (including by means of a dissolution or liquidation) in accordance with the foregoing, the successor corporation formed by such consolidation or into which the Company is merged or the transferee corporation shall succeed to and (except in the case of a lease or a sale of less than all of the Company's assets) be substituted for, and may exercise every right and power of, the Company under the Indenture with the same effect as if such successor or transferee corporation had been named therein as the Company, and (except in the case of a lease or a sale of less than all of the Company's assets) the Company shall be released from the obligations under the Notes and the Indenture except with respect to any obligations that arise from, or are related to, such transaction.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise) of all or substantially all of the properties and assets of one or more Subsidiaries, the Company's interest in which constitutes all or substantially all of the Company's properties and assets, shall be deemed to be the transfer of all or substantially all of the Company's properties and assets.

Limitation on lines of business

The Indenture provides that neither the Company nor any Subsidiary of the Company will directly or indirectly engage to any substantial extent in any line or lines of business activity other than that which, in the reasonable good faith judgment of our Board of Directors, is a Related Business.

Limitation on guarantees

If any Subsidiary of the Company guarantees any of the Company's Indebtedness (other than Indebtedness outstanding under the Credit Agreement), or suffers to exist any Lien on any of such Subsidiary's assets to secure any Indebtedness of the Company (other than Indebtedness in respect of the Company's guaranty of Indebtedness outstanding under the Credit Agreement), then such Subsidiary must cause the Notes to be guaranteed or secured, as the case may be, on an equal and ratable basis.

Limitation on mergers, consolidations, liquidations and dissolutions of Guarantors; Release of Guarantors

The Indenture provides that no Guarantor will consolidate or merge with or into (whether or not such Guarantor is the surviving Person) another Person unless: (1) subject to the provisions of the following paragraph and the other provisions of the Indenture, the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) assumes all the obligations of such Guarantor pursuant to a supplemental indenture in form reasonably satisfactory to the Trustee, pursuant to which such Person shall guarantee all of such Guarantor's obligations under such Guarantor's guarantee of the Notes to the same extent that such Guarantor had guaranteed the Notes; and (2) immediately before and immediately after giving effect to such transaction on a *pro forma* basis, no Default or Event of Default shall have occurred or be continuing. The provisions of the covenant shall not apply to the merger of any Guarantors with and into each other or with or into the Company.

Upon the sale or disposition (including by merger or stock purchase) of a Guarantor (as an entirety) to an entity which is not and is not required to become a Guarantor, or the designation of a Subsidiary to become an Unrestricted Subsidiary, which transaction is otherwise in compliance with the Indenture (including, without limitation, the provisions of the covenant "Limitations of Sale of Assets and Subsidiary Stock"), such Guarantor will be deemed released from its obligations under its guarantee of the Notes; *provided, however,* that any such termination shall occur only to the extent that all obligations of such Guarantor under all of its guarantees of, and under all of its pledges of assets or other security interest which secure, any Indebtedness of the Company or any Indebtedness of any other Subsidiary of the Company shall also terminate upon such release, sale or transfer and none of its Equity Interests are pledged for the benefit of any holder of any Indebtedness of the Company or any Indebtedness of any Subsidiary of the Company.

Limitation on status as investment company

The Indenture prohibits the Company and each of the Subsidiaries of the Company from being required to register as an "investment company" (as that term is defined in the Investment Company Act of 1940, as amended), or from otherwise becoming subject to regulation under the Investment Company Act.

Limitation on activities of Capital

The Indenture provides that Capital will not hold any material assets (other than Capital Stock of any Subsidiary of the Company or of another co-obligor of the Notes) or engage in any business activities (other than holding any such Capital Stock); provided, that Capital may be a co-obligor of the Notes or any other Indebtedness of the Company incurred in accordance with the covenant described

above under the caption "—Limitation on Incurrence of Indebtedness." Capital may, as necessary, engage in any activities directly related or necessary in connection therewith.

Reports

The Indenture provides that, whether or not the Issuers are subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Issuers will deliver to the Trustee and, to each Holder within 5 days after the Issuers are or would have been (if the Issuers were subject to such reporting obligations) required to file such with the Commission, annual and quarterly financial statements substantially equivalent to financial statements that would have been included in reports filed with the Commission, if the Issuers were subject to the requirements of Section 13 or 15(d) of the Exchange Act, including, with respect to annual information only, a report thereon by our certified independent public accountants as such would be required in such reports to the Commission, and, in each case, together with a management's discussion and analysis of financial condition and results of operations which would be so required and, from and after consummation of the Exchange Offer, unless the Commission will not accept such reports, file with the Commission the annual, quarterly and other reports which it is or would have been required to file with the Commission.

Additional Amounts

All amounts paid or credited by the Company under or with respect to the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment, or other governmental charge imposed or levied by or on behalf of the Government of the Cayman Islands (or any successor jurisdiction, in the case of any successor corporation to the Company in accordance with the covenant "Limitation on merger, sale or consolidation of the company") or of any political subdivision thereof or by any authority or agency therein or thereof having power to tax (hereinafter "*Taxes*"), unless the Company is required to withhold or deduct Taxes by law or by the interpretation or administration thereof by the relevant government authority or agency. If the Company is so required to withhold or deduct any amount for or on account of Taxes from any payment or credit made under or with respect to the Notes, the Company will pay such additional amounts (the "*Additional Amounts*") as may be necessary so that the net payment or credit received by each owner of a beneficial interest in the Notes (including Additional Amounts) after such withholding or deduction will not be less than the amount the Holder or owner of a beneficial interest in the Notes would have received if such Taxes had not been withheld or deducted; *provided* that no Additional Amounts will be payable with respect to a payment or credit made to an owner of a beneficial interest in the Notes (i) which is subject to such Taxes by reason of its being connected with the Cayman Islands (or any successor jurisdiction) or any political subdivision thereof otherwise than by the mere holding, use or ownership or deemed holding, use or ownership of the Notes or the receipt of payments or credits or enforcing any rights thereunder, (ii) which is subject to such Taxes by reason of its failure to comply with any certification, identification, information, documentation or other reporting requirement if compliance is required by law, regulation, administrative practice or an applicable treaty as a precondition to exemption from, or a reduction in the rate of deduction or withholding of, such Taxes, (iii) which failed to duly and timely comply with a timely request by the Company to provide information, documents, certification or other evidence concerning such Holder's nationality, residence, entitlement to treaty benefits, identity or connection with the Cayman Islands (or such successor jurisdiction) or any political subdivision or authority thereof, if and to the extent that due and timely compliance with such request could have resulted in the reduction or elimination of any Taxes as to which Additional Amounts would otherwise have been payable to such Holder of Notes but for this clause (iii), (iv) which is a fiduciary, a partnership or not the beneficial owner of any payment on a Note, if and to the extent that any beneficiary or settlor of such fiduciary, any partner of such partnership or the beneficial owner of such payment (as the case may be) would not have been entitled to receive Additional Amounts with respect to such payment if

such beneficiary, settlor, partner or beneficial owner had been the Holder of such Note or (v) any combination of the foregoing clauses (i) through (iv) (in each case referred to herein as an "*Excluded Holder*"). The Company will also (1) make such withholding or deduction and (2) remit the full amount deducted or withheld to the relevant authority in accordance with and in the time required by applicable law. The Company will furnish the Holders of the Notes, within 30 days after the date the payment of any Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by the Company, if reasonably available. In the event that the Company fails to remit any taxes in respect of which Additional Amounts are payable, the Company will indemnify and hold harmless each owner of a beneficial interest in the Notes (other than an Excluded Holder) and upon written request reimburse such owner of a beneficial interest in the Notes for the amount of (i) any Taxes levied on and paid by, such owner of a beneficial interest in the Notes as a result of payment made with respect to the Notes (including penalties, interest and expenses arising from or with respect to such Taxes) and (ii) any Taxes (including penalties, interest and expenses arising from or with respect to such Taxes) imposed with respect to payment of Additional Amounts or any reimbursement pursuant to this sentence.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Company will be obligated to pay Additional Amounts with respect to such payments, the Company will deliver to the Trustee an Officers' Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and setting forth such other information necessary to enable the Trustee to pay such Additional Amounts to Holders or owners of a beneficial interest in the Notes, as the case may be, on the payment date.

Events of Default and Remedies

The Indenture defines an "*Event of Default*" as:

(1) our failure to pay any installment of interest (or Liquidated Damages, if any) on the Notes as and when the same becomes due and payable and the continuance of any such failure for 30 days,

(2) our failure to pay all or any part of the principal, or premium, if any, on the Notes when and as the same becomes due and payable at maturity, redemption, by acceleration or otherwise, including, without limitation, payment of the Change of Control Purchase Price or the Asset Sale Offer Price, on Notes validly tendered and not properly withdrawn pursuant to a Change of Control Offer or Asset Sale Offer, as applicable,

(3) our failure or the failure by the Company or any Subsidiary of the Company to observe or perform any other covenant or agreement contained in the Notes or the Indenture and, except for the provisions under "Repurchase of Notes at the Option of the Holder Upon a Change of Control" and "Limitation on Merger, Sale or Consolidation," the continuance of such failure for a period of 30 days after written notice is given to us by the Trustee or to us and the Trustee by the Holders of at least 25% in aggregate principal amount of the Notes outstanding,

(4) our failure to report the occurrence of a Default under any covenant contained in the Notes or the Indenture and the continuance of such failure for a period of 30 days after management of the Company or Capital, exercising reasonable diligence, becomes aware thereof,

(5) certain events of bankruptcy, insolvency or reorganization in respect of the Company, Capital or any Significant Subsidiary of the Company or Capital,

(6) a default in our Indebtedness or any Subsidiary of the Company with an aggregate amount outstanding in excess of $15.0 million (a) resulting from the failure to pay principal at maturity or (b) as a result of which the maturity of such Indebtedness has been accelerated prior to its stated maturity, and

(7) final unsatisfied judgments not covered by insurance aggregating in excess of $15.0 million, at any one time rendered against us or any Subsidiary of the Company and not stayed, bonded or discharged within 60 days after such judgments have become final and non-appealable.

The Indenture provides that if a Default occurs and is continuing, the Trustee must, within 90 days after receipt of notice of such Default, give to the Holders notice of such Default.

If an Event of Default occurs and is continuing (other than an Event of Default specified in clause (5) above relating to us or any of our Significant Subsidiaries), then in every such case, unless the principal of all of the Notes shall have already become due and payable, either the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by notice in writing to us (and to the Trustee if given by Holders) (an "*Acceleration Notice*"), may declare all principal, determined as set forth below, and accrued interest (and Liquidated Damages, if any) thereon to be due and payable immediately; *provided, however*, that if any Indebtedness is outstanding pursuant to the Credit Agreement, upon a declaration of such acceleration, such principal and interest shall be due and payable upon the earlier of (x) the fifth Business Day after sending us and the representative such written notice, unless such Event of Default is cured or waived prior to such date and (y) the date of acceleration of any Indebtedness outstanding under the Credit Agreement. In the event a declaration of acceleration resulting from an Event of Default described in clause (6) above with respect to any Indebtedness outstanding under the Credit Agreement has occurred and is continuing, such declaration of acceleration shall be automatically annulled if such default is cured or waived or the holders of the Indebtedness which is the subject of such default have rescinded their declaration of acceleration in respect of such Indebtedness within 30 days thereof and the Trustee has received written notice of such cure, waiver or rescission and no other Event of Default described in clause (6) above has occurred that has not been cured or waived within 30 days of the declaration of such acceleration in respect of such Indebtedness. If an Event of Default specified in clause (5), above, relating to the Company or any Significant Subsidiaries occurs, all principal and accrued interest (and Liquidated Damages, if any) thereon will be immediately due and payable on all Outstanding Notes without any declaration or other act on the part of the Trustee or the Holders. The Holders of a majority in aggregate principal amount of Notes generally are authorized to rescind such acceleration if all existing Events of Default, other than the non-payment of the principal of, premium, if any, and interest on the Notes which have become due solely by such acceleration have been cured or waived.

Prior to the declaration of acceleration of the maturity of the Notes, the Holders of a majority in aggregate principal amount of the Notes at the time outstanding may waive on behalf of all the Holders any Default, except a Default in the payment of principal of or interest on any Note not yet cured or a Default with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each Outstanding Note affected. Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee reasonable security or indemnity.

Subject to all provisions of the Indenture and applicable law, the Holders of a majority in aggregate principal amount of the Notes at the time outstanding will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee.

Legal Defeasance and Covenant Defeasance

The Indenture provides that we may, at our option, elect to discharge our obligations with respect to the Outstanding Notes ("*Legal Defeasance*"). If Legal Defeasance occurs, we shall be deemed to

have paid and discharged all amounts owed under the Notes, and the Indenture shall cease to be of further effect as to the Notes, except that:

(1) holders will be entitled to receive timely payments for the principal of, premium, if any, and interest (and Liquidated Damages, if any) on the Notes, solely from the funds deposited for that purpose (as explained below);

(2) our obligations will continue with respect to the issuance of temporary Notes, the registration of Notes, and the replacement of mutilated, destroyed, lost or stolen Notes;

(3) the Trustee will retain its rights, powers, duties, and immunities, and we will retain our obligations in connection therewith; and

(4) other Legal Defeasance provisions of the Indenture will remain in effect.

In addition, we may, at our option and at any time, elect to cause the release of our obligations with respect to most of the covenants in the Indenture (except as described otherwise therein) ("*Covenant Defeasance*"). If Covenant Defeasance occurs, certain events (not including non-payment and bankruptcy, receivership, rehabilitation and insolvency events) relating to the Company, Capital or any Significant Subsidiary of the Company described under "Events of Default" will no longer constitute Events of Default with respect to the Notes. We may exercise Legal Defeasance regardless of whether we previously exercised Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance (each, a "*Defeasance*"):

(1) we must irrevocably deposit with the Trustee, in trust, for the benefit of Holders, U.S. legal tender, U.S. Government Obligations or a combination thereof, in amounts that will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest on the Notes on the stated date for payment or any redemption date thereof, and the Trustee must have, for the benefit of Holders, a valid, perfected, exclusive security interest in the trust;

(2) in the case of Legal Defeasance, we must deliver to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that:

(A) we have received from, or there has been published by the Internal Revenue Service, a ruling or

(B) since the date of the Indenture, there has been a change in the applicable federal income tax law,

in either case to the effect that Holders of Notes will not recognize income, gain or loss for federal income tax purposes as a result of the Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the Defeasance had not occurred;

(3) in the case of Covenant Defeasance, we must deliver to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that Holders of Notes will not recognize income, gain or loss for federal income tax purposes as a result of the Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the Defeasance had not occurred;

(4) no Default or Event of Default may have occurred and be continuing on the date of the deposit and, in the case of Legal Defeasance, no Event of Default relating to bankruptcy or insolvency may occur at any time from the date of the deposit to the 91st calendar day thereafter;

(5) the Defeasance may not result in a breach or violation of, or constitute a default under the Indenture or any other material agreement or instrument to which we are a party or by which we are bound;

(6) we must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by us with the intent to hinder, delay or defraud any other of our creditors; and

(7) we must deliver to the Trustee an Officers' Certificate confirming the satisfaction of conditions in clauses (1) through (6) above, and an opinion of counsel confirming the satisfaction of the conditions in clauses (1) (with respect to the validity and perfection of the security interest), (2), (3) and (5) above.

The Defeasance will be effective on the earlier of (i) the 91st day after the deposit, and (ii) the day on which all the conditions above have been satisfied.

If the amount deposited with the Trustee to effect a Covenant Defeasance is insufficient to pay the principal of, premium, if any, and interest on the Notes when due, or if any court enters an order directing the repayment of the deposit to us or otherwise making the deposit unavailable to make payments under the Notes when due, then (so long as the insufficiency exists or the order remains in effect) our obligations under the Indenture and the Notes will be revived, and the Defeasance will be deemed not to have occurred.

Amendments and Supplements

The Indenture contains provisions permitting us and the Trustee to enter into a supplemental indenture for certain limited purposes without the consent of the Holders. With the consent of the Holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding, we and the Trustee are permitted to amend or supplement the Indenture or any supplemental indenture or modify the rights of the Holders; *provided*, that no such modification may, without the consent of each Holder affected thereby:

(1) change the Stated Maturity on any Note, or reduce the principal amount thereof or the rate (or extend the time for payment) of interest thereon or any premium payable upon the redemption thereof at our option, or change the city of payment where, or the coin or currency in which, any Note or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption at our option, on or after the Redemption Date), or after an Asset Sale or Change of Control has occurred reduce the Change of Control Purchase Price or the Asset Sale Offer Price with respect to the corresponding Asset Sale or Change of Control or alter the provisions (including the defined terms used therein) regarding our right to redeem the Notes as a right, or at our option in a manner adverse to the Holders, or

(2) reduce the percentage in principal amount of the Outstanding Notes, the consent of whose Holders is required for any such amendment, supplemental indenture or waiver provided for in the Indenture, or

(3) modify any of the waiver provisions, except to increase any required percentage or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby.

Governing Law

The Indenture provides that it and the Notes will be governed by, and construed in accordance with, the laws of the State of New York including, without limitation, Sections 5-1401 and 5-1402 of the New York General Obligations Law and New York Civil Practice Laws and Rules 327(b).

No Personal Liability of Partners, Shareholders, Officers, Directors

The Indenture provides that no direct or indirect shareholder, employee, officer or director, as such, past, present or future of the Issuers or any successor entity shall have any liability in respect of our obligations under the Indenture or the Notes solely by reason of his or its status as such shareholder, employee, officer or director.

Certain Definitions

"*Acquired Indebtedness*" means Indebtedness (including Disqualified Capital Stock) of any Person existing at the time such Person becomes a Subsidiary of the Company, including by designation, or is merged or consolidated into or with the Company or a Subsidiary of the Company.

"*Acquisition*" means the purchase or other acquisition of any Person or all or substantially all the assets of any Person by any other Person, whether by purchase, merger, consolidation, or other transfer, and whether or not for consideration.

"*Affiliate*" means any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. For purposes of this definition, the term "control" means the power to direct the management and policies of a Person, directly or through one or more intermediaries, whether through the ownership of voting securities, by contract, or otherwise; *provided*, that with respect to ownership interest in the Company and its Subsidiaries, a Beneficial Owner of 10% or more of the total voting power normally entitled to vote in the election of directors, managers or trustees, as applicable, shall for such purposes be deemed to possess control.

"*Applicable Premium*" means, with respect to the Notes to be redeemed at any Early Redemption Date the excess of (A) the present value at such time of (i) the redemption price of such Notes at April 1, 2008 plus (ii) all interest required to be paid on such Notes from the date of redemption through April 1, 2008, computed using a discount rate equal to the Treasury Rate on such Early Redemption Date plus 0.75% per annum, over (B) the principal amount of such Notes.

"*Applicable Tax Rate*" means, in respect of any particular Tax Determination Year, a percentage equal to the highest marginal United States federal income tax rate applicable to an individual in respect of such Tax Determination Year as determined by the Tax Amounts CPA.

"*Arm's-length Basis*" means for any transaction between and among any member of the Holdings CFC Group and the Parent Group the pricing of which is determined on an arm's-length basis and in compliance with the "best method rule" and the "documentation requirements" under Sections 482 and 6662 of the Code and the Treasury regulations promulgated thereunder.

"*Average Life*" means, as of the date of determination, with respect to any security or instrument, the quotient obtained by dividing (1) the sum of the products (a) of the number of years from the date of determination to the date or dates of each successive scheduled principal (or redemption) payment of such security or instrument and (b) the amount of each such respective principal (or redemption) payment by (2) the sum of all such principal (or redemption) payments.

"*Beneficial Owner*" or "*beneficial owner*" for purposes of the definition of Change of Control and Affiliate has the meaning attributed to it in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date), whether or not applicable.

"*Board of Directors*" means, with respect to any Person, the board of directors (or if such Person is not a corporation, the equivalent board of managers or members or body performing similar functions for such Person) of such Person or any committee of the Board of Directors of such Person authorized, with respect to any particular matter, to exercise the power of the board of directors of such Person.

"*Business Day*" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

"*Capital*" means WH Capital Corporation, a Nevada corporation.

"*Capital Contribution*" means any contribution to the equity of the Company from the holders of the Company's Equity Interests for which no consideration other than the issuance of Qualified Capital Stock is given.

"*Capitalized Lease Obligation*" means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

"*Capital Stock*" means, with respect to any corporation, any and all shares, interests, rights to purchase (other than convertible or exchangeable Indebtedness that is not itself otherwise capital stock), warrants, options, participations or other equivalents of or interests (however designated) in stock issued by that corporation.

"*Cash Equivalent*" means:

(1) securities issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (*provided*, that the full faith and credit of the United States of America is pledged in support thereof),

(2) demand deposits, time deposits and certificates of deposit and commercial paper issued by the parent corporation of any domestic commercial bank of recognized standing having capital and surplus in excess of $500 million,

(3) commercial paper issued by others rated at least A-2 or the equivalent thereof by Standard & Poor's Corporation or at least P-2 or the equivalent thereof by Moody's Investors Service, Inc.,

(4) repurchase obligations having terms not more than seven days, with institutions meeting the criteria set forth in clause (2) above, for direct obligations issued by or fully guaranteed by the United States of America (*provided*, that the full faith and credit of the United States of America is pledged in support thereof), having, on the date of purchase thereof, a fair market value of at least 100% of the amount of repurchase obligations,

(5) interests in money market or mutual funds all of whose assets are invested in assets or securities of the type described in clauses (1) through (4) above,

(6) with respect to Investments by any Foreign Subsidiary, any demand deposit account,

(7) direct investments in tax exempt obligations of any state of the United States of America, or any municipality of any such state, in each case rated "AA" or better by Standard & Poor's Rating Service, "Aa2" or better by Moody's Investor Service, Inc. or an equivalent rating by any other credit rating agency of recognized national standing, *provided* that such obligations mature within six months from the date of acquisition thereof, and

(8) investments in mutual funds or variable rate Notes that invest solely in tax exempt obligations of the types described in clause (7) above,

and in the case of each of (1) and (2) maturing within one year after the date of acquisition.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Company*" means WH Holdings (Cayman Islands) Ltd., an exempted company with limited liability organized under the laws of the Cayman Islands.

"*Consolidated Coverage Ratio*" of any Person on any date of determination (the "*Transaction Date*") means the ratio, on a *pro forma* basis, of (a) the aggregate amount of Consolidated EBITDA of such Person attributable to continuing operations and businesses (exclusive of amounts attributable to operations and businesses permanently discontinued or disposed of) for the Reference Period to (b) the aggregate Consolidated Fixed Charges of such Person (exclusive of amounts attributable to operations and businesses permanently discontinued or disposed of, but only to the extent that the obligations giving rise to such Consolidated Fixed Charges would no longer be obligations contributing to such Person's Consolidated Fixed Charges subsequent to the Transaction Date) during the Reference Period; *provided*, that for purposes of such calculation:

(1) Acquisitions which occurred during the Reference Period or subsequent to the Reference Period and on or prior to the Transaction Date shall be assumed to have occurred on the first day of the Reference Period,

(2) transactions giving rise to the need to calculate the Consolidated Coverage Ratio shall be assumed to have occurred on the first day of the Reference Period,

(3) the incurrence of any Indebtedness (including issuance of any Disqualified Capital Stock) or the repayment or retirement of any Indebtedness (other than Indebtedness incurred under any revolving credit facility) during the Reference Period or subsequent to the Reference Period and on or prior to the Transaction Date shall be assumed to have occurred on the first day of the Reference Period, and

(4) the Consolidated Fixed Charges of such Person attributable to interest on any Indebtedness or dividends on any Disqualified Capital Stock bearing a floating interest (or dividend) rate shall be computed on a *pro forma* basis as if the average rate in effect from the beginning of the Reference Period to the Transaction Date had been the applicable rate for the entire period, unless such Person or any of its Subsidiaries is a party to an Interest Swap or Hedging Obligation (which shall remain in effect for the 12-month period immediately following the Transaction Date) that has the effect of fixing the interest rate on the date of computation, in which case such rate (whether higher or lower) shall be used.

"*Consolidated EBITDA*" means, with respect to any Person, for any period, the Consolidated Net Income of such Person for such period adjusted to add thereto (to the extent deducted from net revenues in determining Consolidated Net Income), without duplication, the sum of

(1) Consolidated income tax expense,

(2) any Tax Amounts Payments made by such Person during such period,

(3) Consolidated depreciation and amortization expense,

(4) Consolidated Fixed Charges,

(5) non-cash charges relating to employee benefit or other management compensation plans of such Person or any of its Consolidated Subsidiaries or any non-cash compensation charge arising from any grant of stock, stock options or other equity-based awards of such Person or any of its Subsidiaries (excluding in each case any non-cash charge to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense incurred in a prior period), and

(6) non-cash losses or charges related to impairment of goodwill and other intangible assets.

less the amount of all cash payments made by such Person or any of its Subsidiaries during such period to the extent such payments relate to non-cash charges that were added back in determining Consolidated EBITDA for such period or any prior period; *provided*, that consolidated income tax

expense and depreciation and amortization of a Subsidiary that is a less than Wholly-Owned Subsidiary shall only be added to the extent of the equity interest of the Company in such Subsidiary.

"*Consolidated Fixed Charges*" of any Person means, for any period, the aggregate amount (without duplication and determined in each case in accordance with GAAP) of:

(a) interest expensed or capitalized, paid, accrued, or scheduled to be paid or accrued (including, in accordance with the following sentence, interest attributable to Capitalized Lease Obligations) of such Person and its Consolidated Subsidiaries during such period, including (1) original issue discount and non-cash interest payments or accruals on any Indebtedness, (2) the interest portion of all deferred payment obligations, and (3) all commissions, discounts and other fees and charges owed with respect to bankers' acceptances and letters of credit financings and currency and Interest Swap and Hedging Obligations, in each case to the extent attributable to such period, and

(b) the amount of dividends accrued or payable (or guaranteed) by such Person or any of its Consolidated Subsidiaries in respect of Preferred Stock (other than by Subsidiaries of such Person to such Person or such Person's Wholly-Owned Subsidiaries).

For purposes of this definition, (x) interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined in good faith by the Company to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP and (y) interest expense attributable to any Indebtedness represented by the guaranty by such Person or a Subsidiary of such Person of an obligation of another Person shall be deemed to be the interest expense attributable to the Indebtedness guaranteed.

"*Consolidated Net Income*" means, with respect to any Person for any period, the net income (or loss) of such Person and its Consolidated Subsidiaries (determined on a consolidated basis in accordance with GAAP) for such period, reduced by the amount of any Tax Amounts Payments made during such period and adjusted to exclude (only to the extent included in computing such net income (or loss) and without duplication):

(a) all gains (but not losses) which are either extraordinary (as determined in accordance with GAAP) or are nonrecurring (including any gain from the sale or other disposition of assets outside the ordinary course of business or from the issuance or sale of any capital stock), and

(b) the net income, if positive, of any Person, other than a Consolidated Subsidiary, in which such Person or any of its Consolidated Subsidiaries has an interest, except to the extent of the amount of any dividends or distributions actually paid in cash to such Person or a Consolidated Subsidiary of such Person during such period, but in any case not in excess of such Person's *pro rata* share of such Person's net income for such period.

"*Consolidated Subsidiary*" means, for any Person, each Subsidiary of such Person (whether now existing or hereafter created or acquired) the financial statements of which are consolidated for financial statement reporting purposes with the financial statements of such Person in accordance with GAAP.

"*Consolidation*" means, with respect to the Company, the consolidation of the accounts of the Subsidiaries with those of the Company, all in accordance with GAAP; *provided*, that "consolidation" will not include consolidation of the accounts of any Unrestricted Subsidiary with the accounts of the Company. The term "consolidated" has a correlative meaning to the foregoing.

"*Continuing Director*" means during any period of 12 consecutive months after the Issue Date, individuals who at the beginning of any such 12-month period constituted the Board of Directors of the Company (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Company was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose

election or nomination for election was previously so approved, including new directors designated in or provided for in an agreement regarding the merger, consolidation or sale, transfer or other conveyance, of all or substantially all of the assets of the Company, if such agreement was approved by a vote of such majority of directors).

"*Credit Agreement*" means the credit agreement dated June 27, 2002, by and among Herbalife International, Inc., the Company, certain Subsidiaries of the Company, certain financial institutions and UBS AG Stamford Branch, as agent, providing for a term loan facility and a revolving credit facility, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as such credit agreement and/or related documents may be amended, restated, supplemented, renewed, replaced or otherwise modified from time to time whether or not with the same agent, trustee, representative lenders or holders, and, subject to the proviso to the next succeeding sentence, irrespective of any changes in the terms and conditions thereof. Without limiting the generality of the foregoing, the term "Credit Agreement" shall include agreements in respect of Interest Swap and Hedging Obligations with lenders (or Affiliates thereof) party to the Credit Agreement and shall also include any amendment, amendment and restatement, renewal, extension, restructuring, supplement or modification to any Credit Agreement and all refundings, refinancings and replacements of any Credit Agreement, including any credit agreement:

(1) extending the maturity of any Indebtedness incurred thereunder or contemplated thereby,

(2) adding or deleting borrowers or guarantors thereunder, so long as borrowers and issuers include one or more of the Company and its Subsidiaries and their respective successors and assigns,

(3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder;*provided*, that on the date such Indebtedness is incurred it would not be prohibited by the covenant "Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock," or

(4) otherwise altering the terms and conditions thereof in a manner not expressly prohibited by the terms of the Indenture.

"*Default*" means any event that is or with the passage of time or the giving of notice or both would be an Event of Default.

"*Disqualified Capital Stock*" means with respect to the Company, (a) Equity Interests of the Company that, by its terms or by the terms of any security into which it is convertible, exercisable or exchangeable, is, or upon the happening of an event or the passage of time or both would be, required to be redeemed or repurchased including at the option of the holder thereof by the Company or any of its Subsidiaries, in whole or in part, on or prior to 91 days following the Stated Maturity of the Notes and (b) any Equity Interests of the Company or of any Subsidiary of the Company other than any common equity with no preferences, privileges, and no redemption or repayment provisions. Notwithstanding the foregoing, any Equity Interests that would constitute Disqualified Capital Stock solely because the holders thereof have the right to require the Company to repurchase such Equity Interests upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Capital Stock if the terms of such Equity Interests provide that the Company may not repurchase or redeem any such Equity Interests pursuant to such provisions prior to the Company's purchase of the Notes as are required to be purchased pursuant to the provisions of the Indenture as described under "Repurchase at the Option of Holders."

"*Equity Interests*" means Capital Stock or partnership, participation or membership interests and all warrants, options or other rights to acquire Capital Stock or partnership, participation or membership interests (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock or partnership, participation or membership interests).

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Exempted Affiliate Transaction*" means (a) customary employee compensation arrangements approved by a majority of independent (as to such transactions) members of the Board of Directors of the Company, (b) Restricted Payments permitted under the terms of the covenant discussed above under "—Limitation on Restricted Payments" above, (c) transactions solely between or among the Company and any Subsidiaries of the Company or solely among Subsidiaries of the Company, (d) so long as no Default or Event of Default has occurred and is continuing at the time of such payment, payment of Monitoring Fees pursuant to the Monitoring Services Agreements, (e) payment of any Tax Amounts Payments that are not prohibited by the covenant described above under the caption "—Limitation on Restricted Payments," (f) the Monitoring Services Agreements, (g) Capital Contributions to the Company or any sale of Capital Stock (other than Disqualified Capital Stock) of the Company to an Affiliate and (h) payment of reasonable directors' fees and customary indemnification and insurance agreements in favor of directors.

"*Existing Indebtedness*" means Indebtedness (including unfunded commitments therefor) of the Company and its Subsidiaries in existence on the Issue Date, reduced to the extent such amounts are repaid, refinanced or retired.

"*Final Determination*" means a final "determination" as defined under section 1313 of the Code or a similar determination under state, local, or foreign law.

"*Final Determination Amount*" means, in respect of any particular Tax Determination Year, any additional taxes, interest, and penalties resulting from a Final Determination and arising from or attributable to amounts paid or accrued pursuant to the Intercompany Subpart F Income.

"*Foreign Subsidiary*" means any Subsidiary of the Company which (i) is not organized under the laws of the United States, any state thereof or the District of Columbia and (ii) conducts substantially all of its business operations outside the United States of America.

"*GAAP*" means United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession in the United States as in effect at the time.

"*Guarantor*" means (a) any Subsidiary Guarantor and (b) any other Subsidiary of the Company that has guaranteed the Company's obligations under the Indenture in accordance with the terms of the Indenture.

"*Herbalife*" means Herbalife International, Inc., a Nevada corporation, and its successors.

"*Herbalife Notes*" means the $11^{3}/_{4}$% Senior Subordinated Notes due 2011 of Herbalife.

"*Holdings CFC Group*" means the Company and any direct or indirect Subsidiary of the Company other than Herbalife and any direct or indirect Subsidiary of Herbalife.

"*Holdings Group*" means the Company and its Subsidiaries.

"*Indebtedness*" of any Person means, without duplication,

(a) all liabilities and obligations, contingent or otherwise, of such Person, to the extent such liabilities and obligations would appear as a liability upon the consolidated balance sheet of such Person in accordance with GAAP, (1) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), (2) evidenced by bonds, notes, debentures or similar instruments, (3) representing the balance deferred and unpaid

of the purchase price of any property or services, except those incurred in the ordinary course of its business that would constitute ordinarily a trade payable to trade creditors;

(b) all liabilities and obligations, contingent or otherwise, of such Person (1) evidenced by bankers' acceptances or similar instruments issued or accepted by banks, (2) relating to any Capitalized Lease Obligation, or (3) evidenced by a letter of credit or a reimbursement obligation of such Person with respect to any letter of credit;

(c) all net obligations of such Person under Interest Swap and Hedging Obligations;

(d) all liabilities and obligations of others of the kind described in the preceding clause (a), (b) or (c) that such Person has guaranteed or provided credit support or that is otherwise its legal liability or which are secured by any assets or property of such Person;

(e) any and all deferrals, renewals, extensions, refinancing and refundings (whether direct or indirect) of, or amendments, modifications or supplements to, any liability of the kind described in any of the preceding clauses (a), (b), (c) or (d), or this clause (e), whether or not between or among the same parties; and

(f) all Disqualified Capital Stock of such Person (measured at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends).

For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Capital Stock, such Fair Market Value to be determined in good faith by the board of directors of the issuer (or managing general partner of the issuer) of such Disqualified Capital Stock.

The amount of any Indebtedness outstanding as of any date shall be (1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount, but the accretion of original issue discount in accordance with the original terms of Indebtedness issued with an original issue discount will not be deemed to be an incurrence and (2) the principal amount thereof, in the case of any other Indebtedness.

"*Initial Public Offering*" means an underwritten public offering of common stock of the Company in which gross proceeds to the Company are at least $50.0 million.

"*Intercompany Subpart F Income*" means, in respect of any Tax Determination Year, (i) the subpart F income of any member of the Holdings CFC Group for such year as determined under section 951(a)(1)(A) of the Code and (ii) the amount of earnings of any member of the Holdings CFC Group for such year as determined under section 951(a)(1)(B) of the Code in respect of any section 956 amount on income derived by the Holdings CFC Group in the ordinary course of its commercial activities conducted on an Arm's-length Basis with the Parent Group.

"*Interest Swap and Hedging Obligation*" means any obligation of any Person pursuant to any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate exchange agreement, currency exchange agreement or any other agreement or arrangement designed to protect against fluctuations in interest rates or currency values, including, without limitation, any arrangement whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a fixed or floating rate of interest on a stated notional amount in exchange for periodic payments made by such Person calculated by applying a fixed or floating rate of interest on the same notional amount.

"*Investment*" by any Person in any other Person means (without duplication):

(a) the acquisition (whether by purchase, merger, consolidation or otherwise) by such Person (whether for cash, property, services, securities or otherwise) of Equity Interests, capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities, including any options or warrants, of such other Person or any agreement to make any such acquisition;

(b) the making by such Person of any deposit with, or advance, loan or other extension of credit to, such other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such other Person) or any commitment to make any such advance, loan or extension (but excluding accounts receivable, endorsements for collection or deposits arising in the ordinary course of business);

(c) the entering into by such Person of any guarantee of, or other credit support or contingent obligation with respect to, Indebtedness or other liability of such other Person;

(d) the making of any capital contribution by such Person to such other Person; and

(e) the designation by the Board of Directors of the Company of any Person to be an Unrestricted Subsidiary.

The Company, without duplication, shall be deemed to make an Investment in an amount equal to the fair market value of the net assets of any subsidiary of the Company (or, if neither the Company nor any of its Subsidiaries has theretofore made an Investment in such subsidiary, in an amount equal to the Investments being made), at the time that such subsidiary is designated an Unrestricted Subsidiary, and any property transferred to an Unrestricted Subsidiary from the Company or a Subsidiary of the Company shall be deemed an Investment valued at its fair market value at the time of such transfer.

"*Issue Date*" means the date of first issuance of the Notes under the Indenture.

"*Junior Security*" means any Qualified Capital Stock and any Indebtedness of the Company or a Guarantor, as applicable, that is contractually subordinated in right of payment to Indebtedness outstanding under the Credit Agreement at least to the same extent as the Notes, and has no scheduled installment of principal due, by redemption, sinking fund payment or otherwise, on or prior to the Stated Maturity of the Notes; *provided*, that "Junior Security" shall mean any Qualified Capital Stock and any Indebtedness of the Company or the Guarantor, as applicable, that:

(1) has a final maturity date occurring after the final maturity date of, all Indebtedness outstanding under the Credit Agreement on the date of issuance of such Qualified Capital Stock or Indebtedness,

(2) is unsecured,

(3) has an Average Life longer than the security for which such Qualified Capital Stock or Indebtedness is being exchanged, and

(4) by their terms or by law are contractually subordinated to Indebtedness outstanding under the Credit Agreement (and any securities issued in exchange for such Indebtedness outstanding under the Credit Agreement) on the date of issuance of such Qualified Capital Stock or Indebtedness at least to the same extent as the Notes.

"*Lien*" means any mortgage, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired.

"*Limited Debtor Subsidiary*" means any Subsidiary of the Company that has no material Indebtedness other than the Notes as a guaranty of the Notes, and /or a guarantee with respect to the Herbalife Notes, the Credit Agreement and/or the Notes.

"*Liquidated Damages*" means all liquidated damages then owing pursuant to the Registration Rights Agreement.

"*Luxembourg Holdings*" means WH Luxembourg Holdings SàRL, a Luxembourg company, and its successors and/or assigns.

"*Luxembourg Intermediate Holdings*" means WH Luxembourg Intermediate Holdings SàRL, a Luxembourg company, and its successors and/or assigns.

"*Monitoring Fees*" means payments to Whitney or GGC Administration, LLC pursuant to the Monitoring Services Agreements.

"*Monitoring Services Agreements*" means those certain separate monitoring fee agreements dated as of July 31, 2002, among (i) the Company, Herbalife and Whitney and (ii) the Company, Herbalife and GGC Administration, LLC, without giving effect to any amendment thereto or waiver thereof.

"*Net Cash Proceeds*" means the aggregate amount of cash or Cash Equivalents received by the Company in the case of a sale, or Capital Contribution in respect, of Qualified Capital Stock and by the Company and the Subsidiaries of the Company in respect of an Asset Sale plus, in the case of an issuance of Qualified Capital Stock upon any exercise, exchange or redemption of securities (including options, warrants, rights and convertible or exchangeable debt) of the Company that were issued for cash on or after the Issue Date, the amount of cash originally received by the Company upon the issuance of such securities (including options, warrants, rights and convertible or exchangeable debt) less, in each case, the sum of all payments, fees, commissions and (in the case of Asset Sales, reasonable and customary), expenses (including, without limitation, the fees and expenses of legal counsel and investment banking fees and expenses) incurred in connection with such Asset Sale or sale of Qualified Capital Stock, and, in the case of an Asset Sale only, less the amount (estimated reasonably and in good faith by the Company) of income, franchise, sales and other applicable taxes required to be paid by the Company or any Subsidiary of the Company in connection with such Asset Sale in the taxable year that such sale is consummated or in the immediately succeeding taxable year, the computation of which shall take into account the reduction in tax liability resulting from any available operating losses and net operating loss carryovers, tax credits and tax credit carryforwards, and similar tax attributes, less amounts required to be applied to the repayment of Indebtedness, other than Indebtedness outstanding under the Credit Agreement, secured by a Lien on the assets or assets that were the subject of the Asset Sale.

"*Notice of Deficiency*" means a notice of deficiency as described under section 6212 of the Code or a similar notice under state, local, or foreign law.

"*Obligation*" means any principal, premium or interest payment, or monetary penalty, or damages, due by the Issuers or any Guarantor under the terms of the Notes or the Indenture, including any Liquidated Damages due pursuant to the terms of the Registration Rights Agreement.

"*Officers' Certificate*" means the officers' certificate to be delivered upon the occurrence of certain events as set forth in the Indenture.

"*Parent*" means WH Intermediate Holdings Ltd., a Cayman Islands corporation.

"*Parent Group*" means Parent and its subsidiaries.

"*Parent Group Tax Savings Amount*" means, in respect of any Tax Determination Year, the excess of (x) the tax liability incurred by the Parent Group for such Tax Determination Year as determined as if Herbalife had earned the Intercompany Subpart F Income of the Holdings CFC Group arising in the

ordinary course of the commercial activities, conducted on an Arm's-length Basis, between the Parent Group and the Holdings CFC Group over (y) the actual tax liability incurred by the Parent Group for such Tax Determination Year (as determined on a basis consistent with any Final Determination in respect of any previous Tax Determination Year), which liability shall take into account any taxes that have been, or will be, incurred by the Parent Group in connection with the making of a Tax Amounts Payment in respect of such Tax Determination Year. If, in respect of any Tax Determination Year, the Parent or any Subsidiary of the Parent Group has received a Notice of Deficiency, in respect of which there has been no Final Determination, related to any item arising from or attributable to amounts paid or accrued pursuant to the Intercompany Subpart F Income, the Parent Group Tax Savings Amount shall be determined on a basis consistent with such Notice of Deficiency except to the extent that, based on the advice of the Tax Amounts CPA, the Parent reasonably determines that, more likely than not, the Parent or such Subsidiary will prevail on the merits in connection with contesting such Notice of Deficiency.

"*Permitted Indebtedness*" means that:

(a) the Issuers may incur Indebtedness evidenced by the Notes (including the Exchange Notes in respect thereof) issued pursuant to the Indenture up to the amounts being issued on the Issue Date less any amounts repaid or retired (and not including any Additional Notes);

(b) the Company and its Subsidiaries may incur Refinancing Indebtedness with respect to any Existing Indebtedness or, the Company and its Subsidiaries, as applicable, may incur Refinancing Indebtedness with respect to any Indebtedness (including Disqualified Capital Stock), described in clause (a) or incurred pursuant to the second paragraph of the covenant "Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock," or which was refinanced pursuant to this clause (b);

(c) the Company and the Subsidiaries of the Company may incur Indebtedness solely in respect of bankers acceptances, letters of credit and performance bonds (to the extent that such incurrence does not result in the incurrence of any obligation to repay any obligation relating to borrowed money or other Indebtedness), all in the ordinary course of business in accordance with customary industry practices, in amounts and for the purposes customary in the Company's industry; *provided*, that the aggregate principal amount outstanding of such Indebtedness (including any Refinancing Indebtedness and any other Indebtedness issued to retire, refinance, refund, defease or replace such Indebtedness) shall at no time exceed $1.0 million;

(d) the Company and the Subsidiaries of the Company may incur Indebtedness owed to (borrowed from) any Subsidiary and any Subsidiary may incur Indebtedness owed to (borrowed from) the Company or any other Subsidiary; *provided*, that (i) in the case of Indebtedness of the Company, such obligations shall be unsecured and contractually subordinated in all respects to the Company's obligations under or in respect of the Notes and (ii) any event that causes such Subsidiary to no longer be a Subsidiary shall be deemed to be a new incurrence by such issuer of such Indebtedness and any guarantor thereof subject to the covenant "Limitation on Incurrence of Additional Indebtedness and Disqualified Stock;"

(e) the Company and its Subsidiaries may incur Interest Swap and Hedging Obligations that are incurred for the purpose of fixing or hedging interest rate or currency risk with respect to any fixed or floating rate Indebtedness that is permitted by the Indenture to be outstanding or any receivable or liability the payment of which is determined by reference to a foreign currency; *provided*, that the notional amount of any such Interest Swap and Hedging Obligation does not exceed the principal amount of Indebtedness to which such Interest Swap and Hedging Obligation relates; and

(f) the Company and its Subsidiaries may incur the Existing Indebtedness.

"*Permitted Investment*" means:

(a) any Investment in any of the Notes;

(b) any Investment in Cash Equivalents;

(c) intercompany notes to the extent permitted under clause (d) of the definition of "Permitted Indebtedness;"

(d) any Investment by the Company or any Subsidiary of the Company in a Person in a Related Business if as a result of such Investment such Person immediately becomes a Subsidiary of the Company;

(e) any Investment in any Person in exchange for the Company's Qualified Capital Stock or the Net Cash Proceeds of any substantially concurrent sale of the Company's Qualified Capital Stock;

(f) Investment in other Persons, *provided*, that after giving *pro forma* effect to each such Investment, the aggregate amount of all such Investments made on and after the Issue Date pursuant to this clause (f) that are outstanding (after giving effect to any such Investments that are returned to the Company or the Subsidiary that made such prior Investment, without restriction, in cash on or prior to the date of any such calculation), but only up to the amount of the Investment made under this clause (f) in such Person at any time does not in the aggregate exceed $15.0 million (measured by the value attributed to the Investment at the time made or returned, as applicable);

(g) Investments by and among the Company or any Subsidiary of the Company, in the Company and/or other Subsidiaries of the Company;

(h) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "—Repurchase at the Option of Holders—Asset Sales and Sales of Subsidiary Stock;"

(i) Investments in distributors, customers and suppliers in the ordinary course of business that either (A) generates accounts receivables, or (B) are accepted in settlement of bona fide disputes;

(j) Investments in the form of advances to employees for travel, relocation and like expenses, in each case, consistent with the Company's past practices;

(k) Investments in the form of loans and advances not to exceed $2.5 million at any one time outstanding pursuant to this clause (k) to employees, directors and distributors, of the Company and the Subsidiaries of the Company for the purpose of funding the purchase of Capital Stock of the Company by such employees, directors and distributors.

"*Permitted Jurisdiction*" means the United States, and any state thereof and the District of Columbia, any member country of the European Union, Bermuda, the British Virgin Islands, Gibraltar, Hong Kong, Switzerland and Singapore.

"*Permitted Lien*" means:

(a) Liens existing on the Issue Date;

(b) Liens securing the Credit Agreement and the Notes;

(c) Liens arising from precautionary Uniform Commercial Code financing statement filings regarding operating leases entered into by the Company or any Subsidiary of the Company in the ordinary course of business;

(d) Liens securing Refinancing Indebtedness incurred to refinance any Indebtedness that was previously so secured in a manner no more adverse to the Holders than the terms of the Liens securing such refinanced Indebtedness, and *provided* that the Indebtedness secured is not increased

and the Lien is not extended to any additional assets or property that would not have been security for the Indebtedness refinanced; and

(e) Liens securing Indebtedness of any Subsidiary incurred in accordance with the provisions of the covenant "Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock".

"*Person*" or "*person*" means any corporation, individual, limited liability company, joint stock company, joint venture, partnership, limited liability company, unincorporated association, governmental regulatory entity, country, state or political subdivision thereof, trust, municipality or other entity.

"*Preferred Stock*" means any Equity Interest of any class or classes of a Person (however designated) which is preferred as to payments of dividends, or as to distributions upon any liquidation or dissolution, over Equity Interests of any other class of such Person.

"*Pro Forma*" or "*pro forma*" shall have the meaning set forth in Regulation S-X of the Securities Act of 1933, as amended, unless otherwise specifically stated herein.

"*Principals*" means each of (1) Whitney V, L.P. and (2) CCG Investments (BVI), L.P.

"*Purchase Money Indebtedness*" of any Person means any Indebtedness of such Person to any seller or other Person incurred solely to finance the acquisition (including in the case of a Capitalized Lease Obligation, the lease), construction, installation or improvement of any after acquired real or personal tangible property which, in the reasonable good faith judgment of the Board of Directors of the Company, is directly related to a Related Business of the Company and which is incurred substantially concurrent with such acquisition, construction, installation or improvement and is secured only by the assets so financed.

"*Qualified Capital Stock*" means any Capital Stock of the Company that is not Disqualified Capital Stock.

"*Qualified Equity Offering*" means, (i) an underwritten public offering pursuant to a registration statement filed with the Commission in accordance with the Securities Act of 1933, as amended, of Qualified Capital Stock of the Company, or (ii) an unregistered offering of Qualified Capital Stock of the Company for cash resulting in net proceeds to the Company in excess of $50.0 million.

"*Qualified Exchange*" means:

(1) any legal defeasance, redemption, retirement, repurchase or other acquisition of Capital Stock, or Indebtedness of the Company issued on or after the Issue Date with the Net Cash Proceeds received by the Company from the substantially concurrent sale of its Qualified Capital Stock (other than to a Subsidiary of the Company) or, to the extent used to retire Indebtedness (other than Disqualified Capital Stock) of the Company issued on or after the Issue Date, Refinancing Indebtedness of the Company, or

(2) any issuance of Qualified Capital Stock of the Company in exchange for any Capital Stock or Indebtedness of the Company issued on or after the Issue Date.

"*Recourse Indebtedness*" means Indebtedness (a) as to which either the Company or any Subsidiary of the Company (1) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (2) is directly or indirectly liable (as a guarantor or otherwise), or (3) constitutes the lender, and (b) a default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Company or any Subsidiary of the Company to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity.

"*Reference Period*" with regard to any Person means the four full fiscal quarters ended immediately preceding any date upon which any determination is to be made pursuant to the terms of the Notes or the Indenture.

"*Refinancing Indebtedness*" means Indebtedness (including Disqualified Capital Stock) (a) issued in exchange for, or the proceeds from the issuance and sale of which are used substantially concurrently to repay, redeem, defease, refund, refinance, discharge or otherwise retire for value, in whole or in part, or (b) constituting an amendment, modification or supplement to, or a deferral or renewal of ((a) and (b) above are, collectively, a "*Refinancing*"), any Indebtedness (including Disqualified Capital Stock) in a principal amount or, in the case of Disqualified Capital Stock, liquidation preference, not to exceed (after deduction of reasonable and customary fees and expenses incurred in connection with the Refinancing plus the amount of any premium paid in connection with such Refinancing) the lesser of (1) the principal amount or, in the case of Disqualified Capital Stock, liquidation preference, of the Indebtedness (including Disqualified Capital Stock) so Refinanced and (2) if such Indebtedness being Refinanced was issued with an original issue discount, the accreted value thereof (as determined in accordance with GAAP) at the time of such Refinancing; *provided*, that (A) such Refinancing Indebtedness shall only be used to refinance outstanding Indebtedness (including Disqualified Capital Stock) of such Person issuing such Refinancing Indebtedness, (B) such Refinancing Indebtedness shall (x) not have an Average Life shorter than the Indebtedness (including Disqualified Capital Stock) to be so refinanced at the time of such Refinancing and (y) in all respects, be no less contractually subordinated or junior, if applicable, to the rights of Holders than was the Indebtedness (including Disqualified Capital Stock) to be refinanced, (C) such Refinancing Indebtedness shall have a final stated maturity or redemption date, as applicable, no earlier than the final stated maturity or redemption date, as applicable, of the Indebtedness (including Disqualified Capital Stock) to be so refinanced or, if sooner, 91 days after the Stated Maturity of the Notes, and (D) such Refinancing Indebtedness shall be secured (if secured) in a manner no more adverse to the Holders than the terms of the Liens (if any) securing such refinanced Indebtedness, including, without limitation, the amount of Indebtedness secured shall not be increased.

"*Registration Rights Agreement*" means the Registration Rights Agreement, dated as of the Issue Date, by and among the Company and the other parties named on the signature pages thereof, as such agreement may be amended, modified or supplemented from time to time.

"*Related Business*" means the business conducted (or proposed to be conducted) by the Company and its Subsidiaries as of the Issue Date and any and all businesses that in the good faith judgment of the Board of Directors of the Company are materially related, ancillary or complementary businesses.

"*Related Business Asset*" means assets that the Company determines will be used in a Related Business.

"*Related Party*" means, with respect to any of the Principals, any Person who controls, is controlled by or is under common control with such Principal;*provided*, that for purposes of this definition "control" means the beneficial ownership of more than 80% of the total voting power of a Person normally entitled to vote in the election of directors, managers or trustees, as applicable of a Person.

"*Restricted Investment*" means, in one or a series of related transactions, any Investment, other than other Permitted Investments.

"*Restricted Payment*" means, with respect to any Person:

(a) the declaration or payment of any dividend or other distribution in respect of Equity Interests of such Person or any parent of such Person,

(b) any payment (except to the extent with Qualified Capital Stock) on account of the purchase, redemption or other acquisition or retirement for value of Equity Interests of such Person or any parent of such Person,

(c) other than with the proceeds from the substantially concurrent sale of, or in exchange for, Refinancing Indebtedness any purchase, redemption, or other acquisition or retirement for value of, any payment in respect of any amendment of the terms of or any defeasance of, any Subordinated Indebtedness, directly or indirectly, prior to the scheduled maturity, any scheduled repayment of principal, or scheduled sinking fund payment, as the case may be, of such Indebtedness, and

(d) any Restricted Investment by such Person;

provided, however, that the term "Restricted Payment" does not include (1) any dividend, distribution or other payment on or with respect to Equity Interests of an issuer to the extent payable solely in shares of Qualified Capital Stock of such issuer, or (2) any dividend, distribution or other payment to the Company, or to any Subsidiary, by the Company, any Subsidiary of the Company, or (3) any Investment in the Company or any Subsidiary of the Company; *provided*, that the consideration for such Investment will be received by the Company or any Subsidiary, or (4) the repurchase of Equity Interests deemed to occur upon the exercise of stock options if such Equity Interests represent a portion of the exercise price thereof.

"*Senior Indebtedness*" means Indebtedness (including any obligation in respect of the Credit Agreement, and interest, whether or not allowable, accruing on Indebtedness incurred pursuant to the Credit Agreement after the filing of a petition initiating any proceeding under any bankruptcy, insolvency or similar law) of WH Intermediate or any of its Subsidiaries, whether outstanding on the Issue Date or thereafter incurred, arising under the Credit Agreement or any other Indebtedness (unless, in the case of any particular Indebtedness, the instrument creating or evidencing such Indebtedness expressly provides that such Indebtedness shall be contractually subordinated in right of payment to any other Indebtedness of the obligor thereunder); *provided* that in no event shall Senior Indebtedness include (a) Indebtedness to any Subsidiary of the Company or any Affiliate of the Company, (b) Indebtedness incurred in violation of the terms of the Indenture; *provided* that Indebtedness under the Credit Agreement will not cease to be Senior Indebtedness as a result of this clause (b) if the lenders thereunder obtained a certificate from an executive officer of the Company on the date such Indebtedness was incurred certifying that the incurrence of such Indebtedness was not prohibited by the Indenture, (c) Indebtedness to trade creditors, (d) Disqualified Capital Stock, (e) Capitalized Lease Obligations, unless designated in the instrument evidencing such Capitalized Lease Obligations as "Senior Indebtedness", (f) any amounts owed for goods, materials or services purchased in the ordinary course of business or for compensation to employees of the Company or any of its Subsidiaries and (g) any liability for taxes owed or owing.

"*Significant Subsidiary*" shall have the meaning provided under Regulation S-X of the Securities Act, as in effect on the Issue Date.

"*Stated Maturity*," when used with respect to any Note, means April 1, 2011.

"*Subordinated Indebtedness*" means Indebtedness of the Issuers that is subordinated in right of payment by its terms or the terms of any document or instrument or instrument relating thereto ("*contractually*") to the Notes.

"*Subsidiary*" with respect to any Person, means (1) a corporation a majority of whose Equity Interests with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by such Person and one or more Subsidiaries of such Person or by one or more Subsidiaries of such Person, and (2) any other Person (other than a corporation) in which such Person, one or more Subsidiaries of such Person, or such Person and one or more Subsidiaries of

such Person, directly or indirectly, at the date of determination thereof has a majority ownership interest, or (3) a partnership in which such Person or a Subsidiary of such Person is, at the time, a general partner and in which such Person, directly or indirectly, at the date of determination thereof has a majority ownership interest. Notwithstanding the foregoing, an Unrestricted Subsidiary shall not be a Subsidiary of the Company or of any Subsidiary of the Company. Unless the context requires otherwise, Subsidiary means each direct and indirect Subsidiary of the Company.

"*Subsidiary Guarantor*" means a Subsidiary of the Company that has jointly and severally irrevocably and unconditionally guaranteed the Notes, on a non-subordinated basis, except that such guarantee can be subordinated to such Subsidiary's guarantee of the Credit Agreement in a manner consistent with the subordination of the Company's obligations in respect of the Notes to the Company's Senior Indebtedness.

"*Tax Amounts CPA*" means PricewaterhouseCoopers L.L.P. or any other certified public accounting firm of national reputation. The Tax Amounts CPA shall reasonably determine for each Tax Determination Year, the Applicable Tax Rate, the Final Determination Amount, Intercompany Subpart F Income, Tax Amounts Payment and Parent Group Tax Savings Amount.

"*Tax Amounts Payment*" means, in respect of any Tax Determination Year, an amount payable to Tax Amounts Recipients equal to the lesser of (hereinafter referred to as the "Initial Limitation") (A) the product of (x) the Applicable Tax Rate and (y) the Intercompany Subpart F Income that is (or would be) includible in the gross income of the Tax Amounts Recipients (assuming, for this purpose, that each such Tax Amount Recipient is a "United States shareholder" as defined in section 951(b) of the Code) for such year under section 951(a) of the Code, (B) the Parent Group Tax Savings Amount for such year, (C) the product of (x) 6% and (y) the sum of (i) Consolidated Net Income of the Parent Group for such year, (ii) Consolidated income tax expense for the Parent Group for such year, and (iii) Tax Amount Payments made to Tax Amounts Recipients during such year, or (D) $10 million. The Initial Limitation shall be reduced (but not below zero) by any Final Determination Amount in respect of a previous Tax Determination Year. A Final Determination Amount shall be applied to reduce an Initial Limitation for the Tax Determination Year during which the Final Determination in respect of such Final Determination Amount occurs. A Final Determination Amount shall be deemed to be reduced to the extent that such Final Determination Amount has been applied to reduce an Initial Limitation. Thereafter, the remaining Final Determination Amount, if any, shall be applied to reduce the Initial Limitation for each successive Tax Determination Year in like fashion until such Final Determination Amount has been reduced to zero.

"*Tax Amounts Recipient*" means, in respect of any Tax Determination Year, persons who hold capital stock of the Company on December 31 of such year or, if earlier, on the last day of such year that the Company continues to be a "controlled foreign corporation" as defined under section 957 of the Code.

"*Tax Determination Year*" means the calendar year in respect of which a Tax Amounts Recipient is (or would be) required to include in gross income under section 951(a) of the Code his pro rata share of Intercompany Subpart F Income (assuming for this purpose, that such Tax Amounts Recipient is a "United States shareholder" as defined in Section 951(b) of the Code).

"*Treasury Rate*" means the yield to maturity at the time of computation of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Release H 15 (519) which has become publicly available at least two Business Days prior to the Early Redemption Date (or, if such Statistical Release is no longer published, any publicly available source or similar market data) closest to the period from the Early Redemption Date to April 1, 2008; *provided*, *however*, that if the period from the Early Redemption Date to April 1, 2008 is not equal to the constant maturity of a U.S. Treasury security for which a weekly average is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of one year) from the

weekly average yields of U.S. Treasury securities for which such yields are given, except that if the period from the Early Redemption Date to April 1, 2008 is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year shall be used.

"*UCC*" means the Uniform Commercial Code as in effect from time to time in the State of New York.

"*Unrestricted Subsidiary*" means any subsidiary of the Company that does not directly, indirectly or beneficially own any Capital Stock of, and Subordinated Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company and that, at the time of determination, shall be an Unrestricted Subsidiary (as designated by the Board of Directors of the Company); *provided*, that such Subsidiary at the time of such designation (a) has no Recourse Indebtedness; (b) is not party to any agreement, contract, arrangement or understanding with the Company or any Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company; (c) is a Person with respect to which neither the Company nor any of Subsidiary of the Company has any direct or indirect obligation (x) to subscribe for additional Equity Interests or (y) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and (d) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any Subsidiary of the Company. The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Subsidiary, *provided*, that (1) no Default or Event of Default is existing or will occur as a consequence thereof and (2) immediately after giving effect to such designation, on a *pro forma* basis, we could incur at least $1.00 of Indebtedness pursuant to the Debt Incurrence Ratio of the covenant "Limitation on Incurrence of Additional Indebtedness and Disqualified Capital Stock." Each such designation shall be evidenced by filing with the Trustee a certified copy of the resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions.

"*U.S. Government Obligations*" means direct non-callable obligations of, or non-callable obligations guaranteed by, the United States of America for the payment of which obligation or guarantee the full faith and credit of the United States of America is pledged.

"*Voting Equity Interests*" means Equity Interests which at the time are entitled to vote in the election of, as applicable, directors, members or partners generally.

"*WH Intermediate*" means WH Intermediate Holdings Ltd., a Cayman Islands corporation, and its successors and/or assigns.

"*Wholly-Owned Subsidiary*" means a Subsidiary all the Equity Interests of which (other than directors' qualifying shares) are owned by the Company or one or more Wholly-Owned Subsidiaries of the Company.

Registration Rights; Liquidated Damages

The Issuers and the Initial Purchaser entered into the Registration Rights Agreement. In the Registration Rights Agreement, the Issuers agreed to file the exchange offer registration statement with the Commission within 105 days after the Issue Date and to use reasonable efforts to have it declared effective within 165 days after the Issue Date. The Issuers also agreed to use their reasonable efforts to cause the exchange offer registration statement to be effective continuously, to keep the exchange offer open for a period of not less than 30 days and cause the exchange offer to be consummated within 195 days after the Issue Date. Pursuant to the exchange offer, certain holders of the Outstanding Notes which constitute registrable Notes (as defined below) may exchange their registrable Notes for registered Notes. To participate in the exchange offer, each holder must represent among other things

that if it is an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any person to participate in, a distribution of the Notes that are issued in the exchange offer, and that it is acquiring the Notes in the exchange offer in its ordinary course of business.

If (i) the exchange offer is not permitted by changes in law or applicable interpretations of the staff of the Commission policy or (ii) for any reason the exchange offer is not consummated within 195 days after the Issue Date, (iii) a holder, other than the initial purchaser, is prohibited by law or the applicable interpretations of the staff of the Commission from participating in the exchange offer or does not receive exchange Notes on the date of the exchange that may be sold without restriction under state and federal securities laws or (iv) the initial purchaser so requests with respect to the Notes that have, or that are reasonably likely to be determined to have, the status of unsold allotments in an initial distribution, the Issuers will file with the Commission a shelf registration statement to register the registrable Notes for resale by holders in the manner designated by them.

For the purposes of the registration rights agreement, "registrable Notes" means each Outstanding Note until (i) a Registration Statement covering such note has been declared effective by the Commission and such note has been disposed of in accordance with such effective Registration Statement, (ii) such note has been exchanged pursuant to the exchange offer and may be resold without restriction under state and federal securities laws, (iii) such note ceases to be outstanding for purposes of the indenture or (iv) such note has been sold in compliance with Rule 144 or is salable pursuant to Rule 144(k) of the Securities Act.

The Registration Rights Agreement provides that (i) if the Issuers fail to file an exchange offer registration statement with the Commission on or prior to the 105th day after the Issue Date, (ii) if the exchange offer registration statement is not declared effective by the Commission on or prior to the 165th day after the Issue Date, (iii) if the exchange offer is not consummated on or before the 195th day after the Issue Date, (iv) if obligated to file a shelf registration statement and the shelf registration statement is not declared effective on or prior to the later of, the 195th calendar day after the Issue Date or the 90th day after the obligation to file a shelf registration statement arises, or (v) if the shelf registration statement is declared effective but thereafter ceases to be effective or useable in connection with resales of the registrable Notes, for such time of non-effectiveness or non-usability (each, a "registration default"), the Issuers agree to pay to each holder of registrable Notes affected thereby liquidated damages ("liquidated damages") in an amount equal to 0.25% per annum for the first 90-day period immediately following the occurrence of a registration default. The amount of the liquidated damages shall increase by an additional 0.25% per annum with respect to each subsequent 90-day period until all registration defaults have been cured, up to a maximum amount of liquidated damages of 1.00% per annum per week per $1,000 in principal amount of registrable Notes. The Issuers are not required to pay liquidated damages for more than one registration default at any given time. Following the cure of all registration defaults or when all the Notes and the exchange Notes otherwise become freely transferable by holders other than affiliates of the Issuers without further registration under the Securities Act, the accrual of liquidated damages will cease.

All accrued liquidated damages shall be paid semi-annually on the applicable Interest Payment Date by the Issuers to the Holders entitled thereto.

FORM AND TRANSFER OF THE NOTES

The Notes sold to qualified institutional buyers initially will be in the form of one or more registered global Notes without interest coupons (collectively, the "U.S. Global Notes"). Upon issuance, the U.S. Global Notes will be deposited with the Trustee, as custodian for The Depository Trust Company ("DTC"), in New York, New York, and registered in the name of DTC or its nominee for credit to the accounts of DTC's Direct and Indirect Participants (as defined below). The Notes being offered and sold in offshore transactions in reliance on Regulation S, if any, initially will be in the form of one or more registered, temporary global book-entry Notes without interest coupons (the "Reg S Global Notes"). The Reg S Global Notes will be deposited with the Trustee, as custodian for DTC, in New York, New York and registered in the name of a nominee of DTC for credit to the accounts of Direct Participants and Indirect Participants (including the Euroclear System ("Euroclear") and Clearstream Banking, S.A. ("Clearstream"). During the 40-day period commencing on the day after the later of the offering and the Issue Date of the Notes (the "40-Day Restricted Period"), Direct Participants and Indirect Participants that hold a beneficial interest in the Reg S Global Notes will not be able to transfer such interest to a person that takes delivery thereof in the form of an interest in the U.S. Global Notes. After the 40 Day Restricted Period, (i) beneficial interests in the Reg S Global Notes may be transferred to a person that takes delivery in the form of an interest in the U.S. Global Notes and (ii) beneficial interests in the U.S. Global Notes may be transferred to a person that takes delivery in the form of an interest in the Reg S Global Notes, *provided*, in each case, that the certification requirements described below are complied with. See "—Transfers of Interests in One Global Note for Interests in Another Global Note." All registered global Notes are referred to herein collectively as "Global Notes."

Transfer of beneficial interests in any Global Notes will be subject to the applicable rules and procedures of DTC and its Direct or Indirect Participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

The Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee in certain limited circumstances. Beneficial interests in the Global Notes may be exchanged for Notes in certificated form in certain limited circumstances. See "—Transfer of Interests in Global Notes for Certificated Notes."

Initially, the Trustee will act as Paying Agent and Registrar. The Notes may be presented for registration of transfer and exchange at the offices of the Registrar.

Depositary procedures

DTC has advised us that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Direct Participants") and to facilitate the clearance and settlement of transactions in those securities between Direct Participants through electronic book-entry changes in accounts of Participants. The Direct Participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities that clear through or maintain a direct or indirect, custodial relationship with a Direct Participant (collectively, the "Indirect Participants"), including Euroclear and Clearstream. DTC may hold securities beneficially owned by other persons only through the Direct Participants or Indirect Participants and such other person's ownership interest and transfer of ownership interest will be recorded only on the records of the Direct Participant and/or Indirect Participant and not on the records maintained by DTC.

DTC has advised us that, pursuant to DTC's procedures, (i) upon deposit of the Global Notes, DTC will credit the accounts of the Direct Participants designated by the initial purchaser with portions of the principal amount of the Global Notes that have been allocated to them by the initial purchaser, and (ii) DTC will maintain records of the ownership interests of such Direct Participants in the Global

Notes and the transfer of ownership interests by and between Direct Participants. DTC will not maintain records of the ownership interests of, or the transfer of ownership interests by and between, Indirect Participants or other owners of beneficial interests in the Global Notes. Direct Participants and Indirect Participants must maintain their own records of the ownership interests of, and the transfer of ownership interests by and between, Indirect Participants and other owners of beneficial interests in the Global Notes.

Investors in the U.S. Global Notes may hold their interests therein directly through DTC if they are Direct Participants in DTC or indirectly through organizations that are Direct Participants in DTC. Investors in the Reg S Global Notes may hold their interests therein directly through DTC if they are Direct Participants in DTC, indirectly through organizations that have accounts with Direct Participants, including Euroclear or Clearstream, or indirectly through organizations that are participants in Euroclear or Clearstream. Euroclear Bank S.A./N.V. is the operator and depository of Euroclear and Citibank, N.A. is the operator and depository of Clearstream (each a "Nominee" of Euroclear and Clearstream, respectively). Therefore, they will each be recorded on DTC's records as the holders of all ownership interests held by them on behalf of Euroclear and Clearstream, respectively. Euroclear and Clearstream must maintain on their own records the ownership interests of, and transfers of ownership interests by and between, their own customers' securities accounts. DTC will not maintain such records. All ownership interests in any Global Notes, including those of customers' securities accounts held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC.

The laws of some states in the United States require that certain persons take physical delivery in definitive, certificated form, of securities that they own. This may limit or curtail the ability to transfer beneficial interests in a Global Note to such persons. Because DTC can act only on behalf of Direct Participants, which in turn act on behalf of Indirect Participants and others, the ability of a person having a beneficial interest in a Global Note to pledge such interest to persons or entities that are not Direct Participants in DTC, or to otherwise take actions in respect of such interests, may be affected by the lack of physical certificates evidencing such interests. For certain other restrictions on the transferability of the Notes see "—Transfers of Interests in Global Notes for Certificated Notes."

Except as described in "—Transfers of Interests in Global Notes for Certificated Notes," owners of beneficial interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or holders thereof under the Indenture for any purpose.

Under the terms of the Indenture, we and the Trustee will treat the persons in whose names the Notes are registered (including Notes represented by Global Notes) as the owners thereof for the purpose of receiving payments and for any and all other purposes whatsoever. Payments in respect of the principal, premium, Liquidated Damages, if any, and interest on Global Notes registered in the name of DTC or its nominee will be payable by the Trustee to DTC or its nominee as the registered holder under the Indenture. Consequently, neither we, the Trustee nor any agent of ours or the Trustee has or will have any responsibility or liability for (i) any aspect of DTC's records or any Direct Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Direct Participant's or Indirect Participant's records relating to the beneficial ownership interests in any Global Note or (ii) any other matter relating to the actions and practices of DTC or any of its Direct Participants or Indirect Participants.

DTC has advised us that its current payment practice (for payments of principal, interest and the like) with respect to securities such as the Notes is to credit the accounts of the relevant Direct Participants with such payment on the payment date in amounts proportionate to such Direct Participant's respective ownership interests in the Global Notes as shown on DTC's records. Payments by Direct Participants and Indirect Participants to the beneficial owners of the Notes will be governed

by standing instructions and customary practices between them and will not be the responsibility of DTC, the Trustee, or us. Neither we nor the Trustee will be liable for any delay by DTC or its Direct Participants or Indirect Participants in identifying the beneficial owners of the Notes, and we and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee as the registered owner of the Notes for all purposes.

The Global Notes will trade in DTC's Same-Day Funds Settlement System and, therefore, transfers between Direct Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in immediately available funds. Transfers between Indirect Participants (other than Indirect Participants who hold an interest in the Notes through Euroclear or Clearstream) who hold an interest through a Direct Participant will be effected in accordance with the procedures of such Direct Participant but generally will settle in immediately available funds. Transfers between and among Indirect Participants who hold interests in the Notes through Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described herein, cross-market transfers between Direct Participants in DTC, on the one hand, and Indirect Participants who hold interests in the Notes through Euroclear or Clearstream, on the other hand, will be effected by Euroclear's or Clearstream's respective Nominee through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream; *however*, delivery of instructions relating to cross-market transactions must be made directly to Euroclear or Clearstream, as the case may be, by the counterparty in accordance with the rules and procedures of Euroclear or Clearstream and within their established deadlines. Indirect Participants who hold interests in the Notes through Euroclear and Clearstream may not deliver instructions directly to Euroclear's or Clearstream's Nominee. Euroclear or Clearstream will, if the transaction meets its settlement requirements, deliver instructions to its respective Nominee to deliver or receive interests on Euroclear's or Clearstream's behalf in the relevant Global Note in DTC, and make or receive payment in accordance with normal procedures for same-day fund settlement applicable to DTC.

Because of time zone differences, the securities accounts of an Indirect Participant who holds an interest in the Notes through Euroclear or Clearstream purchasing an interest in a Global Note from a Direct Participant in DTC will be credited, and any such crediting will be reported to Euroclear or Clearstream during the European business day immediately following the settlement date of DTC in New York. Although recorded in DTC's accounting records as of DTC's settlement date in New York, Euroclear and Clearstream customers will not have access to the cash amount credited to their accounts as a result of a sale of an interest in a Reg S Global Note to a DTC Participant until the European business day for Euroclear or Clearstream immediately following DTC's settlement date.

DTC has advised us that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Direct Participants to whose account interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such Direct Participant or Direct Participants has or have given direction. However, if there is an Event of Default under the Notes, DTC reserves the right to exchange Global Notes (without the direction of one or more of its Direct Participants) for legended Notes in certificated form, and to distribute such certificated forms of Notes to its Direct Participants. See "—Transfers of Interests in Global Notes for Certificated Notes."

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Reg S Global Notes and in the U.S. Global Notes among Direct Participants, including Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of us, the initial purchasers or the Trustee shall have any responsibility for the performance by DTC,

Euroclear or Clearstream or their respective Direct and Indirect Participants of their respective obligations under the rules and procedures governing any of their operations.

The information in this section concerning DTC, Euroclear and Clearstream and their book-entry systems has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

Transfers of interests in one Global Note for interests in another Global Note

Prior to the expiration of the 40-Day Restricted Period, a Direct or an Indirect Participant who holds an interest in a Reg S Global Note will not be permitted to transfer its interest to a U.S. Person who takes delivery in the form of an interest in the U.S. Global Notes. After the expiration of the 40-Day Restricted Period, a Direct or an Indirect Participant who holds an interest in a Reg S Global Note will be permitted to transfer its interest to a U.S. Person who takes delivery in the form of an interest in the U.S. Global Notes only upon receipt by the Trustee of a written certification from the transferor to the effect that such transfer is being made in accordance with the restrictions on transfer set forth under "Transfer Restrictions" and set forth in the legend printed on the Reg S Global Notes.

Prior to the expiration of the 40-Day Restricted Period, a Direct or Indirect Participant who holds an interest in a U.S. Global Note will not be permitted to transfer its interests to any person that takes delivery thereof in the form of an interest in the Reg S Global Notes. After the expiration of the 40-Day Restricted Period, a Direct or Indirect Participant who holds an interest in a U.S. Global Note may transfer its interests to a person who takes delivery in the form of an interest in the Reg S Global Notes only upon receipt by the Trustee of a written certification from the transferor to the effect that such transfer is being made in accordance with Rule 904 of Regulation S.

Transfers involving an exchange of a beneficial interest in Reg S Global Notes for a beneficial interest in U.S. Global Notes or vice versa will be effected by DTC by means of an instruction originated by the Trustee through DTC's Deposit/Withdraw at Custodian (DWAC) system. Accordingly, in connection with such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the one Global Note and a corresponding increase in the principal amount of the other Global Note, as applicable. Any beneficial interest in the one Global Note that is transferred to a person who takes delivery in the form of the other Global Note will, upon transfer, cease to be an interest in such first Global Note and become an interest in such other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

Transfers of interests in Global Notes for Certificated Notes

An entire Global Note may be exchanged for definitive notes in registered, certificated form without interest coupons ("Certificated Notes") if (i) DTC (x) notifies us that it is unwilling or unable to continue as depositary for the Global Notes and we thereupon fail to appoint a successor depositary within 90 days or (y) has ceased to be a clearing agency registered under the Exchange Act, (ii) we, at our option, notify the Trustee in writing that we elect to cause the issuance of Certificated Notes or (iii) upon the request of the Trustee or Holders of a majority of the outstanding principal amount of Notes, after there shall have occurred and be continuing a Default or an Event of Default with respect to the Notes. In any such case, we will notify the Trustee in writing that, upon surrender by the Direct and Indirect Participants of their interest in such Global Note, Certificated Notes will be issued to each person that such Direct and Indirect Participants and DTC identify as being the beneficial owner of the related notes.

Beneficial interests in Global Notes held by any Direct or Indirect Participant may be exchanged for Certificated Notes upon request to DTC, by such Direct Participant (for itself or on behalf of an Indirect Participant), to the Trustee in accordance with customary DTC procedures. Certificated Notes

delivered in exchange for any beneficial interest in any Global Note will be registered in the names, and issued in any approved denominations, requested by DTC on behalf of such Direct or Indirect Participants (in accordance with DTC's customary procedures).

Neither we nor the Trustee will be liable for any delay by the holder of any Global Note or DTC in identifying the beneficial owners of Notes, and we and the Trustee may conclusively rely on, and will be protected in relying on, instructions from the holder of the Global Note or DTC for all purposes.

Same day settlement and payment

The Indenture will require that payments in respect of the Notes represented by the Global Notes (including principal, premium, if any, interest and Liquidated Damages, if any) be made by wire transfer of immediately available same day funds to the accounts specified by the holder of interests in such Global Note. With respect to Certificated Notes, we will make all payments of principal, premium, if any, interest and Liquidated Damages, if any, by wire transfer of immediately available same day funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a check to each such holder's registered address. We expect that secondary trading in the Certificated Notes will also be settled in immediately available funds.

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes the material U.S. federal income tax consequences to beneficial owners arising from the exchange of Outstanding Notes for New Notes and the beneficial ownership and disposition of the New Notes. The discussion is based on provisions of the Code, its legislative history, judicial authority, current administrative rulings and practice, and existing and proposed Treasury Regulations, all as in effect and existing on the date hereof. Legislative, judicial or administrative changes or interpretations after the date hereof could alter or modify the validity of the statements and conclusions set forth below, may be retroactive and could adversely affect a beneficial owner of the New Notes.

The discussion that follows is intended as a descriptive summary only and is not intended as tax advice to any particular investor. This summary is not a complete analysis or listing of all potential U.S. federal income tax consequences and does not address the effect of any U.S. gift, estate, state or local tax law or any non-U.S. tax law. The actual tax consequences will vary depending upon the particular circumstances of each investor.

For purposes of this summary, a U.S. holder is a beneficial owner of the New Notes who is, for U.S. federal income tax purposes:

- a citizen or resident of the U.S.;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the U.S. or any state thereof, including the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if a court within the U.S. is able to exercise primary supervision over its administration and one or more U.S. persons have authority to control all substantial decisions of the trust.

If a partnership (including an entity taxable as a partnership for U.S. federal income tax purposes) holds the Notes, the tax consequences of a partner will generally depend upon the status of the partner and upon the activities of the partnership. An investor who is a partner of a partnership holding the Notes should consult its own tax advisor. A "non-U.S. holder" is a beneficial owner of the Notes that is not a U.S. holder.

This summary is generally limited to investors who hold the Outstanding Notes and will hold the New Notes as "capital assets" within the meaning of Section 1221 of the Code and whose functional currency is the U.S. dollar. This summary does not address the tax treatment of investors that may be subject to special income and withholding tax rules including, without limitation:

- insurance companies;
- tax-exempt organizations;
- pension funds;
- banks or other financial institutions;
- U.S. expatriates;
- holders subject to the alternative minimum tax;
- broker-dealers;
- dealers or traders in currencies or securities; and
- holders who hold the Notes as a hedge against currency risks, as a position in a "straddle" for tax purposes, or as part of a conversion or other integrated transaction.

Persons considering the exchange of their Outstanding Notes for New Notes are urged to consult their own tax advisers as to the United States or other tax consequences of the exchange of

Outstanding Notes for New Notes and the beneficial ownership and disposition of the New Notes, including the effect of any state, local or non-U.S. tax laws.

Taxation of U.S. Holders

Exchange Offer

A holder of Outstanding Notes will not recognize any taxable gain or loss on the exchange of an Outstanding Note for a New Note pursuant to the exchange offer, and such holder's tax basis and holding period in the New Note will be the same as in the Outstanding Note.

Payments of interest

You will be subject to tax on any interest on your New Note as ordinary income at the time you receive the interest or when it accrues, depending on your method of accounting for tax purposes. Although interest on the New Notes is currently expected to be treated as foreign source income for U.S. federal income tax purposes, it is possible that as a result of potential future restructurings, all or a portion of interest on the New Notes will be U.S. source income.

Market Discount

If a U.S. holder purchases a New Note (or purchased an Outstanding Note and exchanges it for a New Note) for an amount less than the stated principal amount of the New Note, the amount of such difference is "market discount" for federal income tax purposes, unless such difference is less than $^1/_4$ of one percent of the stated principal amount multiplied by the number of complete years to maturity from the date of such purchase.

Unless such U.S. holder elects to include market discount in income as it accrues, any gain realized on the sale, exchange, retirement, or other disposition of a New Note and any partial principal payment received on a New Note generally will be treated as ordinary income to the extent of any accrued market discount on the New Note. In addition, a U.S. holder may be required to defer deductions for a portion of the interest paid on any indebtedness incurred to purchase or carry a New Note that has market discount.

In general, market discount on a New Note held by a U.S. holder will be considered to accrue ratably during the period from the date of purchase of the New Note to its maturity date, unless such U.S. holder elects to accrue market discount on a constant yield basis. U.S. holders may elect to include market discount in gross income currently as it accrues (on either a ratable or a constant yield basis), in which case the interest deferral rule described above will not apply. The election to include market discount in gross income on an accrual basis, once made, would apply to all market discount obligations acquired by the U.S. holder on or after the first day of the first taxable year to which the election applies, and it may not be revoked without the consent of the IRS. A U.S. holder's tax basis in the New Note will be increased by the amount of any market discount included in gross income under such an election. U.S. holders that hold New Notes with market discount should consult their tax advisors regarding the manner in which accrued market discount is calculated and the election to include market discount currently in income.

Bond Premium

In general, if a U.S. holder purchases a New Note (or purchased an Outstanding Note and exchanged it for a New Note) for an amount greater than the sum of all amounts payable on the New Note (other than stated interest payments) after the date of purchase, the amount of such excess is "bond premium" for United States federal income tax purposes. U.S. holders may elect to amortize bond premium over the remaining term of the New Note on a constant yield basis. The amount of bond premium allocable to any accrual period is offset against the stated interest allocable to the accrual period. A U.S. holder's tax basis in the New Note will be reduced by the amount of bond

premium so amortized. If a U.S. holder does not elect to amortize bond premium, it will be required to report the full amount of stated interest on the New Note as ordinary income, even though it may be required to recognize a capital loss (which may not be available to offset ordinary income) on a sale or other disposition of the New Note. An election to amortize bond premium, once made, would apply to all debt instruments held or subsequently acquired by the U.S. holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS. U.S. holders that hold New Notes with bond premium should consult their tax advisors regarding the application of these rules.

Sale, exchange, retirement or other disposition of a New Note

Upon the sale, exchange, retirement or other disposition of a New Note, you will generally recognize gain or loss equal to the difference between the amount realized on such disposition and your tax basis in your New Note.

Gain or loss recognized on the sale, exchange, retirement or other disposition of a New Note generally will be capital gain or loss (except to the extent attributable to accrued but unpaid interest). Net capital gains derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. Certain limitations apply to the deductibility of capital losses.

Taxation of Non-U.S. Holders

Payments of interest

A non-U.S. holder will generally not be subject to U.S. federal income tax on payments of interest on the New Notes, provided that:

- the non-U.S. holder does not actually or constructively own 10% or more of the total combined voting power of all classes of the Company's shares entitled to vote;
- the non-U.S. holder is not a "controlled foreign corporation" that is actually or constructively related to the Company through share ownership; and
- certain certification requirements are met.

The certification requirement will be satisfied in any of the following circumstances:

- If a non-U.S. holder provides to us or our paying agent a statement on IRS Form W-8BEN (or suitable successor form), together with all appropriate attachments, signed under penalties of perjury, identifying the non-U.S. holder by name and address and stating, among other things, that the non-U.S. holder is not a United States person.
- If a New Note is held through a securities clearing organization, bank or another financial institution that holds customers' securities in the ordinary course of its trade or business, (i) the non-U.S. holder provides such a form to such organization or institution, and (ii) such organization or institution, under penalties of perjury, certifies to us that it has received such statement from the beneficial owner or another intermediary and furnishes us or our paying agent with a copy thereof.
- If a financial institution or other intermediary that holds the New Note on behalf of the non-U.S. holder has entered into a withholding agreement with the IRS and submits an IRS Form W-8IMY (or suitable successor form) and certain other required documentation to us or our paying agent.

If the requirements of the portfolio interest exemption described above are not satisfied, a 30% withholding tax may apply to the gross amount of interest on the New Notes that is paid to a non-U.S. holder, unless either: (a) an applicable income tax treaty reduces or eliminates such tax, and the non-U.S. holder claims the benefit of that treaty by providing a properly completed and duly executed IRS Form W-8BEN (or suitable successor or substitute form) establishing qualification for benefits

under the treaty, or (b) the interest is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and the non-U.S. holder provides an appropriate statement to that effect on a properly completed and duly executed IRS Form W-8ECI (or suitable successor form).

If a non-U.S. holder is engaged in a trade or business in the U.S. and interest on a New Note is effectively connected with the conduct of that trade or business, the non-U.S. holder will be required to pay U.S. federal income tax on that interest on a net income basis (and the 30% withholding tax described above will not apply provided the appropriate statement is provided to us) generally in the same manner as a U.S. person. If a non-U.S. holder is eligible for the benefits of an income tax treaty between the U.S. and its country of residence, any interest income that is effectively connected with a U.S. trade or business will be subject to U.S. federal income tax in the manner specified by the treaty and generally will only be subject to such tax if such income is attributable to a permanent establishment (or a fixed base in the case of an individual) maintained by the non-U.S. holder in the U.S. and the non-U.S. holder claims the benefit of the treaty by properly submitting an IRS Form W-8BEN. In addition, a non-U.S. holder that is treated as a foreign corporation for U.S. federal income tax purposes may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with its conduct of a trade or business in the U.S.

Sale, exchange, retirement or other disposition of the New Notes.

Subject to the discussion of backup withholding below, a non-U.S. holder generally will not be subject to U.S. federal income tax (or any withholding thereof) on any gain realized by such holder upon a sale, exchange, redemption, retirement at maturity or other disposition of a New Note, unless:

- the non-U.S. holder is an individual who is present in the U.S. for 183 days or more during the taxable year and who has a "tax home" in the United States and certain other conditions are met; or

- the gain is effectively connected with the conduct of a U.S. trade or business of the non-U.S. holder (and, in some circumstances, the gain is attributable to a U.S. permanent establishment of the non-U.S. holder under an applicable income tax treaty).

If the first exception applies, the non-U.S. holder generally will be subject to U.S. federal income tax at a rate of 30% on the amount by which its U.S.-source capital gains exceed its U.S.-source capital losses. If the second exception applies, the non-U.S. holder will generally be subject to U.S. federal income tax on the net gain derived from the sale, exchange or other disposition of the New Notes in the same manner as a U.S. person. In addition, corporate non-U.S. holders may be subject to a 30% branch profits tax on effectively connected gain. If a non-U.S. holder is eligible for the benefits of an income tax treaty between the United States and its country of residence, the U.S. federal income tax treatment of any such gain may be modified in the manner specified by the treaty.

Backup Withholding and Information Reporting

In general, if you are a non-corporate U.S. holder, the payors of interest and principal on the New Notes will be required to report to the IRS all such payments on your New Note. In addition, payors are required to report to the IRS any payment of proceeds of the sale of your New Note before maturity within the United States. Backup withholding will also apply to any such payments, if you fail to provide an accurate taxpayer identification number, or you are notified by the IRS that you have failed to report all interest and dividends required to be shown on your U.S. federal income tax returns.

Non-U.S. holders may be required to comply with certification procedures to establish that the holder is not a U.S. person in order to avoid backup withholding tax and information reporting requirements discussed above.

CERTAIN ERISA CONSIDERATIONS

If you intend to use plan assets to exchange for any of the New Notes offered by this prospectus, you should consult with counsel on the potential consequences of your investment under the fiduciary responsibility and prohibited transaction provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the prohibited transaction provisions of the Code. If you intend to use governmental or church plan assets to exchange for any of the New Notes, you should consult with counsel on the potential consequences of your investment under similar provisions applicable under laws governing governmental and church plans.

The following summary is based on the provisions of ERISA and the Code and related guidance in effect as of the date of this prospectus. This summary does not attempt to be a complete summary of these considerations. Future legislation, court decisions, administrative regulations or other guidance will change the requirements summarized in this section. Any of these changes could be made retroactively and could apply to transactions entered into before the change is enacted.

Fiduciary Responsibilities

ERISA imposes requirements on (1) employee benefit plans subject to ERISA, (2) entities whose underlying assets include employee benefit plan assets, for example, collective investment funds and insurance company general accounts, and (3) fiduciaries of employee benefit plans. Under ERISA, fiduciaries generally include persons who exercise discretionary authority or control over plan assets. Before using any employee benefit plan assets to exchange for any of the New Notes offered in connection with this prospectus, you should determine whether the investment:

(1) is permitted under the plan document and other instruments governing the plan; and

(2) is appropriate for the plan in view of its overall investment policy and the composition and diversification of its portfolio, taking into account the limited liquidity of the New Notes.

You should consider all factors and circumstances of a particular investment in the New Notes, including, for example, the matters set forth under the heading "Risk Factors" and the fact that in the future there may not be a market in which you will be able to sell or otherwise dispose of your interest in the New Notes.

We are not making any representation that the exchange for New Notes under a plan meets the fiduciary requirements for investment by plans generally or any particular plan or that such an investment is appropriate for plans generally or any particular plan.

Prohibited Transactions

ERISA and the Code prohibit a wide range of transactions involving (1) employee benefit plans and arrangements subject to ERISA and/or the Code, and (2) persons who have specified relationships to the plans. These persons are called "parties in interest" under ERISA and "disqualified persons" under the Code. The transactions prohibited by ERISA and the Code are called "prohibited transactions." If you are a party in interest or disqualified person who engages in a prohibited transaction, you may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code. As a result, if you are considering using plan assets to exchange for any of the New Notes offered by this prospectus, you should consider whether the investment might be a prohibited transaction under ERISA and/or the Code.

Prohibited transactions may arise, for example, if the exchange under a plan with respect to which we, or any of our affiliates, are a party in interest or a disqualified person. Exemptions from the prohibited transaction provisions of ERISA and the Code may apply depending in part on the type of plan fiduciary making the decision to exchange and the circumstances under which such decision is made. Some of these exemptions include:

(1) Prohibited transaction class exemption or "PTCE" exemptions 75-1 (relating to specified transactions involving employee benefit plans and broker-dealers, reporting dealers and banks);

(2) PTCE 84-14 (relating to specified transactions directed by independent qualified professional asset managers);

(3) PTCE 90-1 (relating to specified transactions involving insurance company pooled separate accounts);

(4) PTCE 91-38 (relating to specified transactions by bank collective investment funds);

(5) PTCE 95-60 (relating to specified transactions involving insurance company general accounts); and

(6) PTCE 96-23 (relating to specified transactions directed by in-house asset managers).

These exemptions do not, however, provide relief from the self-dealing prohibitions under ERISA and the Code. In addition, there is no assurance that any of these class exemptions or other exemption will be available with respect to any particular transaction involving the exchange.

Government and Church Plans

Governmental plans and some church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transactions provisions of ERISA or the Code, may be subject to state or other federal laws that are very similar to the provisions of ERISA and the Code. If you are a fiduciary of a governmental or church plan, you should consult with counsel before exchanging for any of the New Notes offered by this prospectus.

Foreign Indicia of Ownership

ERISA also prohibits plan fiduciaries from maintaining the indicia of ownership of any plan assets outside the jurisdiction of the United States district courts except in specified cases. Before exchanging for any of the New Notes offered by this prospectus, you should consider whether the exchange, acquisition, holding or disposition of the New Notes would satisfy such indicia of ownership rules.

Representations and Warranties

If you acquire, exchange for, or accept Notes offered by this prospectus, you will be deemed to have represented and warranted that either:

(1) you have not used plan assets to acquire, or exchange for, such Note; or

(2) your acquisition, or exchange for, and holding of a Note (A) is exempt from the prohibited transaction restrictions of ERISA and the Code under one or more prohibited transaction class exemptions or does not constitute a prohibited transaction under ERISA and the Code, and (B) meets the fiduciary requirements of ERISA.

CAYMAN ISLANDS TAX CONSEQUENCES

The following is a discussion of certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands Laws:

- Payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax; and

- Generally, no stamp duty is payable in respect to the issue or transfer of the Notes. Although certificates evidencing the Notes being in registered form, to which title is not transferable by delivery, should not attract Cayman Islands stamp duty, an instrument transferring title to a Note, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty.

The Company has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

The Tax Concessions Law
1999 Revision
Undertaking as to Tax Concessions

In accordance with the provision of Section 6 of The Tax Concession Law (1999 Revision), the Governor in Cabinet undertakes with WH Holdings (Cayman Islands) Ltd. "the Company".

1. That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

2. In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

   2.1 On or in respect of the shares, debentures or other obligations of the Company;

   Or

   2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

These concessions shall be for a period of twenty years from the 16th day of April, 2002.

PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Outstanding Notes where such Outstanding Notes were acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the Expiration Date, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale.

We will not receive any proceeds from any sale of New Notes by broker-dealers. New Notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the New Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such New Notes. Any broker-dealer that resells New Notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of such New Notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of New Notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer other than commissions or concessions of any brokers or dealers and will indemnify original holders of the New Notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

We have not entered into any arrangements or understanding with any person to distribute the New Notes to be received in the exchange offer.

LEGAL MATTERS

The validity of the Notes offered hereby and certain legal matters in connection with this offering will be passed upon for Holdings and for WH Capital Corporation by Gibson, Dunn & Crutcher LLP, Los Angeles, California. Certain legal matters as to matters of Cayman Islands law in connection with the offering will also be passed upon for Holdings by Maples and Calder, Grand Cayman, Cayman Islands. Certain legal matters as to matters of Nevada law in connection with the offering will be passed upon for WH Capital Corporation by Schreck Brignone. Certain legal matters in connection with this offering will be passed upon for the initial purchaser by Skadden, Arps, Slate, Meagher & Flom LLP, Los Angeles, California.

EXPERTS

The consolidated financial statements of WH Holdings (Cayman Islands) Ltd. as of December 31, 2003, and for the year then ended, have been included herein in reliance upon the report of KPMG LLP, independent accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Herbalife International, Inc., the predecessor, for the year ended December 31, 2001 and the seven months ended July 31, 2002 and WH Holdings (Cayman Islands) Ltd., the successor, as of December 31, 2002 and for the five months ended December 31, 2002, included in this prospectus, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein, and are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

AVAILABLE INFORMATION

We have agreed that we, for so long as any of the Notes remain outstanding, will furnish to holders of those Notes, and to prospective purchasers designated by such holders, the information required by Rule 144A(d)(4) under the Securities Act.

We may not be subject to the periodic reporting and other information requirements of the Exchange Act. Pursuant to the indenture governing the Notes, we will agree that, for so long as any of the Notes remains outstanding, we will furnish to the holders of the Notes (i) all annual and quarterly financial information that would be required to be contained in a filing with the Commission on Forms 10-K and 10-Q if we were required to file such forms, including for each such form, a "management's discussion and analysis of financial condition and results of operations" and, with respect to the annual financial information only, a report thereon by our certified independent auditors and (ii) all current reports that would be required to be furnished to the Commission on Form 8-K if we were required to furnish such reports. Furthermore, for so long as any of the Outstanding Notes remain outstanding, we have agreed to make available to the holders of the Outstanding Notes and any prospective investor, upon request of such holders, the information required to be delivered pursuant to Rule 144(a)(d)(4) under the Securities Act so long as the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.

WH HOLDINGS (CAYMAN ISLANDS) LTD.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of WH Holdings (Cayman Islands) Ltd:

We have audited the accompanying consolidated balance sheet of WH Holdings (Cayman Islands) Ltd. and subsidiaries as of December 31, 2003 and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the year ended December 31, 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WH Holdings (Cayman Islands) Ltd. and subsidiaries as of December 31, 2003, and the results of their operations and their cash flows for the year ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

Los Angeles, California
February 19, 2004,
except as to Note 17 which is as of March 8, 2004

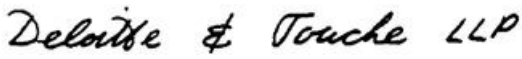
INDEPENDENT AUDITORS' REPORT

To the Board of Directors of WH Holdings (Cayman Islands) Ltd:

We have audited the accompanying consolidated balance sheet of WH Holdings (Cayman Islands) Ltd. and subsidiaries (the "Successor") as of December 31, 2002, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the five-month period ended December 31, 2002. We have also audited the related consolidated statements of income, changes in shareholders' equity, and cash flows of Herbalife International, Inc. and subsidiaries (the "Predecessor"), a wholly owned subsidiary of the Successor, for the seven-month period ended July 31, 2002 and the year ended December 31, 2001. These financial statements are the responsibility of Successor and Predecessor management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Successor as of December 31, 2002, and the results of its operations and its cash flows for the five-month period ended December 31, 2002, and the results of operations of the Predecessor and its cash flows for the seven-month period ended July 31, 2002, and the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.



DELOITTE & TOUCHE LLP

Los Angeles, California
February 19, 2004

WH HOLDINGS (CAYMAN ISLANDS) LTD.

CONSOLIDATED BALANCE SHEETS

(as of December 31)

	2002	2003
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 64,201,000	$ 150,679,000
Restricted cash	10,551,000	5,701,000
Marketable securities	1,272,000	—
Receivables, net of allowance for doubtful accounts of $2,527,000 (2003) and $3,257,000 (2002), including related party receivables of $323,000 (2003) and $506,000 (2002)	29,026,000	31,977,000
Inventories	56,868,000	59,397,000
Prepaid expenses and other current assets	16,081,000	20,825,000
Deferred income taxes	26,705,000	9,164,000
Total current assets	204,704,000	277,743,000
Property—at cost:		
Furniture and fixtures	5,144,000	6,137,000
Equipment	41,598,000	48,148,000
Leasehold improvements	7,045,000	8,733,000
	53,787,000	63,018,000
Less: accumulated depreciation and amortization	(7,675,000)	(17,607,000)
Net property	46,112,000	45,411,000
Deferred compensation assets	31,922,000	21,340,000
Other assets	5,327,000	5,795,000
Deferred financing costs, net of accumulated amortization of $10,266,000 (2003) and $3,564,000 (2002)	40,719,000	33,278,000
Marketing related intangibles	310,000,000	310,000,000
Distributor network, net of accumulated amortization of $26,539,000 (2003)	—	29,661,000
Product certifications, product formulas and other intangible assets, net of accumulated amortization of $9,491,000 (2003) and $1,542,000 (2002)	5,858,000	13,219,000
Goodwill	211,063,000	167,517,000
TOTAL	$ 855,705,000	$ 903,964,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 21,580,000	$ 22,526,000
Royalty overrides	69,062,000	76,522,000
Accrued compensation	22,443,000	19,127,000
Accrued expenses	47,341,000	59,669,000
Current portion of long term debt	19,160,000	72,377,000
Advance sales deposits	6,306,000	6,574,000
Income taxes payable	11,626,000	19,427,000
Total current liabilities	197,518,000	276,222,000
NON-CURRENT LIABILITIES:		
Long-term debt, net of current portion, including related party debt of $23.7 million (2003) and $23.2 million (2002)	321,599,000	252,917,000
Deferred compensation liability	32,082,000	22,442,000
Deferred income taxes	110,707,000	111,910,000
Other non-current liabilities	2,525,000	2,685,000
Total liabilities	664,431,000	666,176,000
SHAREHOLDERS' EQUITY:		
Preferred shares, $0.001 par value (aggregate liquidation preference $446,241,000 (2003), and $291,291,000 (2002)), 12% Series A Cumulative and Convertible, 106,000,000 (2003) and 103,000,000 (2002) shares authorized, 102,013,572 (2003) and 100,000,000 (2002) shares issued and outstanding	100,000	102,000
Common shares, $0.001 par value, 250,000,000 shares authorized, no shares issued and outstanding	—	—
Paid-in capital in excess of par value	177,308,000	183,407,000
Accumulated other comprehensive income (loss)	(139,000)	3,427,000
Retained earnings	14,005,000	50,852,000
Total shareholders' equity	191,274,000	237,788,000
TOTAL	$ 855,705,000	$ 903,964,000

See the accompanying Notes to Consolidated Financial Statements.

WH HOLDINGS (CAYMAN ISLANDS) LTD.

CONSOLIDATED STATEMENTS OF INCOME

	2001	2002		2003
	Year ended December 31,	January 1 to July 31	August 1 to December 31	Year ended December 31,
	(predecessor)	(predecessor)	(successor)	(successor)
Product sales	$ 881,655,000	$ 554,693,000	$ 386,360,000	$ 995,120,000
Handling & freight income	138,475,000	89,495,000	63,164,000	164,313,000
Net sales	1,020,130,000	644,188,000	449,524,000	1,159,433,000
Cost of sales	241,522,000	140,553,000	95,001,000	235,785,000
Gross profit	778,608,000	503,635,000	354,523,000	923,648,000
Royalty overrides	355,225,000	227,233,000	159,915,000	415,351,000
Marketing, distribution & administrative expenses, including $8,400,000 (2003) and $2,200,000 (period from August 1 to December 31, 2002) of related party expenses	354,608,000	207,390,000	135,536,000	401,261,000
Merger transaction expenses	—	54,708,000	6,183,000	—
Interest expense (income)—net	(3,413,000)	(1,364,000)	23,898,000	41,468,000
Income before income taxes and minority interest	72,188,000	15,668,000	28,991,000	65,568,000
Income taxes	28,875,000	6,267,000	14,986,000	28,721,000
Net income before minority interest	43,313,000	9,401,000	14,005,000	36,847,000
Minority interest	725,000	189,000	—	—
NET INCOME	$ 42,588,000	$ 9,212,000	$ 14,005,000	$ 36,847,000

See the accompanying Notes to Consolidated Financial Statements.

WH HOLDINGS (CAYMAN ISLANDS) LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Predecessor	Common Stock A	Common Stock B	Paid in Capital in Excess of Par Value	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity	Comprehensive Income
Balance at December 31, 2000	$ 102,000	$ 190,000	$ 58,860,000	$ (7,010,000)	$ 170,259,000	$ 222,401,000	
Issuance of 1,061,859 shares of Class A Common Stock and 1,298,965 Shares of Class B Common Stock under 1991 Stock Option Plan and other	10,000	13,000	17,434,000		10,000	17,467,000	
Additional capital from tax benefit of 1991 stock option plan			1,423,000			1,423,000	
Net income					42,588,000	42,588,000	$ 42,588,000
Translation adjustments				(6,817,000)		(6,817,000)	(6,817,000)
Unrealized gain on marketable securities				12,000		12,000	12,000
Cumulative effect on accounting change				909,000		909,000	909,000
Unrealized gain (loss) on derivatives				4,815,000		4,815,000	4,815,000
Reclassification adjustments for gain (loss) on derivative instruments				(3,440,000)		(3,440,000)	(3,440,000)
Total comprehensive income						—	$ 38,067,000
Cash dividends declared					(18,442,000)	(18,442,000)	
Balance at December 31, 2001	$ 112,000	$ 203,000	$ 77,717,000	$ (11,531,000)	$ 194,415,000	$ 260,916,000	
Issuance of 346,695 shares of Class A Common Stock and 1,139,237 Shares of Class B Common Stock under the 1991 Stock Option Plan and other	4,000	11,000	10,531,000			10,546,000	
Additional capital from revaluation of stock options			980,000			980,000	
Additional capital from tax benefit of 1991 stock option plan			3,042,000			3,042,000	
Other			375,000			375,000	
Net income					9,212,000	9,212,000	$ 9,212,000
Translation adjustments				1,428,000		1,428,000	1,428,000
Unrealized gain on marketable securities				14,000		14,000	14,000
Unrealized gain (loss) on derivatives				(3,338,000)		(3,338,000)	(3,338,000)
Reclassification adjustments for gain (loss) on derivative instruments				1,315,000		1,315,000	1,315,000
Total comprehensive income						—	$ 8,631,000
Cash dividends declared					(4,962,000)	(4,962,000)	
Balance at July 31, 2002	$ 116,000	$ 214,000	$ 92,645,000	$ (12,112,000)	$ 198,665,000	$ 279,528,000	

Successor	Preferred Stock	Paid in Capital in Excess of Par Value	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity	Comprehensive Income
Issuance of 100,000,000 Preferred Shares	$ 100,000	$ 175,508,000			$ 175,608,000	
Issuance of stock warrants (Note 4)		1,800,000			1,800,000	
Net income				$ 14,005,000	14,005,000	$ 14,005,000
Translation adjustments			$ 302,000		302,000	302,000
Unrealized gain on marketable securities			4,000		4,000	4,000
Unrealized gain (loss) on derivatives			2,266,000		2,266,000	2,266,000
Reclassification adjustments for gain (loss) on derivative instruments			(2,711,000)		(2,711,000)	(2,711,000)
Total comprehensive income						$ 13,866,000
Balance at December 31, 2002	$ 100,000	$ 177,308,000	$ (139,000)	$ 14,005,000	$ 191,274,000	
Issuance of 2,013,572 Preferred Shares	2,000	4,204,000			4,206,000	
Stock options		1,895,000			1,895,000	
Net income				36,847,000	36,847,000	$ 36,847,000
Translation adjustments			4,517,000		4,517,000	4,517,000
Unrealized gain on marketable securities			(4,000)		(4,000)	(4,000)
Unrealized gain (loss) on derivatives			(464,000)		(464,000)	(464,000)
Reclassification adjustments for gain (loss) on derivative instruments			(483,000)		(483,000)	(483,000)
Total comprehensive income						$ 40,413,000
Balance at December 31, 2003	$ 102,000	$ 183,407,000	$ 3,427,000	$ 50,852,000	$ 237,788,000	

See the accompanying Notes to Consolidated Financial Statements.

WH HOLDINGS (CAYMAN ISLANDS) LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	2001	2002		2003
	Year ended December 31,	January 1 to July 31	August 1 to December 31	Year ended December 31,
	(predecessor)	(predecessor)	(successor)	(successor)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	$ 42,588,000	$ 9,212,000	$ 14,005,000	$ 36,847,000
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	18,056,000	11,722,000	11,424,000	55,605,000
Amortization of discount and deferred financing costs	—	—	3,651,000	7,039,000
Deferred income taxes	(3,036,000)	3,186,000	(16,981,000)	(12,160,000)
Unrealized foreign exchange loss	383,000	2,448,000	433,000	4,070,000
Loss on repurchase of senior subordinated notes	—	—	—	1,368,000
Minority interest in earnings	725,000	189,000	—	—
Other	515,000	2,338,000	(719,000)	3,072,000
Changes in operating assets and liabilities:				
Receivables	(3,867,000)	(11,712,000)	11,408,000	(481,000)
Inventories	24,154,000	11,462,000	3,576,000	592,000
Prepaid expenses and other current assets	(5,542,000)	(14,107,000)	9,972,000	(4,188,000)
Accounts payable	2,135,000	14,831,000	(12,132,000)	(821,000)
Royalty overrides	(8,206,000)	3,948,000	3,940,000	1,526,000
Accrued expenses and accrued compensation	15,557,000	1,895,000	(7,611,000)	5,045,000
Advance sales deposits	(163,000)	3,230,000	(3,277,000)	(454,000)
Income taxes payable	5,452,000	718,000	11,476,000	7,228,000
Deferred compensation liability	6,714,000	(1,459,000)	(1,126,000)	(9,640,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	95,465,000	37,901,000	28,039,000	94,648,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property	(10,940,000)	(4,741,000)	(2,190,000)	(13,601,000)
Proceeds from sale of property	145,000	191,000	46,000	53,000
Net change in restricted cash	—	—	(10,551,000)	4,850,000
Net changes in marketable securities	7,981,000	20,691,000	(2,000)	1,268,000
Other assets	(1,644,000)	(2,300,000)	(421,000)	(298,000)
Deferred compensation assets	(11,908,000)	5,154,000	6,145,000	10,582,000
Acquisition of Herbalife International, Inc. (net of cash acquired of $201,821,000)	—	—	(449,073,000)	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(16,366,000)	18,995,000	(456,046,000)	2,854,000
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(18,094,000)	(9,682,000)	—	—
Distribution to minority interest	(1,272,000)	(4,598,000)	—	—
Borrowings from long-term debt	1,903,000	29,000	383,199,000	6,508,000
Principal payments on long-term debt	(3,460,000)	(3,799,000)	(51,069,000)	(23,864,000)
Repurchase of senior subordinated notes	—	—	—	(5,681,000)
Increase in deferred financing costs	—	(27,788,000)	(16,219,000)	—
Exercise of stock options	17,467,000	10,546,000	—	—
Issuance of preferred stock	—	—	175,608,000	4,206,000
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(3,456,000)	(35,292,000)	491,519,000	(18,831,000)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(6,742,000)	980,000	689,000	7,807,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	68,901,000	22,584,000	64,201,000	86,478,000
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	110,336,000	179,237,000	—	64,201,000
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 179,237,000	$ 201,821,000	$ 64,201,000	$ 150,679,000
CASH PAID DURING THE YEAR				
Interest paid	$ 1,079,000	$ 287,000	$ 5,814,000	$ 35,866,000
Income taxes paid	$ 28,693,000	$ 16,479,000	$ 10,986,000	$ 32,836,000
NON CASH ACTIVITIES				
Acquisitions of property from capital leases	$ 3,811,000	$ 2,058,000	$ 1,409,000	$ 6,834,000

See the accompanying Notes to Consolidated Financial Statements.

1. Organization

WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company ("Holdings"), incorporated on April 4, 2002, and its direct and indirect wholly owned subsidiaries, WH Intermediate Holdings Ltd., a Cayman Islands company ("WH Intermediate"), WH Luxembourg Holdings S.à.R.L., a Luxembourg unipersonal limited liability company ("Lux Holdings"), WH Luxembourg Intermediate Holdings S.à.R.L., a Luxembourg unipersonal limited liability company ("Lux Intermediate"), Herbalife International Luxembourg S.à.R.L. ("Herbalife Lux"), formerly known as WH Luxembourg CM S.à.R.L., a Luxembourg unipersonal limited liability company, and WH Acquisition Corp., a Nevada corporation ("WH Acquisition"), were formed on behalf of Whitney & Co., LLC ("Whitney") and Golden Gate Private Equity, Inc. ("Golden Gate"), in order to acquire Herbalife International, Inc., a Nevada corporation, and its subsidiaries ("Herbalife" or "Predecessor") on July 31, 2002 (the "Merger"). Holdings and its subsidiaries are referred to collectively herein as the Company. Holdings' 12% Series A Cumulative Convertible Preferred Shares are referred to as "preferred shares" and Holdings' Common Shares are referred to as "common shares."

On July 31, 2002, WH Acquisition merged with and into Herbalife with Herbalife being the surviving corporation. The Merger was consummated pursuant to the Agreement and Plan of Merger by and among the Company, sole shareholder of WH Intermediate and a Cayman Islands company, WH Acquisition and Herbalife entered into on April 10, 2002 (the "Merger Agreement"). Each shareholder of Herbalife received $19.50 in cash for each common share. The holders of each outstanding option to purchase Herbalife common shares received an amount in cash equal to the excess of $19.50 over the exercise price of such option. As a result of the Merger, Herbalife was delisted from the NASDAQ National Market. The shares of Herbalife are no longer publicly traded and, therefore, earnings per share calculations are no longer included for financial statement presentations.

The Merger has been accounted for as a purchase in accordance with Statement of Financial Accounting Standards No. ("SFAS") 141, "Business Combinations." Accordingly, the acquired assets and liabilities have been recorded at fair value. Because of this, different bases of accounting have been used to prepare the Company and Predecessor consolidated financial statements. In the future, the primary differences are expected to relate to additional interest expense on the new debt, amortization of intangibles, and amortization of deferred financing costs recorded at the date of the Merger.

The Company completed the final allocation of the purchase price in connection with the Merger during 2003 based on an independent valuation study. The study was used as the basis to make the final determination of the values that should be allocated to various finite and indefinite lived intangible assets as well as goodwill. As a result of this completion of the purchase price allocation process, certain reclassifications were made to certain categories of intangible assets and goodwill that were previously identified on a preliminary basis as of December 31, 2002.

The total purchase price of approximately $651.5 million was allocated to the acquired assets and assumed liabilities based upon their respective fair value as of the closing date using valuations and

other studies that have been finalized. The following table summarizes the fair values of the assets acquired and the liabilities assumed at the date of Acquisition:

	Final Allocation	Preliminary Allocation	Increase (Decrease)
		(dollars in millions)	
Current assets	$ 388.7	$ 388.7	$ —
Property	52.0	52.0	—
Marketing related intangibles	310.0	310.0	—
Distributor network	56.2	—	56.2
Product formulas	15.5	—	15.5
Product certifications and other intangible assets	7.2	7.4	(0.2)
Goodwill	167.5	211.1	(43.6)
Other long-term assets	42.6	42.6	—
Total assets acquired	$ 1,039.7	$ 1,011.8	$ 27.9
Current liabilities	$ 209.4	$ 209.4	$ —
Other non-current liabilities	34.9	34.9	—
Long-term debt	1.2	1.2	—
Deferred income taxes	142.7	114.8	27.9
Total liabilities assumed	$ 388.2	$ 360.3	$ 27.9
Net assets acquired	$ 651.5	$ 651.5	$ —

Marketing related intangibles are considered to have an indefinite life and are not subject to amortization. Distributor network has an expected life of three years. Product formulas have an expected life of five years. Product certifications have an expected life of two years. None of the intangibles are expected to be deductible for tax purposes. As a result of the finalization of the purchase price allocation during the third quarter of 2003, the Company recorded additional amortization expense of $19.1 million before tax relating to periods prior to July 1, 2003. The Company recorded total amortization expense of $34.5 million before tax for 2003 and $1.5 million for the period from August 1 to December 31, 2002. In addition, the amounts for marketing franchise, trademark and trade name as of December 31, 2002 have been combined and are presented as marketing related intangibles above and in the accompanying balance sheet to conform to the current year presentation.

In connection with the Merger, the Predecessor incurred transaction expenses and stock option payments of approximately $54.7 million, which have been reflected in the Predecessor financial statements. The Company also incurred transaction expenses of approximately $6.2 million. In addition, the Company incurred debt issuance costs of approximately $44.3 million, which have been capitalized as deferred financing costs in the Company's consolidated balance sheet.

The following unaudited pro forma results for the years ended December 31, 2002 and 2001 are based on the historical financial statements of the Predecessor, adjusted to give effect to the Merger

and related financing transactions as if the transactions had occurred at the beginning of each period presented:

	Year ended December 31	
	2002	2001
	(in millions)	
Net sales	$ 1,093.7	$ 1,020.1
Net income	$ 33.2	$ 7.7

The Merger was financed through:

- gross proceeds of $162.9 million from the sale of Senior Subordinated Notes (as defined in Note 4 herein) (face value of $165.0 million);
- borrowings of $180.0 million under the $205.0 million Senior Credit Facility (as defined in Note 4 herein);
- contributions of net proceeds of $24.0 million by Holdings from the sale of its 15.5% Senior Notes (the "Senior Notes") (face value $38.0 million);
- contribution by Whitney, Golden Gate and selected members of Herbalife's distributor organization and senior management of $176.0 million from the sale of 12% Series A Cumulative Convertible Preferred Shares of Holdings (the "Preferred Shares") by Holdings; and
- use of available cash balances of Herbalife of approximately $217.1 million.

In connection with the Merger, Holdings contributed the proceeds from the sale of the Preferred Shares and the sale of the Senior Notes, totaling $200.0 million, to WH Intermediate as capital. Immediately upon the consummation of the Merger, WH Intermediate assumed indirectly through one of its subsidiaries the liability of $7.2 million of expenses relating to the merger and related financing transactions from Holdings, resulting in a net capital contribution of $192.8 million.

2. Basis of Presentation

The Company's financial statements refer to Herbalife and its subsidiaries for periods through July 31, 2002 and to Holdings and its subsidiaries for periods subsequent to July 31, 2002. In addition, "Predecessor" refers to Herbalife and its subsidiaries for periods through July 31, 2002 and "Successor" refers to Holdings and its subsidiaries for periods subsequent to July 31, 2002. The Successor financial statement also includes interest expense and amortization of debt issuance costs incurred prior to the consummation of the Merger.

New Accounting Pronouncements

In December 2003, the SEC issued Staff Accounting Bulletin (SAB) No. 104, "Revenue Recognition," which codifies, revises, and rescinds certain sections of SAB No. 101, "Revenue Recognition," in order to make this interpretive guidance consistent with current authoritative accounting and auditing guidance and SEC rules and regulations. The changes noted in SAB No. 104 did not have a material effect on our consolidated financial statements.

In May 2003, the FASB issued SFAS 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS 150 establishes standards on the classification and measurement of certain instruments with characteristics of both liabilities and equity. SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. SFAS 150 requires the classification of any financial instruments with a mandatory redemption feature, an obligation to repurchase equity shares, or a conditional obligation based on the issuance of a variable number of its equity shares, as a liability. The adoption of SFAS 150 did not have a material effect on the consolidated financial statements.

In April 2003, the FASB issued SFAS 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," effective for contracts entered into or modified after June 30, 2003. This amendment clarifies when a contract meets the characteristics of a derivative, clarifies when a derivative contains a financing component, and amends certain other existing pronouncements. The adoption of SFAS 149 did not have a material effect on the consolidated financial statements.

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51," which addresses consolidation by business enterprises of variable interest entities ("VIEs") either: (1) that do not have sufficient equity investment at risk to permit the entity to finance its activities without additional subordinated financial support, or (2) in which the equity investors lack an essential characteristic of a controlling financial interest. In December 2003, the FASB completed deliberations of proposed modifications to FIN 46 ("Revised Interpretations") resulting in multiple effective dates based on the nature as well as the creation date of the VIE. VIEs created after January 31, 2003, but prior to January 1, 2004, may be accounted for either based on the original interpretation or the Revised Interpretations. VIEs created after January 1, 2004, must be accounted for under the Revised Interpretations. Special Purpose Entities ("SPEs") created prior to February 1, 2003 may be accounted for under the original or revised interpretation's provisions. Non-SPEs created prior to February 1, 2003, should be accounted for under the Revised Interpretation's provisions. The Revised Interpretations are effective for periods after June 15, 2003 for VIEs in which the Company holds a variable interest it acquired before February 1, 2003. For entities acquired or created before February 1, 2003, the Revised Interpretations are effective no later than the end of the first reporting period that ends after March 15, 2004, except for those VIEs that are considered to be special-purpose entities, for which the effective date is no later than the end of the first reporting period that ends after December 31, 2003. The adoption of FIN 46 and the Revised Interpretations has not and is not expected to have an impact on the consolidated financial statements.

In November 2002, the FASB issued Interpretation No. 45 ("FIN 45"), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," which addresses the disclosure to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees. The disclosure requirements are effective for interim and annual financial statements ending after December 15, 2002. The Company does not have any material guarantees that require disclosure under FIN 45.

FIN 45 also requires the recognition of a liability by a guarantor at the inception of certain guarantees. FIN 45 requires the guarantor to recognize a liability for the non-contingent component of a guarantee, which is the obligation to stand ready to perform in the event that specified triggering

events or conditions occur. The initial measurement of this liability is the fair value of the guarantee at inception. The recognition of the liability is required even if it is not probable that payments will be required under the guarantee or if the guarantee was issued with a premium payment or as part of a transaction with multiple elements. The initial recognition and measurement provisions are effective for all guarantees within the scope of FIN 45 issued or modified after December 31, 2002. The Company has adopted the disclosure requirements of FIN 45 and will apply the recognition and measurement provisions for all guarantees entered into or modified after December 31, 2002.

As noted above, the Company has adopted the disclosure requirements of FIN 45 and will apply the recognition and measurement provisions for all guarantees entered into or modified after December 31, 2002. For the year ended December 31, 2003, the Company has not entered into any guarantees within the scope of FIN 45.

Significant Accounting Policies

Consolidation Policy

The consolidated financial statements for the period beginning August 1, 2002 include the accounts of Holdings and its subsidiaries and the periods prior to August 1, 2002 include the accounts of Herbalife and its subsidiaries. All significant intercompany transactions and accounts have been eliminated.

Translation of Foreign Currencies

Foreign subsidiaries' asset and liability accounts are translated for consolidated financial reporting purposes into U.S. dollar amounts at year-end exchange rates. Revenue and expense accounts are translated at the average rates during the year. Foreign exchange translation adjustments are included in accumulated other comprehensive income (loss) on the accompanying consolidated balance sheets. Transaction losses, which include the cost of forward exchange and option contracts, were $0.5 million, $0.4 million, $1.4 million, and $6.5 million for the year ended December 31, 2001, the seven months ended July 31, 2002, the five months ended December 31, 2002, and the year ended December 31, 2003, respectively, and are included in marketing, distribution and administrative expenses in the accompanying consolidated statement of income.

Forward Exchange Contracts and Option Contracts

The Company enters into forward exchange contracts and option contracts in managing its foreign exchange risk on sales to distributors, purchase commitments denominated in foreign currencies, intercompany transactions and bank loans. The Company also enters into interest rate caps in managing its interest rate risk on its variable rate term loan. The Company does not use the contracts for trading purposes.

The Company has adopted SFAS 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS 133, as amended and interpreted, established accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. All derivatives, whether designated as hedging relationships or not, are required to be recorded on the balance sheet at fair value. If the derivative is designated as a fair-value hedge, the changes in the fair value of the derivative and the underlying hedged item are recognized concurrently

in earnings. If the derivative is designated as a cash-flow hedge, changes in the fair value of the derivative are recorded in other comprehensive income ("OCI") and are recognized in the statement of operations when the hedged item affects earnings. SFAS 133 defined new requirements for designation and documentation of hedging relationships as well as ongoing effectiveness assessments in order to use hedge accounting. For a derivative that does not qualify as a hedge, changes in fair value are recognized concurrently in earnings.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents are comprised primarily of money market accounts and foreign and domestic bank accounts. To reduce its credit risk, the Company monitors the credit standing of the financial institutions that hold the Company's cash and cash equivalents.

Restricted Cash

The Company's restricted cash pertains to a payment reserve account used to provide payment of scheduled interest and other amounts due on the Senior Notes until March 31, 2005. All amounts deposited are pledged to the Bank of New York as collateral agent for the benefit of the holders of the Senior Notes.

Marketable Securities

The Company's marketable securities are classified as "available for sale." Fluctuations in fair value are included in accumulated other comprehensive loss on the accompanying consolidated balance sheet. Marketable securities at December 31, 2002 are comprised primarily of tax-exempt municipal bonds.

Accounts Receivable

Accounts receivable consist principally of receivables from credit card companies, arising from the sale of product to the Company's distributors, and receivables from importers, who are utilized in a limited number of countries to sell products to distributors. Due to the geographic dispersion of its credit card receivables, the collection risk is not considered to be significant. Although receivables from importers can be significant, the Company performs ongoing credit evaluations of its importers and maintains an allowance for potential credit losses. The Company believes that it provides adequate allowances for receivables from its distributors.

Fair Value of Financial Instruments

The Company has estimated the fair value of its financial instruments using the following methods and assumptions:

- The carrying amounts of cash and cash equivalents, restricted cash, receivables, and accounts payable approximate fair value due to the short-term maturities of these instruments;
- Marketable securities are based on the quoted market prices for these instruments;
- Foreign exchange contracts are based on exchange rates at period end;

- The fair value of option and forward contracts are based on dealer quotes;
- The book values of the Company's variable rate debt instruments are considered to approximate their fair values because interest rates of those instruments approximate current rates offered to the Company; and
- The fair values for fixed rate borrowings have been determined based on recent market trade values.

Inventories

Inventories are stated at lower of cost (on the first-in, first-out basis) or market.

Long-Lived Assets

Depreciation of furniture, fixtures, and equipment (including computer hardware and software) is computed on a straight-line basis over the estimated useful lives of the related assets, which range from three to five years. Leasehold improvements are amortized on a straight-line basis over the life of the related asset or the term of the lease, whichever is shorter.

Long-lived assets are reviewed for impairment, based on undiscounted cash flows, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Measurement of an impairment loss is based on the estimated fair market value of the asset.

Goodwill and intangible assets with indefinite lives are evaluated on an annual basis for impairment, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Intangible assets with finite lives are amortized over their expected lives, which are three years for the distributor network, five years for product formulas and two years for product certifications. The annual amortization expense for intangibles is $0.2 million (2001), $1.5 million (2002), $34.5 million (2003), $23.9 million (2004), $14.0 million (2005), $3.1 million (2006), and $1.8 million (2007).

Income Taxes

Income tax expense includes income taxes payable for the current year and the change in deferred income tax assets and liabilities for the future tax consequences of events that have been recognized in the Company's financial statements or income tax returns. A valuation allowance is recognized to reduce the carrying value of deferred income tax assets if it is believed to be more likely than not that a component of the deferred income tax assets will not be realized.

Royalty Overrides

An independent distributor may earn commissions, called royalty overrides or production bonuses, based on retail volume. Such commissions are based on the retail sales volume of certain other members of the independent sales force who are sponsored by the distributor. In addition, such commissions are recorded when the products are shipped.

Revenue Recognition

Revenue is recognized when products are shipped and title passes to the Independent Distributor or importer. Product sales are after a discount referred to as "Distributor Allowances." Amounts billed for freight and handling costs are included in net sales. The Company generally receives the net sales price in cash or through credit card payments at the point of sale. Related royalty overrides and allowances for product returns are recorded when the merchandise is shipped. Advanced sales deposits represent prepaid orders for which the Company has not shipped the merchandise.

Accounting for Stock Options

In December 2002, the FASB issued SFAS 148 "Accounting for Stock Based Compensation—Transition and Disclosure." SFAS 148 amends SFAS 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS 148 amends the disclosure requirements of SFAS 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results.

The Company applies the intrinsic-value-based method of accounting prescribed by Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations including FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation," an interpretation of APB Opinion No. 25, issued March 2000, to account for its stock-based awards for employees. For options granted to employees, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. SFAS 123 established accounting and disclosure requirements using a fair-value-based method of accounting for stock-based employee compensation plans. As allowed by SFAS 123, the Company has elected to continue to apply the intrinsic-value-based method of accounting described above, and has adopted only the disclosure requirements of SFAS 123.

The following tables illustrate the effect on net income if the fair-value-based method had been applied to all outstanding and unvested awards in each period:

	2001	2002		2003
	Year ended December 31,	January 1 to July 31	August 1 to December 31	Year ended December 31,
	(predecessor)	(predecessor)	(successor)	(successor)
	(dollars in millions)			
Net income as reported	$ 42.6	$ 9.2	$ 14.0	$ 36.8
Add: Stock-based employee compensation expense included in reported net income	—	0.6	—	1.1
Deduct: Stock-based employee compensation expense determined under fair value based methods for all awards	(1.2)	(0.4)	—	(0.7)
Pro forma net income	$ 41.4	$ 9.4	$ 14.0	$ 37.2

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Such estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications were made to the prior year financial statements to conform to the current year presentation.

3. Inventories

Inventories consist primarily of finished goods available for resale and can be categorized as follows:

	December 31	
	2002	2003
	(dollars in millions)	
Weight management and inner nutrition	$ 41.5	$ 44.2
Outer Nutrition®	8.2	7.0
Literature, promotional and others	7.2	8.2
Total	$ 56.9	$ 59.4

4. Long-Term Debt

Long-term debt consists of the following:

	At December 31	
	2002	2003
	(dollars in millions)	
Senior subordinated notes	$ 163.0	$ 158.2
Borrowing under senior credit facility	135.0	119.8
Senior Notes	38.5	39.6
Discount—Senior note warrant	(1.7)	(1.6)
Capitalized leases	3.3	5.5
Other debt	2.7	3.8
	340.8	325.3
Less: current portion	19.2	72.4
	$ 321.6	$ 252.9

Interest expense was $0.4 million, $0.2 million, $25.2 million, and $41.2 million for the year ended December 31, 2001, the seven months ended July 31, 2002, the five months ended December 31, 2002, and the year ended December 31, 2003.

In connection with the Merger, the Company consummated certain related financing transactions, including the issuance by WH Acquisition on June 27, 2002 of $165.0 million of $11^{3}/_{4}$% Senior Subordinated Notes (the "Senior Subordinated Notes") issued at 98.716% of par, due July 15, 2010. Interest on the Senior Subordinated Notes is to be paid semi annually on January 15th and July 15th, of each year (the first payment of which was made on January 15, 2003). In connection with this financing, the Company incurred $25.1 million of debt issuance costs, which are being amortized, over the term of the debt using the effective interest rate method. During the third quarter of 2003, the Company repurchased $5 million principal value of Senior Subordinated Notes. The fair value of the Senior Subordinated Notes was $189.6 million and $165.0 million at December 31, 2003 and 2002, respectively.

In addition, the Company, as borrower, entered into a Credit Agreement dated as of July 31, 2002 with the guarantors party, the lenders party, Rabobank International, as documentation agent, General Electric Capital Corporation, as syndication agent, UBS Securities LLC (successor in interest to UBS Warburg LLC), as arranger, and UBS AG, Stamford Branch, as administrative agent, collateral agent and issuing bank (the "Credit Agreement"), which provides for a term loan amount of $180.0 million and a revolving credit facility in the amount of $25.0 million (collectively, the "Senior Credit Facility"). In conjunction with this financing, the Company incurred $16.7 million of debt issuance costs, which are being amortized over the term of the debt using the effective interest method. The revolving credit facility is available until July 31, 2007. The term loan and the revolving credit facility bear interest, at the option of the Company, at either the alternate base rate or the LIBOR rate plus in each case an applicable margin. The base rate applicable margin for the term loan is 3.00%, while the LIBOR rate applicable margin is 4.00%. As of December 31, 2003, no amounts had been borrowed under the revolving credit facility. As of December 31, 2003, the Company had selected the LIBOR rate alternative (three months) with the December 31, 2003 interest rate of 5.1%. The base rate applicable margin for the revolving credit facility is 2.75%, while the LIBOR rate applicable margin is 3.75%. In accordance with the terms of the Senior Credit Facility, on October 30, 2002, Herbalife purchased a three-year 5% LIBOR interest rate cap covering $34.4 million of the term loan.

Also, in connection with the Merger, the Company issued and sold $38.0 million principal amount of 15.5% Senior Notes ("Senior Notes"), due July 15, 2011. The Senior Notes accrue interest at the rate of 15.5% per annum. Interest is required to be paid on March 31, June 30, September 30, and December 31 in each year commencing September 30, 2002. In accordance with the terms of the Senior Notes, 12.5% per annum of the interest payable quarterly is to be paid in cash and 3.0% per annum of the interest payable quarterly is to be paid through the issuance of additional notes. The principal amount of the Senior Notes is required to be paid on July 15, 2011. From the net proceeds of the issuance of the Senior Notes, the Company established and deposited $12.5 million to a payment reserve account to provide payment when due of scheduled cash interest payments until March 31, 2005 and, in certain circumstances, other amounts due on the Senior Notes. All amounts deposited in the payment reserve account are pledged by the Company to The Bank of New York, as collateral agent for the benefit of the holders of the Senior Notes. The balance of the payment reserve account was $5.7 million at December 31, 2003, and it was reflected in the restricted cash balance on the balance sheet.

In connection with the sale of the Company's Senior Notes, the Company issued warrants for approximately 2.0 million preferred shares to the purchasers of the Senior Notes. Affiliates of Whitney hold warrants with the right to purchase 0.9 million preferred shares. The warrants may be exercised at any time at a price of $0.01 per share. The warrants also have customary protection against dilution. The Company allocated $1.8 million as capital surplus for the issuance of the warrants on July 31, 2002. The Senior Notes were discounted by the same amount and such discount will be amortized over the term of the Senior Notes.

The Senior Subordinated Notes and the Senior Credit Facility are guaranteed by the Guarantors (as defined in Note 15 herein). The Senior Credit Facility is also guaranteed by Holdings. The obligations under the Senior Credit Facility are secured by (i) first priority pledges of (A) all of the shares of the Guarantors and (B) 65% of the equity interests of the foreign subsidiaries of Herbalife that are not Guarantors other than HIIP Investment Co., LLC, Herbalife Foreign Sales Corporation, Importadora Y Distribuidora Herbalife International de Chile Limitada, Herbalife International Greece S.A., Herbalife Hungary Trading, Limited, PT Herbalife Indonesia, Herbalife International SBN, BHD, HBL International Maroc S.à.R.L., Herbalife International Products N.V., Herbalife International Holdings, Inc., Herbalife International, S.A., Herbalife Dominicana, S.A., and Herbalife Del Ecuador, S.A. and (ii) security interests in and liens on all accounts receivable, inventory and other property and assets of Holdings and the Guarantors (other than the escrow account for interest on the Senior Notes).

The Senior Subordinated Notes, the Senior Credit Facility and the Senior Notes include customary covenants that restrict, among other things, the ability to incur additional debt, pay dividends or make certain other restricted payments, incur liens, merge or sell all or substantially all of the assets, or enter into various transactions with affiliates. Additionally, the Senior Credit Facility includes covenants relating to the maintenance of certain leverage, fixed charge coverage, and interest coverage ratios.

In December 2002, the Company and its lenders amended the Credit Agreement. Under the terms of the amendment, the Company made a prepayment of $40.0 million on December 30, 2002. In connection with this prepayment, the lenders waived the December 31, 2002 and March 31, 2003 mandatory amortization payments of $7.5 million along with a mandatory 50% excess cash flow payment solely for the year ended December 31, 2002. The Company's debt agreement has a provision that requires the Company to make early payments to the extent of excess cash flow, as defined. In addition, Herbalife was allowed to pay certain monitoring fees to Whitney and Golden Gate that under the terms of the original Credit Agreement were to be accrued, but not paid, until the obligations under the Credit Agreement had been paid in full. The amortization of the principal payments was also modified so that Herbalife was obligated to pay approximately $2.2 million on June 30, 2003 and will pay $6.5 million in each subsequent quarter through March 31, 2008, with the final payment on June 30, 2008 being approximately $8.7 million. As of December 31, 2003, Herbalife anticipated a $40 million mandatory excess cash flow payment in the first quarter of 2004. Consequently, the future quarterly principal payments will be reduced. However, the Company may be obligated to make future excess cash flow payments as described above. In addition, Herbalife was granted the right to make prepayments, of up to $25 million in aggregate principal amount, on the Senior Subordinated Notes over the life of the Credit Agreement provided that Herbalife meets an agreed upon leverage ratio.

As of December 31, 2003, certain Whitney affiliated companies had provided funding for $5.1 million of the term loan under the Senior Credit Facility, $1.3 million of the Senior Subordinated Notes and held $17.3 million of the Senior Notes.

Annual scheduled payments of long-term debt are: $72.4 million (2004), $17.5 million (2005), $15.5 million (2006), $15.0 million (2007), $8.7 (2008), and $196.2 million (thereafter).

5. Lease obligations

The Company has warehouse, office, furniture, fixtures and equipment leases, which expire at various dates through 2011. Under the lease agreements, the Company is also obligated to pay property taxes, insurance, and maintenance costs.

Certain of the leases contain renewal options. Future minimum rental commitments for non-cancelable operating leases and capital leases at December 31, 2003 were as follows:

	Operating	Capital
	(in millions)	
2004	$ 12.6	$ 3.3
2005	9.4	1.9
2006	4.7	0.5
2007	1.4	—
2008	1.2	—
Thereafter	0.4	—
Total	$ 29.7	5.7
Less: amounts included above representing interest		0.2
Present value of net minimum lease payments		$ 5.5

Rental expense for 2001, the seven months ended July 31, 2002, the five month period ended December 31, 2002 and the year ended December 31, 2003 was $20.0 million, $11.6 million, $8.6 million, and $21.0 million, respectively.

Property under capital leases is included in property on the accompanying consolidated balance sheets as follows: (in millions)

	December 31	
	2002	2003
	(in millions)	
Equipment	$ 9.9	$ 10.2
Less: accumulated depreciation	(6.8)	(4.7)
Total	$ 3.1	$ 5.5

6. Employee compensation plans

The Company maintains a profit sharing plan pursuant to Sections 401 (a) and (k) of the Internal Revenue Code. The plan is available to substantially all employees who meet length of service

requirements. Employees may elect to contribute 2% to 17% of their compensation, and the Company will match 3% of the earnings of each employee who elects to defer 2% or more of his or her earnings. Participants are partially vested in the Company contributions after one year and fully vested after five years. The Company contributed $1.3 million, $0.8 million, $0.6 million, and $1.3 million for the year ended December 31, 2001, the seven months ended July 31, 2002, the five months ended December 31, 2002, and the year ended December 31, 2003, respectively.

The Company has two non-qualified, deferred compensation plans for select groups of management: the "Management Plan" and the "Senior Executive Plan." The deferred compensation plans allow eligible employees to elect annually to defer up to 50% of their base annual salary and up to 100% of their annual bonus for each calendar year (the "Annual Deferral Amount"). The Company makes matching contributions on behalf of each participant in the Senior Executive Plan. Effective for 2002, the Senior Executive Plan was amended to provide that the amount of the matching contributions is to be determined by the Company in its discretion. For 2003, the matching contribution was 3% of a participant's base salary.

Each participant in either of the two deferred compensation plans has at all times a fully vested and non-forfeitable interest in each year's contribution, including interest credited thereto, and in any Company matching contributions, if applicable. In connection with a participant's election to defer an Annual Deferral Amount, the participant may also elect to receive a short-term payout, equal to the Annual Deferral Amount plus interest. Such amount is payable in two or more years from the first day of the year in which the Annual Deferral Amount is actually deferred.

In July 2002, the Company adopted an additional deferred compensation plan, the ("Supplemental Plan"). The Supplemental Plan allows employees to participate, who are highly compensated and who are eligible to participate in the Change in Control Plan. The administrative committee that manages and administers the plans (the "Deferred Compensation Committee") allows eligible employees to defer up to 100% of their Change in Control Payments.

Each participant in the Supplemental Plan will be deemed to have invested in funds that provide a return equal to the short-term AFR, within the meaning of the code. The entire interest of each participant in the Supplemental Plan is always fully vested and non-forfeitable. In connection with a participant's election to defer the Change in Control Payment, the participant may also elect to receive a short-term payout, equal to the deferral amount plus earnings, which is payable two or more years from the first day of the year in which the deferral amount is actually deferred. Subject to the short-term payout provision and specified exceptions for unforeseeable financial emergencies, a participant may not withdraw, without incurring a ten percent (10%) withdrawal penalty, all or any portion of his or her account under the Supplemental Plan prior to the date that such participant either (1) is determined by the Deferred Compensation Committee to have incurred permanent and total disability of (2) dies or otherwise terminates employment with the Company.

The total deferred compensation expense of the three deferred compensation plans net of participant contributions was $3.9 million, $1.9 million, $1.3 million, and $1.0 million for 2001, seven months ended July 31, 2002, five months ended December 31, 2002, and the year ended December 31, 2003, respectively. The total long-term deferred compensation liability under the three deferred compensation plans was $22.4 million and $26.2 million at December 31, 2003 and 2002.

The Company has an Executive Retention Plan. The purpose of the Executive Retention Plan is to provide financial incentives for a select group of management and highly compensated employees of the Company to continue to provide services to the Company during the period immediately before and immediately after change in control, as defined.

As a result of certain actions by Herbalife's Board, the Merger was not deemed to be a Change in Control under the Executive Retention Plan. Thus, the consummation of the Merger did not result in the payment of any benefit pursuant to the Executive Retention Plan.

The Company also established an Executive Retention Trust to provide benefits under the Executive Retention Plan. The Executive Retention Trust is an irrevocable trust established with an institutional trustee. The Administrative Committee of the Executive Retention Plan will establish an individual account in the Executive Retention Trust for each participant in the Executive Retention Plan. Until the occurrence of a change in control, the Administrative Committee will control the investment of the assets in the Executive Retention Trust, and will determine the allocation of the assets of the Executive Retention Trust to the individual accounts of participants. Each participant who qualifies for a benefit under the Executive Retention Plan will receive a lump sum benefit equal to the dollar amount in his or her individual account in the Executive Retention Trust. The benefit shall be paid within 90 days after the participant qualifies for the benefit. If a participant's employment with the Company terminates before the participant qualifies for a benefit under the Executive Retention Plan, the participant's account in the Executive Retention Trust will revert to the Company. A participant's benefit under the Executive Retention Plan will be reduced if the amount would cause payment of federal excise tax.

The deferred compensation plans are unfunded and their benefits are paid from the general assets of the Company, except that the Company has contributed to a "rabbi trust" whose assets will be used to pay the benefits if the Company remains solvent, but can be reached by the Company's creditors if the Company becomes insolvent. The value of the assets in the "rabbi trust" was $18.5 million and $27.5 million as of December 31, 2003 and 2002, respectively. The Company has also contributed to the Executive Retention Trust, which is an irrevocable trust. This irrevocable trust's assets will be used to pay the benefits of the Executive Retention Plan and are not intended to be reachable by the Company's creditors. The value of the assets in the irrevocable trust was $2.8 million and $4.5 million as of December 31, 2003 and 2002, respectively.

The Company had two Change in Control Plans for Senior Management, a Change in Control Plan and a Management Employee Change in Control Plan. Pursuant to the agreements in place prior to the signing of the Merger Agreement, upon consummation of the Merger, certain of the Company's executives received change in control payments (after making necessary adjustments for purposes of Section 280G and 4999 of the Code) of $7.6 million. Pursuant to the Herbalife Management Employee Change in Control Plan, which was in place prior to signing of the Merger Agreement, eligible employees that within one year after the occurrence of a Change in Control were involuntarily terminated by the Company would be entitled to receive one year of their base compensation. The agreement expired on July 31, 2003. As a result of the Merger, the Change in Control Payments were made and expensed in July 2002.

7. Retirement plan

The Company had a nonqualified, non-contributory Supplemental Executive Retirement Plan ("SERP") providing retirement benefits for a select group of management and highly compensated employees. The normal retirement benefit under the SERP is 60 quarterly installment payments commencing at age 65, each of which equals one-quarter of 2% of "compensation" times the number of years of participation up to 20 years. A participant becomes fully vested in his or her interest in the SERP on his or her normal or early retirement date, death, or disability, or on a change in control of the Company. If a participant's employment is terminated for cause, the Company has the discretion to reduce his or her vested benefit to zero. In all other cases, a participant's vested interest is zero until he or she has completed five years of participation, and gradually increases to 100% when he or she has completed nine years of participation. The Plan Administrator has the discretion to credit a participant with additional years of participation as of his or her date of hire or commencement of participation in the SERP. The SERP was completely curtailed effective December 31, 2002. At December 31, 2002 the liability to SERP participants was $5.9 million and participants either received a cash payment in the first quarter of 2003 or a rollover to the Company's deferred compensation plan on January 1, 2003. The following table shows the net periodic pension cost and other data about the SERP:

	2002
	(in millions)
Change in benefit obligation	
Benefit obligation at beginning of year	$ 11.4
Service cost	1.4
Interest cost	0.7
Amendments	(3.1)
Actuarial (gain) loss	(3.1)
Benefits paid	(1.4)
Benefit obligation at end of year	$ 5.9
Funded status	$ (5.9)
Unrecognized actuarial loss	—
Unrecognized prior service cost	—
Net amount recognized	$ (5.9)
Amounts recognized in the consolidated balance sheets	
Consists of:	
Accrued benefit liability	$ (5.9)
Intangible asset	—
Net amount recognized	$ (5.9)
Weighted-average assumptions as of December 31	
Discount rate	N/A
Rate of compensation increase	N/A

	2001	2002
Components of net periodic benefit cost		
Service cost	$ 1.4	$ 1.4
Interest cost	0.7	0.7
Amortization of prior service cost	0.5	0.5
Net periodic pension cost	2.6	$ 2.6

8. Transactions with related parties

The Company has entered into agreements with Whitney and Golden Gate to pay monitoring fees for their services and other fees and expenses. Under the monitoring fee agreements, the Company is obligated to pay an annual amount of up to $5.0 million, but not less than $2.5 million for an initial period of ten years subject to the provisions in the Credit Agreement as amended. For the period August 1 to December 31, 2002 and for the year ended December 31, 2003, the Company expensed monitoring fees in the amount of $2.1 million and $5.0 million and other expenses of $0.1 million and $3.4 million, respectively. In addition, in connection with the Merger, the Company paid Whitney and Golden Gate $24.1 million in fees, which have been classified in the balance sheet as deferred financing costs and are being amortized.

Selected members of the Company's distributor organization and senior management have purchased, either from Holdings or from the Equity Sponsors, 12% Series A Cumulative Convertible Preferred Shares of Holdings. The price paid by participating members of the Company's distributor organization and senior management to the Equity Sponsors in the August and October 31, 2002 offering was $1.76 per share. The January 31, 2003 offering to members of the Company's President's Team by the Equity Sponsors was $1.97 per share. In connection with the May 20, 2003 offering by the Equity Club, the price paid by members of the Company's President's Team to the Equity Sponsors and by members of the Company's Chairman's Club to Holdings was $2.21 per share. Michael O. Johnson, the Company's Chief Executive Officer, purchased from Holdings 203,620 shares on June 24, 2003. The price paid by Mr. Johnson was the same price paid by members of the Company's distributor organization in the May 20, 2003 offering.

Francis Tirelli, the Company's former Chief Executive Officer, entered into a separation and general release agreement with the Company, effective on December 24, 2002. The preferred shares previously owned by Mr. Tirelli were purchased by certain existing shareholders and in connection therewith, an advance of $0.5 million was made by the Company's subsidiary, Herbalife International of America, Inc., to those shareholders. As of December 31, 2003 $0.3 million is outstanding.

In June 2003, Holdings entered into a subscription agreement with its Chief Executive Officer, Michael Johnson, pursuant to which Holdings has issued 0.2 million newly issued preferred shares at a price of $2.21 per share. The price paid by Mr. Johnson was the same price paid by members of the Company's distributors in a May 2003 offering. In addition, Mr. Johnson was granted options to purchase 5.9 million common shares in five tranches consisting of approximately 1.2 million shares each. The purchase price per share for each separate tranche is $0.44, $1.76, $5.28, $8.80, and $12.32, respectively. The Company has certain repurchase rights with respect to shares acquired upon exercise of these options, as further detailed in Note 10, except that the repurchase rights with respect to shares

which can be repurchased at the lower of the exercise price or the fair value of the shares lapse on the earlier of the fifth anniversary of the date of grant or on initial public offering of the Company.

9. Contingencies

The Company is from time to time engaged in routine litigation. The Company regularly reviews all pending litigation matters in which it is involved and establishes reserves deemed appropriate by management for these litigation matters when a probable loss estimate can be made.

Herbalife is a defendant in a purported class action lawsuit pending in the U.S. District Court of California (*Jacobs v. Herbalife International, Inc., et. Al*) originally filed on February 19, 2002 challenging marketing practices of several distributors and Herbalife under various state and federal laws. As a result of recent rulings by the Court, only claims filed under federal securities law remain. The Company understands that the plaintiffs have refilled certain state law claims in the Superior Court of the State of California, County of San Francisco. The Company has not been served with a complaint. The parties are in discussion regarding a possible settlement but no binding settlement agreement has yet been reached.

Herbalife and certain of its distributors have been named as defendants in a purported class action lawsuit filed July 16, 2003 in the Circuit Court of Ohio County in the State of Virginia (*Mey v. Herbalife International, Inc., et al*). Herbalife removed the lawsuit to federal court and the plaintiff sought to remand the lawsuit to state court. The plaintiff's motion was denied. The complaint alleges that certain telemarketing practices of certain Herbalife distributors violate the Telephone Consumer Protection Act and seek to hold Herbalife liable for the practices of its distributors. The Company believes that it has meritorious defenses to the suit.

As a marketer of dietary and nutritional supplements and other products that are ingested by consumers or applied to their bodies, the Company has been subjected to various product liability claims. The effects of these claims to date have not been material to the Company, and the reasonably possible range of exposure on currently existing claims is not material. The Company believes that it has meritorious defenses to the allegations contained in the lawsuits. The Company currently maintains product liability insurance with an annual deductible of $10.0 million.

Certain of the Company's subsidiaries have been subject to tax audits by governmental authorities in their respective countries. In certain of these tax audits, governmental authorities are proposing that significant amounts of additional taxes and related interest and penalties are due. The Company and its tax advisors believe that there are substantial defenses to their allegations that additional taxes are owing, and the Company is vigorously contesting the additional proposed taxes and related charges. These matters may take several years to resolve, and the Company cannot be sure of their ultimate resolution. However, it is the opinion of management that adverse outcomes, if any, will not likely result in a material effect on our financial condition and operating results.

10. Shareholders' equity

The Company had authorized 103 million preferred shares at $0.001 par value. The Company increased the number of authorized preferred shares from 103 million to 106 million on July 31, 2003. On July 31, 2002, 100 million preferred shares were issued for $176 million in a private placement offering. On May 30, 2003, an additional 1.8 million preferred shares were sold for $4 million in a

private placement offering. On August 27, an additional 0.2 million preferred shares were sold to the Company's Chief Executive Officer, Michael Johnson, pursuant to a subscription agreement entered into in June, 2003. The preferred shares have dividend provisions and liquidation preference over the common shares. The preferred shares also have redemption rights.

Preferred shares are entitled to receive cash dividends, at a rate per annum equal to 12% of the original issue price. Unpaid dividends will compound on a quarterly basis. All dividends are cumulative from the accrual date, whether or not earned or declared. Upon automatic redemption of the preferred shares, accrued and unpaid dividends shall be paid by the Company, at the election of the Company, in cash or in common shares. Payment of dividends is subject to restrictions imposed by the debt documents. The total undeclared and unpaid accumulative dividend on preferred shares was $32.8 million and $9.0 million on December 31, 2003 and 2002, respectively.

Upon any liquidation, dissolution or winding-up of the Company, each holder of preferred shares will have the right to receive for each preferred share (i) before any distribution or payment to the holder of common shares, the amount equal to the original issue price, plus any accrued and unpaid dividends thereon plus (ii) the amount the holder would have received with respect to such holder's common shares assuming that the preferred shares had been converted into common shares immediately prior to such winding up.

Preferred shares shall automatically convert on the earlier of (x) an initial public offering of the Company and (y) a sale, merger or other change of control event into a unit consisting of (i) the right to receive cash equal to the original issue price per preferred share and (ii) one share of common per preferred share subject to some adjustments.

The terms of the preferred shares contain anti-dilution adjustments for structural events such as stock splits, dividends, combinations, subdivisions, and reclassifications.

The Shareholders' Agreement (to which all shareholders are party) gives the Company and the equity sponsors the right to repurchase shares from employees and distributors of the Company in certain circumstances which include the dismissal, death or retirement of an employee or distributor. The price at which preferred shares may be repurchased is the greater of formula price or cost for a termination without cause, or the lesser of formula price or cost for a termination for cause. The price at which common shares may be repurchased is the greater of current market price or cost for a termination without cause, or the lesser of current market price of cost for a termination for cause.

The Company has entered into arrangements with its stockholders and the holders of its Senior Notes that grant such holders pre-emptive rights, protection from dilution, and certain negative covenants. These arrangements may restrict the ability of the Company to issue additional equity.

WH Holdings (Cayman Islands) Ltd. Stock Option Plan ("Management Plan"). Holdings has established a stock option plan that provides for the grant of options to purchase common shares of WH Holdings (Cayman Islands) Ltd. to members of management of Herbalife. The option plan is administered by a committee appointed by the Board of Holdings. Upon conversion of the options into common shares of Holdings, members of management of Herbalife will be required to enter into a shareholders' agreement and a registration rights agreement with Holdings.

WH Holdings (Cayman Islands) Ltd. Independent Directors Stock Option Plan ("Independent Directors Plan"). Holdings has established an independent directors stock option plan that provides for the grant of options to purchase common shares of Holdings to independent directors of Holdings. One million shares have been reserved for grant under this plan.

Approximately 15.5% of the share capital at the time of the Merger or 18.7 million shares of Holdings' are available for grants under the two plans. As of December 31, 2003, the Company had granted approximately 17.7 million stock options, of which 0.8 million were under the Independent Directors Plan.

The Management Plan and the Independent Directors Plan (collectively, the "Plans") call for options to be granted with exercise prices not less than the fair value of the underlying shares on the date of grant. Options under the Plans vest and become exercisable in quarterly 5% increments unless provided otherwise by the applicable grant agreement. Options granted under the plans have a contractual life of 10 years and shares issued on exercise are subject to certain repurchase provisions following a termination in employment or directorship.

On November 6, 2003, the Board of the Company approved an amendment to its stock option plan under the WH Holdings (Cayman Islands) Ltd. Stock Incentive Plan with certain senior management employees ("Senior Plan"). Under the previous terms, the Company determined that the options did not substantively vest since they could be repurchased by the Company at the lower of fair market value or exercise price. Accordingly, the Company concluded that there would not be a measurement date until a liquidity event occurred when the Company's repurchase right would expire for GAAP purposes under the plan and no compensation expense was recognized. The Company has also concluded that the amendments result in a fixed plan with a measurement date as of November 6, 2003. Based on the estimated fair value of the Company's common shares, the Company believes the fair value of the common shares issuable upon exercise of the options exceeded the exercise price per share for the options on this date and recorded a compensation charge to account for the indicated intrinsic value. The total intrinsic value and the related compensation expense is $9.4 million which will be recognized over a 7-year period following the date of grant, beginning with $1.2 million in the fourth quarter of 2003, representing the portion of the options that have already vested, and $1.3 million per year until fully expensed.

Under the Management Plan, upon termination of employment, excluding senior executives, Holdings and the institutional shareholders will have the right to repurchase the shares acquired upon the exercise of options within a specified period at a price not less than (a) the fair market value at the time of termination or (b) the exercise price, however, the right to repurchase at the exercise price shall lapse at the rate of 20% per annum. Upon termination of a senior executive, Holdings and the institutional shareholders have the right to repurchase the shares if such termination (i) was voluntary, due to resignation or for cause (A) before the seventh anniversary of the option grant, at an amount

equal to the lesser of: (a) the fair market value at the time of repurchase or (b) after the seventh anniversary of the option grant, at an amount equal to the fair market value at the time of repurchasing; or (ii) was involuntary without cause or because of death, retirement or disability at an amount equal to the greater of: (a) the fair market value at the time of such termination; or (b) the exercise price.

Under the Independent Directors Plan, upon termination of an Independent Director, Holdings and the institutional shareholders have the right to repurchase the shares if such termination (i) was voluntary, due to resignation or for cause at an amount equal to the lesser of: (a) the fair market value at the time of such termination; or (b) the exercise price; (ii) was involuntary without cause or because of death, retirement or disability at an amount equal to the greater of: (a) the fair market value at the time of such termination; or (b) the exercise price.

Option groups outstanding at December 31, 2001, July 31, 2002, December 31, 2002, December 31, 2003 and related option information is as follows:

	WH Holdings common shares	
2003 (successor)	**Options**	**Weighted average exercise price**
	(in millions)	
Outstanding at January 1, 2003	6.7	$ 1.18
Granted	12.1	4.08
Exercised	—	—
Cancelled	(1.1)	1.15
Outstanding at December 31	17.7	$ 3.17
Available for grant at December 31	1.0	
Total reserved shares	18.7	
Exercisable at December 31	2.5	$ 1.14
Option prices per share		
Granted	$0.44 - $12.32	
Exercised	—	
Weighted average fair value of options granted during the year	$0.24	

2002 (successor)	WH Holdings common shares	
	Options	Weighted average exercise price
	(in millions)	
Granted	6.7	$ 1.18
Exercised	—	—
Canceled	—	—
Outstanding at December 31	6.7	$ 1.18
Available for grant at December 31	12.0	
Total reserved shares	18.7	
Exercisable at December 31	0.3	$ 1.19
Option prices per share		
Granted	$0.44 - $1.76	
Exercised	—	
Weighted average fair value of options granted during the year	$0.03	

2002 (predecessor)	Class A stock		Class B stock	
	Options	Weighted average exercise price	Options	Weighted average exercise price
	(in millions)		(in millions)	
Outstanding at January 1	0.9	$ 7.88	3.8	$ 7.33
Granted	—	—	—	—
Exercised	(0.3)	7.90	(1.1)	6.85
Canceled	—	—	—	—
Converted	(0.6)	7.86	(2.7)	7.54
Outstanding at July 31	—	$ —	—	$ —
Available for grant at July 31	—		—	
Total reserved shares	—		—	
Exercisable at July 31	—	$ —	—	$ —
Option prices per share				
Granted	—		—	
Exercised	$7.38 - $8.00		$ 6.63	
Weighted average fair value of options granted during the year	—		—	

2001 (predecessor)	Class A stock		Class B stock	
	Options	Weighted average exercise price	Options	Weighted average exercise price
	(in millions)		(in millions)	
Outstanding at January 1	2.0	$ 7.89	4.6	$ 6.67
Granted	—	—	0.5	11.30
Exercised	(1.1)	7.89	(1.3)	6.52
Canceled	—	—	—	—
Outstanding at December 31	0.9	$ 7.88	3.8	$ 7.33
Available for grant at December 31	0.1		0.2	
Total reserved shares	1.0		4.0	
Exercisable at December 31	0.9	$ 7.87	2.7	$ 6.75
Option prices per share				
Granted	—		$ 11.30	
Exercised	$7.38 - $8.00		$ 6.63 - $ 8.63	
Weighted average fair value of options granted during the year	—		$ 3.14	

The fair value of the stock options granted during the periods presented was determined using the Black-Scholes option pricing model and the following weighted average assumptions:

	2001		2002			2003
	Year ended December 31		January 1 to July 31		August 1 to December 31	Year ended December 31
	(Predecessor)		(Predecessor)		(Successor)	(Successor)
	Class A	Class B	Class A	Class B	Common	Common
Risk free interest rate	N/A	2.92%	N/A	N/A	3.20%	3.00%
Expected option life	N/A	3.0 years	N/A	N/A	5.0 years	5.0 years
Volatility	N/A	56.67%	N/A	N/A	0.00%	0.00%
Dividend yield	N/A	6.50%	N/A	N/A	0.00%	0.00%

The following table summarizes information regarding option groups outstanding at December 31, 2003:

Range of Exercise Price	Options outstanding	Weighted average remaining contractual life	Weighted average exercise price	Options exercisable	Weighted average exercise price
	(in millions)			(in millions)	
$0.44	6.1	9.1	$ 0.44	1.3	$ 0.44
$1.76	5.7	9.0	$ 1.76	1.1	$ 1.76
$2.50 - $11.50	4.6	9.4	$ 6.03	0.1	$ 2.82
$12.32	1.3	9.3	$ 12.32	—	—

11. Segment Information

The Company is a network marketing company that sells a wide range of weight management products, nutritional supplements and personal care products within one industry segment as defined under SFAS 131, "Disclosures about Segments of an Enterprise and Related Information." The Company's products are manufactured by third party providers and then sold to independent distributors who sell Herbalife products to retail consumers or other distributors.

The Company has operations throughout the world and is organized and managed by geographic area. In the first quarter of 2003, the Company elected to aggregate its operating segments into one reporting segment, except U.S. and Japan, as management believes that the operating segments have similar operating characteristics and similar long term operating performance. In making this determination, management believes that the operating segments are similar in the nature of the products sold, the product acquisition process, the types of customers sold to, the methods used to distribute the products, and the nature of the regulatory environment. However, the Company does recognize revenue from sales to distributors in four geographic regions: The Americas, Europe, Asia/Pacific Rim, and Japan.

"Net sales" represents product sales including handling and freight income. The Company receives its net sales price in cash or through credit card payments upon receipt of orders from distributors.

	2001	2002		2003
	Year ended December 31	January 1 to July 31	August 1 to December 31	Year ended December 31
	(Predecessor)	(Predecessor)	(Successor)	(Successor)
	(in millions)			
Net Sales:				
United States	$ 278.8	$ 189.1	$ 117.3	$ 274.9
Japan	178.1	84.0	57.1	119.3
Others	563.2	371.1	275.1	765.2
Total Net Sales	$ 1,020.1	$ 644.2	$ 449.5	$ 1,159.4
Operating Margin:				
United States	$ 111.9	$ 79.5	$ 47.0	$ 116.7
Japan	86.3	39.5	27.9	56.5
Others	225.2	157.4	119.7	335.1
Total Operating Margin	$ 423.4	$ 276.4	$ 194.6	$ 508.3
Marketing, distribution and administrative expense*	$ 354.6	$ 207.4	$ 135.5	$ 401.3
Merger transaction expense	—	54.7	6.2	—
Interest expense (income), net	(3.4)	(1.4)	23.9	41.5
Income before income taxes and minority interest	72.2	15.7	29.0	65.5
Income taxes	28.9	6.3	15.0	28.7
Minority Interest	0.7	0.2	—	—
Net Income	$ 42.6	$ 9.2	$ 14.0	$ 36.8
Net sales by product line:				
Weight management	$ 421.9	$ 274.4	$ 191.2	$ 500.1
Inner nutrition	443.7	280.7	195.6	505.1
Outer Nutrition®	106.2	64.3	44.4	105.7
Literature, promotional and other	48.3	24.8	18.3	48.5
Total Net Sales	$ 1,020.1	$ 644.2	$ 449.5	$ 1,159.4
Net sales by geographic region:				
Americas	$ 386.9	$ 257.6	$ 166.7	$ 424.4
Europe	283.1	193.7	149.0	448.2
Asia/Pacific Rim	172.0	108.8	76.7	167.5
Japan	178.1	84.1	57.1	119.3
Total Net Sales	$ 1,020.1	$ 644.2	$ 449.5	$ 1,159.4
Capital Expenditures:				
United States	$ 11.5	$ 5.4	$ 2.6	$ 17.3
Japan	0.4	0.1	0.1	0.2
Others	2.9	1.3	0.9	2.9
Total Capital Expenditures	$ 14.8	$ 6.8	$ 3.6	$ 20.4

* 2003 includes $9.1 million of litigation cost and related expenses

	December 31,	
	2002	2003
	(Successor)	(Successor)
Total Assets:		
United States	$ 566.8	$ 601.0
Japan	104.8	62.9
Others	184.1	240.1
Total Assets	$ 855.7	$ 904.0
Goodwill:		
United States	$ 88.4	$ 46.0
Japan	55.5	22.7
Others	67.2	98.8
Total Goodwill	$ 211.1	$ 167.5

12. Derivative Instruments and Hedging Activities

The Company designates certain derivatives as fair value hedges. For all qualifying and highly effective fair value hedges, the changes in the fair value of a derivative and the gain or loss on the hedged asset or liability relating to the risk being hedged are recorded currently in earnings. These amounts are recorded in marketing, distribution, and administrative expenses and provide offsets to one another.

The Company designates certain derivatives as cash flow hedges. The Company engages in a foreign exchange hedging strategy for which the hedged transactions are forecasted foreign currency denominated intercompany transactions. The hedged risk is the variability of the foreign currency where the hedging strategy involves the purchase and sale of average rate options. For the outstanding cash flow hedges on foreign exchange exposures at December 31, 2003, the maximum length of time over which the Company is hedging these exposures is 12 months. The Company also engages in an interest rate hedging strategy for which the hedged transactions are forecasted interest payments on the variable rate term loan. The hedged risk is the variability of interest rate where the hedging strategy involves the purchase of interest rate caps. For all qualifying and highly effective cash flow hedges, the changes in the effective portion of the fair value of the derivative are recorded in other comprehensive income ("OCI"). The ineffective portion of the hedges, which was not material for any periods presented, is recognized in income currently. At December 31, 2003, the net loss in OCI was $1,392,000. Substantially, all OCI amounts will be reclassified to earnings within 12 months.

The Company designates certain derivatives as free standing derivatives for which hedge accounting does not apply. The changes in the fair market value of the derivatives are recorded in the Company's statement of income. The Company purchases average rate put options, which give the Company the right, but not the obligation, to sell foreign currency at a specified exchange rate ("strike rate"). These contracts provide protection in the event the foreign currency weakens beyond the option strike rate. In some instances, the Company sells (writes) foreign currency call options to finance the purchase of put options, which gives the counterparty the right, but not the obligation, to buy foreign currency from the Company at a specified strike rate. These contracts serve to limit the benefit the Company would otherwise derive from strengthening of the foreign currency beyond the strike rate. Such written call options are only entered into contemporaneously with purchased put options. The fair value of option contracts is based on third-party bank quotes.

The following table provides information about the details of the Company's option contracts. Certain option contracts were designated as cash flow hedges or fair value hedges. Certain option contracts were freestanding derivatives.

Foreign Currency	Coverage	Average strike price	Fair value	Maturity date
	(in millions)		(in millions)	
At December 31, 2003				
Purchase Puts (Company may sell yen/buy USD)				
Japanese yen	$ 6.0	107.75 - 107.97	$ —	Jan - Mar 2004
Japanese yen	6.0	107.39 - 107.62	0.1	Apr - Jun 2004
Japanese yen	6.0	106.95 - 107.25	0.2	Jul - Sep 2004
Japanese yen	6.0	106.43 - 106.80	0.2	Oct - Dec 2004
	$ 24.0		$ 0.5	
Written Calls (Counterparty may buy yen/sell USD)				
Japanese yen	$ 6.0	102.00	$ —	Jan - Mar 2004
Japanese yen	6.0	102.00	—	Apr - Jun 2004
Japanese yen	6.0	102.00	(0.1)	Jul - Sep 2004
Japanese yen	6.0	102.00	(0.1)	Oct - Dec 2004
	$ 24.0		$ (0.2)	
Purchase Puts (Company may sell euro/buy USD)				
Euro	$ 9.4	1.1635 - 1.1910	$ —	Jan - Mar 2004
Euro	9.4	1.1588 - 1.1881	0.1	Apr - Jun 2004
Euro	5.7	1.1564 - 1.1579	—	Jul - Sep 2004
Euro	5.7	1.150 - 1.1558	0.1	Oct - Dec 2004
	$ 30.2		$ 0.2	
Written Calls (Counterparty may buy euro/sell USD)				
Euro	$ 5.7	1.21	$ (0.2)	Jan - Mar 2004
Euro	5.7	1.21	(0.3)	Apr - Jun 2004
Euro	5.7	1.21	(0.3)	Jul - Sep 2004
Euro	5.7	1.21	(0.3)	Oct - Dec 2004
	$ 22.8		$ (1.1)	
At December 31, 2002				
Purchase Puts (Company may sell yen/buy USD)				
Japanese yen	$ 6.0	118.43 - 119.68	$ 0.1	Jan - Mar 2003
Japanese yen	6.0	118.03 - 119.30	0.1	Apr - Jun 2003
	$ 12.0		$ 0.2	
Purchase Puts (Company may sell euro/buy USD)				
Euro	$ 9.0	1.0155 - 1.0300	$ —	Jan - Mar 2003
Euro	9.0	1.0155 - 1.0300	$ 0.2	Apr - Jun 2003
	$ 18.0		$ 0.2	

Foreign exchange forward contracts are also used to hedge advances between subsidiaries and bank loans denominated in currencies other than their local currency. The objective of these contracts is to neutralize the impact of foreign currency movements on the subsidiary's operating results. The fair value of forward contracts is based on third-party bank quotes.

The table below describes the forward contracts that were outstanding. All forward contracts were freestanding derivatives.

Foreign currency	Contract date	Forward position	Maturity date	Contract rate	Fair value
		(in millions)			(in millions)
At December 31, 2003					
Buy TWD Sell EURO	12/02/2003	$ 2.6	1/5/2004	41.1200	$ 2.5
Buy CAD Sell EURO	12/02/2003	$ 1.2	1/5/2004	1.5682	$ 1.2
Buy DKK Sell EURO	12/02/2003	$ 0.8	1/5/2004	7.4410	$ 0.8
Buy SEK Sell EURO	12/02/2003	$ 0.8	1/5/2004	9.0145	$ 0.8
Buy AUD Sell EURO	12/02/2003	$ 1.1	1/5/2004	1.6552	$ 1.1
Buy AUD Sell EURO	12/19/2003	$ 1.5	1/5/2004	1.6810	$ 1.5
Buy GBP Sell USD	12/19/2003	$ 3.2	1/23/2004	1.7636	$ 3.2
Buy SEK Sell USD	12/19/2003	$ 1.6	1/23/2004	7.3270	$ 1.7
Buy JPY Sell USD	12/19/2003	$ 14.0	1/23/2004	107.7050	$ 14.1
Buy EURO Sell USD	12/19/2003	$ 1.0	1/23/2004	1.2381	$ 1.0
At December 31, 2002					
Buy USD Sell Mexican Peso	12/03/2002	$ 10.6	1/06/2003	10.21	$ 10.8
Buy USD Sell Brazilian Real	12/12/2002	$ 1.0	1/16/2003	3.74	$ 0.9

All foreign subsidiaries excluding those operating in hyper-inflationary environments designate their local currencies as their functional currency. At year end, the total amount of cash held by foreign subsidiaries primarily in Japan and Korea was $63.4 million of which $3.7 million was maintained or invested in U.S. dollars.

The interest rate cap is used to hedge the interest rate exposure on the term loan which has a variable interest rate. They provide protection in the event the LIBOR rates increase beyond the cap rate. The table below describes the interest rate cap that was outstanding. Interest rate caps were designated as cash flow hedges.

Interest rate	Notional amount	Cap rate	Fair value	Maturity date
	(in millions)		(in millions)	
At December 31, 2003				
Interest Rate Cap	$ 34.4	5%	$ —	10/31/2005
At December 31, 2002				
Interest Rate Cap	$ 43.8	5%	$ 0.1	10/31/2005

13. Income Taxes

The components of income before income taxes are:

	2001	2002	2002	2003
	Year ended December 31,	January 1 to July 31,	August 1 to December 31,	Year ended December 31,
	(predecessor)	(predecessor)	(successor)	(successor)
	(in millions)			
Domestic	$ 50.0	$ 3.5	$ 8.4	$ 14.8
Foreign	22.2	12.2	20.6	50.7
	$ 72.2	$ 15.7	$ 29.0	$ 65.5

Income taxes are as follows:

	2001	2002	2002	2003
	Year ended December 31, (predecessor)	January 1 to July 31, (predecessor)	August 1 to December 31, (successor)	Year ended December 31, (successor)
	(in millions)			
Current:				
Foreign	$ 17.7	$ 7.3	$ 17.7	$ 24.7
Federal	12.0	(1.9)	(4.5)	14.5
State	2.1	0.4	0.7	1.7
Deferred:				
Foreign	3.7	(0.5)	(1.4)	(4.3)
Federal	(6.5)	1.1	2.7	(8.2)
State	(0.1)	(0.1)	(0.2)	0.3
	$ 28.9	$ 6.3	$ 15.0	$ 28.7

The tax effects of temporary differences which gave rise to deferred income tax assets and liabilities are as follows:

	Year ended December 31	
	2002	2003
Deferred income tax assets:		
Accruals not currently deductible	$ 13.5	$ 17.4
Accrued foreign withholding tax on unremitted earnings	2.8	2.8
Foreign tax credits and tax loss carryforwards of certain foreign subsidiaries	24.8	43.9
Depreciation/amortization	0.7	0.1
Deferred compensation plan	13.1	9.1
Accrued state income taxes	—	0.6
Accrued vacation	1.6	1.4
Unrealized foreign exchange	6.2	4.7
Other	1.6	3.2
Gross deferred income tax assets	$ 64.3	$ 83.2
Less: valuation allowance	(20.1)	(42.5)
Net deferred income tax assets	44.2	40.7
Deferred income tax liabilities:		
Intangible assets	$ 126.3	$ 140.2
Inventory deductibles	1.9	3.3
	$ 128.2	143.5
Net	$ (84.0)	$ (102.8)

At December 31, 2003, the Company's deferred income tax asset for U.S. foreign tax credits of $43.6 million and net operating loss carryforwards of certain foreign subsidiaries of $3.1 million was reduced by a valuation allowance of $42.5 million. The valuation allowance includes an increase during 2003 of $14.7 million attributable to U.S. foreign tax credits applicable to periods prior to the Merger, therefore this amount has not affected the 2003 income statement. If tax benefits are recognized in the future through reduction of the valuation allowance, $32.9 million of such benefits will be allocated to reduce goodwill.

During 2002, the Company recorded a deferred income tax liability in connection with identified intangible assets recorded in the acquisition of the Company. During 2003, in connection with the revaluation of these assets, the associated deferred income tax liability was increased by $28.3 million.

During 2003, the Company recorded a deferred tax liability of $2.7 million in connection with the recording of other comprehensive income for the year related to currency translation. The total deferred tax liability at December 31, 2003 relating to accumulated comprehensive income was $2.3 million.

The net operating loss carryforwards expire in varying amounts between 2004 and 2012. The foreign tax credit carryforwards expire in varying amounts between 2005 and 2008. Realization of the income tax carryforwards is dependent on generating sufficient taxable income prior to expiration of the carryforwards. Although realization is not assured, management believes it is more likely than not that the net carrying value of the income tax carryforwards will be realized. The amount of the income tax carryforwards that is considered realizable, however, could be reduced if estimates of future taxable income during the carryforward period are reduced.

Deferred income taxes of $2.8 million have been provided on the undistributed earnings of non-U.S. subsidiaries that are not expected to be permanently reinvested in such subsidiaries.

The tax expense differs from the "expected" income tax expense by applying the United States statutory rate of 35% as follows:

	Year ended December 31, 2001	January 1 to July 31, 2002	August 1 to December 31, 2002	Year ended December 31, 2003
	(predecessor)	(predecessor)	(successor)	(successor)
	(in millions)			
Tax expense at United States statutory rate	$ 25.3	$ 5.5	$ 10.1	$ 22.9
Increase (decrease) in tax resulting from:				
Differences between U.S. and foreign tax rates on foreign income, including withholding taxes	7.1	1.8	7.4	3.9
U.S. tax (benefit) on foreign income and foreign tax credits	(7.9)	(1.6)	(5.4)	(6.3)
Increase (decrease) in valuation allowances	2.3	0.1	1.7	7.7
State taxes, net of federal benefit	1.2	0.4	0.8	1.3
Other	0.9	0.1	0.4	(0.8)
Total	$ 28.9	$ 6.3	$ 15.0	$ 28.7

The U.S. tax benefit on foreign income and foreign tax credits shown above resulted in increases to the deferred tax asset for foreign tax credit carryovers and the valuation allowance. The valuation allowance for deferred tax assets applicable to periods prior to the Merger was also adjusted, as discussed above.

14. Restructuring Reserve

As of the date of the Merger, the Company began to assess and formulate a plan to reduce costs of the business and recorded a severance and restructuring accrual as part of the cost of the Merger. The accrued severance is for employees including executives, corporate functions, and administrative support that were indentified at the time of the Merger. Actions required by the plan of termination began immediately after consummation of the transaction. The remaining balance of the restructuring reserve at December 31, 2003 of $2.5 million represents scheduled severance payments for employees.

The following table summarizes the activity in the Company's restructuring accrual subsequent to July 31, 2002:

	(in millions)
Accrual made as of July 31, 2002	$ 10.2
Additional accrual	3.0
Payments made	(10.7)
Balance at December 31, 2003	$ 2.5

15. Supplemental Information

The consolidated financial statement data, as of December 31, 2003 and 2002, for the year ended December 31, 2003 and for the period from inception to December 31, 2002 has been aggregated by entities that guarantee the Senior Subordinated Notes (the "Guarantors") and entities that do not guarantee the Senior Subordinated Notes (the "Non-Guarantors"). The Guarantors include WH Intermediate, Lux Holdings, Lux Intermediate, Lux CM (collectively, the "Parent Guarantors") and Herbalife's operating subsidiaries in Brazil, Finland, Israel, Japan, Mexico, United Kingdom, U.S. (other than Herbalife Investment Co., LLC), Sweden, Taiwan and Thailand (collectively, the "Subsidiary Guarantors"). All other subsidiaries are Non-Guarantors.

Consolidating condensed statements of income for year ended December 31, 2003 and the periods from January 1 to July 31, 2002, August 1 to December 31, 2002, and the year ended December 31, 2001 are summarized as follows: (in millions)

	Year Ended December 31, 2003						
(Successor)	Herbalife International, Inc.	Parent guarantors	Subsidiary guarantors	WH Holdings (Cayman Islands) Ltd. non-guarantor	Non-guarantors	Eliminations	Total consolidated
Net sales	$ —	$ 126.4	$ 916.8	$ —	$ 273.2	$ (157.0)	$ 1,159.4
Cost of sales	—	25.2	232.1	—	134.6	(156.1)	235.8
Royalty overrides	—	4.1	249.2	—	162.1	—	415.4
Marketing, distribution & administrative expenses	40.3	6.0	272.7	0.4	81.8	—	401.2
Equity in subsidiary (income) loss	(76.6)	(42.9)	(2.1)	(43.6)	—	165.2	—
Interest expense—net	34.9	0.2	(0.1)	6.4	0.1	—	41.5
Intercompany charges	(25.1)	90.2	67.2	—	(132.3)	—	—
Income before income taxes and minority interest	26.5	43.6	97.8	36.8	26.9	(166.1)	65.5
Income taxes	(16.2)	—	35.9	—	9.2	(0.2)	28.7
NET INCOME	$ 42.7	$ 43.6	$ 61.9	$ 36.8	$ 17.7	$ (165.9)	$ 36.8

	August 1 to December 31, 2002						
(Successor)	Herbalife International, Inc.	Parent guarantors	Subsidiary guarantors	WH Holdings (Cayman Islands) Ltd. non-guarantor	Non-guarantors	Eliminations	Total consolidated
Net sales	$ —	$ —	$ 386.1	$ —	$ 101.3	$ (37.9)	$ 449.5
Cost of sales	—	—	86.8	—	46.5	(38.3)	95.0
Royalty overrides	—	—	103.9	—	56.0	—	159.9
Marketing, distribution & administrative expenses	4.1	—	95.7	0.2	35.5	—	135.5
Merger transaction expenses	—	—	—	6.2	—	—	6.2
Equity in subsidiary (income) loss	(37.1)	(32.0)	(0.3)	(22.9)	—	92.3	—
Interest expense—net	22.6	—	(1.1)	2.4	—	—	23.9
Intercompany charges	(4.8)	—	45.5	—	(41.0)	0.3	—
Income before income taxes and minority interest	15.2	32.0	55.6	14.1	4.3	(92.2)	29.0
Income taxes	(16.7)	9.1	21.2	(0.1)	1.5	—	15.0
Income before minority interest	31.9	22.9	34.4	14.2	2.8	(92.2)	14.0
Minority interest	—	—	—	—	—	—	—
NET INCOME	$ 31.9	$ 22.9	$ 34.4	$ 14.2	$ 2.8	$ (92.2)	$ 14.0

(Predecessor)	January 1 to July 31, 2002				
	Herbalife International, Inc.	Subsidiary guarantors	Non-guarantors	Eliminations	Total consolidated
Net sales	$ —	$ 551.3	$ 142.5	$ (49.6)	$ 644.2
Cost of sales	—	128.1	63.2	(50.7)	140.6
Royalty overrides	—	147.3	79.9	—	227.2
Marketing, distribution & administrative expenses	(0.8)	165.9	42.3	—	207.4
Merger transaction expenses	54.7	—	—	—	54.7
Equity in subsidiary (income) loss	(36.4)	(0.5)	—	36.9	—
Interest expense—net	—	(1.8)	0.4	—	(1.4)
Intercompany charges	(7.5)	62.9	(55.4)	—	—
Income before income taxes and minority interest	(10.0)	49.4	12.1	(35.8)	15.7
Income taxes	(18.6)	19.9	5.0	—	6.3
Income before minority interest	8.6	29.5	7.1	(35.8)	9.4
Minority interest	—	0.2	—	—	0.2
NET INCOME	$ 8.6	$ 29.3	$ 7.1	$ (35.8)	$ 9.2

(Predecessor)	Year Ended December 31, 2001				
	Herbalife International, Inc.	Subsidiary guarantors	Non-guarantors	Eliminations	Total consolidated
Net sales	$ —	$ 877.8	$ 218.3	$ (76.0)	$ 1,020.1
Cost of sales	—	216.9	97.0	(72.4)	241.5
Royalty overrides	—	238.8	116.4	—	355.2
Marketing, distribution & administrative expenses	0.4	281.2	73.0	—	354.6
Merger transaction expenses	—	—	—	—	—
Equity in subsidiary (income) loss	(43.4)	(0.8)	—	44.2	—
Interest expense—net	—	(3.4)	—	—	(3.4)
Intercompany charges	(6.4)	76.5	(70.0)	(0.1)	—
Income before income taxes and minority interest	49.4	68.6	1.9	(47.7)	72.2
Income taxes	2.5	22.6	3.8	—	28.9
Income before minority interest	46.9	46.0	(1.9)	(47.7)	43.3
Minority interest	—	0.7	—	—	0.7
NET INCOME	$ 46.9	$ 45.3	$ (1.9)	$ (47.7)	$ 42.6

Consolidating condensed balance sheet data as of December 31, 2003 and as of December 31, 2002 is summarized as follows: (in millions)

	December 31, 2003						
	Herbalife International, Inc.	Parent guarantors	Subsidiary guarantors	WH Holdings (Cayman Islands) Ltd. Non-guarantor	Non-guarantors	Eliminations	Total consolidated
CURRENT ASSETS:							
Cash and marketable securities	$ 0.1	$ 13.8	$ 92.5	$ 9.4	$ 40.6	$ —	$ 156.4
Receivables	—	—	23.0	1.5	7.5	—	32.0
Intercompany receivables	196.7	(23.3)	(89.4)	—	(84.0)	—	—
Inventories	—	26.0	23.9	—	15.0	(5.5)	59.4
Other current assets	(2.5)	2.2	26.9	—	3.4	—	30.0
Total current assets	194.3	18.7	76.9	10.9	(17.5)	(5.5)	277.8
Property, net	0.3	2.1	37.7	—	5.3	—	45.4
OTHER NON-CURRENT ASSETS	448.9	65.8	129.8	238.7	68.5	(370.9)	580.8
TOTAL ASSETS	$ 643.5	$ 86.6	$ 244.4	$ 249.6	$ 56.3	$ (376.4)	$ 904.0
CURRENT LIABILITIES:							
Accounts payable	$ —	$ 8.2	$ 10.4	$ 0.1	$ 3.8	$ —	$ 22.5
Royalties overrides	—	0.7	45.7	—	30.1	—	76.5
Accrued compensation and expenses	8.7	10.2	44.7	—	15.2	—	78.8
Other current liabilities	41.1	0.4	55.6	(0.2)	1.5	—	98.4
Total current liabilities	49.8	19.5	156.4	(0.1)	50.6	—	276.2
NON-CURRENT LIABILITIES	351.9	0.3	(0.9)	38.0	0.7	—	390.0
MINORITY INTEREST	—	—	—	—	—	—	—
SHAREHOLDERS' EQUITY	241.8	66.8	88.9	211.7	5.0	(376.4)	237.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 643.5	$ 86.6	$ 244.4	$ 249.6	$ 56.3	$ (376.4)	$ 904.0

	December 31, 2002						
	Herbalife International, Inc.	Parent guarantors	Subsidiary guarantors	WH Holdings (Cayman Islands) Ltd. Non-guarantor	Non-guarantors	Eliminations	Total consolidated
CURRENT ASSETS:							
Cash and marketable securities	$ 0.3	$ —	$ 39.6	$ 10.6	$ 25.5	$ —	$ 76.0
Receivables	—	—	24.0	0.2	5.7	(0.9)	29.0
Intercompany receivables	141.8	—	(75.9)	—	(65.9)	—	—
Inventories	—	—	46.2	—	15.2	(4.5)	56.9
Other current assets	0.2	0.2	38.2	—	18.6	(14.4)	42.8
Total current assets	142.3	0.2	72.1	10.8	(0.9)	(19.8)	204.7
Property, net	—	—	37.4	—	8.7	—	46.1
OTHER NON-CURRENT ASSETS	394.3	32.0	195.3	218.0	55.2	(289.9)	604.9
TOTAL ASSETS	$ 536.6	$ 32.2	$ 304.8	$ 228.8	$ 63.0	$ (309.7)	$ 855.7
CURRENT LIABILITIES:							
Accounts payable	$ —	$ —	$ 16.9	$ 0.7	$ 4.9	$ (0.9)	$ 21.6
Royalties overrides	—	—	46.5	—	22.6	—	69.1
Accrued compensation and expenses	12.1	—	42.7	—	15.0	—	69.8
Other current liabilities	(14.8)	9.3	41.7	(0.2)	15.6	(14.6)	37.0
Total current liabilities	(2.7)	9.3	147.8	0.5	58.1	(15.5)	197.5
NON-CURRENT LIABILITIES	409.1	—	19.7	36.7	1.4	—	466.9
MINORITY INTEREST	—	—	—	—	—	—	—
SHAREHOLDERS' EQUITY	130.2	22.9	137.3	191.6	3.5	(294.2)	191.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 536.6	$ 32.2	$ 304.8	$ 228.8	$ 63.0	$ (309.7)	$ 855.7

Consolidating condensed statement of cash flows data year ended December 31, 2003, the periods of January 1 to July 31, 2002 and August 1 to December 31, 2002, and the year ended December 31, 2001 is summarized as follows: (in millions)

	December 31, 2003						
(Successor)	Herbalife International, Inc.	Parent guarantors	Subsidiary guarantors	WH Holdings (Cayman Islands) Ltd. Non-guarantor	Non-guarantors	Eliminations	Total consolidated
Net cash provided by (used in) operating activities	$ 43.5	$ 57.0	$ 98.7	$ 37.3	$ 32.7	$ (174.6)	$ 94.6
Net cash provided by (used in) investing activities	(22.8)	(45.9)	1.5	(38.9)	(2.7)	111.7	2.9
Net cash provided by (used in) financing activities	(21.0)	—	(48.5)	5.3	(17.5)	62.9	(18.8)
Effect of exchange rate changes on cash	—	2.6	2.6	—	2.6	—	7.8
Cash at beginning of period	0.5	—	38.2	—	25.5	—	64.2
Cash at end of period	$ 0.2	$ 13.7	$ 92.5	$ 3.7	$ 40.6	$ —	$ 150.7

	August 1 to December 31, 2002						
(Successor)	Herbalife International, Inc.	Parent guarantors	Subsidiary guarantors	WH Holdings (Cayman Islands) Ltd. Non-guarantor	Non-guarantors	Eliminations	Total consolidated
Net cash provided by (used in) operating activities	$ 208.3	$ 32.0	$ (136.3)	$ (8.3)	$ 7.5	$ (75.1)	$ 28.1
Net cash provided by (used in) investing activities	(684.8)	(32.0)	181.8	(203.2)	22.7	259.5	(456.0)
Net cash provided by (used in) financing activities	477.0	—	(7.4)	211.5	(5.2)	(184.4)	491.5
Effect of exchange rate changes on cash	—	—	0.1	—	0.5	—	0.6
Cash at beginning of period	—	—	—	—	—	—	—
Cash at end of period	$ 0.5	$ —	$ 38.2	$ —	$ 25.5	$ —	$ 64.2

	January 1 to July 31, 2002				
(Predecessor)	Herbalife International, Inc.	Subsidiary guarantors	Non-guarantors	Eliminations	Total consolidated
Net cash provided by (used in) operating activities	$ 32.0	$ 46.9	$ (2.1)	$ (38.9)	$ 37.9
Net cash provided by (used in) investing activities	(10.5)	26.9	1.3	1.3	19.0
Net cash provided by (used in) financing activities	(21.5)	(40.4)	(11.0)	37.6	(35.3)
Effect of exchange rate changes on cash	—	(0.6)	1.6	—	1.0
Cash at beginning of period	0.2	145.3	33.7	—	179.2
Cash at end of period	$ 0.2	$ 178.1	$ 23.5	$ —	$ 201.8

	Year Ended December 31, 2001				
	Herbalife International, Inc.	Subsidiary guarantors	Non-guarantors	Eliminations	Total consolidated
Net cash provided by (used in) operating activities	$ 46.3	$ 110.6	$ 10.1	$ (71.5)	$ 95.5
Net cash provided by (used in) investing activities	(45.1)	89.8	(2.4)	(58.7)	(16.4)
Net cash provided by (used in) financing activities	(1.2)	(120.8)	(11.7)	130.2	(3.5)
Effect of exchange rate changes on cash	—	(4.5)	(2.2)	—	(6.7)
Cash at beginning of period	0.2	70.2	39.9	—	110.3
Cash at end of period	$ 0.2	$ 145.3	$ 33.7	$ —	$ 179.2

16. Quarterly Information (Unaudited)

	2002	2003
		(Successor)
First Quarter Ended March 31		
Net sales	$ 265.8	$ 280.0
Gross profit	208.7	223.1
Net income	19.9	16.9
Second Quarter Ended June 30		
Net sales	$ 282.0	$ 288.9
Gross profit	219.3	230.5
Net income	13.4	17.2
Third Quarter Ended September 30		
Net sales		$ 290.4
Gross profit		231.4
Net income		1.7
July 1 To July 31 (Predecessor)		
Net sales	$ 96.4	
Gross profit	75.7	
Net loss	(24.1)	
August 1 To September 30 (Successor)		
Net sales	$ 176.2	
Gross profit	138.0	
Net loss	(1.2)	
Fourth Quarter Ended December 31 (Successor)		
Net sales	$ 273.3	$ 300.1
Gross profit	216.5	238.7
Net income	15.2	1.1

17. Subsequent Events

On March 8, 2004, Holdings and its wholly-owned subsidiary WH Capital Corporation completed a $275 million offering of 9.5% Notes due 2011 (the "Notes"). The proceeds of the offering together with available cash were used to pay the cash redemption price due upon redemption of all outstanding Holdings convertible preferred shares, including all accrued and unpaid dividends, to redeem Holdings' 15.5% Senior Notes and to pay related fees and expenses. Interest on the notes will be paid in cash semi-annually in arrear on April 1 and October 1 of each year, starting on October 1, 2004. The Notes are Holdings' general unsecured obligations, ranking equally with any of the existing and future senior indebtedness and senior to all of Holdings' future subordinated indebtedness. Also, the Notes are effectively subordinated to all existing and future indebtedness and other liabilities of Holding's subsidiaries.

WH HOLDINGS (CAYMAN ISLANDS) LTD.

CONSOLIDATED BALANCE SHEETS

ASSETS

	December 31, 2003	March 31, 2004 (unaudited)
CURRENT ASSETS:		
Cash and cash equivalents	$ 150,679,000	$ 123,002,000
Restricted cash	5,701,000	—
Receivables net allowance for doubtful accounts of $5,690,000 (2004) and $2,527,000 (2003), including related party receivables of $323,000 (2004 and 2003)	31,977,000	33,775,000
Inventories	59,397,000	64,134,000
Prepaid expenses and other current assets	20,825,000	24,734,000
Deferred income taxes	9,164,000	8,672,000
Total current assets	277,743,000	254,317,000
Property, at cost, net of accumulated depreciation and amortization of $19,696,000 (2004) and $17,607,000 (2003)	45,411,000	45,744,000
Deferred compensation plan assets	21,340,000	21,425,00
Other assets	5,795,000	5,961,000
Deferred financing costs, net of accumulated amortization of $12,262,000 (2004) and $10,266,000 (2003)	33,278,000	31,464,000
Marketing franchise	310,000,000	310,000,000
Distributor Network, net of accumulated amortization of $31,222,000 (2004) and $26,539,000 (2003)	29,661,000	24,978,000
Product certification, product formulae and other intangible assets, net of accumulated amortization of $11,166,000 (2004) and $9,491,000 (2003)	13,219,000	11,610,000
Goodwill	167,517,000	167,517,000
TOTAL	$ 903,964,000	$ 873,016,000

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:		
Accounts payable	$ 22,526,000	$ 23,238,000
Royalty overrides	76,522,000	68,496,000
Accrued compensation	19,127,000	16,592,000
Accrued expenses	59,669,000	64,596,000
Current portion of long term debt	72,377,000	23,465,000
Advance sales deposits	6,574,000	12,550,000
Income taxes payable	19,427,000	26,591,000
Total current liabilities	$ 276,222,000	$ 235,528,000
NON-CURRENT LIABILITIES:		
Long term debt, net of current portion, including related party debt of $6,400,000 (2004) and $23,700,000 (2003)	252,917,000	487,157,000
Deferred compensation	22,442,000	22,327,000
Deferred income taxes	111,910,000	108,667,000
Other non-current liabilities	2,685,000	2,561,000
Total liabilities	$ 666,176,000	$ 856,240,000
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDER'S EQUITY:		
Preferred shares, $0.01 par value (aggregate liquidation preference $446,241,000 (2003), 12% Series A cumulative and convertible, 106,000,000 (2004) and (2003) shares authorized, 0 (2004) and 102,013,572 (2003) shares issued and outstanding	102,000	—
Common stock, $0.001 par value, 250,000,000 shares authorized, 104,054,388 shares issued and outstanding (2004)	—	104,000
Paid-in-capital in excess of par value	183,407,000	744,000
Accumulated other comprehensive income (loss)	3,427,000	4,061,000
Retained earnings	50,852,000	11,867,000
Total shareholders' equity	237,788,000	16,776,000
TOTAL	$ 903,964,000	$ 873,016,000

See the accompanying notes to consolidated financial statements

WH HOLDINGS (CAYMAN ISLANDS) LTD.

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended	
	March 31 2003	March 31 2004
	(Unaudited)	
Product Sales	$ 240,398,000	$ 278,139,000
Handling & freight income	39,641,000	45,914,000
Net sales	280,039,000	324,053,000
Cost of sales	56,960,000	63,618,000
Gross profit	223,079,000	260,435,000
Royalty overrides	99,511,000	115,857,000
Marketing, distribution & administrative expenses (included $1,800,000 and $3,100,000 of related party expenses for the three months ended March 31, 2004 and 2003, respectively)	84,376,000	107,842,000
Interest expense—net	9,948,000	27,372,000
Income before income taxes	29,244,000	9,364,000
Income taxes	12,374,000	9,849,000
NET INCOME (LOSS)	$ 16,870,000	$ (485,000)

See the accompanying notes to consolidated financial statements

WH HOLDINGS (CAYMAN ISLANDS) LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended	
	March 31, 2003	March 31, 2004
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 16,870,000	$ (485,000)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,389,000	11,406,000
Amortization of discount and deferred financing costs	2,045,000	2,152,000
Deferred income taxes	(614,000)	(2,651,000)
Unrealized foreign exchange loss (gain)	1,804,000	(124,000)
Loss on repurchase of senior notes	0	15,435,000
Other	36,000	406,000
Changes in operating assets and liabilities:		
Receivables	(4,619,000)	(1,874,000)
Inventories	557,000	(5,315,000)
Prepaid expenses and other current assets	2,579,000	(2,795,000)
Accounts payable	(3,158,000)	780,000
Royalty overrides	(11,101,000)	(7,796,000)
Accrued expenses and accrued compensation	(14,229,000)	3,303,000
Advance sales deposits	3,067,000	6,041,000
Income taxes payable	5,231,000	7,352,000
Deferred compensation liability	(8,363,000)	(115,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(3,506,000)	25,720,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property	(1,349,000)	(4,575,000)
Proceeds from sale of property	1,000	1,000
Changes in restricted cash	1,196,000	5,701,000
Changes in marketable securities, net	6,000	0
Changes in other assets	(76,000)	(2,591,000)
Deferred compensation plan assets	11,304,000	(85,000)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	$ 11,082,000	$ (1,549,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to bank loans and contract payables	295,000	369,000
Principal payments on bank loans and contract payables	(2,354,000)	(45,387,000)
Issuance of notes	289,000	267,437,000
Repurchase of senior notes	0	(51,002,000)
Redemption of preferred stock	0	(183,115,000)
Dividends paid on preferred stock	0	(38,500,000)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(1,770,000)	(50,198,000)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	93,000	(1,650,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,899,000	(27,677,000)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	64,201,000	150,679,000
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 70,100,000	$ 123,002,000
NON-CASH ACTIVITIES:		
Acquisitions of property from capital leases	$ 1,371,000	$ 847,000

See the accompanying notes to consolidated financial statements

WH HOLDINGS (CAYMAN ISLANDS) LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

WH Holdings (Cayman Islands) Ltd, a Cayman Islands exempted limited liability company ("Holdings"), incorporated on April 4, 2002, and its direct and indirect wholly owned subsidiaries, WH Intermediate Holdings Ltd, a Cayman Island company (WH Intermediate"), WH Luxembourg Holdings S.à.R.L., a Luxembourg unipersonal limited liability company ("Lux Holdings"), WH Luxembourg Intermediate Holdings S.à.R.L., a Luxembourg unipersonal limited liability company ("Lux Intermediate"), Herbalife International Luxembourg S.à.R.L. ("Herbalife Lux"), formerly known as WH Luxembourg CM S.à.R.L., a Luxembourg unipersonal limited liability, and WH Acquisition Corp., a Nevada corporation ("WH Acquisition"), were formed on behalf of Whitney & Co., LLC ("Whitney") and Golden Gate Private Equity, Inc. ("Golden Gate"), in order to acquire Herbalife International, Inc., a Nevada corporation, and its subsidiaries ("Herbalife" or "Predecessor") on July 31, 2002 (the "Merger"). Holdings and its subsidiaries are referred to collectively herein as the Company. Holdings' 12% Series A Cumulative Convertible Preferred Shares are referred to as "preferred shares" and Holdings' Common Shares are referred to as "common shares."

2. BASIS OF PRESENTATION

The unaudited interim financial information of the Company has been prepared in accordance with Article 10 of the Securities and Exchange Commission's Regulation S-X. The Company's financial statements as of March 31, 2004 include WH Intermediate, and all of its direct and indirect subsidiaries. In the opinion of management, the accompanying financial information contains all adjustments, consisting of normal recurring adjustments necessary to present fairly the Company's financial statements as of March 31, 2004 and for the three months ended March 31, 2003 and March 31, 2004.

Reclassifications

Certain reclassifications were made to the prior year financial statements to conform to current year presentation.

3. TRANSACTIONS WITH RELATED PARTIES

The Company has entered into agreements with Whitney and Golden Gate to pay monitoring fees for their services and other expenses. Under the monitoring fee agreements, the Company is obligated to pay an annual aggregate amount of up to $5.0 million, but not less than $2.5 million for an initial period of ten years subject to the provisions of the Credit Agreement as amended. For the three months ended March 31, 2004 and March 31, 2003, the Company expensed monitoring fees in the amount of $1.3 million in both periods and other expenses of $0.5 million and $1.8 million, respectively. As of March 31, 2004, a Whitney affiliated company loaned $5.1 million of the term loan to Herbalife, and another Whitney affiliated company purchased $1.3 million of the senior subordinated notes. Also, in March 2004, Holdings redeemed $17.3 million of the 15.5% Senior Notes held by certain Whitney affiliated companies and paid an additional $5.0 million repurchase premium and $0.5 million accrued interest.

4. LONG TERM DEBT

Long term debt consisted of the following: (in millions)

	December 31, 2003	March 31, 2004
Senior subordinated notes	$ 158.2	$ 158.2
Borrowing under senior credit facility	119.8	75.4
15.5% Senior Notes	39.6	—
Discount—Senior note warrant	(1.6)	—
9.5% Notes	—	267.5
Capitalized leases	5.5	6.1
Other debt	3.8	3.5
	325.3	510.7
Less: current portion	72.4	23.5
	$ 252.9	$ 487.2

In March 2004, the Company and its lenders amended the Credit Agreement. Under the terms of the amendment, the Company made a prepayment of $40.0 million. In connection with this prepayment, the lenders waived the March 31, 2004 mandatory amortization payment of $6.5 million along with a mandatory 50% excess cash flow payment for the year ended December 31, 2003. The Company's debt agreement has a provision that requires the Company to make early payments to the extent of excess cash flow, as defined. The schedule of the principal payments was also modified so that Herbalife was obligated to pay approximately $4.4 million on March 31, 2004 and in each subsequent quarter through June 30, 2008.

In March 2004, Holdings and its wholly-owned subsidiary WH Capital Corporation completed a $275 million offering of 9.5% Notes due 2011 (the "Notes"). The proceeds of the offering together with available cash were used to pay the cash redemption price due upon redemption of all outstanding Holdings convertible preferred shares, including all accrued and unpaid dividends, to redeem Holdings' 15.5% Senior Notes and to pay related fees and expenses. Interest on the Notes will be paid in cash semi-annually in arrear on April 1 and October 1 of each year, starting on October 1, 2004. The Notes are Holdings' general unsecured obligations, ranking equally with any of the existing and future senior indebtedness and senior to all of Holdings' future subordinated indebtedness. Also, the Notes are effectively subordinated to all existing and future indebtedness and other liabilities of Holdings' subsidiaries.

5. CONTINGENCIES

The Company is from time to time engaged in routine litigation. The Company regularly reviews all pending litigation matters in which it is involved and establishes reserves deemed appropriate by management for these litigation matters when a probable loss estimate can be made.

Herbalife is a defendant in a purported class action lawsuit pending in the U.S. District Court of California (*Jacobs v. Herbalife International, Inc., et al*) originally filed on February 19, 2002 challenging marketing practices of several distributors and Herbalife under various state and federal laws. As a result of recent rulings of the Court, only claims filed under federal securities law remain. The Company understands that the plaintiffs have refilled certain state law claims in the Superior Court of the State of California, County of San Francisco. The Company has not been served with a complaint. The parties are in discussion regarding a possible settlement but no binding settlement agreement has yet been reached. The Company believes that it has meritorious defenses to the suit.

Herbalife and certain of its distributors have been named as defendants in a purported class action lawsuit filed July 16, 2003 in the Circuit Court of Ohio County in the State of Virginia (*Mey v. Herbalife International, Inc., et al*). Herbalife removed the lawsuit to federal court and the plaintiff sought to remand the lawsuit to state court. The plaintiff's motion was denied. The complaint alleges that certain telemarketing practices of certain Herbalife distributors violate the Telephone Consumer Protection Act and seek to hold

Herbalife liable for the practices of its distributors. The Company believes that it has meritorious defenses to the suit.

As a marketer of dietary and nutritional supplements and other products that are ingested by consumers or applied to their bodies, the Company has been subjected to various product liability claims. The effects of these claims to date have not been material to the Company, and the reasonably possible range of exposure on currently existing claims is not material. The Company believes that it has meritorious defenses to the allegations contained in the lawsuits. The Company currently maintains product liability insurance with an annual deductible of $10.0 million.

Certain of the Company's subsidiaries have been subject to tax audits by governmental authorities in their respective countries. In certain of these tax audits, governmental authorities are proposing that significant amounts of additional taxes and related interest and penalties are due. The Company and its tax advisors believe that there are substantial defenses to their allegations that additional taxes are owing, and the Company is vigorously contesting the additional proposed taxes and related charges. These matters may take several years to resolve, and the Company cannot be sure of their ultimate resolution. However, it is the opinion of management that adverse outcomes, if any, will not likely result in a material effect on our financial condition and operating results.

6. COMPREHENSIVE INCOME

Comprehensive income (loss) is summarized as follows: (in millions)

	Three Months Ending	
	March 31, 2003	March 31, 2004
Net income (loss)	$ 16.9	$ (0.5)
Unrealized gain (loss) on derivative instruments	(2.8)	1.9
Reclassification adjustments for gain (loss) on derivative instruments	2.3	(1.1)
Foreign currency translation adjustment	0.5	(0.1)
Comprehensive income (loss)	$ 16.9	$ 0.2

The net change on derivative instruments represents the fair value changes caused by marking to market these instruments on March 31, 2004. Foreign currency translation adjustment measures the impact of converting primarily foreign currency assets and liabilities of foreign subsidiaries into U.S. dollars.

7. SEGMENT INFORMATION

The Company is a network marketing company that sells a wide range of weight management products, nutritional supplements and personal care products within one reportable segment as defined under SFAS 131, "Disclosures about Segments of an Enterprise and Related Information." The Company's products are primarily manufactured by third party providers and then sold to independent distributors who sell Herbalife products to retail consumers or other distributors.

The Company has operations throughout the world and is organized and managed by geographic area. In the first quarter of 2003, the Company elected to aggregate its operating segments into one reporting segment, as management believes that the operating segments have similar operating characteristics and similar long term operating performance. In making this determination, management believes that the operating segments are similar in the nature of the products sold, the product acquisition process, the types of customers sold to, the methods used to distribute the products, and the nature of the regulatory

environment. However, the Company does recognize revenue from sales to distributors in four geographic regions: The Americas, Europe, Asia/Pacific Rim and Japan.

	Three Months Ended	
	March 31, 2003	March 31, 2004
Net Sales:		
United States	$ 66.8	$ 64.2
Japan	35.5	29.9
Others	177.7	230.0
Total Net Sales	$ 280.0	$ 324.1
Operating Margin:		
United States	$ 29.6	$ 27.6
Japan	17.3	15.3
Others	76.7	101.7
Total Operating Margin	$ 123.6	$ 144.6
Marketing, distribution, and administrative expense	$ 84.4	$ 107.8
Interest Expense—net	9.9	27.4
Income before taxes	29.3	9.4
Income taxes	12.4	9.9
Net Income (Loss)	$ 16.9	$ (0.5)
Net sales by product line:		
Weight management	$ 119.7	$ 142.1
Inner nutrition	123.1	139.3
Outer Nutrition®	26.2	29.6
Literature, promotional and other	11.0	13.1
Total Net Sales	$ 280.0	$ 324.1
Net sales by geographic region:		
The Americas	$ 100.2	$ 111.3
Europe	105.9	136.7
Asia/Pacific Rim	38.4	46.1
Japan	35.5	30.0
Total Net Sales	$ 280.0	$ 324.1

	December 31, 2003	March 31, 2004
Total Assets:		
United States	$ 601.0	$ 560.0
Japan	62.9	55.2
Others	240.1	257.8
Total Assets	$ 904.0	$ 873.0

8. POLICY FOR STOCK BASED COMPENSATION

Accounting for Stock Based Compensation. In December 2002, the FASB issued SFAS 148, *Accounting for Stock Based Compensation—Transition and Disclosure.* SFAS 148 amends SFAS 123, *Accounting for Stock Based Compensation,* to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock based employee compensation. In addition, SFAS 148 amends the disclosure requirements of SFAS 123 to require prominent disclosures in both annual and interim financial

statements about the method of accounting for stock based employee compensation and the effect of the method used on reported results.

The Company has two stock based employee compensation plans which are the WH Holdings (Cayman Islands) Ltd. Stock Incentive Plan ("The Management Plan") and WH Holdings (Cayman Islands) Ltd. Independent Directors Stock Incentive Plan ("The Independent Directors Plan"). The Management Plan provides for the grant of options to purchase common shares of WH Holdings to members of management of Herbalife following the merger. The Independent Directors Plan provides for the grant of options to purchase common shares of WH Holdings to independent directors of WH Holdings.

The Company applies the intrinsic-value-based method of accounting prescribed by Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees,* and related interpretations including FASB Interpretation No. 44, *Accounting for Certain Transactions involving Stock Compensation, an interpretation of APB Opinion No. 25*, issued in March 2000, to account for its stock option plans. Under this method, compensation expense is recorded on the date of grant only if the then current market price of the underlying stock exceeded the exercise price. SFAS 123 established accounting and disclosure requirements using a fair-value-based method of accounting for stock based employee compensation plans. As allowed by SFAS 123, the Company has elected to continue to apply the intrinsic-value-based method of accounting described above, and has adopted only the disclosure requirements of SFAS 123.

The following table illustrates the effect on net income if the fair-value-based method had been applied to all outstanding and unvested awards in each period:

		Three Months Ended	
(in millions)		**March 31, 2003**	**March 31, 2004**
Net income (loss) as reported		$ 16.9	$ (0.5)
Add:	Stock-based employee compensation expense included in reported net income	$ —	$ 0.3
Deduct:	Stock-based employee compensation expense determined under fair value based methods for all awards	$ (0.3)	$ (0.2)
Pro forma net income		$ 16.6	$ (0.4)

9. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company designates certain derivatives as fair value hedges. For all qualifying and highly effective fair value hedges, the changes in the fair value of a derivative and the gain or loss on the hedged asset or liability relating to the risk being hedged are recorded currently in earnings. These amounts are recorded in marketing, distribution and administrative expenses and provide offsets to one another.

The Company designates certain derivatives as cash flow hedges. The Company engages in a foreign exchange hedging strategy for which the hedged transactions are forecasted foreign currency denominated intercompany transactions. The hedged risk is the variability of the foreign currency where the hedging strategy involves the purchase and sale of average rate options. For the outstanding cash flow hedges on foreign exchange exposures at March 31, 2004 and March 31, 2003, the maximum length of time over which the Company is hedging these exposures is approximately one year. The Company also engages in an interest rate hedging strategy for which the hedged transactions are forecasted interest payments on the variable rate term loan. The hedged risk is the variability of interest rate where the hedging strategy involves the purchase of interest rate caps. There is no ineffective portion for the three months ended March 31, 2004 and March 31, 2003. For all qualifying and highly effective cash flow hedges, the changes in the effective portion of the fair value of the derivative are recorded in other comprehensive income ("OCI"). At March 31, 2004, the net loss in OCI was $0.6 million. Substantially, all OCI amounts will be reclassified to earnings within 12 months.

10. RESTRUCTURING RESERVE

As of the date of the Merger, the Company implemented a plan to reduce costs of the business and recorded a severance and restructuring accrual as part of the cost of the Merger. The accrued severance is for identified employees including executives, corporate functions and administrative support.

The following table summarizes the activity in the Company's restructuring accrual: (in millions)

Balance at December 31, 2003	$ 2.5
Additional accrual	—
Cash payments	(0.3)
Balance at March 31, 2004	$ 2.2

The Company expects to pay these restructuring costs through 2005.

11. SUPPLEMENTAL INFORMATION

The consolidated financial statement data as of March 31, 2004 and for the three months ended March 31, 2004 and March 31, 2003, respectively have been aggregated by entities that guarantee the Senior Subordinated Notes (the "Guarantors") and entities that do not guarantee the Senior Subordinated Notes (the "Non-Guarantors"). The Guarantors include WH Intermediate, Lux Holdings, Lux Intermediate, Herbalife Lux (collectively, the "Parent Guarantors") and Herbalife's operating subsidiaries in Brazil, Finland, Israel, Japan, Mexico, United Kingdom, U.S. (except for Herbalife Investment Co., LLC), Sweden, Taiwan and Thailand (collectively, the "Subsidiary Guarantors"). All other subsidiaries are Non-Guarantors. Herbalife International, Inc. is the borrower of the Senior Subordinated Notes.

Consolidating condensed unaudited statements of income for guarantors and non-guarantors for the three months ended March 31, 2004 and March 31, 2003 are summarized as follows: (in millions)

	Three Months Ended March 31, 2004						
	Parent Guarantors	Herbalife International, Inc.	Subsidiary Guarantors	WH Holdings (Cayman Islands) Ltd Non-Guarantor	Non-Guarantors	Eliminations	Total Consolidated
Net sales	$ 150.5	$ —	$ 144.9	$ —	$ 83.9	$ (55.2)	$ 324.1
Cost of sales	30.6	—	44.3	—	43.1	(54.4)	63.6
Royalty overrides	4.2	—	63.2	—	48.5	—	115.9
Marketing, distribution & administrative expenses	3.3	7.2	77.0	(0.1)	20.4	—	107.8
Equity in subsidiary (income) loss	(2.1)	0.7	(0.8)	(17.3)	—	19.5	—
Interest expense—net	0.2	8.5	1.9	18.2	(1.4)	—	27.4
Intercompany charges	97.0	(21.9)	(37.0)	—	(38.1)	—	—
Income before income taxes	17.3	5.5	(3.7)	(0.8)	11.4	(20.3)	9.4
Income tax expense (benefit)	—	3.4	2.7	—	3.8	—	9.9
NET INCOME (LOSS)	$ 17.3	$ 2.1	$ (6.4)	$ (0.8)	$ 7.6	$ (20.3)	$ (0.5)

	Three Months Ended March 31, 2003						
	Parent Guarantors	Herbalife International, Inc.	Subsidiary Guarantors	WH Holdings (Cayman Islands) Ltd Non-Guarantor	Non-Guarantors	Eliminations	Total Consolidated
Net sales	$ —	$ —	$ 246.5	$ —	$ 60.4	$ (26.9)	$ 280.0
Cost of sales	—	—	55.0	—	28.7	(26.7)	57.0
Royalty overrides	—	—	63.1	—	36.4	—	99.5
Marketing, distribution & administrative expenses	—	2.4	63.4	0.1	18.5	—	84.4
Equity in subsidiary (income) loss	(18.6)	(24.3)	(0.4)	(18.6)	—	61.9	—
Interest expense—net	—	8.6	(0.3)	1.6	—	—	9.9
Intercompany charges	—	(2.2)	31.6	—	(29.4)	—	—
Income before income taxes	18.6	15.5	34.1	16.9	6.2	(62.1)	29.2
Income tax expense (benefit)	—	(3.1)	13.5	—	1.9	—	12.3
NET INCOME (LOSS)	$ 18.6	$ 18.6	$ 20.6	$ 16.9	$ 4.3	$ (62.1)	$ 16.9

Consolidating condensed balance sheet data for guarantors and non-guarantors as of March 31, 2004 and December 31, 2003 are summarized as follows: (in millions)

	March 31, 2004						
	Parent Guarantors	Herbalife International, Inc.	Subsidiary Guarantors	WH Holdings (Cayman Islands) Ltd Non-Guarantor	Non-Guarantors	Eliminations	Total Consolidated
CURRENT ASSETS:							
Cash and marketable securities	$ 9.9	$ 0.1	$ 64.5	$ 2.7	$ 45.8	$ —	$ 123.0
Receivables	—	3.1	23.1	(0.2)	11.0	(3.2)	33.8
Intercompany receivables	(6.4)	162.4	(73.6)	—	(82.4)	—	—
Inventories	27.4	—	26.4	—	16.9	(6.6)	64.1
Other current assets	8.0	1.4	19.8	—	4.2	—	33.4
Total current assets	38.9	167.0	60.2	2.5	(4.5)	(9.8)	254.3
PROPERTY, NET	1.9	0.4	38.4	—	5.0	—	45.7
OTHER NON-CURRENT ASSETS	67.9	436.2	130.8	256.5	68.6	(387.0)	573.0
TOTAL ASSETS	$ 108.7	$ 603.6	$ 229.4	$ 259.0	$ 69.1	$ (396.8)	$ 873.0
CURRENT LIABILITIES:							
Accounts payable	$ 8.3	$ —	$ 9.9	—	$ 5.0	$ —	$ 23.2
Royalties overrides	(0.9)	—	40.6	—	28.8	—	68.5
Accrued compensation and expenses	13.4	3.9	46.8	1.6	15.4	—	81.1
Other current liabilities	3.7	2.5	55.2	—	4.4	(3.1)	62.7
Total current liabilities	24.5	6.4	152.5	1.6	53.6	(3.1)	235.5
NON-CURRENT LIABILITIES	(0.2)	353.3	(0.6)	267.5	0.7	—	620.7
STOCKHOLDER'S EQUITY	84.4	243.9	77.5	(10.1)	14.8	(393.7)	16.8
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	$ 108.7	$ 603.6	$ 229.4	259.0	$ 69.1	$ (396.8)	$ 873.0

	December 31, 2003						
	Parent Guarantors	Herbalife International, Inc.	Subsidiary Guarantors	WH Holdings (Cayman Islands) Ltd Non-Guarantor	Non-Guarantors	Eliminations	Total Consolidated
CURRENT ASSETS:							
Cash and marketable securities	$ 13.8	$ 0.1	$ 92.5	$ 9.4	$ 40.6	$ —	$ 156.4
Receivables	—	—	23.0	1.5	7.5	—	32.0
Intercompany receivables	(23.3)	196.7	(89.4)	—	(84.0)	—	—
Inventories	26.0	—	23.9	—	15.0	(5.5)	59.4
Other current assets	2.2	(2.5)	26.9	—	3.4	—	30.0
Total current assets	18.7	194.3	76.9	10.9	(17.5)	(5.5)	277.8
Property, net	2.1	0.3	37.7	—	5.3	—	45.4
OTHER NON-CURRENT ASSETS	65.8	448.9	129.8	238.7	68.5	(370.9)	580.8
TOTAL ASSETS	$ 86.6	$ 643.5	$ 244.4	249.6	$ 56.3	$ (376.4)	$ 904.0
CURRENT LIABILITIES:							
Accounts payable	$ 8.2	$ —	$ 10.4	$ 0.1	$ 3.8	$ —	$ 22.5
Royalties overrides	0.7	—	45.7	—	30.1	—	76.5
Accrued compensation and expenses	10.2	8.7	44.7	—	15.2	—	78.8
Other current liabilities	0.4	41.1	55.6	(0.2)	1.5	—	98.4
Total current liabilities	19.5	49.8	156.4	(0.1)	50.6	—	276.2
NON-CURRENT LIABILITIES	0.3	351.9	(0.9)	38.0	0.7	—	390.0
STOCKHOLDER'S EQUITY	66.8	241.8	88.9	211.7	5.0	(376.4)	237.8
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	$ 86.6	$ 643.5	$ 244.4	249.6	$ 56.3	$ (376.4)	$ 904.0

Consolidating condensed statement of cash flows data for guarantors and non-guarantors for the three months ended March 31 2004 and March 31, 2003 is summarized as follows: (in millions)

	Three Months Ended March 31, 2004						
	Parent Guarantors	Herbalife International, Inc.	Subsidiary Guarantors	WH Holdings (Cayman Islands) Ltd Non-Guarantor	Non-Guarantors	Eliminations	Total Consolidated
Net cash provided by (used in) operating activities	$ (1.7)	$ 39.5	$ (7.3)	$ 18.2	$ 7.5	$ (30.5)	$ 25.7
Net cash provided by (used in) investing activities	(0.8)	4.7	(15.5)	(14.1)	(3.1)	27.3	(1.5)
Net cash provided by (used in) financing activities	—	(44.3)	(5.5)	(5.0)	1.4	3.2	(50.2)
Effect of exchange rate changes on cash	(1.3)	—	0.3	(0.1)	(0.6)	—	(1.7)
Cash at beginning of period	13.7	0.2	92.5	3.7	40.6	—	150.7
Cash at end of period	$ 9.9	$ 0.1	$ 64.5	$ 2.7	$ 45.8	$ —	$ 123.0

	Three Months Ended March 31, 2003						
	Parent Guarantors	Herbalife International, Inc.	Subsidiary Guarantors	WH Holdings (Cayman Islands) Ltd Non-Guarantor	Non-Guarantors	Eliminations	Total Consolidated
Net cash provided by (used in) operating activities	$ 18.6	$ 19.6	$ (0.8)	$ 16.7	$ 10.7	$ (68.3)	$ (3.5)
Net cash provided by (used in) investing activities	(18.6)	(19.8)	3.0	(17.0)	0.3	63.2	11.1
Net cash provided by (used in) financing activities	—	—	(5.6)	0.3	(1.6)	5.1	(1.8)
Effect of exchange rate changes on cash	—	—	(0.1)	—	0.2	—	0.1
Cash at beginning of period	—	0.5	38.2	—	25.5	—	64.2
Cash at end of period	$ —	$ 0.3	$ 34.7	$ —	$ 35.1	$ —	$ 70.1

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus does not offer to sell or ask for offers to buy any securities other than those to which this prospectus relates and it does not constitute an offer to sell or ask for offers to buy any of the securities in any jurisdiction where it is unlawful, where the person making the offer is not qualified to do so, or to any person who cannot legally be offered the securities. The information contained in this prospectus is current only as of its date.

Until , 2004, all dealers that effect transactions in these securities, whether or not participating in this exchange offer, may be required to deliver a prospectus. Each broker-dealer that receives Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such Notes. For a period of 90 days after the Expiration Date of the exchange offer this prospectus will be made available to any broker-dealer for use in connection with any such resale.

WH HOLDINGS (CAYMAN ISLANDS) LTD.
WH CAPITAL CORPORATION

Indirect Parent of

Exchange Offer for All Outstanding
9 1/2% Notes Due April 1, 2011
(CUSIP Nos. 92926X AA 3 and G96013 AA 8)
For New
9 1/2% Notes Due April 1, 2011
Which Have Been Registered
Under the Securities Act of 1933

PROSPECTUS

, 2004

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

WH Capital Corporation

Section 78.751 of Chapter 78 of the Nevada Revised Statutes ("NRS") and WH Capital Corporation's ("Capital") Articles of Incorporation and Bylaws contain provisions for indemnification of officers and directors of Capital and in certain cases employees and other persons.

The Bylaws of Capital provide that each director or officer who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any threatened, pending, or completed action, suit or proceeding (including, without limitation, an action, suit or proceeding by or in the right of Capital) whether civil, criminal, administrative, or investigative (each a "Proceeding"), by reason of the fact that he or she is or was a director, officer, employee, agent, partner, member, manager or fiduciary of, or in any other capacity for, another corporation or any partnership, joint venture, limited liability company, trust or other enterprise, (each such person an "Indemnitee"), shall be indemnified and held harmless by Capital to the fullest extent permitted by Nevada law, against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding; provided that such Indemnitee either (i) is not liable pursuant to section 78.138 of the NRS (dealing with directors and officers, the performance of their duties and liability to a corporation and its stockholders due to a breach of fiduciary duty involving intentional misconduct, fraud or knowing violations of law), or (ii) acted in good faith and in a manner such Indemnitee reasonably believed to be in or not opposed to the best interests of Capital and, with respect to any Proceeding that is criminal in nature, had no reasonable cause to believe that his or her conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent, does not, of itself, create a presumption that the Indemnitee is liable pursuant to section 78.138 of the NRS discussed in (i) above or did not act in good faith and in a manner in which he or she reasonably believed to be in or not opposed to the best interests of Capital, or that, with respect to any criminal proceeding he or she had reasonable cause to believe that his or her conduct was unlawful.

In addition, the Purchase Agreement between Capital and the initial purchaser of the Notes provide for indemnification by the initial purchaser of the Registrant, and each person who controls the Registrant, if any, and each of their respective agents, employees, officers and directors against certain liabilities, including liabilities under the Securities Act and the Exchange Act.

Insurance

Section 78.752 of Chapter 78 of NRS provides that a corporation may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise for any liability asserted against him and liability and expenses incurred by him in his capacity as a director, officer, employee or agent, or arising out of his status as such, whether or not the corporation has the authority to indemnify him against such liability and expenses. The Bylaws of Capital provide, generally, that the expenses of Indemnitees must be paid by Capital or through insurance purchased and maintained by Capital or through other financial arrangements made by Capital, as they are incurred and in advance of the final disposition of the Proceeding. Capital maintains directors' and officers' liability insurance.

WH Holdings (Cayman Islands) Ltd.

The Memorandum and Articles of Association of WH Holdings (Cayman Islands) Ltd. ("Holdings") provide that, to the fullest extent permitted by the Companies Law (2003 Revision), every

director, agent or officer of Holdings shall be indemnified out of the assets of Holdings against any liability incurred by him as a result of any act or failure to act in carrying out his functions other than such liability (if any) that he may incur by his own willful misconduct. To the fullest extent permitted by the Statute, such director, agent or officer shall not be liable to Holdings for any loss or damage in carrying out his functions unless the liability arises through the willful misconduct of such director, agent or officer.

In addition, the board resolutions of Holdings provide for the indemnification of its directors and officers against any claims arising out of or relating to (a) the preparation, filing and distribution of this registration statement or the prospectus contained in this registration statement, (b) the issue and exchange of the exchange guarantee or the exchange Notes, (c) the exchange offer and (d) any activities that the directors and officers deem necessary or advisable to carry out the intent and purposes of the resolutions. The resolutions also expressly authorize Holdings to indemnify their directors and officers to the fullest extent permitted by law.

Holdings is a Cayman Islands exempted limited liability company. As such, it is governed by the laws of the Cayman Islands with respect to the indemnification provisions. Although the Companies Law (2003 Revision) of the Cayman Islands does not specifically restrict a Cayman Islands company's ability to indemnify its directors or officers, it does not expressly provide for such indemnification either. Certain Commonwealth case law (which is likely to be persuasive in the Cayman Islands), however, indicate that the indemnification is generally permissible, unless there had been fraud, willful default or reckless disregard on the part of the director or officer in question.

Holdings has entered into indemnification agreements with its directors and officers, whereby Holdings agreed to indemnify its directors and officers to the fullest extent permitted by law, including indemnification against expenses and liabilities incurred in legal proceedings to which the director or officer was, or is threatened to be made, a party by reason of the fact that such director or officer is or was a director, officer, employee or agent of Holdings, provided that such director or officer acted in good faith and in a manner that the director or officer reasonably believed to be in, or not opposed to, the best interest of Holdings. At present, there is no pending litigation or proceeding involving a director or officer of Holdings regarding which indemnification is sought, nor is Holdings aware of any threatened litigation that may result in claims for indemnification.

In addition, the Purchase Agreement between Holdings, Capital and the initial purchaser of the Notes provides for indemnification by the initial purchaser of Holdings and Capital, and each person who controls Holdings and Capital, if any, and each of their respective agents, employees, officers and directors against certain liabilities, including liabilities under the Securities Act and the Exchange Act.

Liability Insurance Covering Directors and Officers

In addition to the indemnification provisions set forth above, Holdings maintains insurance policies that indemnify its directors and officers against various liabilities arising under the Securities Act of 1933 and the Securities Exchange Act of 1934 that might be incurred by any director or officer in his capacity as such.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit Number	Description	Page No./ (Footnote)
1.1	Purchase Agreement, dated March 8, 2004, by and among WH Holdings (Cayman Islands) Ltd., WH Capital Corporation and UBS Securities LLC	(18)
2.1	Agreement and Plan of Merger, dated April 10, 2002, by and among Herbalife International, Inc., WH Holdings (Cayman Islands) Ltd. and WH Acquisition Corp.	(11)

3.1	Memorandum and Articles of Association of WH Holdings (Cayman Islands) Ltd.	(18)
3.2	Articles of Incorporation of WH Capital Corporation	(18)
3.3	Bylaws of WH Capital Corporation	(18)
4.1	Indenture, dated as of June 27, 2002 between WH Acquisition Corp., WH Intermediate Holdings Ltd., WH Luxembourg Holdings SàRL, WH Luxembourg Intermediate Holdings SàRL, WH Luxembourg CM SàRL and The Bank of New York as Trustee governing $11^{3}/_{4}$% Senior Subordinated Notes due 2010	(12)
4.2	Indenture, dated as of March 8, 2004 between WH Holdings (Cayman Islands) Ltd., WH Capital Corporation and The Bank of New York as trustee governing $9^{1}/_{2}$% Notes due 2011	(18)
5.1	Opinion of Gibson Dunn & Crutcher, LLP, special U.S. counsel to co-registrants	(18)
5.2	Opinion of Maples and Calder, special Cayman Islands Counsel to WH Holdings (Cayman Islands) Ltd. and WH Intermediate Holdings Ltd.	(18)
5.3	Opinion of Schreck Brignone, special Nevada counsel to WH Holdings (Cayman Islands) Ltd. and WH Capital Corporation	(18)
9.1	Shareholders' Agreement dated as of July 31, 2002, by and among WH Holdings (Cayman Islands) Ltd., Whitney V, L.P., Whitney Strategic Partners V, L.P., WH Investments Ltd., CCG Investments (BVI), L.P., CCG Associates, LLC, CCG Associates—AI, LLC, CCG Investment Fund—AI, L.P., CCG AV, LLC-Series C, CCG AV, LLC-Series E, and certain other persons	(14)
9.2	Institutional Shareholders' Agreement dated as of July 31, 2002, by and among WH Holdings (Cayman Islands) Ltd., Whitney V, L.P., Whitney Strategic Partners V, L.P., WH Investments Ltd., CCG Investments (BVI), L.P., CCG Associates-QP, LLC, CCG Associates-AI, LLC, CCG Investment Fund-AI, L.P., CCG AV, LLC-Series C, CCG AV, LLC-Series E, and certain other persons	(14)
10.1	Herbalife International Inc.'s 1992 Executive Incentive Compensation Plan, as amended	(1),(4)
10.2	Form of Individual Participation Agreement relating to Herbalife International Inc.'s Executive Compensation Plan	(1)
10.3	Form of Indemnity Agreement between Herbalife International Inc. and certain officers and directors of Herbalife International Inc.	(1)
10.4	1994 Performance Based Annual Incentive Compensation Plan, as amended and restated in 2001	(2),(4),(5),(21)
10.5	Office lease agreement between the Company and State Teacher's Retirement System, dated July 20, 1995	(3)
10.6	Herbalife International of America, Inc.'s Senior Executive Deferred Compensation Plan, effective January 1, 1996, as amended	(3)
10.7	Herbalife International of America, Inc.'s Management Deferred Compensation Plan, effective January 1, 1996, as amended	(3)

10.8	Master Trust Agreement between Herbalife International of America, Inc. and Imperial Trust Company, Inc., effective January 1, 1996	(3)
10.9	Herbalife International of America, Inc.'s 401K Plan, as amended	(3)
10.10	Trust Agreement for Herbalife 2001 Executive Retention Plan, effective March 15, 2001	(9)
10.11	Herbalife 2001 Executive Retention Plan, effective March 15, 2001	(9)
10.12	Separation Agreement and General Release, dated as of May 17, 2002, between Robert Sandler and Herbalife International, Inc. and Herbalife International of America, Inc. and Clarification Re Paragraph 3(a) of Separation and General Release Agreement #	(12)
10.13	Agreement for retention of legal services, dated as of May 20, 2002, by and among Herbalife International, Inc., Herbalife International of America, Inc. and Robert Sandler	(12)
10.14	Purchase Agreement, dated as of June 21, 2002, by and among WH Acquisition Corp., Herbalife International, Inc., WH Intermediate Holdings Ltd., WH Luxembourg Holdings SàRL, WH Luxembourg Intermediate Holdings SàRL, WH Luxembourg CM SàRL and UBS Warburg LLC	(12)
10.15	Registration Rights Agreement, dated as of June 27, 2002, by and among WH Acquisition Corp., WH Intermediate Holdings Ltd., WH Luxembourg Holdings SàRL, WH Luxembourg Intermediate Holdings SàRL, WH Luxembourg CM SàRL and UBS Warburg LLC	(12)
10.16	Credit Agreement, dated as of July 31, 2002, by and among Herbalife International, Inc., WH Holdings (Cayman Islands) Ltd., WH Intermediate Holdings Ltd., WH Luxembourg Holdings SàRL, WH Luxembourg Intermediate Holdings SàRL, WH Luxembourg CM SàRL and the Subsidiary Guarantors party thereto, and certain lenders and agents named therein	(12)
10.17	Security Agreement, dated as of July 31, 2002, by Herbalife International, Inc., WH Holdings (Cayman Islands) Ltd., WH Intermediate Holdings Ltd., WH Luxembourg Holdings SàRL, WH Luxembourg Intermediate Holdings SàRL, WH Luxembourg CM SàRL and the Subsidiary Guarantors party thereto in favor of UBS AG, Stamford Branch, as Collateral Agent	(12)
10.18	Amendment to Agreements of Distributorship, effective as of July 31, 2002 made and entered into by Herbalife International, Inc. for the benefit of all of Herbalife International, Inc.'s existing and future independent distributors that meet the requirements to become (or remain) a distributor according to company policy	(12)
10.19	Monitoring Fee Agreement dated as of July 31, 2002, between Herbalife International, Inc. and Whitney & Co., LLC	(14)
10.20	Monitoring Fee Agreement dated as of July 31, 2002, between Herbalife International, Inc. and GGC Administration, LLC	(14)
10.21	Indemnity Agreement dated as of July 31, 2002, by and among WH Holdings (Cayman Islands) Ltd., Whitney Strategic Partners V, L.P., GGC Administration, L.L.C., Golden Gate Private Equity, Inc., CCG Investments (BVI), L.P., Series C, CCG AV, LLC-Series E, CCG Associates-QP, LLC and WH Investments Ltd.	(14)

10.22	Independent Director's Stock Option Plan of WH Holdings (Cayman Islands)	(14)
10.23	Executive Officer Stock Option Plan of WH Holdings (Cayman Islands) Ltd.	(14)
10.24	Amendment No. 1 to Credit Agreement dated as of December 18, 2002, among Herbalife International, Inc., WH Holdings (Cayman Islands) Ltd., WH Intermediate Holdings Ltd., WH Luxembourg Holdings SàRL, WH Luxembourg Intermediate Holdings SàRL, WH Luxembourg CM SàRL and each of the Subsidiary Guarantors	(14)
10.25	Employment Agreement, dated as of March 10, 2003 between Brian Kane and Herbalife International, Inc. and Herbalife International of America, Inc.	(15)
10.26	Employment Agreement dated as of March 10, 2003 between Carol Hannah and Herbalife International, Inc. and Herbalife International of America, Inc.	(15)
10.27	Non-Statutory Stock Option Agreement, dated as of March 10, 2003 between WH Holdings (Cayman Islands) Ltd. and Brian Kane	(15)
10.28	Non-Statutory Stock Option Agreement, dated as of March 10, 2003 between WH Holdings (Cayman Islands) Ltd. and Carol Hannah	(15)
10.29	WH Holdings (Cayman Islands) Ltd. Stock Incentive Plan, as restated	(20)
10.30	Side Letter Agreement dated as of March 10, 2003 by and among WH Holdings (Cayman Islands) Ltd., Institutional Shareholders, Brian Kane and Carol Hannah	(16)
10.31	Employment Agreement dated as of April 3, 2003 between Michael O. Johnson and Herbalife International, Inc. and Herbalife International of America, Inc.	(16)
10.32	Non-Statutory Stock Option Agreement, dated as of April 3, 2003 between WH Holdings (Cayman Islands) Ltd. and Michael O. Johnson	(16)
10.33	Side Letter Agreement dated as of April 3, 2003 by and among WH Holdings (Cayman Islands) Ltd., Institutional Shareholders and Michael O. Johnson	(16)
10.34	Employment Agreement dated as of July 14, 2003 between Matt Wisk and Herbalife International of America, Inc.	(17)
10.35	Employment Agreement dated as of July 31, 2003 between Gregory L. Probert and Herbalife International of America, Inc.	(17)
10.36	Employment Agreement dated October 6, 2003 between Brett R. Chapman and Herbalife International of America, Inc.	(20)
10.37	Form of Non-Statutory Stock Option Agreement (Non-Executive Agreement)	(20)
10.38	Form of Non-Statutory Stock Option Agreement (Executive Agreement)	(20)
10.39	Registration Rights Agreement, dated as of March 8, 2004, by and among WH Holdings (Cayman Islands) Ltd., WH Capital Corporation UBS Securities, LLC	(18)

10.40	Indemnity Agreement, dated as of February 9, 2004, among WH Capital Corporation and Gregory Probert	(18)
10.41	Indemnity Agreement, dated as of February 9, 2004, among WH Capital Corporation and Brett R. Chapman	(18)
10.42	Stock Subscription Agreement of WH Capital Corporation, dated as of February 9, 2004, between WH Capital Corporation and WH Holdings (Cayman Islands) Ltd.	(18)
10.43	Amendment to WH Holdings (Cayman Islands) Ltd. Stock Incentive Plan, as restated, effective January 28, 2004	(18)
12.1	Statement regarding Computation of Ratios	(18)
21.1	List of subsidiaries of WH Holdings (Cayman Islands) Ltd.	(18)
21.2	List of subsidiaries of WH Capital Corporation	(18)
23.1	Consent of Deloitte & Touche LLP	(18)
23.2	Consent of KPMG LLP	(18)
23.3	Consent of Gibson Dunn & Crutcher, LLP (Included in Exhibit 5.1 hereto)	(18)
23.4	Consent of Maples and Calder (Included in Exhibit 5.2 hereto)	(18)
23.5	Consent of Schreck Brignone (Included in Exhibit 5.3 hereto)	(18)
24.1	Power of Attorney of WH Holdings (Cayman Islands) Ltd. (on the signature page of Part II hereof)	(18)
24.2	Power of Attorney of WH Capital Corporation (on the signature page of Part II hereof)	(18)
25.1	Form T-1 Statement of Eligibility of Trustee	(18)
99.1	Form of Letter of Transmittal for the $9^1/_2$% Notes due 2011	(18)
99.2	Form of Notice of Guaranteed Delivery for the $9^1/_2$% Notes due 2011	(18)
99.3	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9	(18)
99.4	Form of Exchange Agent Agreement	(18)
99.5	Form of Letter to Holders	(18)
99.6	Form of Letter to Clients	(18)
99.7	Form of Letter to Registered Holders and Depositary Trust Company Participants	(18)

(1) Incorporated by reference to Herbalife International Inc.'s Registration Statement on Form S-1 (No. 33-66576) declared effective by the Securities and Exchange Commission on October 8, 1993.

(2) Incorporated by reference to WH Intermediate Holdings Ltd.'s Definitive Proxy Statement relating to its 1994 Annual Meeting of Shareholders.

(3) Incorporated by reference to Herbalife International Inc.'s Annual Report on Form 10-K for the year ended December 31, 1995.

(4) Incorporated by reference to Herbalife International Inc.'s Definitive Proxy Statement relating to its 1996 Annual Meeting of Shareholders.

(5) Incorporated by reference to Herbalife International Inc.'s Definitive Proxy Statement relating to the Special Shareholder Meeting held on December 11, 1997.

(6) Incorporated by reference to Herbalife International Inc.'s Annual Report on Form 10-K for the year ended December 31, 1997.

(7) Incorporated by reference to Herbalife International Inc.'s Annual Report on Form 10-K for the year ended December 31, 1998.

(8) Incorporated by reference to Herbalife International Inc.'s Quarterly Report on Form 10-Q for the three months ended September 30, 2000.

(9) Incorporated by reference to Herbalife International Inc.'s Quarterly Report on Form 10-Q for the three months ended March 31, 2001.

(10) Incorporated by reference to Herbalife International Inc.'s Annual Report on Form 10-K for the year ended December 31, 2001.

(11) Incorporated by reference to Herbalife International Inc.'s Current Report on Form 8-K, dated April 10, 2002.

(12) Incorporated by reference to Herbalife International Inc.'s Quarterly Report on Form 10Q for the three months ended June 30, 2002.

(13) Incorporated by reference to WH Intermediate Holdings Ltd.'s Quarterly Report on Form 10Q for the three months ended September 30, 2002.

(14) Incorporated by reference to WH Intermediate Holdings Ltd.'s Registration Statement on Form S-4 (No. 333-101188) declared effective by the Securities and Exchange Commission on November 13, 2002.

(15) Incorporated by reference to WH Intermediate Holdings Ltd.'s Annual Report on Form 10K for the year ended December 31, 2002.

(16) Incorporated by reference to WH Intermediate Holdings Ltd.'s Quarterly Report on Form 10Q for the three months ended March 31, 2003.

(17) Incorporated by reference to WH Intermediate Holdings Ltd.'s quarterly report on Form 10Q for the three months ended September 30, 2003.

(18) Filed herewith.

(19) Incorporated by reference to WH Intermediate Holdings Ltd.'s Current Report on Form 8-K, filed June 16, 2003.

(20) Incorporated by reference to WH Intermediate Holdings Ltd.'s Annual Report on Form 10K for the year ended December 31, 2003.

(21) Incorporated by reference to Herbalife International Inc.'s Definitive Proxy Statement relating to its 2001 Annual Meeting of Shareholders.

Certain portions of this exhibit have been omitted and filed separately under an application for confidential treatment.

ITEM 22. UNDERTAKINGS

(a) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(b) The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) The undersigned Registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(d) The undersigned Registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereto duly authorized, in the city of Los Angeles, State of California, on May 10, 2004.

WH HOLDINGS (CAYMAN ISLANDS) LTD.

By: /s/ GREGORY PROBERT

Gregory Probert
Chief Operating Officer

By: /s/ BRETT R. CHAPMAN

Brett R. Chapman
Secretary

WH CAPITAL CORPORATION

By: /s/ BRETT R. CHAPMAN

Brett R. Chapman
Secretary and Treasurer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

WH HOLDINGS (CAYMAN ISLANDS) LTD.

Signature	Title	Date
/s/ MICHAEL O. JOHNSON Michael O. Johnson	Director, Chief Executive Officer	May 10, 2004
/s/ PETER CASTLEMAN Peter Castleman	Director, Chairman of the Board	May 10, 2004
/s/ HENRY BURDICK Henry Burdick	Director, Vice Chairman	May 10, 2004
/s/ PRESCOTT ASHE Prescott Ashe	Director	May 10, 2004
/s/ KEN DIEKROEGER Ken Diekroeger	Director	May 10, 2004
/s/ JAMES FORDYCE James Fordyce	Director	May 10, 2004
/s/ JOHN HOCKIN John Hockin	Director	May 10, 2004
/s/ STEFAN KALUZNY Stefan Kaluzny	Director	May 10, 2004

/s/ CHARLES ORR	Director	May 10, 2004
Charles Orr		
/s/ STEVEN RODGERS	Director	May 10, 2004
Steven Rodgers		
/s/ JESSE ROGERS	Director	May 10, 2004
Jesse Rogers		
/s/ LESLIE STANFORD	Director	May 10, 2004
Leslie Stanford		
/s/ MARKUS LEHMANN	Director	May 10, 2004
Markus Lehmann		

WH CAPITAL CORPORATION

Signature	Title	Date
/s/ GREGORY PROBERT	Director, President	May 10, 2004
Gregory Probert		

QuickLinks

Exhibit 1.1

WH HOLDINGS (CAYMAN ISLANDS) LTD.
WH CAPITAL CORPORATION

$275,000,000 9 1/2% Notes due 2011

PURCHASE AGREEMENT

March 3, 2004
New York, New York

UBS SECURITIES LLC
677 Washington Boulevard
Stamford, Connecticut 06901

Ladies and Gentlemen:

WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company (the "**Company**") and WH Capital Corporation, a Nevada corporation ("**Capital**," and together with the Company, the "**Issuers**"), agree with you as follows:

1. *Issuance of Notes.* The Issuers propose to issue and sell to UBS Securities LLC (the "**Initial Purchaser**") $275,000,000 aggregate principal amount of their 9 1/2% Notes due 2011 (the "**Original Notes**"). The Original Notes will be issued pursuant to an indenture (the "**Indenture**"), to be dated the Closing Date (as defined herein), by and among the Issuers and The Bank of New York, as trustee (the "**Trustee**"). Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Offering Memorandum (as defined herein).

The Original Notes will be offered and sold to the Initial Purchaser pursuant to an exemption from the registration requirements under the Securities Act of 1933, as amended (the "**Act**"). The Issuers have prepared a preliminary offering memorandum, dated February 20, 2004 (the "**Preliminary Offering Memorandum**"), and a final offering memorandum dated and available for distribution on the date hereof (the "**Offering Memorandum**") relating to the Issuers and the Original Notes.

The Initial Purchaser has advised the Issuers that the Initial Purchaser intends, as soon as it deems practicable after this Purchase Agreement (this "**Agreement**") has been executed and delivered, to resell (the "**Exempt Resales**") the Original Notes purchased by the Initial Purchaser under this Agreement in private sales exempt from registration under the Act on the terms set forth in the Offering Memorandum, as amended or supplemented, solely to (i) persons whom the Initial Purchaser reasonably believes to be "qualified institutional buyers," as defined in Rule 144A under the Act ("**QIBs**"), and (ii) other eligible purchasers pursuant to offers and sales that occur outside the United States within the meaning of Regulation S under the Act; the Persons specified in clauses (i) and (ii) are sometimes collectively referred to herein as the "**Eligible Purchasers**."

Upon issuance of the Original Notes and until such time as the same is no longer required under the applicable requirements of the Act, the Original Notes shall bear the legend relating thereto substantially in the form set forth under "Notice to Investors" in the Offering Memorandum.

Holders (including subsequent transferees) of the Original Notes will have the registration rights set forth in the registration rights agreement, to be dated the Closing Date, substantially in the form attached hereto as *Annex A* (the "**Registration Rights Agreement**"). Pursuant to the Registration Rights Agreement, the Issuers will agree to (i) file with the Securities and Exchange Commission (the "**Commission**") under the circumstances set forth in the Registration Rights Agreement, (a) a registration statement under the Act (the "**Exchange Offer Registration Statement**") relating to a new issue of debt securities (collectively with the Private Exchange Notes (as defined in the Registration Rights Agreement) as the "**Exchange Notes**" and, the Exchange Notes are referred to herein, together with the Original Notes, as the "**Notes**") to be offered in exchange for the Original Notes (the "**Exchange Offer**") and issued under the Indenture or indentures substantially identical to the

Indenture and/or (b) under certain circumstances set forth in the Registration Rights Agreement, a shelf registration statement pursuant to Rule 415 under the Act (the **Shelf Registration Statement**" and, together with the Exchange Offer Registration Statement, the "**Registration Statements**") relating to the resale by certain holders of the Original Notes, and (ii) to use its reasonable best efforts to cause such Registration Statements to be declared effective. This Agreement, the Notes, the Indenture and the Registration Rights Agreement are hereinafter sometimes referred to collectively as the "**Note Documents**."

As described in the Offering Memorandum under the caption "The recapitalization of Holdings and related transactions," the net proceeds of the offering of the Notes, together available cash, will be used as a part of a recapitalization of the Company, pursuant to which the Company will redeem all of its outstanding 12% Series A Convertible Preferred Shares (the "**Holdings Preferred Stock**") and pay accrued and unpaid dividends thereon, purchase the Company's outstanding 15.5% Senior Notes due 2011 (the "**Holdings Senior Notes**") at a negotiated price, repay a portion of Herbalife's senior credit facilities (the "**Herbalife Senior Credit Facilities**"), and pay related fees and expenses.

The issuance and sale of the Original Notes, the redemption of the Holdings Preferred Stock, the purchase of the Holdings Senior Notes and the prepayment of a portion of the Herbalife Senior Credit Facilities and the payment of related fees and expenses are referred to as the "**Transactions**."

2. *Agreements to Sell and Purchase.* On the basis of the representations, warranties and covenants contained in this Agreement and subject to the terms and conditions contained in this Agreement, the Issuers agree to issue and sell to the Initial Purchaser and the Initial Purchaser agrees to purchase from the Issuers, $275,000,000 aggregate principal amount of Original Notes at a purchase price equal to 97.25% of their principal amount.

3. *Delivery and Payment.* Delivery of, and payment of the purchase price for, the Original Notes will be made at 9:00 a.m., New York time, on March 8, 2004 (such date and time, the "**Closing Date**") at the offices of Gibson, Dunn & Crutcher LLP, 2029 Century Park East, Suite 4000, Los Angeles, California 90067. The Closing Date and the location of delivery of and the form of payment for the Original Notes may be varied by mutual agreement between the Initial Purchaser and the Issuers.

All of the Original Notes will be delivered by the Issuers to the Initial Purchaser (or as the Initial Purchaser may direct) against payment by the Initial Purchaser of the purchase price therefor by means of transfer of immediately available funds to such account or accounts specified by the Issuers in accordance with its obligations under Section 4(g) hereof on or prior to the Closing Date, or by such means as the parties hereto agree prior to the Closing Date. Delivery of the Original Notes shall be made through the facilities of the Depositary Trust Company ("**DTC**") unless the Initial Purchaser shall otherwise instruct. The Original Notes shall be evidenced by one or more certificates in global form registered in such names as the Initial Purchaser may request upon at least one business day's notice prior to the Closing Date and having an aggregate principal amount corresponding to the aggregate principal amount of the Original Notes.

4. *Agreements of the Issuers.* Each of the Issuers severally covenants and agrees with the Initial Purchaser as follows:

(a) To furnish the Initial Purchaser and those persons identified by the Initial Purchaser, without charge, with as many copies of the Preliminary Offering Memorandum and the Offering Memorandum, and any amendments or supplements thereto, as the Initial Purchaser may reasonably request. Each of the Issuers consents to the use of the Preliminary Offering Memorandum and the Offering Memorandum, and any amendments and supplements thereto required pursuant to this Agreement, by the Initial Purchaser in connection with Exempt Resales.

(b) Not to amend or supplement the Offering Memorandum prior to the Closing Date unless the Initial Purchaser has previously been advised of such proposed amendment or supplement at

least two business days prior to the proposed use, and shall not have reasonably objected to such amendment or supplement.

(c) If, prior to the time that the Initial Purchaser has notified the Issuers that it has completed its distribution of the Original Notes, any event shall occur that makes any statement of a material fact in the Offering Memorandum, as then amended or supplemented, untrue or requires the making of any additions to or changes in the Offering Memorandum in order to make the statements in the Offering Memorandum, as then amended or supplemented, in light of the circumstances under which they are made, not misleading, or if it is necessary to amend or supplement the Offering Memorandum to comply with all applicable laws known to the Issuers, the Issuers shall promptly notify the Initial Purchaser of such event and prepare an appropriate amendment or supplement to the Offering Memorandum so that (i) the statements in the Offering Memorandum, as amended or supplemented, in light of the circumstances as of the time of the amendment or supplement will not be misleading and (ii) the Offering Memorandum will comply with applicable law.

(d) To cooperate with the Initial Purchaser and counsel to the Initial Purchaser in connection with the qualification or registration of the Original Notes under the securities laws of such jurisdictions as the Initial Purchaser may reasonably request and to continue such qualification in effect so long as reasonably required for the Exempt Resales. Notwithstanding the foregoing, neither of the Issuers shall be required to qualify as a foreign corporation or other business entity in any jurisdiction in which it is not so qualified or to file a general consent to service of process in any such jurisdiction or subject itself to taxation in any such jurisdiction where it is not then so subject.

(e) To advise the Initial Purchaser promptly and, if requested by the Initial Purchaser, to confirm such advice in writing, of the issuance by any securities commission of any stop order suspending the qualification or exemption from qualification of any of the Original Notes for offering or sale in any jurisdiction, or the initiation of any proceeding for such purpose by any securities commission or other regulatory authority. Each of the Issuers shall use its reasonable best efforts to prevent the issuance of any stop order or order suspending the qualification or exemption of any of the Original Notes under any securities laws, and if at any time any securities commission or other regulatory authority shall issue an order suspending the qualification or exemption of any of the Original Notes under any securities laws, each of the Issuers shall use its reasonable best efforts to obtain the withdrawal or lifting of such order at the earliest possible time.

(f) Whether or not the transactions contemplated by this Agreement are consummated, to pay all costs, expenses, fees, disbursements (including reasonable fees, expenses and disbursements of each of the counsel to the Issuers and the Initial Purchaser) reasonably incurred and stamp, documentary or similar taxes incident to and in connection with: (i) the preparation, printing and distribution of the Preliminary Offering Memorandum and the Offering Memorandum (including, without limitation, financial statements) and all amendments and supplements thereto, (ii) all expenses (including travel expenses) of the Issuers and the Initial Purchaser in connection with any meetings with prospective investors in the Original Notes, (iii) the preparation, notarization (if necessary) and delivery of the Note Documents and all other agreements, memoranda, correspondence and documents prepared and delivered in connection with this Agreement and with the Exempt Resales, (iv) the issuance, transfer and delivery of the Original Notes by the Issuers to the Initial Purchaser, (v) (subject to Section 4(d)) hereof, the qualification or registration of the Notes for offer and sale under the securities laws of the several states of the United States or provinces of Canada (including, without limitation, the cost of printing and mailing preliminary and final Blue Sky or legal investment memoranda and fees, and disbursements of counsel (including local counsel) to the Initial Purchaser relating thereto up to

$20,000), (vi) the furnishing of such copies of the Preliminary Offering Memorandum and the Offering Memorandum, and all amendments and supplements thereto, as may be reasonably requested for use in connection with Exempt Resales, (vii) the preparation of certificates for the Notes, (viii) the application for quotation of the Original Notes and the Exchange Notes in The PORTAL Market ("**PORTAL**") of the National Association of Securities Dealers, Inc. ("**NASD**"), including, but not limited to, all listing fees and expenses, (ix) the approval of the Notes by the DTC for "book-entry" transfer, (x) the rating of the Notes by investment rating agencies, (xi) the fees and expenses of the Trustee and its counsel and (xii) the performance by the Issuers of their other obligations under the Note Documents.

(g) To use the proceeds from the sale of the Original Notes substantially in the manner described in the Offering Memorandum under the caption "Use of Proceeds."

(h) To do and perform all things required to be done and performed under this Agreement by it prior to or after the Closing Date and to use its reasonable best efforts to satisfy all conditions precedent on its part to the delivery of the Original Notes.

(i) Not to, and not to cause any of its subsidiaries to, sell, offer for sale or solicit offers to buy any security (as defined in the Act) that would be integrated with the sale of the Original Notes in a manner that would require the registration under the Act of the sale of the Original Notes to the Initial Purchaser or any Eligible Purchasers.

(j) Not to, and to use its reasonable best efforts to cause its affiliates (as defined in Rule 144 under the Act) not to, resell any of the Original Notes that have been reacquired by any of them; *provided, that*, affiliates of the Issuers may resell any Original Notes that have been acquired by such affiliate so long as such resale (i) is made pursuant to an exemption from the registration requirements of the Act or a transaction registered under the Act and (ii) such Original Notes, when resold by such affiliates do not constitute restricted securities (as defined in Rule 144 of the Act).

(k) Not to engage, not to allow any of its subsidiaries to engage, and to use its reasonable best efforts to cause its other affiliates and any person acting on their behalf (other than, in any case, the Initial Purchaser and any of their affiliates, as to whom neither of the Issuers makes any covenant) not to engage, in any form of general solicitation or general advertising (within the meaning of Regulation D under the Act) in connection with any offer or sale of the Original Notes in the United States prior to the effectiveness of a registration statement with respect to the Notes.

(l) Not to engage, not to allow any of its subsidiaries to engage, and to use its reasonable best efforts to cause its other affiliates and any person acting on its behalf (other than, in any case, the Initial Purchaser and any of their affiliates, as to whom neither of the Issuers makes any covenant) not to engage, in any directed selling effort with respect to the Original Notes, and to comply with the offering restrictions requirement of Regulation S under the Act. Terms used in this paragraph have the meanings given to them by Regulation S.

(m) From and after the Closing Date, to provide to the holders of the Notes the information required by the Indenture and, for so long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Act and during any period in which the Issuers are not subject to Section 13 or 15(d) of the Exchange Act, to make available upon request the information required by Rule 144A(d)(4) under the Act to (i) any holder of Notes in connection with any sale of such Notes and (ii) any prospective purchaser of such Notes from any such holder designated by the holder. The Issuers will pay the expenses of printing and distributing such documents.

(n) To comply with all of its agreements set forth in the Registration Rights Agreement.

(o) To use its reasonable best efforts to obtain approval of the Notes by DTC for "book-entry" transfer.

(p) Prior to the Closing Date, to furnish without charge to the Initial Purchaser, (i) as soon as they have been prepared by the Company, a copy of any regularly prepared internal financial statements of the Company and its subsidiaries for any period subsequent to the period covered by the financial statements appearing in the Offering Memorandum, (ii) all other reports and other communications (financial or otherwise) that the Company mails or otherwise makes available to its security holders and (iii) such other information as the Initial Purchaser shall reasonably request.

(q) During the period of two years after the Closing Date or, if earlier, until such time as the Original Notes are no longer restricted securities (as defined in Rule 144 under the Act), not to be or become a closed-end investment company required to be registered, but not registered, under the Investment Company Act of 1940, as amended.

(r) In connection with the offering, until the Initial Purchaser shall have notified the Issuers of the completion of the resale of the Notes, not to, and not to permit any of their affiliates (as such term is defined in Rule 501(b) of Regulation D under the Act) to, either alone or with one or more other Persons, bid for or purchase for any account in which it or any of its affiliates has a beneficial interest, and neither of the Issuers or any of their affiliates will make bids or purchases for the purpose of creating actual or apparent active trading in, or of raising the price of, the Notes.

(s) To use its reasonable best efforts to effect the inclusion of the Notes in PORTAL.

5. *Representations and Warranties.* (a) Each of the Issuers hereby severally and not jointly represents and warrants to the Initial Purchaser that:

(i) Each of the Preliminary Offering Memorandum and the Offering Memorandum has been prepared for use in connection with the Exempt Resales. The Preliminary Offering Memorandum as of its date, and the Offering Memorandum or any supplement or amendment thereto as of the date of this Agreement and as of the Closing Date do not, and will not, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that neither of the Issuers makes any representation or warranty with respect to information relating to the Initial Purchaser contained in or omitted from the Preliminary Offering Memorandum or the Offering Memorandum or any supplement or amendment thereto in reliance upon and in conformity with information furnished to the Issuers in writing by or on behalf of the Initial Purchaser expressly for use in the Preliminary Offering Memorandum, the Offering Memorandum or any supplement or amendment thereto. No order preventing the use of the Preliminary Offering Memorandum or the Offering Memorandum, or any order asserting that any of the transactions contemplated by this Agreement are subject to the registration requirements of the Act, has been issued or, to the knowledge of the Issuers has been threatened.

(ii) There are no securities of the Issuers that are listed on a national securities exchange registered under Section 6 of the Exchange Act or that are quoted in a United States automated interdealer quotation system of the same class as the Notes within the meaning of Rule 144A under the Act.

(iii) The Company has an authorized capitalization as set forth under the heading "Capitalization" in the Offering Memorandum. All of the issued and outstanding shares of capital stock or other equity interests of the Issuers have been duly authorized and validly issued, are fully paid and nonassessable and were not issued in violation of any preemptive or

similar right. Attached as *Schedule I* is a true and complete list of each entity, as of the Closing Date, in which either of the Issuers has a direct or indirect majority equity or voting interest (all such entities, the "**Subsidiaries**"), their jurisdictions of incorporation or formation, type of entity and percentage equity ownership by such Issuer. All of the issued and outstanding shares of capital stock or other equity interests of the Subsidiaries referred to in *Schedule II* (the "**Specified Subsidiaries**") have been duly and validly authorized and issued, fully paid and nonassessable, were not issued in violation of any preemptive or similar right and, except as set forth in *Schedule II* herein, are owned by either of the Issuers or another Subsidiary, as appropriate, free and clear of all Liens (as defined in the Indenture), (other than transfer restrictions imposed by the Act, the securities or Blue Sky laws of certain jurisdictions and security interests granted pursuant to the Credit Facilities). Except as set forth in the Offering Memorandum, and except for directors qualifying shares or shares or other securities issued under circumstances similar to those applicable to directors qualifying shares, there are no outstanding options, warrants or other rights to acquire or purchase, or instruments convertible into or exchangeable for, any shares of capital stock of the Issuers or any of the Subsidiaries. No holder of any securities of the Issuers or any of the Subsidiaries is entitled to have such securities (other than the Notes) registered under any registration statement contemplated by the Registration Rights Agreement.

(iv) Each of the Issuers and their respective subsidiaries (a) is a corporation, partnership, limited liability company or other entity duly organized and validly existing under the laws of the jurisdiction of its organization; (b) has all requisite power and authority (corporate or otherwise), and has all governmental licenses, authorizations, consents and approvals, necessary to own its property and carry on its business as now being conducted, except if the failure to obtain any such license, authorization, consent and approval could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect (as defined below); and (c) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure to be so qualified and in good standing, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. A "**Material Adverse Effect**" means any material adverse effect on the business, condition (financial or other), results of operations, performance or properties of the Issuers and their respective subsidiaries, taken as a whole.

(v) Each of the Issuers has all requisite power and authority (corporate or otherwise) to execute, deliver, and perform all of its obligations under, the Note Documents to which it is a party and to consummate the transactions contemplated hereby and by the Note Documents to be consummated on its part and, without limitation, each of the Issuers has all requisite corporate power and authority to issue, sell and deliver, and perform its obligations under, the Notes.

(vi) This Agreement has been duly and validly authorized, executed and delivered by each of the Issuers.

(vii) The Indenture has been duly and validly authorized by the Issuers and, at the Closing Date, when duly executed and delivered by the Issuers (assuming the due authorization, execution and delivery thereof by the Trustee), will be valid and legally binding obligations of each of the Issuers, enforceable against each of the Issuers in accordance with their terms, except as the enforcement thereof may be subject to (x) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and (y) general principles of equity and the discretion of the court before which any proceeding therefor may be brought (regardless of whether such enforcement is considered in a proceeding in equity or at law). The Indenture,

when executed and delivered, will conform in all material respects to the description thereof in the Offering Memorandum.

(viii) The Original Notes have been duly and validly authorized for issuance and sale to the Initial Purchaser by the Issuers, and when issued, authenticated and delivered by the Issuers against payment by the Initial Purchaser in accordance with the terms of this Agreement and the Indenture, the Original Notes will be valid and legally binding obligations of each of the Issuers, entitled to the benefits of the Indenture and enforceable against each of the Issuers in accordance with their terms, except as the enforcement thereof may be subject to (x) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and (y) general principles of equity and the discretion of the court before which any proceeding therefor may be brought (regardless of whether such enforcement is considered in a proceeding in equity or at law). The Original Notes, when issued, authenticated and delivered, will conform in all material respects to the descriptions thereof in the Offering Memorandum.

(ix) The Exchange Notes have been, or on or before the Closing Date will be, duly and validly authorized for issuance by each of the Issuers and when issued, authenticated and delivered by each of the Issuers, in accordance with the terms of the Registration Rights Agreement, the Exchange Offer and the Indenture, the Exchange Notes will be valid and legally binding obligations of each of the Issuers entitled to the benefits of the Indenture and enforceable against each of the Issuers, in accordance with their terms, except as the enforcement thereof may be subject to (x) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and (y) general principles of equity and the discretion of the court before which any proceeding therefor may be brought (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(x) The Registration Rights Agreement has been duly and validly authorized by each of the Issuers and, when duly executed and delivered by each of the Issuers (assuming the due authorization, execution and delivery thereof by the Initial Purchaser), will constitute a valid and legally binding obligation of each of the Issuers enforceable against each of the Issuers in accordance with its terms, except that (A) except as the enforcement thereof may be subject to (x) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally and (y) general principles of equity and the discretion of the court before which any proceeding therefor may be brought (regardless of whether such enforcement is considered in a proceeding in equity or at law) and (B) any rights to indemnity or contribution thereunder may be limited by federal and state securities laws and public policy considerations. The Registration Rights Agreement, when executed and delivered, will conform in all material respects to the description thereof in the Offering Memorandum.

(xi) All Taxes (as defined herein), fees and other governmental charges that are due and payable on or prior to the Closing Date in connection with the execution, delivery and performance of the Note Documents and the execution, delivery and sale of the Original Notes shall have been paid by or on behalf of the Issuers at or prior to the Closing Date.

(xii) None of the Issuers or any Subsidiary is (A) in violation of its memorandum and articles of association, charter, bylaws or other constitutive documents, (B) in default (or, with notice or lapse of time or both, would be in default) in the performance or observance of any obligation, agreement, covenant or condition contained in any bond, debenture, note, indenture, mortgage, deed of trust, loan or credit agreement, lease, license, franchise agreement, authorization, permit, certificate or other agreement or instrument to which either of the Issuers or any Subsidiary is a party or by which any of them is bound or to which any of their assets or properties is subject (collectively, "**Agreements and Instruments**"), or (C) except as disclosed in the Offering Memorandum, in violation of any law, statute, rule, regulation, judgment, order or decree of any domestic or foreign court with jurisdiction over any of them or any of their assets or properties or other governmental or regulatory authority, agency or other body, which, in the case of clauses (B) and (C) herein, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There exists no condition that, with notice, the passage of time or otherwise, would constitute a default by the Issuers or any Subsidiary under any such document or instrument or result in the imposition of any penalty or the acceleration of any indebtedness, other than penalties, defaults or conditions that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(xiii) Assuming the accuracy of the representations and warranties of the Initial Purchaser in Section 5(b) of this Agreement, the execution, delivery and performance of the Note Documents and consummation of the Transactions does not and will not violate, conflict with or constitute a breach of any of the terms or provisions of or a default under (or an event that with notice or the lapse of time, or both, would constitute a default), or require consent under, or result in the creation or imposition of a lien, charge or encumbrance on any property or assets of either of the Issuers or any Specified Subsidiary (other than as created pursuant to the Indenture) or an acceleration of any indebtedness of either of the Issuers or Specified Subsidiary, as applicable, pursuant to, (i) the memorandum and articles of association, charter, bylaws or other constitutive documents of either of the Issuers or any Specified Subsidiary, (ii) any of the Agreements and Instruments, except for any such violation, conflict, breach, default or event which would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (iii) assuming compliance with all applicable state securities or "blue sky" laws and assuming qualification of the Indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), any law, statute, rule or regulation applicable to either of the Issuers or any Subsidiary or their respective assets or properties, or (iv) any judgment, order or decree of any domestic or foreign court or governmental agency or authority having jurisdiction over either of the Issuers or any Specified Subsidiary or their respective assets or properties, except for any such violation, conflict, breach, default or event which would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect. Assuming the accuracy of the representations and warranties of the Initial Purchaser in Section 5(b) of this Agreement, no consent, approval, authorization or order of, or filing, registration, qualification, license or permit of or with, any court or governmental agency, body or administrative agency, domestic or foreign, is required to be obtained or made by the Issuers or any of the Subsidiaries for the execution, delivery and performance by the Issuers or any of the Subsidiaries of the Note Documents and the consummation of the Transactions, except (w) such as have been or will be obtained or made on or prior to the Closing Date, (x) registration of the Exchange Offer or resale of the Notes under the Act pursuant to the Registration Rights Agreement, (y) qualification of the Indenture under the Trust Indenture Act, in connection with the issuance of the Exchange Notes and (z) any state or foreign securities laws or by the regulations of the NASD. No consents or waivers from any other person or entity are required

for the execution, delivery and performance of this Agreement or any of the other Note Documents and the consummation of the Transactions, other than such consents and waivers as have been obtained or will be obtained prior to the Closing Date and will be in full force and effect, or such consents or waivers the failure to obtain which individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect.

(xiv) Except as set forth in the Offering Memorandum, there is (A) no action, suit or proceeding before or by any court, arbitrator or governmental agency, body or official, domestic or foreign, now pending or, to the knowledge of the Issuers or any Subsidiary threatened or contemplated, to which the Issuers or any Subsidiary is or may be a party or to which the business, assets or property of such Person is or may be subject, (B) no statute, rule, regulation or order that has been enacted, adopted or issued or, to the knowledge of the Issuers or any Subsidiary, that has been proposed by any governmental body or agency, domestic or foreign, (C) no injunction, restraining order or order of any nature by a federal or state court or foreign court of competent jurisdiction to which the Issuers or any Subsidiary is or may be subject, which in the case of clauses (A) through (C), could reasonably be expected, individually or in the aggregate, (1) to have a Material Adverse Effect or (2) to interfere with or adversely affect the consummation of the Transactions. Every request of any securities authority or agency of any jurisdiction for additional information with respect to the Transactions that has been received by the Issuers or any Subsidiary or their counsel prior to the date hereof has been, or will prior to the Closing Date be, complied with in all material respects.

(xv) Except as could not reasonably be expected to have a Material Adverse Effect, no labor disturbance by the employees of the Issuers or any Subsidiary exists or, to the knowledge of the Issuers, is imminent.

(xvi) Except as set forth in the Offering Memorandum, each of the Issuers and the Subsidiaries (A) is in compliance with, or not subject to costs or liabilities under, laws, regulations, rules of common law, orders and decrees, as in effect as of the date hereof, and any present judgments and injunctions issued or promulgated thereunder relating to pollution or protection of public and employee health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants applicable to it or its business or operations or ownership or use of its property ("**Environmental Laws**"), other than noncompliance or such costs or liabilities that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, and (B) possesses all permits, licenses or other approvals required under applicable Environmental Laws, except where the failure to possess any such permit, license or other approval could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. All currently pending and, to the knowledge of the Issuers and each of the Subsidiaries, threatened proceedings, notices of violation, demands, notices of potential responsibility or liability, suits and existing environmental investigations by any governmental authority relating to Environmental Laws which the Issuers or any Subsidiary could reasonably expect to result in a Material Adverse Effect are fully and accurately described in all material respects in the Offering Memorandum. The Company maintains a system of internal environmental management controls sufficient to provide reasonable assurance of compliance in all material respects of its business facilities, real property and operations with requirements of applicable Environmental Laws.

(xvii) Each of the Issuers and the Subsidiaries has (A) all licenses, certificates, permits, authorizations, approvals, franchises and other rights from, and has made all declarations and filings with, all applicable authorities, all self-regulatory authorities and all courts and other tribunals (each, an "**Authorization**") necessary to engage in the business conducted by it in the manner described in the Offering Memorandum, except where the failure to hold such

Authorizations could not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect, and (B) except as set forth in the Offering Memorandum, no reason to believe that any governmental body or agency, domestic or foreign, is considering limiting, suspending or revoking any such Authorization, except where such limitation, suspension or revocation could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. All such Authorizations are valid and in full force and effect and each of the Issuers and the Subsidiaries is in compliance in all material respects with the terms and conditions of all such Authorizations and with the rules and regulations of the regulatory authorities having jurisdiction with respect to such Authorizations, except for any invalidity, failure to be in full force and effect or noncompliance with any Authorization that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(xviii) Each of the Issuers and the Subsidiaries has good, valid and marketable title in fee simple to all items of owned real property, and valid title to all personal property owned by each of them, in each case free and clear of any pledge, lien, encumbrance, security interest or other defect or claim of any third party other than Permitted Liens, except such as do not adversely affect the value of such property and do not interfere with the use made or proposed to be made of such property by the Issuers or any of the Subsidiaries to an extent that such effect on value and/or interference could reasonably be expected to have a Material Adverse Effect. Any real property, personal property that is leased and buildings held under lease by the Issuers and each of the Subsidiaries are held under valid, subsisting and enforceable leases, with such exceptions as do not interfere with the use made or proposed to be made of such property and buildings the Issuers or the Subsidiaries to the extent such interference could reasonably be expected to have a Material Adverse Effect.

(xix) To the knowledge of the Issuers and the Subsidiaries, each of the Issuers and the Subsidiaries own, possess or have the right to employ all patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names (collectively, the "**Intellectual Property**") necessary to conduct the businesses operated by it as described in the Offering Memorandum, except where the failure to own, possess or have the right to employ such Intellectual Property, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Neither of the Issuers nor any of the Subsidiaries has received any notice of infringement of or conflict with (and neither knows of any such infringement or a conflict with) asserted rights of others with respect to any of the foregoing that could reasonably be expected to have a Material Adverse Effect. To the knowledge of the Issuers and the Subsidiaries, the use of the Intellectual Property in connection with the business and operations of the Issuers and the Subsidiaries does not infringe on the rights of any person, except for such infringement as could not reasonably be expected to have a Material Adverse Effect.

(xx) Except as set forth in the Offering Memorandum, all Tax returns required to be filed by the Issuers and each Specified Subsidiary have been filed and all such returns are true, complete, and correct in all material respects, except as could not reasonably be expected to have a Material Adverse Effect. Except as set forth in the Offering Memorandum, all Taxes due or claimed to be due from the Issuers and each Specified Subsidiary have been paid, other than those (i) currently payable without penalty or interest or (ii) being contested in good faith and by appropriate proceedings and for which, in the case of both clauses (i) and (ii), adequate reserves have been established on the books and records of the Issuers and each Specified Subsidiary in accordance with GAAP. To the knowledge of the Issuers and the Specified Subsidiaries, there are no proposed, material tax assessments against any of the

Issuers or the Specified Subsidiaries. The accruals and reserves on the books and records of the Issuers and each Specified Subsidiary, in respect of any material Tax liability for any taxable period not finally determined have been made and established in accordance with GAAP. For purposes of this Agreement, the term "Tax" and "Taxes" shall mean all Federal, state, local, and foreign taxes, and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax, or penalties applicable thereto.

(xxi) Except as set forth in the Offering Memorandum, none of the Issuers or any Subsidiary has any liability for any prohibited transaction (within the meaning of Section 4975 of the Code) which could have a Material Adverse Effect, accumulated funding deficiency (within the meaning of Section 412 of the Code) or any complete or partial withdrawal liability with respect to any pension, profit sharing or other plan which is subject to Title IV of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), to which the Issuers or any Subsidiary makes or ever has made a contribution and in which any employee of the Issuers or any Subsidiary is or has ever been a Sponsor. With respect to such plans, there has been no failure by the Issuers or any Subsidiary to comply with any applicable provisions of ERISA, which failure could reasonably be expected to have a Material Adverse Effect.

(xxii) None of the Issuers or any Subsidiary is an "investment company" or a company "controlled" by an "investment company" incorporated in the United States within the meaning of the Investment Company Act of 1940, as amended; and, after giving effect to the offering and sale of the Notes, none of the Issuers or any Subsidiary will be required to register as an investment company.

(xxiii) Each of the Issuers and their respective subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (A) transactions are executed in accordance with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of their financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for their assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xxiv) Except as set forth in the Offering Memorandum, each of the Issuers and the Subsidiaries maintain insurance covering their properties, assets, operations personnel and businesses, and such insurance is of such type and in such amounts in accordance with customary industry practice to protect the Issuers and the Subsidiaries and their businesses.

(xxv) None of the Issuers, the Subsidiaries or any of their respective affiliates (as defined in Rule 501(b) of Regulation D under the Act) has (A) taken, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in stabilization or manipulation of the price of any security of either of the Issuers to facilitate the sale or resale of the Original Notes or (B) sold, bid for, purchased or paid any person any compensation for soliciting purchases of the Original Notes in a manner that would require registration of the Original Notes under the Act or paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Issuers in a manner that would require registration of the Original Notes under the Act.

(xxvi) None of the Issuers, the Subsidiaries or any of their respective affiliates (as defined in Regulation D under the Act) has, directly or through any agent (other than the Initial Purchaser or any affiliate of the Initial Purchaser, as to which no representation is made),

sold, offered for sale, contracted to sell, pledged, solicited offers to buy or otherwise disposed of or negotiated in respect of any security (as defined in the Act) that is currently or will be integrated with the sale of the Original Notes in a manner that would require the registration of the Original Notes under the Act.

(xxvii) None of the Issuers, the Subsidiaries or any of their respective affiliates, or any person acting on its or their behalf (other than any Initial Purchaser, as to whom neither of the Issuers makes any representation), is engaged in any directed selling effort with respect to the Original Notes, and each of them has complied with the offering restrictions requirement of Regulation S under the Act. Terms used in this paragraph have the meaning given to them by Regulation S.

(xxviii) No form of general solicitation or general advertising (within the meaning of Regulation D under the Act) was used by the Issuers, the Subsidiaries or any of their respective representatives (other than any Initial Purchaser, as to whom none of the Issuers and the Subsidiaries makes any representation) in connection with the offer and sale of any of the Original Notes or in connection with Exempt Resales, including, but not limited to, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio or displayed on any computer terminal, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. None of the Issuers, the Subsidiaries or any of their respective affiliates has entered into, and none of the Issuers, the Subsidiaries or any of their respective affiliates will enter into, any contractual arrangement with respect to the distribution of the Original Notes except for this Agreement.

(xxix) As of the date of the latest balance sheet presented in the Offering Memorandum, neither the Issuers nor any of their subsidiaries had any material liabilities or obligations, direct or contingent, that were required in accordance with GAAP, to be set forth in the Company's consolidated balance sheet as of such date or in the notes thereto set forth in the Offering Memorandum not so set forth. Since the date of the latest balance sheet presented in the Offering Memorandum, except as set forth or contemplated in the Offering Memorandum, (a) none of the Issuers or any Subsidiary has (1) incurred any liabilities or obligations, direct or contingent, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (2) entered into any material transaction not in the ordinary course of business, (b) there has not been any event or development in respect of the business or condition (financial or other) of the Issuers and the Subsidiaries that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, (c) there has been no dividend or distribution of any kind declared, paid or made by either of the Issuers on any class of its capital stock and (d) there has not been any material change in the long-term debt of either of the Issuers or any of their respective subsidiaries.

(xxx) None of the Issuers or any of their respective subsidiaries (or any agent thereof acting on their behalf) has taken, and none of them will take, any action that might cause the issuance or sale of the Notes to violate Regulation T, U or X of the Board of Governors of the Federal Reserve System, as in effect, or as the same may hereafter be in effect, on the Closing Date.

(xxxi) Each of Deloitte & Touche LLP and PricewaterhouseCoopers LLP are independent accountants within the meaning of Regulation S-X of the Exchange Act. The historical financial statements and the notes thereto included in the Offering Memorandum present fairly in all material respects the consolidated financial position, income statement, cash flows and changes in stockholder's equity of the Company and its subsidiaries at the respective dates and for the respective periods indicated. All such financial statements have been prepared in

accordance with GAAP applied on a consistent basis throughout the periods presented (except as disclosed therein). The unaudited pro forma financial statements and the notes thereto included in the Offering Document have been prepared on a basis consistent with the historical financial statements of the Company and its subsidiaries and give effect to assumptions used in the preparation thereof on a reasonable basis and in good faith and present fairly in all material respects the historical and proposed transactions contemplated by the Offering Memorandum; and such pro forma financial statements comply as to form in all material respects with the requirements applicable to pro forma financial statements set forth in Regulation S-X under the Act. The other financial and statistical information and data included in the Offering Memorandum (other than industry and market-related data) are accurately presented in all material respects and prepared on a basis consistent with the financial statements and the books and records of the Company and its subsidiaries.

(xxxii) As of the date hereof and as of the Closing Date, immediately prior to and immediately following the consummation of the Transactions, each of the Issuers and their respective subsidiaries (on a consolidated basis) is and will be Solvent. None of the Issuers or the Subsidiaries is contemplating the filing of a petition by it under any bankruptcy or insolvency laws or the liquidating of all or a substantial portion of its property, and none of the Issuers or the Subsidiaries has knowledge of any Person contemplating the filing of any such petition. As used herein, "**Solvent**" shall mean, for any Person on a particular date that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts and liabilities beyond such Person's ability to pay as such debts and liabilities mature, (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute an unreasonably small capital and (e) such Person is able to pay its debts as they become due and payable.

(xxxiii) Except as described in the section entitled "Plan of Distribution" in the Offering Memorandum, there are no contracts, agreements or understandings between either of the Issuers or any Subsidiary and any other Person other than the Initial Purchaser pursuant to this Agreement that would give rise to a valid claim against either of the Issuers, any of the Subsidiaries or the Initial Purchaser for a brokerage commission, finder's fee or like payment in connection with the issuance, purchase and sale of the Notes.

(xxxiv) The statistical and market-related data and forward-looking statements (within the meaning of Section 27A of the Act and Section 21E of the Exchange Act) included in the Offering Memorandum are based on or derived from sources that each of the Issuers believe to be reliable and represent good faith estimates that are made on the basis of data derived from such sources.

(xxxv) Capital has conducted no business prior to the date hereof other than in connection with the transactions contemplated by this Agreement and the Offering Memorandum.

(xxxvi) Each certificate signed by any officer of either of the Issuers and delivered to the Initial Purchaser or counsel for the Initial Purchaser pursuant to, or in connection with, this Agreement shall be deemed to be a representation and warranty by such Issuer to the Initial Purchaser as to the matters covered by such certificate.

Each of the Issuers acknowledges that the Initial Purchaser and, for purposes of the opinions to be delivered to the Initial Purchaser pursuant to Section 8 of this Agreement, counsel to the

Issuers and counsel to the Initial Purchaser will rely upon the accuracy and truth of the foregoing representations and each of the Issuers hereby consent to such reliance.

(b) The Initial Purchaser acknowledges that it is purchasing the Original Notes pursuant to a private sale exemption from registration under the Act, and that the Original Notes have not been registered under the Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from the registration requirements of the Act. The Initial Purchaser represents, warrants and covenants to the Issuers that:

(i) Neither it, nor any person acting on its behalf, has or will solicit offers for, or offer or sell, the Original Notes by any form of general solicitation or general advertising (as those terms are used in Regulation D under the Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Act, including, but not limited to, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio or displayed on any computer terminal, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising, and it has and will solicit offers for the Original Notes only from, and will offer and sell the Original Notes only to, (A) Persons whom the Initial Purchaser reasonably believes to be QIBs or, if any such Person is buying for one or more institutional accounts for which such Person is acting as fiduciary or agent, only when such Person has represented to the Initial Purchaser, and the Initial Purchaser reasonably believes based on such representation, that each such account is a QIB to whom notice has been given that such sale or delivery is being made in reliance on Rule 144A, and, in each case, in reliance on the exemption from the registration requirements of the Act pursuant to Rule 144A, or (B) Persons other than U.S. Persons outside the United States in reliance on the exemption from the registration requirements of the Act provided by Regulation S. The Initial Purchaser agrees, with respect to resales made in reliance on Rule 144A of any of the Notes, to deliver either with the confirmation of such resale or otherwise prior to settlement of such resale a notice to the effect that the resale of such Notes have been made in reliance upon the exemption from the registration requirements of the Act provided by Rule 144A.

(ii) With respect to offers and sales outside the United States, the Initial Purchaser has offered the Original Notes and will offer and sell the Original Notes (1) as part of its distribution at any time and (2) otherwise until 40 days after the later of the commencement of the offering of the Original Notes and the Closing Date, only in accordance with Rule 903 of Regulation S or another exemption from the registration requirements of the Act. Accordingly, neither the Initial Purchaser nor any person acting on its behalf has engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Original Notes, and all such persons have complied and will comply with the offering restrictions requirements of Regulation S.

The Initial Purchaser agrees that it and each of its affiliates has not entered and will not enter into any contractual arrangement with respect to the distribution of the Notes except with the prior written consent of the Issuers or as contemplated by this Agreement.

Terms used in this Section 5(b)(ii) have the meanings given to them by Regulation S.

The Initial Purchaser understands that the Issuers and, for purposes of the opinions to be delivered to them pursuant to Section 8 hereof, counsel to the Issuers and counsel to the Initial Purchaser will rely upon the accuracy and truth of the foregoing representations, and the Initial Purchaser hereby consents to such reliance.

6. *Indemnification.* (a) Each of the Issuers, jointly and severally agrees to indemnify and hold harmless the Initial Purchaser, each person, if any, who controls any Initial Purchaser within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, the agents, employees, officers and directors of any Initial Purchaser and the agents, employees, officers and directors of any such controlling person from and against any and all losses, liabilities, claims, damages and expenses whatsoever (including, but not limited, to reasonable attorneys' fees and any and all reasonable expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all reasonable amounts paid in settlement of any claim or litigation) (collectively, "**Losses**") to which they or any of them may become subject under the Act, the Exchange Act or otherwise insofar as such Losses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum or the Offering Memorandum, or in any supplement thereto or amendment thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that the foregoing indemnity agreement shall not apply any such case to the extent, but only to the extent, that any such Loss arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission relating to the Initial Purchaser made therein in reliance upon and in conformity with written information furnished to either of the Issuers by or on behalf of the Initial Purchaser expressly for use therein; *provided, however*, that with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from the Preliminary Offering Memorandum, the indemnity agreement contained in this section shall not inure to the benefit of the Initial Purchaser if the Initial Purchaser sold the Notes concerned to the Person asserting any such Losses, to the extent that such sale was an initial resale by the Initial Purchaser and any such Losses of the Initial Purchaser results from the fact that there was not sent or given to such Person, at or prior to the written confirmation of the sale of such Notes to such Person, a copy of the Offering Memorandum (exclusive of any material included therein but not attached thereto) if the Issuers had previously furnished copies thereof to the Initial Purchaser. This indemnity agreement will be in addition to any liability that the Issuers may otherwise have, including, but not limited to, liability under this Agreement.

(b) The Initial Purchaser agrees to indemnify and hold harmless each of the Issuers and each person, if any, who controls either of the Issuers, within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, each of its respective agents, employees, officers and directors and the agents, employees, officers and directors of any such controlling person from and against any Losses to which they or any of them may become subject under the Act, the Exchange Act or otherwise insofar as such Losses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum or the Offering Memorandum, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that any such Loss arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission relating to the Initial Purchaser made therein in reliance upon and in conformity with information furnished in writing to either of the Issuers by or on behalf of such Initial Purchaser expressly for use therein. Each of the Issuers and the Initial Purchasers

acknowledge that the information described in Section 9 of this Agreement is the only information furnished in writing by the Initial Purchasers to the Issuers expressly for use in the Preliminary Offering Memorandum or the Offering Memorandum.

(c) Promptly after receipt by an indemnified party under subsection 6(a) or 6(b) above of notice of the commencement of any action, suit or proceeding (collectively, an "**action**"), such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify each party against whom indemnification is to be sought in writing of the commencement of such action (but the failure so to notify an indemnifying party shall not relieve such indemnifying party from any liability that it may have under this Section 6 except to the extent that it has been prejudiced in any material respect by such failure). In case any such action is brought against any indemnified party, and it notifies an indemnifying party of the commencement of such action, the indemnifying party will be entitled to participate in such action, and to the extent it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense of such action with counsel satisfactory to such indemnified party. Notwithstanding the foregoing, the indemnified party or parties shall have the right to employ its or their own counsel in any such action, but the reasonable fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless (i) the employment of such counsel shall have been authorized in writing by the indemnifying parties in connection with the defense of such action, (ii) the indemnifying parties shall not have employed counsel to take charge of the defense of such action within a reasonable time after notice of commencement of the action, or (iii) the named parties to such action (including any impleaded parties) include such indemnified party and the indemnifying parties (or such indemnifying parties have assumed the defense of such action), and such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them that are different from, in addition to, or in conflict with, those available to one or all of the indemnifying parties (in which case the indemnifying parties shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events such reasonable fees and expenses of counsel shall be borne by the indemnifying parties. In no event shall the indemnifying party be liable for the fees and expenses of more than one counsel (together with appropriate local counsel) at any time for all indemnified parties in connection with any one action or separate but substantially similar or related actions arising in the same jurisdiction out of the same general allegations or circumstances. An indemnifying party shall not be liable for any settlement of any claim or action effected without its written consent, which consent may not be unreasonably withheld. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by paragraph (a) or (b) of this Section 6, then the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 45 business days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement and (iii) such indemnified party shall have given the indemnifying party at least 45 days prior notice of its intention to settle. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and does not include a statement as to or an admission of fault, culpability or failure to act on behalf of any indemnified party.

7. *Contribution.* In order to provide for contribution in circumstances in which the indemnification provided for in Section 6 of this Agreement is for any reason held to be unavailable

from an indemnifying party, or is insufficient to hold harmless a party indemnified under Section 6 of this Agreement, each party that is obligated under Section 6 of this Agreement to indemnify any other party shall contribute to the amount paid or payable by such indemnified party as a result of such aggregate Losses (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuers, on the one hand, and the Initial Purchaser, on the other hand, from the offering of the Original Notes or (ii) if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to above but also the relative fault of the Issuers on the one hand, and the Initial Purchaser, on the other hand, in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Issuers and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, shall be deemed to be in the same proportion as (x) the total proceeds from the offering of Original Notes (net of discounts and commissions but before deducting expenses) received by the Issuers are to (y) the total discount, commissions and other compensation received by the Initial Purchaser. The relative fault of the Issuers, on the one hand, and the Initial Purchaser, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuers, or the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or alleged statement or omission.

Each of the Issuers and the Initial Purchaser agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to above. Notwithstanding the provisions of this Section 7, (i) in no case shall the Initial Purchaser be required to contribute any amount in excess of the amount by which the total discount, commissions and other compensation applicable to the Original Notes purchased by the Initial Purchaser pursuant to this Agreement exceeds the amount of any damages that the Initial Purchaser has otherwise been required to pay by reason of any untrue or alleged untrue statement or omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 7, each person, if any, who controls the Initial Purchaser within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act shall have the same rights to contribution as the Initial Purchaser, and each person, if any, who controls either of the Issuers within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act and each director, officer, employee and agent of each of the Issuers shall have the same rights to contribution as the Issuers. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim for contribution may be made against another party or parties under this Section 7, notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 7 or otherwise, except to the extent that it has been prejudiced in any material respect by such failure; *provided*, *however*, that no additional notice shall be required with respect to any action for which notice has been given under Section 6 of this Agreement for purposes of indemnification. Anything in this section to the contrary notwithstanding, no party shall be liable for contribution with respect to any action or claim settled without its written consent; *provided*, *however*, that such written consent was not unreasonably withheld.

8. *Conditions to the Initial Purchaser's Obligations.* The obligations of the Initial Purchaser to purchase and pay for the Original Notes, as provided for in this Agreement, shall be subject to satisfaction of the following conditions prior to or concurrently with such purchase:

(a) All of the representations and warranties of the Issuers contained in this Agreement shall be true and correct in all material respects on the date of this Agreement and on the Closing Date

(other than any such representations or warranties which are qualified as to materiality, which representations and warranties shall be accurate in all respect on the date hereof and on the Closing Date). Each of the Issuers shall have in all material respects performed or complied with all of the agreements and covenants contained in this Agreement and required to be performed or complied with by it on or prior to the Closing Date.

(b) The Offering Memorandum shall have been printed and copies distributed to the Initial Purchaser on the date of this Agreement or at such later date as the Initial Purchaser may determine. No stop order suspending the qualification or exemption from qualification of the Original Notes in any jurisdiction shall have been issued and no proceeding for that purpose shall have been commenced or shall be pending or threatened.

(c) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency that would, as of the Closing Date, prevent the issuance and sale of the Original Notes or consummation of the Exchange Offer; except as disclosed in the Offering Memorandum, no action, suit or proceeding shall have been commenced and be pending against or affecting or, to the best knowledge of the Issuers, threatened against either of the Issuers or any of their respective subsidiaries before any court or arbitrator or any governmental body, agency or official that could reasonably be expected to have a Material Adverse Effect; and no stop order preventing the use of the Preliminary Offering Memorandum or the Offering Memorandum, or any amendment or supplement thereto, or any order asserting that any of the transactions contemplated by this Agreement are subject to the registration requirements of the Act shall have been issued.

(d) As of the date of the latest balance sheet presented in the Offering Memorandum, neither the Company nor any of its subsidiaries had any material liabilities or obligations, direct or contingent, that were required in accordance with GAAP, to be set forth in the Company's consolidated balance sheet as of such date or in the notes thereto set forth in the Offering Memorandum not so set forth. Since the date of the latest balance sheet presented in the Offering Memorandum, except as set forth or contemplated in the Offering Memorandum, (a) neither of the Issuers has (1) incurred any liabilities or obligations, direct or contingent, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (2) entered into any material transaction not in the ordinary course of business, (b) there has not been any event or development in respect of the business or condition (financial or other) of the Issuers that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, (c) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock and (d) there has not been any material change in the long-term debt of the Company or any of its subsidiaries.

(e) The Initial Purchaser shall have received certificates from each of the Issuers, dated the Closing Date, signed by two authorized officers of each of the Issuers confirming, as of the Closing Date, to its knowledge, the matters set forth in paragraphs (a), (b), (c) and (d) of this Section 8.

(f) The Initial Purchaser shall have received on the Closing Date opinions dated the Closing Date, addressed to the Initial Purchaser, of (i) Gibson, Dunn & Crutcher LLP, special counsel to the Issuers, (ii) Schreck Brignone, special Nevada counsel to the Issuers, (iii) Sidley Austin Brown & Wood LLP, special regulatory counsel to the Issuers, (iv) Brett R. Chapman, general counsel to the Issuers, and (v) Maples and Calder, Cayman Islands counsel to Issuers, each substantially in the form of Exhibits A-1, A-2, A-3, A-4 and A-5 attached hereto, with such reasonable assumptions and qualifications satisfactory to the Initial Purchaser.

(g) The Initial Purchaser shall have received on the Closing Date an opinion dated the Closing Date of Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Initial Purchaser.

(h) On the date hereof, the Initial Purchaser shall have received a "comfort letter" from each of Deloitte & Touche LLP and PricewaterhouseCoopers LLP, independent public accountants for the Issuers, dated the date of this Agreement, addressed to the Initial Purchaser and in form and substance satisfactory to the Initial Purchaser and counsel to the Initial Purchaser. In addition, the Initial Purchaser shall have received "bring-down comfort letter" from each of Deloitte & Touche LLP and PricewaterhouseCoopers LLP, dated as of the Closing Date, addressed to the Initial Purchaser and in form and substance satisfactory to the Initial Purchaser and counsel to the Initial Purchaser.

(i) Each of the other Note Documents shall have been executed and delivered and the Initial Purchaser shall have received copies, conformed as executed, thereof.

(j) Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Initial Purchaser, shall have been furnished with such documents as they may reasonably request to enable them to review or pass upon the matters referred to in this Section 8 and in order to evidence the accuracy, completeness or satisfaction in all material respects of any of the representations, warranties or conditions contained in this Agreement.

(k) The Notes shall be eligible for trading in PORTAL upon issuance. All agreements set forth in the representation letter of the Issuers to DTC relating to the approval of the Notes by DTC for "book-entry" transfer shall have been complied with.

If any of the conditions specified in this Section 8 shall not have been fulfilled when and as required by this Agreement to be fulfilled (or waived by the Initial Purchaser), this Agreement may be terminated by the Initial Purchaser on notice to the Issuers and at any time at or prior to the Closing Date, and such termination shall be without liability of any party to any other party. Notwithstanding any such termination, the provisions of Sections 4(f), 6, 7, 9, 10 and 11(d) shall remain in effect.

The documents required to be delivered by this Section 8 will be delivered at the office of counsel for the Initial Purchaser on the Closing Date.

9. *Initial Purchaser Information.* The Issuers and the Initial Purchaser severally acknowledge that the statements with respect to the delivery of the Original Notes to the Initial Purchaser set forth in the third, sixth, seventh, eighth, tenth and eleventh paragraph under "Plan of Distribution" in the Preliminary Offering Memorandum and the Offering Memorandum constitute the only information furnished in writing by the Initial Purchaser expressly for use in the Preliminary Offering Memorandum or the Offering Memorandum.

10. *Survival of Representations and Agreements.* All representations and warranties, covenants and agreements contained in this Agreement, including the agreements contained in Sections 4(f) and 11(d), the indemnity agreements contained in Section 6 and the contribution agreements contained in Section 7, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Initial Purchaser or any controlling person thereof or by or on behalf of either of the Issuers or any controlling person thereof, and shall survive delivery of and payment for the Original Notes to and by the Initial Purchaser. The agreements contained in Sections 4(f), 6, 7, 9 and 11(d) shall survive the termination of this Agreement, including pursuant to Section 11.

11. *Effective Date of Agreement; Termination.* (a) This Agreement shall become effective upon execution and delivery of a counterpart hereof by each of the parties hereto.

(b) The Initial Purchaser shall have the right to terminate this Agreement at any time prior to the Closing Date by notice to the Issuers from the Initial Purchaser, without liability (other than with respect to Sections 6 and 7) on the Initial Purchaser's part to the Issuers, or any affiliate thereof if, on or after the date hereof there shall have occurred: (i) a failure, refusal or inability to perform by either of the Issuers in any material respect any agreement on its part to be performed

under this Agreement when and as required, (ii) a failure by either of the Issuers to fulfill pursuant to Section 8 any other condition to the obligations of the Initial Purchaser under this Agreement when and as required, (iii) a general moratorium on commercial banking activities is declared by either Federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the judgment of the Initial Purchaser makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Original Notes on the terms and in the manner contemplated in the Offering Memorandum.

(c) Any notice of termination pursuant to this Section 11 shall be given at the address specified in Section 12 below by telephone, telex, telephonic facsimile or telegraph, confirmed in writing by letter.

(d) If this Agreement shall be terminated pursuant to Section 11(b), or if the sale of the Notes provided for in this Agreement is not consummated because of any refusal, inability or failure on the part of either of the Issuers to satisfy any condition to the obligations of the Initial Purchaser set forth in this Agreement to be satisfied on its part or because of any refusal, inability or failure on the part of either of the Issuers to perform in any material respect any agreement in this Agreement or comply in any material respect with any provision of this Agreement, the Issuers will reimburse the Initial Purchaser for all of their reasonable out-of-pocket expenses (including, without limitation, the fees and expenses of the Initial Purchaser's counsel) incurred in connection with this Agreement.

12. *Notice.* All communications with respect to or under this Agreement, except as may be otherwise specifically provided in this Agreement, shall be in writing and, if sent to the Initial Purchaser, shall be mailed, delivered, or, telegraphed or telecopied and confirmed in writing to UBS Securities LLC, 677 Washington Boulevard, Stamford, Connecticut (telephone: (203) 719-3000, fax number: (203) 719-1075), Attention: High Yield Syndicate Department, with a copy to UBS Securities LLC, 677 Washington Boulevard, Stamford, Connecticut (telephone: (203) 719-3000, fax number: (203) 719-0680), Attention: Legal Department and to Skadden, Arps, Slate, Meagher & Flom LLP, 300 South Grand Ave., Los Angeles, California, 90071 (telephone: (213) 687-5000, fax: (213) 687-5600), Attention: Nicholas P. Saggese, Esq.; and if sent to the Issuers, shall be mailed, delivered or, telegraphed or telecopied and confirmed in writing to WH Holdings (Cayman Islands) Ltd., c/o Whitney & Co, LLC, 177 Broad Street, Stamford, Connecticut 06901 (telephone: (203) 973-4100, fax: (203) 973-1422), Attention: Mr. James Fordyce with a copy to WH Holdings (Cayman Islands) Ltd., c/o 1800 Century Park East, 15th Floor, Los Angeles, California 90067-1501 (telephone: (310) 410-9600, fax: (310) 557-3909), Attention: Brett R. Chapman, Esq. and to Gibson Dunn & Crutcher, LLP, 2029 Century Park East, Suite 4000, Los Angeles, California 90067 (telephone: (310) 552-8500, fax: (310) 551-8741), Attention: Jonathan K. Layne, Esq.

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged by telecopier machine, if telecopied; and one business day after being timely delivered to a next-day air courier.

13. *Parties.* This Agreement shall inure solely to the benefit of, and shall be binding upon, the Initial Purchaser, the Issuers and the controlling persons and agents referred to in Sections 6 and 7 above, and their respective successors and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement

or any provision herein contained. The term "successors and assigns" shall not include a purchaser, in its capacity as such, of Notes from the Initial Purchaser.

14. *Construction.* This Agreement shall be construed in accordance with the internal laws of the State of New York including, without limitation, Sections 5-1401 and 5-1402 of the New York General Obligations Law and New York Civil Practice Laws and Rules 327(b) (without giving effect to any provisions thereof relating to conflicts of law).

15. *Captions.* The captions included in this Agreement are included solely for convenience of reference and are not to be considered a part of this Agreement.

16. *Counterparts.* This Agreement may be executed in various counterparts that together shall constitute one and the same instrument.

If the foregoing Purchase Agreement correctly sets forth the understanding among the Issuers and the Initial Purchaser, please so indicate in the space provided below for the purpose, whereupon this letter and your acceptance shall constitute a binding agreement among the Issuers and the Initial Purchaser.

ISSUERS:

WH HOLDINGS (CAYMAN ISLANDS) LTD.

By: /s/ MICHAEL O. JOHNSON

Name: Michael O. Johnson
Title: Chief Executive Officer

WH CAPITAL CORPORATION

By: /s/ BRETT R. CHAPMAN

Name: Brett R. Chapman
Title: Secretary

INITIAL PURCHASER:

Confirmed and accepted as of
the date first above written:

UBS SECURITIES LLC

By: /s/ DAVID BARTH

Name: David Barth
Title: Executive Director
High Yield Capital Markets

By: /s/ MICHAEL F. NEWCOMB II

Name: Michael F. Newcomb II
Title: Executive Director
High Yield Capital Markets

Schedule I

Subsidiaries of WH Holdings (Cayman Islands) Ltd.

Subsidiary	Type of Entity	% Ownership	Jurisdiction of Incorporation
WH Capital Corporation	Corporation	100%	Nevada
WH Intermediate Holdings Ltd.	Corporation	100%	Cayman Islands
WH Luxembourg Holdings SàRL	Corporation	100% (indirect)	Luxembourg
WH Luxembourg Intermediate Holdings SàRL	Corporation	100% (indirect)	Luxembourg
WH Luxembourg CM SàRL	Corporation	100% (indirect)	Luxembourg
Herbalife International, Inc.	Corporation	100% (indirect)	Nevada
Herbalife International Argentina S.A.	Corporation	100% (indirect)	Argentina
Herbalife Australisia Pty, Ltd.	Corporation	100% (indirect)	Australia
Herbalife Foreign Sales Corporation	Corporation	100% (indirect)	Barbados
Herbalife International Belgium, S.A.	Corporation	100% (indirect)	Belgium
Herbalife International Do Brasil Ltda.	Corporation	100% (indirect)	Brazil and Delaware
Herbalife of Canada, Ltd.	Corporation	100% (indirect)	Canada
Importadora Y Distribuidora Herbalife International de Chile Limitada	Corporation	100% (indirect)	Chile
H&L (Suzhou) Health Products LTD	Corporation	100% (indirect)	Republic of China
Herbalife Denmark ApS	Corporation	100% (indirect)	Denmark
Herbalife Domincana, S.A.	Corporation	100% (indirect)	Dominican Republic
Herbalife Del Ecuador, S.A.	Corporation	100% (indirect)	Ecuador
Herbalife International Finland OY	Corporation	100% (indirect)	Finland
Herbalife International France, S.A.	Corporation	99.99% (indirect) ..01 (held by nominee)	France
Herbalife International Deutschland GmbH	Corporation	100% (indirect)	Germany
Herbalife International Greece S.A.	Corporation	100% (indirect)	Greece
Herbalife International Hong Kong Ltd.	Corporation	100% (indirect)	Hong Kong
Herbalife Hungary Trading, Limited	Corporation	100% (indirect)	Hungary
Herbalife International India Private Limited	Corporation	85.6% (indirect)	India
PT Herbalife Indonesia	Corporation	Nominee ownership	Indonesia
Herbalife International of Israel (1990) Ltd.	Corporation	100% (indirect)	Israel
Herbalife Italia S.p.A	Corporation	100% (indirect)	Italy
Herbalife of Japan K.K.	Corporation	100% (indirect)	Japan and Delaware
Herbalife Korea Co., Ltd.	Corporation	100% (indirect)	Korea and Delaware
Herbalife International SDN.BHD	Corporation	100% (indirect)	Malaysia
Herbalife Internacional de Mexico, S.A. de C.V.	Corporation	100% (indirect)	Mexico
Herbalife Products De Mexico, S.A. de C.V.	Corporation	100% (indirect)	Mexico
Herbavida International de Mexico, S.A. de C.V.	Corporation	100% (indirect)	Mexico
Herbalife International (Netherlands) B.V.	Corporation	100% (indirect)	Netherlands
Herbalife International Products N.V.	Corporation	100% (indirect)	Netherlands Antilles
Herbalife (NZ) limited	Corporation	100% (indirect)	New Zealand
Herbalife Norway Products AS	Corporation	100% (indirect)	Norway
Herbalife International Holdings, Inc.	Corporation	40%	Philippines
Herbalife International Philippines, Inc.	Corporation	99.9% (indirect)	Philippines
Herbalife Polska Sp.z.o.o	Corporation	100% (indirect)	Poland
Herbalife International, S.A.	Corporation	100% (indirect)	Portugal
Herbalife International Russia 1995 Ltd.	Corporation	100% (indirect)	Israel
Limited Liability Company Herbalife International RS	LLC	100% (indirect)	Russia
Herbalife International Singapore, Pte. Ltd.	Corporation	100% (indirect)	Singapore
Herbalife International Espana, S.A.	Corporation	100% (indirect)	Spain
Herbalife Sweden Aktiebolag	Corporation	100% (indirect)	Sweden
HBL Products, SA	Corporation	99.7% (indirect)	Switzerland
Herbalife International Urunleri Tic. Ltd.	Corporation	100% (indirect)	Turkey and Delaware
Herbalife (UK) Limited	Corporation	100% (indirect)	United Kingdom
Herbalife Europe Limited	Corporation	100% (indirect)	United Kingdom
Vida Herbalife Suplementos Alimenticios, C.A.	Corporation	100% (indirect)	Venezuela and Delaware

Herbalife China LLC	LLC	100% (indirect)	Delaware
HIIP Investment Co., LLC	LLC	40%	Delaware
Herbalife International of America, Inc.	Corporation	100% (indirect)	California
Herbalife International of America, Inc.	Corporation	100% (indirect)	Nevada
Herbalife International Communications, Inc.	Corporation	100% (indirect)	California
Herbalife International Distribution, Inc.	Corporation	100% (indirect)	California
Herbalife International of Europe, Inc.	Corporation	100% (indirect)	California
Promotions One, Inc.	Corporations	100% (indirect)	California
Herbalife International del Colombia	Corporations	100% (indirect)	California
Herbalife International South Africa, Ltd.	Corporation	100% (indirect)	California
Herbalife International del Ecuador	Corporation	100% (indirect)	California
Herbalife Taiwan, Inc.	Corporation	100% (indirect)	California
Herbalife International (Thailand) Ltd.	Corporation	100% (indirect)	California

Subsidiaries of WH Capital Corporation

None.

Schedule II

Specified Subsidiaries of WH Holdings (Cayman Islands) Ltd.

Subsidiary	Type of Entity	% Ownership	Jurisdiction of Incorporation
WH Intermediate Holdings Ltd.	Corporation	100%	Cayman Islands
WH Luxembourg Holdings SàRL	Corporation	100% (indirect)	Luxembourg
WH Luxembourg Intermediate Holdings SàRL	Corporation	100% (indirect)	Luxembourg
WH Luxembourg CM SàRL	Corporation	100% (indirect)	Luxembourg
Herbalife International, Inc.	Corporation	100% (indirect)	Nevada
Herbalife Australisia Pty, Ltd.	Corporation	100% (indirect)	Australia
Herbalife International Do Brasil Ltda.	Corporation	100% (indirect)	Brazil and Delaware
Herbalife of Canada, Ltd.	Corporation	100% (indirect)	Canada
H&L (Suzhou) Health Products LTD*	Corporation	100% (indirect)	Republic of China
Herbalife International Finland OY	Corporation	100% (indirect)	Finland
Herbalife International France, S.A.	Corporation	99.99% (indirect) ..01(held by nominee)	France
Herbalife International Deutschland GmbH	Corporation	100% (indirect)	Germany
Herbalife International Greece S.A*.	Corporation	100% (indirect)	Greece
Herbalife International Hong Kong Ltd.	Corporation	100% (indirect)	Hong Kong
Herbalife International of Israel (1990) Ltd.	Corporation	100% (indirect)	Israel
Herbalife of Japan K.K.	Corporation	100% (indirect)	Japan and Delaware
Herbalife Korea Co., Ltd.	Corporation	100% (indirect)	Korea and Delaware
Herbalife Internacional de Mexico, S.A. de C.V.	Corporation	100% (indirect)	Mexico
Herbalife Products De Mexico, S.A. de C.V.	Corporation	100% (indirect)	Mexico
Herbalife International (Netherlands) B.V.	Corporation	100% (indirect)	Netherlands
Herbalife International Singapore, Pte. Ltd.	Corporation	100% (indirect)	Singapore
Herbalife Sweden Aktiebolag	Corporation	100% (indirect)	Sweden
Herbalife International Urunleri Tic. Ltd.	Corporation	100% (indirect)	Turkey and Delaware
Herbalife (UK) Limited	Corporation	100% (indirect)	United Kingdom
Herbalife Europe Limited	Corporation	100% (indirect)	United Kingdom
Vida Herbalife Suplementos Alimenticios, C.A.	Corporation	100% (indirect)	Venezuela and Delaware
Herbalife China LLC	LLC	100% (indirect)	Delaware
Herbalife International of America, Inc.	Corporation	100% (indirect)	California
Herbalife International of America, Inc.	Corporation	100% (indirect)	Nevada
Herbalife International Communications, Inc.	Corporation	100% (indirect)	California
Herbalife International Distribution, Inc.	Corporation	100% (indirect)	California
Herbalife International of Europe, Inc.	Corporation	100% (indirect)	California
Herbalife International South Africa, Ltd.	Corporation	100% (indirect)	California
Herbalife International del Ecuador	Corporation	100% (indirect)	California
Herbalife Taiwan, Inc.	Corporation	100% (indirect)	California
Herbalife International (Thailand) Ltd.	Corporation	100% (indirect)	California

FORM OF OPINION OF GIBSON, DUNN & CRUTCHER LLP

Ladies and Gentlemen:

We have acted as United States special counsel to WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company ("*WH Holdings*"), and as United States special counsel to WH Capital Corporation, a Nevada corporation ("*WH Capital Corp.*" and, together with WH Holdings, the "*Issuers*"), in connection with the offering and sale by the Issuers of $275,000,000 in aggregate principal amount of their 9 1/2% Notes due 2011 (the "*Initial Securities*") to you pursuant to the Purchase Agreement, dated March 3, 2004 (the "*Purchase Agreement*"), among the Issuers and you, as initial purchaser (the "*Initial Purchaser*"). Terms defined in the Purchase Agreement and not otherwise defined herein are used herein as therein defined.

In connection with the opinions herein expressed, we have reviewed the final offering memorandum, dated March 3, 2004 (the "*Offering Memorandum*"), relating to the offering of the Initial Securities. In addition, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following:

i. the Purchase Agreement;

ii. the Indenture, dated the date hereof (the "*Indenture*"), between the Issuers, on the one hand, and The Bank of New York, as trustee (the "*Trustee*"), on the other hand, relating to the Initial Securities;

iii. the Registration Rights Agreement, dated the date hereof (the "*Registration Rights Agreement*"), among you and the Issuers relating to the Initial Securities; and

iv. such other documents, corporate records, and other instruments as we have deemed necessary or advisable to enable us to render the opinions set forth herein.

The documents described under the foregoing clauses (i) through (iii), together with the Initial Securities and the Exchange Securities, are referred to herein as the "*Operative Documents*".

In rendering this opinion, we have made such inquiries and examined, among other things, originals or copies, certified or otherwise identified to our satisfaction, of such records, agreements, certificates, instruments and other documents as we have considered necessary or appropriate for purposes of this opinion. As to certain factual matters, we have relied upon the representations and warranties of each Issuer in the Purchase Agreement, certificates of officers of each Issuer (copies of which are attached hereto) (collectively, the "*Officers' Certificate*") or certificates obtained from public officials.

Further, we have assumed with your permission and without independent investigation that:

a) The signatures on all documents examined by us are genuine, all individuals executing such documents had all requisite legal capacity and competency, the documents submitted to us as originals are authentic and the documents submitted to us as certified or reproduction copies conform to the originals;

b) Each of the parties to the Operative Documents (including, without limitation, the Issuers) is validly existing in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite power and authority to execute, deliver and perform its obligations under each of the Operative Documents to which it is a party, and the execution and delivery of such Operative Documents by such party and performance of its obligations thereunder have been duly authorized by all necessary action on the part of such party and do

not violate any law, regulation, order, judgment or decree applicable to such party, and such Operating Documents have been duly executed and delivered by such party;

c) The Operative Documents are legal, valid and binding obligations of each party thereto (other than the Issuers, as to which this assumption does not apply), enforceable against it in accordance with their respective terms;

d) The proceeds from the sale of the Initial Securities will be applied as set forth in the Offering Memorandum.

Except as expressly stated otherwise herein, whenever an opinion herein with respect to the existence or absence of facts is stated to be to the best of our knowledge, such statement is intended to signify that, during the course of our representation of the Issuers, as herein described, no information has come to the attention of the lawyers in our Firm working on the transactions contemplated by the Offering Memorandum and the Operative Documents that would give them actual knowledge of facts contrary to the existence or absence of the facts indicated. However, we have not undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to our knowledge of the existence or absence of such facts should be drawn from our representation of the Issuers or any affiliate thereof.

Based on the foregoing and in reliance thereon, and subject to the assumptions, exceptions, qualifications and limitations set forth herein, we are of the opinion that:

1. The Initial Securities, when executed by each Issuer and authenticated by the Trustee in the manner provided for in the Indenture and delivered to and paid for by the Initial Purchaser in accordance with the terms of the Purchase Agreement, will be legal, valid and binding obligations of each Issuer, enforceable against each Issuer in accordance with their terms. The Initial Securities are in the form contemplated by the Indenture.

2. When the Exchange Securities are executed, authenticated and delivered in the manner provided for by the terms of the Indenture, the Exchange Securities will be legal, valid and binding obligations of each Issuer, enforceable against each Issuer in accordance with their terms.

3. The Indenture constitutes a legal, valid and binding obligation of each Issuer, enforceable against each Issuer in accordance with its terms.

4. The Registration Rights Agreement constitutes a legal, valid and binding obligation of each Issuer, enforceable against each Issuer in accordance with its terms.

5. Insofar as the statements in the Offering Memorandum under the heading "Description of the Notes" purport to describe specific provisions of the Initial Securities, the Indenture or the Registration Rights Agreement, such statements present in all material respects an accurate summary of such provisions.

6. Assuming the accuracy of the representations and warranties of the Initial Purchaser and the Issuers contained in the Purchase Agreement, and compliance by them with their respective agreements contained therein, no registration of the Initial Securities under the Act is required for the purchase of the Initial Securities by the Initial Purchaser on the date hereof in the manner contemplated by the Purchase Agreement and the Offering Memorandum. The Indenture does not require qualification under the Trust Indenture Act.

7. The issuance of the Initial Securities, and the execution, delivery and performance by each Issuer of the Operative Documents to which it is a party, and the consummation of the Transactions, do not and will not violate, or require any filing with or approval of any governmental authority or regulatory body of the State of New York or the United States of America under, any law or regulation of the State of New York or the United States of America applicable to either of the Issuers that, in

our experience, is generally applicable to transactions in the nature of those contemplated by the Operative Documents, except for such filings or approvals (i) as already have been obtained or (ii) that, if not made or obtained, would not have a material adverse effect on the Issuers and their subsidiaries taken as a whole or expose the Initial Purchaser to any liability. We express no opinion in this Paragraph 7 as to the United States federal securities laws or securities or "blue sky" laws of any state, including, without limitation, the State of New York.

8. The execution and delivery of the Purchase Agreement, the Indenture and the Registration Rights Agreement by each Issuer and the performance by each Issuer on or prior to the date hereof of its obligations under the Purchase Agreement, the Indenture and the Registration Rights Agreement do not, as of the date hereof:

(i) based solely upon review of the orders, judgments or decrees identified to us in the Officers' Certificate as constituting all material orders, judgments or decrees binding on either of the Issuers (each a "*Governmental Order*"), violate any Governmental Order; or

(ii) based solely upon review of the documents, agreements or other instruments to which either of the Issuers or any of their respective subsidiaries is a party or by which any of their respective assets is bound and which is filed as an exhibit to WH Intermediate Holdings, Ltd.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2003, and the Amended and Restated Credit Agreement, dated as of March 8, 2004, by and among Herbalife International, Inc., WH Holdings, WH Intermediate Holdings Ltd., WH Luxembourg Holdings SàRL, WH Luxembourg Intermediate Holdings SàRL, WH Luxembourg CM SàRL and the Subsidiary Guarantors party thereto, and certain lenders and agents named therein (each a "*Material Contract*"), (A) result in a material breach of or material default under any Material Contract, or (B) result in or require the creation or imposition of any lien or encumbrance on any assets of either of the Issuers or any of their respective subsidiaries under any Material Contract.

9. Neither of the Issuers is, or after giving effect to the offering and sale of the Initial Securities and the application of the proceeds thereof as described in the Offering Memorandum will be, required to be registered as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

10. To the extent that the statements in the Offering Memorandum under the caption "United States federal income tax consequences", purport to describe specific provisions of the Internal Revenue Code, such statements present in all material respects an accurate summary of such provisions.

11. To our knowledge, and except as set forth in the Offering Memorandum, there does not exist any judgment, order, injunction or other restraint issued or filed which seeks to restrain, enjoin, prevent the consummation of or otherwise challenges the Transactions or the performance by either of the Issuers of their respective obligations under the Operative Documents.

12. To our knowledge, the issuance to and resale by the Initial Purchaser of the Initial Securities in accordance with the provisions of the Purchase Agreement do not and will not result in a violation of Regulation T, U or X of the Board of Governors of the Federal Reserve System.

The foregoing opinions are subject to the following exceptions, qualifications, assumptions and limitations:

A. We render no opinion herein as to matters involving the laws of any jurisdiction other than the State of New York and the United States of America. This opinion is limited to the present effect of the present state of the laws of the State of New York and the United States of America and to present judicial interpretations and to the facts as they presently exist. We assume no obligation to

revise or supplement this opinion in the event of any future change in such laws or any interpretation thereof or such facts.

B. Our opinions set forth in Paragraphs 1 through 4 are subject to (1) the effect of any bankruptcy, insolvency, reorganization, moratorium, arrangement or similar laws affecting the rights and remedies of creditors generally (including, without limitation, the effect of statutory or other laws regarding fraudulent transfers or preferential transfers or distributions by corporations to stockholders); and (2) general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law, including without limitation concepts of materiality, reasonableness, good faith and fair dealing. We express no opinion as to the availability of specific performance, injunctive relief or other equitable remedies as a remedy for breach of or default under any of the Operative Documents.

C. We express no opinion as to the enforceability of provisions providing for the indemnification of or contribution to a party with respect to a liability to the extent such indemnification or contribution may be found to be contrary to public policy. We express no opinion regarding the effect on the enforceability of the Operative Documents against any surety (which could include a co-issuer of notes or co-borrower of loans jointly liable for notes or loans the proceeds of which were delivered to another co-issuer or co-borrower, a hypothecator of property to secure obligations owed by another person or a common creditor that has subordinated obligations owing to it), of any facts or circumstances that would constitute a defense to the obligation of a surety, unless such defense has been waived effectively by such surety.

D. We express no opinion regarding (1) the effectiveness of any waiver (whether or not stated as such) under the Operative Documents of, or any consent thereunder relating to, any unknown future rights or the rights of any party thereto existing, or duties owing to it, as a matter of law; (2) the effectiveness of any waiver (whether or not stated as such) contained in the Operative Documents of rights of any party, or duties owing to it, that is broadly or vaguely stated or does not describe the right or duty purportedly waived with reasonable specificity; or (3) provisions relating to indemnification, exculpation or contribution, to the extent such provisions may be held unenforceable as contrary to public policy or federal or state securities laws or due to the negligence or willful misconduct of the indemnified party.

E. In rendering our opinion expressed in Paragraph 8(ii) insofar as it requires interpretation of Material Contracts, we express no opinion with respect to the compliance by either of the Issuers with, or any financial calculations or data in respect of, financial covenants or ratios included in any Material Contract.

F. For purposes of our opinion in paragraph 12, we have assumed without independent investigation that: the representation and warranty of the Company set forth in Section 5(xxx) of the Purchase Agreement is and will be true and correct at all relevant times, the Issuers will comply with their agreement set forth in Section 4(g) of the Purchase Agreement, less than 25% of the value of the assets of the Issuer and its subsidiaries subject to the negative covenants of the Indenture consist and will consist of "margin stock" within the meaning of Regulations U or X of the Board of Governors of the Federal Reserve System at all relevant times. Our opinion in paragraph 12 is subject to (and we express no opinion in respect of) any requirement applicable to purchasers of the Notes to obtain in good faith a Form FR U-1 signed by the Issuers.

We have participated in conferences with officers and other representatives of the Issuers, representatives of the independent public accountants for WH Holdings and your representatives and your counsel, at which the contents of the Offering Memorandum and related matters were discussed. Although, except as expressly stated herein, we have not verified, are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Offering Memorandum and have not made any independent verification thereof, in the course of our participation, nothing has come to our attention that caused us to believe that the Offering

Memorandum, as of its date, or as of the date hereof, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (it being understood that we have not been requested to, and do not make any comment with respect to, the financial statements and the notes thereto or other financial data or statistical data derived therefrom included or incorporated by reference in the Offering Memorandum).

The opinions expressed in section II above, and the statements made in section III above, are solely for your benefit in connection with the transactions contemplated by the Operative Documents and are not to be used for any other purpose, or, circulated, quoted or otherwise referred to for any purpose, without, in each case, our written permission, except that the Trustee, in its capacity as trustee under the Indenture, may rely on this opinion as if it were addressed to it.

Very truly yours,

FORM OF OPINION OF SCHRECK BRIGNONE

Dear Ladies and Gentlemen:

We have acted as special Nevada counsel to WH Capital Corporation, a Nevada corporation (the "Company"), in connection with the issue and sale by the Company and WH Holdings (Cayman Islands) Ltd., a Cayman Islands corporation (together with the Company, the "Issuers"), of $275,000,000 aggregate principal amount of their 9 1/2% Notes due 2011 (the "Original Notes"), which will be issued and sold pursuant to that certain Purchase Agreement, dated as of March 3, 2004 (the "Purchase Agreement"), by and among UBS Warburg LLC (the "Initial Purchaser") and the Issuers, and pursuant to that certain Indenture, dated as of March 8, 2004 (the "Indenture"), by and among the Issuers and The Bank of New York, as trustee (the "Trustee"). This opinion is being issued and delivered to you pursuant to Section 8(f)(ii) of the Purchase Agreement. Capitalized terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the Purchase Agreement.

For the purpose of rendering this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction as being true copies, of such records, documents, instruments and certificates as, in our judgment, are necessary or appropriate to enable us to render the opinions set forth below, including, but not limited to, the following:

(i) the Purchase Agreement;

(ii) the Indenture;

(iii) the Registration Rights Agreement;

(iv) the Original Notes;

(v) the form of the Exchange Notes;

(vi) the Offering Memorandum;

(vii) the Articles of Incorporation and Bylaws of the Company (the "Governing Documents");

(viii) such corporate records and proceedings, minutes, consents, actions and resolutions of the board of directors and stockholder of the Company as we have deemed necessary as a basis for the opinions expressed below, including, without limitation, those resolutions authorizing, among other matters, the execution and delivery, and the performance by the Company of its obligations under, the Notes Documents (as defined below) and the transactions contemplated thereby (the "Transactions");

(ix) the Certificate of Existence issued by the Nevada Secretary of State on March 2, 2004, with respect to the existence and good standing in Nevada of the Company; and

(x) the certificate of an officer of the Company, dated of even date herewith, with respect to certain factual matters, and all other certificates of the Company required by or delivered in connection with the closing of the Transactions (collectively, the "Certificates").

The Purchase Agreement, the Indenture, the Registration Rights Agreement and the Notes are hereinafter referred to collectively as the "Notes Documents".

We have made such legal and factual examinations and inquiries as we have deemed necessary or appropriate for purposes of this opinion, except where a statement is qualified as to knowledge or awareness, in which case we have made no or limited inquiry as specified below. We have been furnished with, and with your consent have relied upon, as to factual matters, the Certificate and assurances of the officers and other representatives of the Company and of public officials, as we have deemed necessary for the purpose of rendering the opinions set forth herein. As to questions of fact

material to our opinions, we have also relied upon the statements of fact and the representations and warranties as to factual matters contained in the documents we have examined; however, except as otherwise expressly indicated, we have not been requested to conduct, nor have we undertaken, any independent investigation to verify the content or veracity thereof or to determine the accuracy of any statement, and no inference as to our knowledge of any matters should be drawn from the fact of our representation of the Company.

Without limiting the generality of the foregoing, in rendering this opinion, we have, with your permission, assumed without independent verification that (i) the statements of fact and all representations and warranties set forth in the documents we have examined are true and correct as to factual matters; (ii) the obligations of each party set forth in such documents are its valid and binding obligations, enforceable in accordance with their respective terms; (iii) all documents that we examined accurately describe and contain the mutual understanding of the parties thereto and there are no oral or written agreements or understandings, and there is no course of prior dealing between any of the parties, that would in any manner vary or supplement the terms and provisions of such documents, or of the relationships set forth therein, or which would constitute a waiver of any of the provisions thereof by the actions or conduct of the parties or otherwise, or which would have an effect on the opinions rendered herein; (iv) each natural person executing any document has sufficient legal capacity to do so; (v) all documents submitted to us as originals are authentic, the signatures on all documents that we have examined are genuine, and all documents submitted to us as certified, conformed, photostatic or facsimile copies conform to the original document; and (vi) all corporate records made available to us by the Company and all public records we have reviewed, are accurate and complete.

Whenever a statement herein is qualified by the phrase "to our knowledge" or "known to us" or a similar phrase, we have, with your consent, advised you concerning only the conscious awareness of facts in the possession of those attorneys who are currently members of or associated with this firm and who have performed legal services on behalf of the Company in connection with the Transactions, and which knowledge we have recognized as being pertinent to the matters set forth herein.

As used herein, all references to (i) "Applicable Nevada Law" refers to those statutes, rules and regulations of the State of Nevada which, in our experience, are customarily applicable both to transactions of the type contemplated by the Purchase Agreement and to general business entities which are not engaged in regulated business activities; (ii) "Nevada Governmental Authorities" shall mean the governmental and regulatory authorities, bodies, instrumentalities and agencies and courts of the State of Nevada, excluding its political subdivisions and local agencies; (iii) "Nevada Governmental Order" refers to any judgment, order or decree known to us to have been issued by any Nevada Governmental Authority having jurisdiction over the Company under Applicable Nevada Law; and (iv) "Nevada Governmental Approval" refers to any consent, approval or authorization of any Nevada Governmental Authority having jurisdiction over the Company that is required to be obtained by the Company pursuant to Applicable Nevada Law.

We are qualified to practice law in the State of Nevada. The opinions set forth herein are expressly limited to the effect on the Transactions only of the laws of the State of Nevada and we do not purport to be experts on, or to express any opinion with respect to the applicability thereto, or to the effect thereon, of, the laws of any other jurisdiction. We express no opinion herein concerning, and we assume no responsibility as to laws or judicial decisions related to, or any orders, consents or other authorizations or approvals as may be required by, any federal law, including any federal securities law, or any state securities or Blue Sky laws or regulations.

Based upon the foregoing, and subject to the qualifications, exceptions and assumptions set forth herein, we are of the opinion that:

1. The Company (a) is duly organized as a corporation and validly existing and in good standing under the laws of the State of Nevada, and (b) has the requisite corporate power and

authority necessary to own its property and carry on its business as described in the Offering Memorandum.

2. The Company has the requisite corporate power and authority to execute, deliver and perform its obligations under the Note Documents to which it is a party and to consummate the Transactions and, without limitation, the Company has the requisite corporate power and authority to issue, sell and deliver and perform its obligations under the Notes.

3. All of the outstanding shares of capital stock of the Company (as described in the Offering Memorandum) have been duly authorized and validly issued and are fully paid, non-assessable and not subject to any statutory preemptive or similar rights or, to our knowledge (without investigation or inquiry), any non-statutory preemptive or similar rights.

4. The Notes Documents to which the Company is a party have been duly authorized by the Company and such Notes Documents (except for the Exchange Notes) have been duly executed and delivered by the Company.

5. The execution and delivery by the Company of, and the performance of its obligations under, the Purchase Agreement and the other Note Documents to which it is a party, the compliance by the Company with the provisions thereof, as applicable, and the consummation of the Transactions, as applicable, will not (i) require any Nevada Governmental Order or Nevada Governmental Approval (except as such as may be required under the securities or Blue Sky laws of Nevada, as to which we express no opinion), or (ii) in the case of the Company, constitute a breach of any of the terms or provisions of, or a default under, the Governing Documents.

The opinions expressed herein are based upon the Applicable Nevada Law in effect and the facts in existence as of the date of this letter. In delivering this letter to you, we assume no obligation, and we advise you that we shall make no effort, to update the opinions set forth herein, or to conduct an inquiry into the continued accuracy of such opinions, or to apprise any addressee hereof, its counsel or its assignees of any facts, matters, transactions, events or occurrences taking place, and of which we may acquire knowledge, after the date of this letter, or of any change in any Applicable Nevada Law or any facts occurring after the date of this letter, which may affect the opinions set forth herein. No opinions are offered or implied as to any matter, and no inference may be drawn, beyond the strict scope of the specific issues expressly addressed by the opinions herein.

This opinion is rendered only to you in your capacity as the Initial Purchaser under the Purchase Agreement, and is solely for your benefit in connection with the closing of the Transactions. This opinion may not be relied upon or used by you for any other purpose, or otherwise circulated or furnished to, quoted to, or relied upon by any other person, firm or entity for any purpose, without our prior written consent in each instance except that, subject to all qualifications, limitations, exceptions and assumptions set forth herein, the Trustee may rely on this opinion letter as if it were an addressee on this date for all purposes relating to its capacity as Trustee under the Indenture.

Very truly yours,

FORM OF OPINION OF SIDLEY AUSTIN BROWN & WOOD LLP

Ladies and Gentlemen:

We address this opinion to you as the initial purchasers (the "Initial Purchasers") named in the Purchase Agreement, dated March 3, 2004 (the "Purchase Agreement"), between you and WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company ("WH Holdings") and WH Capital Corporation, a Nevada corporation ("WH Capital" and, together with WH Holdings, the "Issuers") relating to the issuance of $275,000,000 aggregate principal amount of the Issuers' 9 1/2% Notes due 2011 (the "Securities"). We have acted as special regulatory counsel to the Issuers in the United States Food and Drug Administration (the "FDA") area only. In such capacity, we have been retained by the Issuers to review certain information under the captions "Risk Factors—Regulatory matters governing our industry could have a significant negative effect on our business" and "Business—Regulation—General—Products," in the Issuers' final Offering Memorandum dated March 3, 2004 (the "Offering Memorandum"). We have not been retained or engaged by the Issuers to perform, nor have we performed, any review of any other information in the Offering Memorandum, nor have we acted as the Issuers' corporate or securities counsel in connection with the issuance and sale of the Securities. Capitalized terms not defined herein shall have the meanings ascribed to them in the Purchase Agreement.

This opinion letter is furnished to you at the request of the Issuers pursuant to Section 8(f) of the Purchase Agreement.

In connection with the opinions expressed herein we have made such examination of matters of law and of fact as we considered appropriate or advisable for purposes hereof. We have examined such documents and such records as we have deemed appropriate, including the following:

1. an executed copy of the Purchase Agreement;

2. the Offering Memorandum; and

3. such other records, documents, instruments and certificates (including but not limited to certificates of public officials and officers of the Company) as we have considered necessary for purposes of this opinion.

In rendering this opinion, we have relied without independent investigation, as to matters of fact, upon the representations and warranties of the Company in the Purchase Agreement and upon representations, both written and oral, and certificates of officers or employees of the Company, third parties and government authorities; and we have assumed the genuineness of signatures of all persons signing any documents, the authority of all persons signing any document on behalf of the parties thereto, the authority of all governmental authorities and public officials, the truth and accuracy of all matters of fact set forth in all certificates furnished to us, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies or by facsimile or other means of electronic transmission, and the authenticity of the originals of such latter documents.

Nothing herein shall be construed to cause us to be considered "experts" within the meaning of Section 11 of the Securities Act of 1933, as amended.

Based on and subject to the foregoing and subject to the further qualifications, exceptions and assumptions set forth below, we are of the opinion that the statements made in the Offering Memorandum under the captions "Risk Factors—Regulatory matters governing our industry could have a significant negative effect on our business" and "Business—Regulation—General—Products," insofar

as such statements purport to constitute a summary of the applicable provisions of the United States Federal Food, Drug and Cosmetics Act, as amended (the "FDC Act"), fairly present in all material respects such provisions.

In acting as special regulatory counsel to the Issuers for FDA matters, during the course of preparation of the Offering Memorandum, we participated in certain discussions with certain officers and employees of the Issuers regarding the FDA regulatory matters dealt with under the captions "Risk Factors—Regulatory matters governing our industry could have a significant negative effect on our business" and "Business—Regulation—General—Products" in the Offering Memorandum. While we have not undertaken to determine independently, and we do not assume any responsibility for, the accuracy, completeness, or fairness of the statements under the above referenced captions in the Offering Memorandum, on the basis of these discussions and our activities as special regulatory counsel to the Issuers in connection with our review of the statements contained in such captioned sections, no facts have come to our attention that cause us to believe that the statements in the Offering Memorandum under such captioned sections, insofar as such statements relate to FDA regulatory matters, as of the date of the Offering Memorandum or as of the date hereof, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading.

The foregoing opinions and other statements are subject to the following qualifications, exceptions, assumptions and limitations:

The foregoing opinion is limited to matters arising under the FDC Act and the regulations promulgated thereunder and we express no opinion as to any other federal laws of the United States of America or the laws, rules or regulations of any other jurisdiction or as to the municipal laws or the laws, rules or regulations or any state or local agencies or governmental authorities of or within the United States of America.

The opinions expressed herein are given as of the date hereof, and we undertake no obligation to supplement this letter if any applicable laws change after the date hereof or of any facts or circumstances occurring or coming to our attention after the date hereof.

This letter is solely for your benefit in connection with the transaction described in the first paragraph above and may not be quoted or relied upon by, nor may copies be made or delivered to, any other person (including, without limitation, any person who acquires the Securities from the persons to whom this is addressed), nor may this letter be relied upon by you for any other purpose without our prior written consent.

Very truly yours,

FORM OF OPINION OF GENERAL COUNSEL FOR THE COMPANY

Ladies and Gentlemen:

I am the General Counsel and Secretary of WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company ("*Holdings*") and the Secretary of WH Capital Corporation, a Nevada corporation ("*Capital*", and together with Holdings, the "*Issuers*"). I have acted as legal counsel to the Issuers in connection with the offering and sale by the Issuers of $275,000,000 in aggregate principal amount of their 9 1/2% Notes due 2011 (the "*Initial Securities*") to you pursuant to the Purchase Agreement, dated March 3, 2004 (the "*Purchase Agreement*"), among the Issuers and you, as initial purchaser (the "*Initial Purchaser*"). Terms defined in the Purchase Agreement and not otherwise defined herein are used herein as therein defined.

In connection with the opinions herein expressed, I have reviewed the final offering memorandum, dated March 3, 2004 (the "*Offering Memorandum*"), relating to the offering of the Initial Securities. In addition, I have examined originals, or copies certified or otherwise identified to our satisfaction, of the following:

i. the Purchase Agreement;

ii. the Indenture, dated the date hereof (the "*Indenture*"), between the Issuers, on the one hand, and The Bank of New York, as trustee (the "*Trustee*"), on the other hand, relating to the Initial Securities;

iii. the Registration Rights Agreement, dated the date hereof (the "*Registration Rights Agreement*"), among you and the Issuers relating to the Initial Securities; and

iv. such other documents, corporate records, and other instruments as I have deemed necessary or advisable to enable me to render the opinions set forth herein.

The documents described under the foregoing clauses (i) through (iii), together with the Initial Securities and the Exchange Securities, are referred to herein as the "*Operative Documents*".

In rendering this opinion, I have made such inquiries and examined, among other things, originals or copies, certified or otherwise identified to my satisfaction, of such records, agreements, certificates, instruments and other documents and have made such other factual and legal investigations and have considered such matters of law as I deem relevant and necessary for the purposes of this opinion.

Further, I have assumed with your permission and without independent investigation that the signatures on all documents I have examined are genuine, all individuals executing such documents had all requisite legal capacity and competency and were duly authorized, the documents submitted to me as originals are authentic and the documents submitted to me as certified or reproduction copies conform to the originals.

With respect to any opinion herein in regard to the existence or absence of facts stated to be to my knowledge, such statement is intended to signify that I have no actual knowledge of facts contrary to the existence or absence of the facts indicated.

Based on the foregoing and in reliance thereon, and subject to the assumptions, exceptions, qualifications and limitations set forth herein, I am of the opinion that:

1. Except as set forth in the Offering Memorandum, there is: (a) no action, suit or proceeding before or by any court, arbitrator or governmental agency, body or official, domestic or foreign, now pending or, to my knowledge, threatened in writing, to which the Issuers or any of their subsidiaries is, or to my knowledge is threatened in writing to be made, a party or to which the business, assets or

property of the Issuers or any of their respective subsidiaries is, or to my knowledge is threatened in writing to be made, subject, (b) no statute, rule, regulation or order that has been enacted, adopted or issued, or to my knowledge, that has been proposed by any governmental body or agency, domestic or foreign, or (c) to my knowledge, no injunction, restraining order or order of any nature by a federal or state court or foreign court of competent jurisdiction to which the Issuers or any of their subsidiaries is subject that, in the case of any of clauses (a), (b) or (c), would, individually or in the aggregate, (1) have a Material Adverse Effect or (2) prevent or adversely affect the consummation of the Transactions, assuming, in the case of clause (a), such action, suit or proceeding is determined adversely to the Issuers or any of their respective subsidiaries.

2. None of the Issuers or any of their respective subsidiaries is (a) in violation of its charter, bylaws or other constitutive documents, (b) in default (or, with notice or lapse of time or both, would be in default) in the performance or observance of any obligation, agreement, covenant or condition contained in any of the Agreements and Instruments known to me, or (c) in violation of any law, statute, rule, regulation, judgment, order or decree of any domestic or foreign court with jurisdiction over any of them or any of their assets or properties or other governmental or regulatory authority, agency or other body, that, in the case of clauses (b) and (c) herein, individually or in the aggregate, would have a Material Adverse Effect.

The foregoing opinions are subject to the following exceptions, qualifications, assumptions and limitations:

A. I am admitted to practice in the State of California and I render no opinion herein as to matters involving the laws of any jurisdiction other than the State of California. I call to your attention that each of the Operative Documents provides that it is governed by New York law and I am not providing any opinion with respect to New York law. Therefore, I have not examined the question of what law would govern the interpretation or enforcement of such Operative Documents and my opinion is based on the assumption that the internal laws of the State of California would govern the provisions of such Operative Documents and the transactions contemplated thereby. This opinion is limited to the present effect of the present state of the laws of the State of California and to present judicial interpretations and to the facts as they presently exist. I assume no obligation to revise or supplement this opinion in the event of any future change in such laws or any interpretation thereof or such facts. I express no opinion with respect to the effect or applicability of the laws of any other jurisdiction.

B. In rendering the opinion expressed in Paragraph 2(c), I express no opinion as to the application of any (i) local laws and regulations such as city ordinances and county zoning ordinances, that are adopted by political subdivisions below the state level, (ii) tax, insolvency, antitrust, antifraud, margin rules, trade regulation, gaming, state securities or Blue Sky laws and the Exxon Florio amendment, and (iii) laws that a lawyer exercising customary diligence would not reasonably recognize as being applicable to a transaction of this type involving these parties.

C. In rendering the opinion expressed in Paragraph 2(b) insofar as it requires interpretation of Agreements and Instruments, I express no opinion with respect to the compliance by either of the Issuers or any of their respective subsidiaries with, or any financial calculations or data in respect of, financial covenants or ratios included in any of the Agreements or Instruments.

In rendering this opinion, I expressly disclaim any obligation or undertaking to update or modify this opinion as a consequence of any future changes in any laws or in the facts bearing upon this opinion.

The opinions expressed in Section II above are solely for your benefit in connection with the transactions contemplated by the Operative Documents and are not to be used for any other purpose, or, circulated, quoted or otherwise referred to for any purpose, without, in each case, my written permission.

Very truly yours,

FORM OF OPINION OF MAPLES & CALDER

Dear Sirs

Re: ***WH Holdings (Cayman Islands) Ltd. (the "Company")***

We have acted as counsel as to Cayman Islands law to the Company in connection with its issue of US$275,000,000 9¼% Notes due 2011 (the "**Notes**) the proceeds of which, together with available cash, the Company will use to pay the cash redemption price due upon conversion of all of the Company's outstanding convertible preferred shares, including all accrued and unpaid dividends, to refinance a portion of the Company's existing indebtedness and to pay related fees and expenses.

1 DOCUMENTS REVIEWED

We have reviewed originals, copies, drafts or conformed copies of the following documents:

1.1 the Certificate of Incorporation dated 4th April, 2002 and Memorandum and Articles of Association of the Company adopted on 24th July, 2002 as amended by a special resolution passed on 11th October, 2002, an ordinary resolution to alter the share capital passed on 31st July, 2003 and special resolutions and an ordinary resolution passed on 1st March, 2004;

1.2 the minutes of the meeting of the board of directors of the Company held on [ ], 2004 and the corporate records of the Company maintained at its registered office in the Cayman Islands;

1.3 a Certificate of Good Standing issued by the Registrar of Companies in the Cayman Islands (the "**Certificate of Good Standing**");

1.4 a certificate from a director of the Company a copy of which is annexed hereto (the "**Director's Certificate**"); and

1.5 the documents listed in the Second Schedule hereto. The documents listed from 1 to 3 in the Second Schedule hereto are collectively referred to as the "**Note Documents**".

2 ASSUMPTIONS

The following opinion is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion. This opinion only relates to the laws of the Cayman Islands which are in force on the date of this opinion. In giving this opinion we have relied (without further verification) upon the completeness and accuracy of the Director's Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

2.1 the Note Documents and the Notes have been or will be authorised and duly executed and delivered by or on behalf of all relevant parties (other than the Company as a matter of Cayman Islands law) in accordance with all relevant laws (other than the laws of the Cayman Islands);

2.2 the Note Documents and the Notes are, or will be, legal, valid, binding and enforceable against all relevant parties in accordance with their terms under New York law and all other relevant laws (other than the laws of the Cayman Islands);

2.3 the choice of New York law as the governing law of the Note Documents and the Notes has been made in good faith and would be regarded as a valid and binding selection which will be upheld by the courts of the State of New York as a matter of New York law and all other relevant laws (other than the laws of the Cayman Islands);

2.4 copy documents, conformed copies or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals;

2.5 all signatures, initials and seals are genuine;

2.6 the power, authority and legal right of all parties under all relevant laws and regulations (other than, with respect to the Company, the laws of the Cayman Islands) to enter into, execute, deliver and perform their respective obligations under the Note Documents;

2.7 the Notes will be issued and authenticated in accordance with the provisions of the Indenture;

2.8 no invitation has been or will be made by or on behalf of the Company to the public in the Cayman Islands to subscribe for any of the Notes; and

2.9 there is nothing under any law (other than the law of the Cayman Islands) which would or might affect the opinions hereinafter appearing. Specifically, we have made no independent investigation of the laws of the State of New York.

3 OPINIONS

Based upon, and subject to, the foregoing assumptions and the qualifications set out below, and having regard to such legal considerations as we deem relevant, we are of the opinion that:

3.1 The Company has been duly incorporated as an exempted company with limited liability and is validly existing and in good standing under the laws of the Cayman Islands.

3.2 The Company has full power and authority under its Memorandum and Articles of Association to enter into, execute and perform its obligations under the Note Documents and the Notes including the issue and offer of the Notes pursuant to the Note Documents.

3.3 The execution and delivery of the Note Documents and the issue and offer of the Notes by the Company and the performance of its obligations thereunder do not conflict with or result in a breach of any of the terms or provisions of the Memorandum and Articles of Association of the Company or any law, public rule or regulation applicable to the Company in the Cayman Islands currently in force.

3.4 The execution, delivery and performance of the Note Documents has been authorised by and on behalf of the Company and, assuming the Note Documents have been executed and delivered by any Director or Officer, the Note Documents have been duly executed and delivered on behalf of the Company and constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms.

3.5 The Notes have been duly authorised by the Company and when the Notes are signed in facsimile or manually by a Director on behalf of the Company and, if appropriate, authenticated in the manner set forth in the Indenture and delivered against due payment therefor will be duly executed, issued and delivered and will constitute the legal, valid and binding obligations of the Company enforceable in accordance with their respective terms.

3.6 No authorisations, consents, approvals, licences, validations or exemptions are required by law from any governmental authorities or agencies or other official bodies in the Cayman Islands in connection with:

3.6.1 the issue of the Offering Memorandum;

3.6.2 the execution, creation or delivery of the Note Documents by the Company;

3.6.3 subject to the payment of stamp duty, the enforcement of the Note Documents against the Company;

3.6.3 the offering, execution, authentication, allotment, issue or delivery of the Notes;

3.6.4 the performance by the Company of its obligations under the Notes and the Note Documents; or

3.6.5 the payment of the principal and interest and any other amounts under the Notes.

3.7 No taxes, fees or charges (other than stamp duty) are payable (either by direct assessment or withholding) to the government or other taxing authority in the Cayman Islands under the laws of the Cayman Islands in respect of:

3.7.1 the execution or delivery of the Note Documents or the Notes;

3.7.2 the enforcement of the Note Documents or the Notes;

3.7.3 payments made under, or pursuant to, the Note Documents; or

3.7.4 the issue, transfer or redemption of the Notes.

The Cayman Islands currently have no form of income, corporate or capital gains tax and no estate duty, inheritance tax or gift tax.

3.8 The courts of the Cayman Islands will observe and give effect to the choice of New York law as the governing law of the Note Documents and the Notes.

3.9 Based solely on our inspection of the Register of Writs and Other Originating process in the Grand Court of the Cayman Islands from the date of incorporation of the Company there were no actions or petitions pending against the Company in the courts of the Cayman Islands as at close of business in the Cayman Islands on [*date*].

3.10 Although there is no statutory enforcement in the Cayman Islands of judgments obtained in the State of New York, the courts of the Cayman Islands will recognise a foreign judgment as the basis for a claim at common law in the Cayman Islands provided such judgment:

3.10.1 is given by a competent foreign court;

3.10.2 imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given;

3.10.3 is final;

3.10.4 is not in respect of taxes, a fine or a penalty; and

3.10.5 was not obtained in a manner and is not of a kind the enforcement of which is contrary to the public policy of the Cayman Islands.

3.11 It is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of the Note Documents or the Notes that any document be filed, recorded or enrolled with any governmental authority or agency or any official body in the Cayman Islands.

3.12 The statements made in the Offering Memorandum under the heading "Cayman Islands tax consequences" are correct in so far as such statements are summaries of or relate to Cayman Islands law.

4 QUALIFICATIONS

The opinions expressed above are subject to the following qualifications:

4.1 The term "**enforceable**" as used above means that the obligations assumed by the Company under the Note Documents and the Notes are of a type which the courts of the Cayman Islands will enforce. It does not mean that those obligations will necessarily be enforced in all circumstances in accordance with their terms. In particular:

4.1.1 enforcement may be limited by bankruptcy, insolvency, liquidation, reorganisation, readjustment of debts or moratorium or other laws of general application relating to or affecting the rights of creditors;

4.1.2 enforcement may be limited by general principles of equity. For example, equitable remedies such as specific performance may not be available*inter alia*, where damages are considered to be an adequate remedy;

4.1.3 some claims may become barred under the statutes of limitation or may be or become subject to defenses of set-off, counterclaim, estoppel and similar defenses;

4.1.4 where obligations are to be performed in a jurisdiction outside the Cayman Islands, they may not be enforceable in the Cayman Islands to the extent that performance would be illegal under the laws of that jurisdiction;

4.1.5 the Cayman Islands court has jurisdiction to give judgment in the currency of the relevant obligation and statutory rates of interest payable upon judgments will vary according to the currency of the judgment. If the Company becomes insolvent and is made subject to a liquidation proceeding, the Cayman Islands court will require all debts to be proved in a common currency, which is likely to be the "functional currency" of the Company determined in accordance with applicable accounting principles. Currency indemnity provisions have not been tested, so far as we are aware, in the courts of the Cayman Islands;

4.1.6 obligations to make payments that may be regarded as penalties will not be enforceable; and

4.1.7 the courts of the Cayman Islands may decline to exercise jurisdiction in relation to substantive proceedings brought under or in relation to the Note Documents in matters where they determine that such proceedings may be tried in a more appropriate forum.

4.2 Cayman Islands stamp duty may be payable if the original Note Documents, the agreements to transfer Notes or the original Notes (not being treated as registered Notes) are brought to or executed in the Cayman Islands.

4.3 To maintain the Company in good standing under the laws of the Cayman Islands, annual filing fees must be paid and returns made to the Registrar of Companies.

4.4 The obligations of the Company may be subject to restrictions pursuant to United Nations sanctions as implemented under the laws of the Cayman Islands.

4.5 A certificate, determination, calculation or designation of any party to the Note Documents or the Notes as to any matter provided therein might be held by a Cayman Islands court not to be conclusive final and binding if, for example, it could be shown to have an unreasonable or arbitrary basis, or in the event of manifest error.

4.6 In principle a Cayman Islands court will award costs and disbursements in litigation in accordance with the relevant contractual provisions but there remains some uncertainty as to the way in which the rules of the Grand Court will be applied in practice. Whilst it is clear that costs incurred prior to judgment can be recovered in accordance with the contract, it is likely that post-judgment costs (to the extent recoverable at all) will be subject to taxation in accordance with Grand Court Rules Order 62.

4.7 We reserve our opinion as to the extent to which a Cayman Islands court would, in the event of any relevant illegality, sever the offending provisions and enforce the remainder of the transaction of which such provisions form a part, notwithstanding any express provisions in this regard.

4.8 We make no comment with regard to the references to foreign statutes in the Note Documents or the Notes.

We express no view as to the commercial terms of the Note Documents or the Notes or whether such terms represent the intentions of the parties and make no comment with respect to any representations which may be made by the Company.

This opinion may be relied upon by the addressees only. It may not be relied upon by any other person except with our prior written consent.

Yours faithfully,

FIRST SCHEDULE

UBS Securities LLC
677 Washington Boulevard
Stamford, Connecticut 06901
USA

WH Holdings (Cayman Islands) Limited
c/o P.O. Box 309GT,
Ugland House,
South Church Street,
George Town,
Grand Cayman,
Cayman Islands

SECOND SCHEDULE

1. Indenture dated as of [8] March, 2004 the Company, WH Capital Corporation and The Bank of New York as trustee.

2. Purchase agreement dated as of 3 March, 2004 among the Company, WH Capital Corporation and UBS Securities LLC.

3. Registration Rights Agreement dated as of [8] March, 2004 among the Company, WH Capital Corporation and UBS Securities LLC.

4. Preliminary offering memorandum dated 20 February, 2004 and offering memorandum dated [3] March, 2004 (together the "**Offering Memorandum**").

FORM OF REGISTRATION RIGHTS AGREEMENT

[attached]

QuickLinks

Exhibit 3.1

CONFORMED COPY DATED 1ST MARCH, 2004

THE COMPANIES LAW (2003 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION OF

WH HOLDINGS (CAYMAN ISLANDS) LTD.

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THE COMPANIES LAW (2003 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION OF

WH HOLDINGS (CAYMAN ISLANDS) LTD.

(as adopted pursuant to a special resolution passed on July 24, 2002 and as amended by an ordinary resolution dated 31st July, 2003 altering the share capital pursuant to s13 of the Companies Law (2003 Revision) and a special resolution passed on March 1st, 2004)

1 The name of the Company is WH Holdings (Cayman Islands) Ltd.

2 The registered office of the Company shall be at the offices of M&C Corporate Services Limited, P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, or at such other place as the Directors may from time to time decide.

3 The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law (2003 Revision) or as the same may be revised from time to time, or any other law of the Cayman Islands.

4 The liability of each Member is limited to the amount from time to time unpaid on such Member's shares.

5 The share capital of the Company is US$461,000 divided into 350,000,000 Common Shares of a par value of US$0.001 per share, 106,000,000 12% Series A Cumulative Convertible Preferred Shares of a par value of US$0.001 per share, and 5,000,000 Preference Shares of a par value of US$0.001 per share.

6 The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be If i. +e deregistered in the Cayman Islands.

7 Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

THE COMPANIES LAW (2003 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

WH HOLDINGS (CAYMAN ISLANDS) LTD.

(as adopted pursuant to a special resolution passed on July 24, 2002 and as amended by an ordinary resolution dated 31st July, 2003 altering the share capital pursuant to s13 of the Companies Law (2003 Revision) and a special resolution passed on March 1st, 2004)

INTERPRETATION

1 In these Articles Table A in the Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith:

"Affiliate"	shall have the meaning assigned to that term in Rule 12b-2 promulgated under the Exchange Act.
"Agency Agreement"	shall mean the Agency Agreement to be entered into between the Company and the Transfer Agent.
"Articles"	means these articles of association of the Company.
"Auditor"	means the person for the time being performing the duties of auditor of the Company (if any).
"Automatic Conversion"	shall have the meaning ascribed to such term in the Articles under the heading "*PREFERRED SHARES; CONVERSION RIGHTS—Automatic Conversion*"
"Capital Lease Obligations"	of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of the Articles, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Closing Price"	shall mean, with respect to each Common Share, for any day, (a) the last reported sale price regular way or, in case no such sale takes place on such day, the average of the closing bid and asked prices regular way, in either case as reported on the principal national securities exchange on which such Common Share is listed or admitted for trading or (b) if such Common Share is not listed or admitted for trading on any national securities exchange, the last reported sale price or, in case no such sale takes place on such day, the average of the highest reported bid and the lowest reported asked quotation for such Common Share as reported on the Automatic Quotation System of NASDAQ or a similar service if NASDAQ is no longer reporting such information.
"Commission"	means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.
"Common Share"	means a Common Share in the capital of the Company of US$0.001 par value having the rights set out in these Articles.
"Company"	means the above named company.

"Contingent Obligation"	as applied to any Person, shall mean any direct or indirect liability, contingent or otherwise, of that Person: (1) with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto; (ii) with respect to any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings; or (iii) under any foreign exchange contract, currency swap agreement, interest rate swap agreement or other similar agreement or arrangement designed to alter the risks of that Person arising from fluctuations in currency values or interest rates. Contingent Obligations shall include (a) the direct or indirect guaranty, endorsement (other than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another, (b) the obligation to make take-or-pay or similar payments if required regardless of nonperformance by any other party or parties to an agreement, and (c) any liability of such Person for the obligations of another through any agreement to purchase, repurchase or otherwise acquire such obligation or any property constituting security therefor, to provide funds for the payment or discharge of such obligation or to maintain the solvency, financial condition or any balance sheet item or level of income of another. The amount of any Contingent Obligation shall be equal to the amount of the obligation so guaranteed or otherwise supported or, if not a fixed and determined amount, the maximum amount so guaranteed.
"Conversion Unit"	has the meaning assigned such term in the Articles under the heading "*PREFERRED SHARES; CONVERSION RIGHTS Automatic Conversion*".

"Current Market Price"	shall mean, with respect to each Common Share, on any date, the average of the daily Closing Prices per Common Share for the 10 consecutive trading days commencing immediately prior to any date of determination. If on any such date such Common Shares are not listed or admitted for trading on any national securities exchange or quoted on NASDAQ or a similar service, the Current Market Price for such Common Shares shall be the fair market value of such Common Shares on such date as determined in good faith by the Board of Directors of the Company and shall be the value which is agreed upon by at least 66% of the members thereof, or if such percentage of the members of the Board of Directors of the Company arc unable to agree upon the value of such Common Shares, the value thereof shall be determined by an independent investment bank of a nationally recognized stature that is selected by at least 66% of the Board of Directors.
"Directors"	means the directors for the time being of the Company.
"Dividend"	includes an interim dividend.
"Electronic Record"	has the same meaning as in the Electronic Transactions Law (2003 Revision).
"Exchange Act"	shall mean the Securities and Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.
"GAAP"	means generally accepted accounting principles in effect within the United States.
"Governmental Authority"	shall mean the government of any nation, state, city, locality or other political subdivision of any thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to such government.

"Indebtedness"	shall mean, as to any Person (a) all obligations of such Person for borrowed money (including, without limitation, reimbursement and all other obligations with respect to surety bonds, unfunded credit commitments, letters of credit and bankers' acceptances, whether or not matured), (b) all indebtedness, obligations or liability of such Person (whether or not evidenced by notes, bonds, debentures or similar instruments) whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several, that should be classified as indebtedness in accordance with GAAP consistently applied, including, without limitation, any items so classified on a balance sheet and any reimbursement obligations in respect of letters of credit or obligations in respect of bankers' acceptances, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable and accrued commercial or trade liabilities arising in the ordinary course of business, (d) all interest rate and currency swaps, caps, collars and similar agreements or hedging devices under which payments are obligated to be made by such Person, whether periodically or upon the happening of a contingency, (e) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (f) all obligations of such Person under leases which have been or should be, in accordance with GAAP consistently applied, recorded as capital leases, (g) all indebtedness secured by any Lien, other than Liens in favor of lessors under leases other than leases included in clause (f) on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person, and (h) any Contingent Obligation of such Person. The determination of the amount of the Indebtedness at the relevant time of determination with respect to the Company and its Subsidiaries shall be made on a consolidated basis in accordance with GAAP consistently applied.
"Initial Public Offering"	shall mean the initial public offering and sale in an underwritten offering by the Company of its Common Shares pursuant to a registration statement on Form S-1 or otherwise under the Securities Act.

"Institutional Investors"	shall mean Whitney V, L.P., Whitney Strategic Partners V, L.P., CCG Investments (BVI) L.P., CCG Associates-QP, LLC; CCG Associates-AI, LLC; CCG Investment Fund-Al, LP, CCG AV, LLC—Series E, CCG AV, LLC—Series C; and each of their respective Affiliates.
"Issue Date"	shall mean the date on which any Preferred Share is issued.
"Liquidation Preference"	shall mean, with respect to each Preferred Share, an amount equal to the Original Issue Price per Preferred Share plus an amount equal to all accrued and unpaid dividends (whether or not declared) on such Preferred Share, as of the date of the winding-up of the Company or any earlier date on which such amount is required to be determined.
"Lien"	shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, encumbrance, lien (statutory or other), charge, claim, restriction or preference, priority, right or other security interest or preferential arrangement of any kind or nature whatsoever (excluding preferred shares and equity related preferences) including, without limitation, those created by, arising under or evidenced by any conditional sale or other title retention agreement, the interest of a lessor under a Capital Lease Obligation, or any financing lease having substantially the same economic effect as any of the foregoing.
"Member"	has the same meaning as in the Statute.
"Memorandum"	means the memorandum of association of the Company.
"NASDAQ"	shall mean the National Association of Securities Dealers, Inc.
"Ordinary Resolution"	means a resolution passed by a simple majority of the Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, and includes a written resolution passed by the holders of a simple majority of the issued Shares giving such entitlement. In computing the majority when a poll is demanded regard shall be had to the number of votes to which each Member is entitled by the Articles.

"Organic Transaction"	means (w) the sale, lease, exchange, transfer or other disposition (including, without limitation, by merger, consolidation or otherwise) of assets constituting all or substantially all of the assets off the Company and its Subsidiaries, taken as a whole, to a Person or group of Persons, (x) any merger, consolidation or other business combination or refinancing or recapitalization that results in the holders of the issued and outstanding voting Shares of the Company immediately prior to such transaction beneficially owning or controlling less than a majority of the voting securities of the continuing or surviving entity immediately following such transaction and/or (y) any Person or Persons acting together or which would constitute a "group" for the purposes of Section 13(d) of the Exchange Act, together or with any Affiliates thereof, other than the holders of the Preferred Shares as of the issue Date of the first Preferred Shares issued, and their respective Affiliates, beneficially owning (as defined in Rule 13d-3 of the Exchange Act) or controlling, directly or indirectly, at least 50% of the total voting power of all classes of Shares entitled to vote generally in the election of Directors of the Company; *provided, however*, in the case of (y) above, Affiliates of the holders on the Issue Date of the first Preferred Shares issued shall include the shareholders, members or limited partners of the Institutional Investors.
"Original Issue Price"	shall mean the price determined by the Board of Directors in connection with the initial offering of the Preferred Shares.
"Person"	shall mean any individual, firm, company, limited liability company, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or other entity of any kind, and shall include any successor (by merger or otherwise) of any such entity.
"Preference Share"	means a Preference Share of a par value of $0.001 per share having the rights set out in these Articles.
"Preferred Share"	means a 12% Series A Cumulative Convertible Preferred Share of a par value of $0.001 per share having the rights set out in these Articles.
"Purchase Agreement"	means the Share Purchase Agreement to be entered into by and among the Company and the Institutional Investors specified therein, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

"Register of Members"	means the register maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Members.
"Registered Office"	means the registered office for the time being of the Company.
"Required Majority"	means the vote of not less than 75% of all issued and outstanding Preferred Shares registered in the name of each Member, who together with their Affiliates, hold more than 20% of the Common Shares of the Company calculated on an as converted basis.
"Seal"	means the common seal of the Company and includes every duplicate seal.
"Secretary"	includes an assistant secretary and any person appointed to perform the duties of secretary of the Company.
"Securities Act"	means the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder.
"Senior Indebtedness"	means all Indebtedness of the Company and its Subsidiaries currently outstanding or incurred in the future pursuant to any borrowing by the Company or any of its Subsidiaries from any bank or institutional lender.
"Share" and "Shares"	means a share or shares in the Company and includes a fraction of a share.
"Shareholders' Agreement"	shall mean the Shareholders' Agreement to be entered into by and among the Members of the Company party thereto, as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.
"Special Resolution"	has the same meaning as in the Statute, and includes a unanimous written resolution.
"Statute"	means the Companies Law (2003 Revision) of the Cayman Islands.
"Subsidiary"	shall mean, with respect to any Person, a company or other entity of which more than 50% of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in these Articles shall refer to a Subsidiary or Subsidiaries of the Company.
"Transfer Agent"	shall mean the person, firm or corporation acting from time to time as the transfer agent of the Company.

2 In the Articles:

2.1 words importing the singular number include the plural number and vice-versa;

2.2 words importing the masculine gender include the feminine gender;

2.3 words importing persons include corporations;

2.4 "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;

2.5 references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;

2.6 any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

2.7 headings are inserted for reference only and shall be ignored in construing these Articles.

COMMENCEMENT OF BUSINESS

3 The business off the Company may be commenced as soon after incorporation as the Directors shall see fit.

4 The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

ISSUE OF SHARES

5 Subject to the provisions, if any, in the Memorandum and these Articles (and to any direction that may be given by the Company in general meeting) and without prejudice to any rights attached to any existing Shares, the Directors may allot, issue, grant options over or otherwise dispose of Shares (including fractions of a Share) with or without preferred, deferred or other rights or restrictions, whether in regard to Dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper.

6 The Company shall not issue Shares to bearer.

REGISTER OF MEMBERS

7 The Company shall maintain or cause to be maintained the Register of Members in accordance with the Statute.

CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

8 For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Dividend, or in order to make a determination of Members for any other proper purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period which shall not in any case exceed forty days. If the Register of Members shall be closed for the purpose of determining Members entitled to notice of, or to vote at, a meeting of Members the Register of Members shall be closed for at least ten days immediately preceding the meeting.

9 In lieu of, or apart from, closing the Register of Members, the Directors may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of or to vote at a meeting of the Members, and for the purpose of determining the Members entitled to receive payment of any Dividend.

10 If the Register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members entitled to

receive payment of a Dividend, the date on which notice of the meeting is sent or the date on which the resolution of the Directors declaring such Dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

CERTIFICATES FOR SHARES

11 A Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one or more Directors or other person authorised by the Directors. The Directors may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and subject to these Articles no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.

12 The Company shall not be bound to issue more than one certificate for Shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

13 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Directors may prescribe (provided that if the Member concerned is an Institutional Investor its own agreement shall be satisfactory), and (in the case of defacement or wearing out) upon delivery of the old certificate.

PREFERRED SHARES; DIVIDENDS AND DISTRIBUTIONS

14 *Accrued Dividends; Record Date.* Dividends payable on the Preferred Shares shall begin to accrue and accumulate (whether or not declared) from the Issue Date of the Preferred Shares at an annual rate equal to 12% of the Original Issue Price, calculated on the basis of a 360-day year consisting of twelve 30-day months, and shall accrue and accumulate on a daily basis and compound on a quarterly basis (to the extent not otherwise declared and paid), in each case whether or not declared. Holders of Preferred Shares shall also be entitled to receive, when and if declared, cash dividends to the same extent as, contemporaneously with and as if the Preferred Shares had converted into Common Shares immediately prior to the record date therefor, cash dividends as declared by the Board of Directors with respect to Common Shares. The Board of Directors may fix a record date for the determination of the holders of Preferred Shares entitled to receive payment of dividends, which record date shall not be more than 60 days nor less than 10 days prior to the applicable dividend payment date.

15 *Payment.* All dividends on Preferred Shares shall be payable in cash except as provided below. Upon the occurrence of an Automatic Conversion, all accrued and unpaid dividends on Preferred Shares shall, subject only to lawful funds being available, be immediately due and payable. To the extent that lawful funds are not available upon the Automatic Conversion, the accrued and unpaid dividends on the Preferred Shares shall be paid on a pro-rata basis to the extent that lawful funds are available. Insofar as such accrued and unpaid dividends are not paid at such time, they shall be due and payable at such time that lawful funds are available. Upon an Automatic Conversion all such dividends may be paid in cash, or, at the option of the Company, provided that a sufficient number of Common Shares are available for such purpose, by issuing a number of additional fully paid and nonassessable Common Shares equal to the dividend to be paid divided by the Current

Market Price per Common Share. The issuance of such Common Shares shall constitute full payment of such dividend.

16 *Fractional Shares.* If the Company elects to pay dividends in Common Shares in the event of an Automatic Conversion, the Company shall not issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares. In lieu of fractional Shares, the Company may pay therefor, at the time of any conversion of Preferred Shares as herein provided, an amount in cash equal to such fraction multiplied by the Current Market Price of a Common Share.

PREFERRED SHARES; VOTING RIGHTS

17 Each Preferred Share shall entitle the holder thereof to vote, in person or by proxy, at an annual or extraordinary general meeting of Members, on all matters voted on by holders of Common Shares voting together as a single class with the holders of the Common Shares and with holders of all other shares entitled to vote thereon. With respect to any such vote, each Preferred Share shall entitle the holder thereof to cast such number of votes per Share as is equal to the number of votes that such holder would be entitled to cast assuming that such Preferred Shares had been converted, on the record date for determining the Members of the Company eligible to vote on any such matters or, if no such record date is established, at the date such vote is taken or any written resolution of shareholders is solicited, into the maximum number of Common Shares into which such Preferred Shares are then convertible as provided herein.

PREFERRED SHARES; CONVERSION RIGHTS

18 *Automatic Conversion.* On the earlier of (1) the date of the closing of an Initial Public Offering or (ii) an Organic Transaction, each issued and outstanding Preferred Share shall automatically be converted (an "**Automatic Conversion**") into Conversion Units (as defined below), at a rate of one Conversion Unit for one Preferred Share. A "**Conversion Unit**" shall consist of (i) the payment of an amount in cash equal to the Original Issue Price (the "**Cash Amount**") and (ii) one Common Share subject to adjustment as provided in the Articles below under the heading "Preferred Shares; Conversion Rights; Antidilution Adjustments."

18A *Right to Convert.* The Company shall be entitled to convert each issued and outstanding Preferred Share into Conversion Units (as defined above), at a rate of one Conversion Unit for one Preferred Share (an "**Elective Conversion**"). The provisions of Articles 1928 shall apply in the same manner to an Elective Conversion as an Automatic Conversion and references to an Automatic Conversion in such Articles shall be construed as also applying to an Elective Conversion provided that the date of redemption shall be the date specified in the written notice sent by the Company to the holders of the Preferred Shares.

19 As provided in the Article above under the heading "Preferred Shares; Dividends and Distributions; Payments," upon an Automatic Conversion a holder of Preferred Shares shall also receive all accrued but unpaid dividends on the Preferred Shares in cash, or at the election of the Company, in additional Common Shares at the then Current Market Price per share.

20 Such conversion shall be effected by the redemption of the Preferred Shares and the issuance of the Common Shares and the payment of the Cash Amount on such date, notwithstanding that the Register of Members of the Company shall then be closed or that certificates representing such Common Shares shall not then be actually delivered to such holder. Upon written notice from the Company, each holder of Preferred Shares so converted shall promptly surrender to the Company, at any place where the Company shall maintain a transfer agent for its Preferred Shares and Common Shares, certificates representing the shares so converted. On the date of such automatic conversion, all rights with respect to the Preferred Shares so converted, including the rights, if any, to receive notices and vote, will terminate, except only the rights of holders thereof to (i) receive certificates for the number of Common Shares into which such Preferred Shares have been converted, (ii) the payment of any accrued and unpaid dividends thereon as provided in the Article below and the payment of the Cash Amount and (iii) exercise the rights to which they are entitled as holders of Common Shares.

PREFERRED SHARES; CONVERSION RIGHTS; ANTIDILUTION ADJUSTMENTS

21 *Dividend, Subdivision, Combination or Reclassification of Common Shares.* If the Company shall, at any time or from time to time, (a) declare a dividend on the Common Shares payable in Shares (including Common Shares), (b) subdivide the outstanding Common Shares, (c) combine the outstanding Common Shares into a smaller number of Shares or (d) issue any Shares in a reclassification of the Common Shares (excluding any such reclassification in connection with a consolidation or merger in which the Company is the continuing Company), then in each such case, the number of Common Shares constituting part of a Conversion Unit at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification and the number and kind of shares of Common Shares issuable on such date shall be proportionately adjusted so that, in connection with a conversion of Preferred Shares after such date, the holder of Preferred Shares shall be entitled to receive the aggregate number and kind of Shares which, if the conversion had occurred immediately prior to such date, the holder would have owned upon such conversion and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification. Any such adjustment shall become effective immediately after the record date of such dividend or the effective date of such subdivision, combination or reclassification. Such adjustment shall be made successively whenever any event listed above shall occur. If a dividend payable in Shares is declared and such dividend is not paid, the number of Common Shares constituting part of a Conversion Unit shall be adjusted back to that number of Common Shares constituting part of a Conversion Unit immediately prior to such record date, subject, however, to such other adjustments as may have been made or which would have been made under the Articles under the heading "*PREFERRED SHARES; CONVERSION RIGHTS; ANTIDILUTION ADJUSTMENTS*" had such number of Common Shares constituting part of a Conversion Unit been the number of Common Shares constituting part of a Conversion Unit immediately prior to such record date.

22 *Certain Distributions.* If the Company shall, at any time or from time to time, fix a record date for the distribution to all holders of Common Shares (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing Company) of evidences of Indebtedness, assets or other property (other than (i) cash dividends or cash distributions payable out of consolidated earnings or earned surplus or (ii) dividends payable in Shares for which adjustment is made under the Article under the heading "*Dividend, Subdivision, Combination or Reclassification of Common Shares*" or subscription rights or warrants, then in each such case for the purpose of this Article, the holders of the Preferred Shares shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of Common Shares of the Company which are included in the Conversion Unit into which their

Preferred Shares are convertible as of the record date fixed for the determination of the holders of Common Shares entitled to receive such distribution.

PREFERRED SHARES; CONVERSION RIGHTS; OTHER PROVISIONS

23 *Fractional Shares.* Notwithstanding any other provision of these Articles, the Company shall not be required to issue fractions of Common Shares upon conversion of any Preferred Shares or to distribute certificates which evidence fractional Common Shares. In lieu of fractional Shares, the Company may pay therefor, at the time of any conversion of Preferred Shares as herein provided, an amount in cash equal to such fraction multiplied by the Current Market Price of a Common Share.

24 *Reorganization, Reclassification, Merger and Sale of Assets Adjustment.* If there occurs any capital reorganization or any reclassification of the Common Shares, the consolidation or merger of the Company with or into another Person (other than a merger or consolidation of the Company in which the Company is the continuing Company and which does not result in any reclassification or change of outstanding Common Shares) or the sale, transfer or other disposition of all or substantially all of the assets of the Company to another Person, in each case other than pursuant to an Organic Transaction then each Preferred Share shall thereafter be convertible into the same kind and amounts of securities (including Shares) or other assets, or both, which were issuable or distributable to the holders of outstanding Common Shares upon such reorganization, reclassification, consolidation, merger, sale or conveyance, in respect of that number of Common Shares into which such Preferred Share might have been converted immediately prior to such reorganization, reclassification, consolidation, merger, sale or conveyance; and, in any such case, appropriate adjustments (as determined in good faith by the Board of Directors of the Company) shall be made to assure that the provisions set forth herein shall thereafter be applicable, as nearly as reasonably may be practicable, in relation to any securities or other assets thereafter deliverable upon the conversion of the Preferred Shares.

25 *Certificate as to Adjustments.* Whenever the number of Common Shares issuable, or the securities or other property deliverable upon the conversion of the Preferred Shares, shall be adjusted pursuant to the provisions hereof, the Company shall promptly give written notice thereof to each holder of Preferred Shares at such holder's address as it appears on the Register of Members and shall forthwith file, at its principal executive office and with any transfer agent or agents for the Preferred Shares and the Common Shares, a certificate, signed by the President or one of the Vice Presidents of the Company, and by its Chief Financial Officer, its Treasurer or one of its Assistant Treasurers, stating the number of Common Shares issuable, or the securities or other property deliverable, per Preferred Share converted, calculated to the nearest cent or to the nearest one one-hundredth of a Share and setting forth in reasonable detail the method of calculation and the facts requiring such adjustment and upon which such calculation is based. Each adjustment shall remain in effect until a subsequent adjustment hereunder is required.

26 *No Conversion Charge or Tax.* The issuance and delivery of certificates for Common Shares upon the conversion of Preferred Shares shall be made without charge to the holder of Preferred Shares for any issue or transfer tax, or other incidental expense in respect of the issuance or delivery of such certificates or the securities represented thereby, all of which taxes and expenses shall be paid by the Company.

27 *Certain Events.* In case at any time prior to the conversion of all of the Preferred Shares:

27.1 the Company shall authorize the granting to all the holders of Common Shares of rights to subscribe for or purchase any Shares of any class or of any other rights; or

27.2 there shall be any reclassification of the Common Shares of the Company (other than a subdivision or combination of its outstanding Common Shares); or

27.3 there shall be any capital reorganization by the Company; or

27.4 there shall be an Organic Transaction; or

27.5 there shall be voluntary or involuntary dissolution, liquidation or winding up by the Company or dividend or distribution to holders of Common Shares,

then in any one or more of said cases, the Company shall cause to be delivered to the holders of Preferred Shares, at the earliest practicable time (and, in any event, not less than 15 days before any record date or the date set for definitive action), written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution or subscription rights or such reorganization, sale, consolidation, merger, dissolution, liquidation or winding up or other transaction shall take place, as the case may be. Such notice shall also set forth such facts as shall indicate the effect of such action (to the extent such effect may be known at the date of such notice) and the kind and amount of the Shares and other securities and property deliverable upon conversion of the Preferred Shares. Such notice shall also specify the date, if known, as of which the holders of record of the Common Shares shall participate in said dividend, distribution or subscription rights or shall be entitled to exchange their Common Shares for securities or other property (including cash) deliverable upon such reorganization, sale, consolidation, merger, dissolution, liquidation or winding up or other transaction, as the case may be.

PREFERRED SHARES; STATUS ON CONVERSION

28 Upon any conversion of the Preferred Shares, the shares so converted shall be cancelled.

PREFERENCE SHARES

28A Preference Shares may be issued from time to time in one or more series, each of such series to have such voting powers (full or limited or without voting powers), designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as are stated and expressed, or in any resolution or resolutions providing for the issue of such series adopted by the Board as hereinafter provided.

28B Authority is hereby granted to the Board, subject to the provisions of the Memorandum, these Articles and applicable law, to create one or more series of Preference Shares and, with respect to each such series, to fix by resolution or resolutions, without any further vote or action by the Members of the Company providing for the issue of such series:

28B.1 the number of Preference Shares to constitute such series and the distinctive designation thereof;

28B.2 the dividend rate on the Preference Shares of such series, the dividend payment dates, the periods in respect of which dividends are payable ("Dividend Periods"), whether such dividends shall be cumulative and, if cumulative, the date or dates from which dividends shall accumulate;

28B.3 whether the Preference Shares of such series shall be convertible into, or exchangeable for, Shares of any other class or classes or any other series of the same or any other class or classes of Shares of the Company and the conversion price or prices or rate or rates, or the rate or rates at which such exchange may be made, with such adjustments, if any, as shall be stated and expressed or provided in such resolution or resolutions;

28B.4 the preferences, if any, and the amounts thereof, which the Preference Shares of such series shall be entitled to receive upon the winding up of the Company;

28B.5 the voting power, if any, of the Preference Shares of such series;

28B.6 transfer restrictions and rights of first refusal with respect to the Preference Shares of such series; and

28B.7 such other terms, conditions, special rights and provisions as may seem advisable to the Board. Notwithstanding the fixing of the number of Preference Shares constituting a particular series upon the issuance thereof, the Board at any time thereafter may authorise the issuance of additional Preference Shares of the same series subject always to the Statute and the Memorandum.

28C No dividend shall be declared and set apart for payment on any series of Preference Shares in respect of any Dividend Period unless there shall likewise be or have been paid, or declared and set apart for payment, on all Preference Shares of each other series entitled to cumulative dividends at the time outstanding which rank senior or equally as to dividends with the series in question, dividends ratably in accordance with the sums which would be payable on the said Preference Shares through the end of the last preceding Dividend Period if all dividends were declared and paid in full.

28D If, upon the winding up of the Company, the assets of the Company distributable among the holders of any one or more series of Preference Shares which (1) are entitled to a preference over the holders of the Common Shares upon such winding up, and (ii) rank equally in connection with any such distribution, shall be insufficient to pay in full the preferential amount to which the holders of such Preference Shares shall be entitled, then such assets, or the proceeds thereof, shall be distributed among the holders of each such series of the Preference Shares ratably in accordance with the sums which would be payable on such distribution if all sums payable were discharged in full.

RIGHTS ATTACHING TO THE COMMON SHARES

29 The Common Shares shall have the following rights:

29.1 as to voting: the holder of a Common Share shall (in respect of such Share) have the right to receive notice of, attend at and vote as a Member at any general meeting of the Company;

29.2 as to capital: a Common Share shall confer upon the holder the right in a winding-up to repayment of capital as set out in these Articles but shall confer no other right to participate in the profits or assets of the Company; and

29.3 as to income: the Common Shares shall confer on the holders thereof the right to receive Dividends provided that Company shall not declare or pay any dividends or distributions on the Common Shares until such time as the Dividend in respect of the Preferred Shares has been paid in full with respect to all amounts then due.

TRANSFER OF SHARES

30 No Share nor any interest in a Share may be transferred by way of mortgage, charge, pledge or otherwise unless the requirements of these Articles are complied with and the Directors (or where authorised, the Transfer Agent) consent. The Directors (or where authorised, the Transfer Agent) shall apply the relevant provisions in the Agency Agreement in giving their consent. Any purported transfer made otherwise than in accordance with these Articles and without the Directors' (or where authorised, the Transfer Agent's) prior consent shall not be given effect for any purpose, and shall be disregarded by the Company and the Transfer Agent for all purposes.

31 The instrument of transfer of any Share shall be in writing and shall be executed by or on behalf of the transferor (and if the Directors so require, signed by the transferee). The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.

32 The Directors may delegate any of their functions, responsibilities and discretions under the above two Articles to any person appointed by them to act as transfer agent or registrar.

REDEMPTION AND REPURCHASE OF SHARES

33 Subject to the provisions of the Statute and without prejudice to these Articles, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Member or the Company. The redemption of such Shares shall be effected in such manner as the Company may, by Special Resolution, determine before the issue of the Shares.

34 Subject to the provisions of the Statute, the Company may purchase its own Shares (including any redeemable Shares) provided that the Members shall have approved the manner of purchase by Ordinary Resolution.

35 The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Statute, including out of capital.

REPURCHASE OF PREFERRED SHARES BY THE COMPANY IN CERTAIN CIRCUMSTANCES

36 Any Preferred Share may be repurchased on such date, in such manner, and for such amount or calculated by reference to such method as provided for in the Shareholders Agreement.

37 Payments by the Company in respect of the repurchase of Preferred Shares is subject to the Company being able to pay its debts as they fall due in the ordinary course of business immediately after the date on which the payment is proposed to be made.

38 Upon a repurchase of Preferred Shares the relevant Member shall cease to be entitled to any rights in respect thereof (other than the right to receive the repurchase price) and his name shall be removed from the Register with respect thereto. The relevant Preferred Shares shall be treated as cancelled and the share capital treated as un-issued, and such cancelled Preferred Shares shall be available for re-issue, and until re-issue shall form part of the authorised but unissued share capital of the Company.

39 All payments on redemption shall be paid without deduction or withholding for or on account of any present or future taxes, duties or charges unless required by law, in which case the Company shall make such required deduction and shall not be required to pay any additional amounts in respect of such withholding.

VARIATION OF RIGHTS OF SHARES

40 If at any time the share capital off the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, except as otherwise specified in these Articles, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-quarters of the issued Shares of that class, or with the sanction of a Special Resolution passed at a general meeting of the holders of the Shares of that class.

41 The provisions of these Articles relating to general meetings shall apply to every such general meeting of the holders of one class of Shares except that the necessary quorum shall be one person holding or representing by proxy at least one-third of the issued Shares of the class and that any holder of Shares of the class present in person or by proxy may demand a poll.

42 The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith.

COMMISSION ON SALE OF SHARES

43 The Company may, in so far as the Statute permits, pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares of the Company. Such commissions may be satisfied by the payment of cash and/or the issue of fully or partly paid-up Shares. The Company may also on any issue of Shares pay such brokerage as may be lawful.

NON-RECOGNITION OF TRUSTS

44 The Company shall not be bound by or compelled to recognize in any way (even when notified) any equitable, contingent, future or partial interest in any Share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any Share other than an absolute right to the entirety thereof in the registered holder.

LIEN ON SHARES

45 The Company shall have a first and paramount lien on all Shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other person, whether a Member or not, but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The registration of a transfer of any such Share shall operate as a waiver of the Company's lien thereon. The Company's lien on a Share shall also extend to any amount payable in respect of that Share.

46 The Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien, if a sum in respect off which the lien exists is presently payable, and is not paid within fourteen clear days after notice has been given to the holder of the Shares, or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.

47 To give effect to any such sale the Directors may authorise any person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The purchaser or his nominee shall be registered as the holder of the Shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the sale or the exercise of the Company's power of sale under these Articles.

48 The net proceeds of such sale after payment of costs, shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and any residue shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

CALL ON SHARES

49 Subject to the terms of the allotment the Directors may from time to time make calls upon the Members in respect of any monies unpaid on their Shares (whether in respect of par value or premium), and each Member shall (subject to receiving at least fourteen days notice specifying the

time or times of payment) pay to the Company at the time or times so specified the amount called on the Shares. A call may be revoked or postponed as the Directors may determine. A call may be required to be paid by installments. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect of which the call was made.

50 A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

51 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

52 If a call remains unpaid after it has become due and payable, the person from whom it is due shall pay interest on the amount unpaid from the day it became due and payable until it is paid at such rate as the Directors may determine, but the Directors may waive payment of the interest wholly or in part.

53 An amount payable in respect of a Share on allotment or at any fixed date, whether on account of the par value of the Share or premium or otherwise, shall be deemed to be a call and if it is not paid all the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.

54 The Directors may issue Shares with different terms as to the amount and times of payment of calls, or the interest to be paid.

55 The Directors may, if they think fit, receive an amount from any Member willing to advance all or any part of the monies uncalled and unpaid upon any Shares held by him, and may (until the amount would otherwise become payable) pay interest at such rate as may be agreed upon between the Directors and the Member paying such amount in advance.

56 No such amount paid in advance of calls shall entitle the Member paying such amount to any portion of a Dividend declared in respect of any period prior to the date upon which such amount would, but for such payment, become payable.

FORFEITURE OF SHARES

57 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen clear days notice requiring payment of the amount unpaid together with any interest, which may have accrued. The notice shall specify where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.

58 If the notice is not complied with any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors. Such forfeiture shall include all Dividends or other monies declared payable in respect of the forfeited Share and not paid before the forfeiture.

59 A forfeited Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the Directors may authorise some person to execute an instrument of transfer of the Share in favour of that person.

60 A person any of whose Shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited and shall remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of those Shares together with interest, but his liability shall

cease if and when the Company shall have received payment in full of all monies due and payable by him in respect of those Shares.

61 A certificate in writing under the hand of one Director or officer of the Company that a Share has been forfeited on a specified date shall be conclusive evidence of the fact as against all persons claiming to be entitled to the Share. The certificate shall (subject to the execution of an instrument of transfer) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

62 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the par value of the Share or by way of premium as if it had been payable by virtue of a call duly made and notified.

TRANSMISSION OF SHARES

63 If a Member dies the survivor or survivors where he was a joint holder, and his legal personal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest. The estate of a deceased Member is not thereby released from any liability in respect of any Share, which had been jointly held by him.

64 Any person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the Directors, elect either to become the holder of the Share or to have some person nominated by him as the transferee. If he elects to become the holder he shall give notice to the Company to that effect, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by that Member before his death or bankruptcy, as the case may be.

65 If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

66 A person becoming entitled to a Share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by transfer) shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Share. However, he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company and the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share. If the notice is not complied with within ninety days the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

AMENDMENTS OF MEMORANDUM AND ARTICLES OF ASSOCIATION AND ALTERATION OF SHARE CAPITAL

67 The Company may by Ordinary Resolution:

67.1 increase the share capital by such sum as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;

67.2 consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

67.3 by subdivision of its existing Shares or any of them divide the whole or any part of its Share capital into Shares of smaller amount than is fixed by the Memorandum or into Shares without par value; and

67.4 cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

68 All new Shares created in accordance with the provisions of the preceding Article shall be subject to the same provisions of the Articles with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the Shares in the original share capital.

69 Subject to the provisions of the Statute and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution the Company may by Special Resolution:

69.1 change its name;

69.2 alter or add to these Articles;

69.3 alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; and

69.4 reduce its share capital and any capital redemption reserve fund.

REGISTERED OFFICE

70 Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its Registered Office.

GENERAL MEETINGS

71 All general meetings other than annual general meetings shall be called extraordinary general meetings.

72 The Company shall, if required by the Statute, in each year hold a general meeting as its annual general meeting, and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall appoint and if no other time and place is prescribed by them, it shall be held at the Registered Office on the second Wednesday in May of each year at ten o'clock in the morning. At these meetings the report of the Directors (if any) shall be presented.

73 The Company may hold an annual general meeting, but shall not (unless required by Statute) be obliged to hold an annual general meeting.

74 The Directors may call general meetings, and they shall on a Members requisition forthwith proceed to convene an extraordinary general meeting of the Company.

75 A Members requisition is a requisition of Members of the Company holding at the date of deposit of the requisition not less than ten per cent in par value of the capital of the Company as at that date carries the right of voting at general meetings of the Company.

76 The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

77 If the Directors do not within twenty-one days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one days, the

requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said twenty-one days.

78 A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

79 At least five days' notice shall be given of any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

79.1 in the case of an annual general meeting, by all the Members (or their proxies) entitled to attend and vote thereat; and

79.2 in the case of an extraordinary general meeting, by a majority in number of the Members (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than ninety per cent in par value of the Shares giving that right.

80 The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

PROCEEDINGS AT GENERAL MEETINGS

81 Subject to the next succeeding Article, no business shall be transacted at any general meeting unless a quorum is present. Except as set forth in Article 82, any Member who is entitled to vote in respect of the Required Majority being an individual or individuals present in person or by proxy or if a corporation or other non-natural person by its duly authorised representative shall be a quorum unless the Company has one Member in which case the quorum shall be that one Member present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorised representative.

82 Notwithstanding any Article herein, no extraordinary or annual general meeting called for the purpose of the following actions shall be quorate, without there being present in person or by proxy the Required Majority:

82.1 The adoption of an amendment, restatement or modification of the Memorandum and Articles of Association;

82.2 The purchase, redemption or retirement, directly or indirectly, of any Shares;

82.3 The authorization and creation of any Shares (or any securities convertible or exchangeable into Shares); or

82.4 A voluntary dissolution, liquidation or winding up of the Company.

83 A person may participate at a general meeting by conference telephone or other communications equipment by means of which all the persons participating in. the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting.

84 A Special Resolution in writing (in one or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations, signed by their duly authorised representatives) shall be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held. Subject to the other requirements of these Articles, a resolution (other than a Special Resolution) in writing (in one or more counterparts) signed by Members holding not less than a simple majority of the issued Shares which for the time being entitle them to receive notice of and to attend and vote at general meetings (or, being corporations, signed by their duly authorised representatives) shall be as be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held provided that all members have been given notice of such resolution in accordance with the provisions applicable to giving notice of general meetings.

85 If a quorum is not present within half an hour from the time appointed for the meeting or if during such a meeting a quorum ceases to be present, the meeting, if convened upon the requisition of Members, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day, time or such other place as the Directors may determine, and if at the adjourned meeting a quorum is not present no business shall be conducted.

86 The chairman, if any, of the board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be chairman of the meeting.

87 If no Director is willing to act as chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be chairman of the meeting.

88 The chairman may, with the consent of a meeting at which a quorum is present, (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any such notice.

89 A resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, the chairman demands a poll, or any other Member or Members collectively present in person or by proxy and holding at least ten per cent in par value of the Shares giving a right to attend and vote at the meeting demands a poll.

90 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost or not carried by a particular majority, an entry to that effect in the minutes of the proceedings of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

91 The demand for a poll may be withdrawn.

92 Except on a poll demanded on the election of a chairman or on a question of adjournment, a poll shall be taken as the chairman directs, and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.

93 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the general meeting directs, and any business other than that upon which a poll has been demanded or is contingent thereon may proceed pending the taking of the poll.

94 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a second or casting vote.

VOTES OF MEMBERS

95 Subject to any rights or restrictions attached to any Shares, on a show of hands every Member who (being an individual) is present in person or by proxy or, if a corporation or other non-natural person is present by its duly authorised representative, shall have one vote and on a poll every Member shall have one vote for every Share of which he is the holder.

96 In the case of joint holders of record the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register of Members.

97 A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person on such Member's behalf appointed by that court, and any such committee, receiver, curator bonis or other person may vote by proxy.

98 No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of Shares unless he is registered as a Member on the record date for such meeting and unless all calls or other monies then payable by him in respect of Shares have been paid.

99 No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

100 On a poll or on a show of hands votes may be cast either personally or by proxy. A Member may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting. Where a Member appoints more than one proxy the instrument of proxy shall state which proxy is entitled to vote on a show of hands.

101 A Member holding more than one Share need not cast the votes in respect of his Shares in the same way on any resolution and therefore may vote a Share or some or all such Shares either for or against a resolution and/or abstain from voting a Share or some or all of the Shares and, subject to the terms of the instrument appointing him, a proxy appointed under one or more instruments may vote a Share or some *or* all of the Shares in respect of which he is appointed either for or against a resolution and/or abstain from voting.

PROXIES

102 The instrument appointing a proxy shall be in writing, be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation under

the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.

The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company no later than the time for holding the meeting or adjourned meeting. The chairman may in any event at his discretion (and acting in good faith) direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

103 The instrument appointing a proxy may be in any usual or common form and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.

104 Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or transfer was received by the Company at the Registered Office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

CORPORATE MEMBERS

105 Any corporation or other non-natural person which is a Member may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member.

SHARES THAT MAY NOT BE VOTED

106 Shares in the Company that are beneficially owned by the Company or any of its Subsidiaries shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding Shares at any given time.

DIRECTORS

107 There shall be a board of Directors consisting of not less than one person provided however that the Company may from time to time by Ordinary Resolution increase or reduce the limits in the number of Directors. The first Directors of the Company shall be determined in writing by, or appointed by a resolution of, the subscribers.

POWERS OF DIRECTORS

108 Subject to the provisions of the Statute, the Memorandum and these Articles and to any directions given by Special Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

109 Notwithstanding any other Article herein, none of the following actions may be taken, directly or indirectly, by the Company or to the extent that the Company as shareholder of the Subsidiary is able to restrict such actions, such Subsidiary, without the approval of the Required Majority:

109.1 The entry into or closing of an Organic Transaction;

109.2 The declaration or payment of any dividend or making of any distribution on or with respect to the Common Shares or any other Shares (other than Preferred Shares);

109.3 The issuance of any Shares or equity securities exercisable for or in convertible into Shares other than Shares issued upon exercise of the Company's employee stock options granted under employee stock plans in effect from time to time;

109.4 The incurrence of Senior Indebtedness or Indebtedness (other than trade payables incurred in the ordinary course of business) in an aggregate outstanding principal amount which exceeds by 20% or more from the amount approved in the annual budget of the Company and its Subsidiaries;

109.5 The amendment, restatement or modification of the terms of, or documentation relating to Indebtedness of the Company or any Subsidiary in the aggregate principal amount of greater than $10,000,000 (other than trade payables incurred in the ordinary course of business), or consent to any of the foregoing;

109.6 The engagement by the Company or any Subsidiary in any business other than the business in which the Company or its Subsidiaries are currently engaged;

109.7 The entering into any transaction or agreement with, or making any payment to, any Affiliate of the Company or any Subsidiary, amending or terminating any existing agreement with any Affiliate of the Company or any Subsidiary, purchasing from or providing to an Affiliate of the Company or any Subsidiary, any selling, general management or administrative services, directly or indirectly making any sales to or purchases from an Affiliate of the Company or any Subsidiary, or increasing the compensation being paid to an Affiliate of the Company or any Subsidiary;

109.8 The sale of any assets or business of the Company or any Subsidiary outside the ordinary course of business, or the acquisition of any capital Shares of another entity, assets or business or the formation of a joint venture having a value in excess of $5,000,000, or $10,000,000 in the aggregate in any 12-month period;

109.9 The settlement of any litigation claim involving a claim in excess of $1,000,000;

109.10 The hiring or termination of the Chief Executive Officer of the Company or any material change in his or her compensation;

109.11 Capital expenditures of the Company and its Subsidiaries in an aggregate amount which exceeds by 20% or more from the amount approved in the annual budget of the Company and its Subsidiaries during any 12-month period;

109.12 The consummation of an Initial Public Offering; or

109.13 Approval of an annual budget and strategic and operating plan of the Company and its Subsidiaries.

110 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall determine by resolution.

111 The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

112 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

APPOINTMENT AND REMOVAL OF DIRECTORS

113 The Company may by Ordinary Resolution appoint any person to be a Director or may by Ordinary Resolution remove any Director. The Directors may not appoint any person to be a Director, either to fill a vacancy or as an additional director.

VACATION OF OFFICE OF DIRECTOR

114 The office of a Director shall be vacated if:

114.1 he gives notice in writing to the Company that such Director resigns the office of Director;

114.2 if he dies, becomes bankrupt or makes any arrangement or composition with his creditors generally; or

114.3 if he is found to be or becomes of unsound mind.

PROCEEDINGS OF DIRECTORS

115 The quorum for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be not less than a majority of the Directors then in office if there are two or more Directors, and shall be one if there is only one Director.

116 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes.

117 A person may participate in a meeting of the Directors or committee of Directors by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a person in a meeting in this manner is treated as presence in person at that meeting. Unless otherwise determined by the Directors the meeting shall be deemed to be held at the place where the chairman is at the start of the meeting.

118 A resolution in writing (in one or more counterparts) signed by all the Directors or all the members of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors, or committee of Directors as the case may be, duly convened and held.

119 A Director may, or other officer of the Company on the requisition of a Director shall, call a meeting of the Directors by at least two days' notice in writing to every Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors either at, before or after the meeting is held.

120 The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing

the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

121 The Directors may elect a chairman of their board and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

122 All acts done by any meeting of the Directors or of a committee of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director.

123 A Director may not be represented at any meetings of the board of Directors by a proxy.

PRESUMPTION OF ASSENT

124 A Director of the Company who is present at a meeting of the board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIRECTORS' INTERESTS

125 A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

126 A Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

127 A Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.

128 No person shall be disqualified from the office of Director or prevented by such office from contracting with the Company, either as vendor, distributor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established. A Director shall be at liberty to vote in respect of any contract or transaction in which he is interested provided that the nature of the interest of any Director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote thereon.

129 A general notice that a Director is a shareholder, director, officer or employee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure for the purposes of voting on a resolution in respect of a contract or

transaction in which he has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

MINUTES

130 The Directors shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any class of Shares and of the Directors, and of committees of Directors including the names of the Directors present at each meeting.

DELEGATION OF DIRECTORS' POWERS

131 The Directors may delegate any of their powers to any committee consisting of one or more Directors, including, without limitation, an executive committee, an audit committee and a compensation committee. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him provided that the appointment of a managing director shall be revoked forthwith if he ceases to be a Director. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee of Directors shall he governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.

132 The Directors may establish any committees, local boards or agencies or appoint any person to be a manager or agent for managing the affairs of the Company and may appoint any person to be a member of such committees or local boards.

133 The Directors may by power of attorney or otherwise appoint any person to be the agent of the Company on such conditions as the Directors may determine, provided that the delegation is not to the exclusion of their own powers and may be revoked by the Directors at any time.

134 The Directors may by power of attorney or otherwise appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him.

135 The Directors may appoint such officers as they consider necessary on such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Unless otherwise specified in the terms of his appointment an officer may be removed by resolution of the Directors or Members.

NO MINIMUM SHAREHOLDING

136 The Company in general meeting may fix a minimum shareholding required to be held by a Director, but unless and until such a shareholding qualification is fixed a Director is not required to hold Shares.

REMUNERATION OF DIRECTORS

137 The remuneration to be paid to the Directors, if any, shall be such remuneration as the Directors shall determine. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings of the Company, or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination partly of one such method and partly the other.

138 The Directors may by resolution approve additional remuneration to any Director for any services other than his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his remuneration as a Director.

SEAL

139 The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors. Every instrument to which the Seal has been affixed shall be signed by at least one person who shall be either a Director or some officer or other person appointed by the Directors for the purpose.

140 The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.

141 A Director or officer, representative or attorney of the Company may without further authority of the Directors affix the Seal over his signature alone to any document of the Company required to be authenticated by him under seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

DIVIDENDS, DISTRIBUTIONS AND RESERVE

142 Subject to the Statute, and except as otherwise provided in these Articles, the Directors may declare Dividends and distributions on Shares in issue and authorise payment of the Dividends or distributions out of the funds of the Company lawfully available therefor. No Dividend *or* distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account or as otherwise permitted by the Statute.

143 Except as otherwise provided by the rights attached to Shares, all Dividends shall be declared and paid according to the par value of the Shares that a Member holds. If any Share is issued on terms providing that it shall rank for Dividend as from a particular date, that Share shall rank for Dividend accordingly.

144 The Directors may deduct from any Dividend or distribution payable to any Member all sums of money (if any) then payable by him to the Company on account of calls or otherwise.

145 The Directors may declare that any Dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of shares, debentures, or securities of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional Shares and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so

fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.

146 Any Dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the Register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any Dividends, bonuses, or other monies payable in respect of the Share held by them as joint holders.

147 No Dividend or distribution shall bear interest against the Company.

148 Any Dividend which cannot be paid to a Member and/or which remains unclaimed after six months from. the date of declaration of such Dividend may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the Dividend shall remain as a debt due to the Member. Any Dividend which remains unclaimed after a period of six years from the date of declaration of such Dividend shall be forfeited and shall revert to the Company.

149 All dividends paid with respect to Shares shall be paid *pro rata* to the holders entitled thereto. If legally available funds shall be insufficient for the payment of the entire amount of cash dividends payable at any dividend payment date, such funds shall be allocated first to the payment of the Dividend of the Preferred Shares *pro rata* based upon the aggregate Liquidation Preference of the outstanding Preferred Shares and second to the payment of the Dividend of the Common Shares *pro rata* based upon the aggregate number of the outstanding Common Shares.

CAPITALISATION

150 The Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

BOOKS OF ACCOUNT

151 The Directors shall cause proper books of account to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

152 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Directors or by the Company in general meeting.

153 The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

AUDIT

154 The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors, and may fix his or their remuneration.

155 Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor.

156 Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an ordinary company, and at the next extraordinary general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an exempted company, and at any other time during their term of office, upon request of the Directors or any general meeting of the Members.

NOTICES

157 Whenever notices or other communications are required to be made, delivered or otherwise given to the Company or the holders of the Preferred Shares or Common Shares, the notice or other communication shall be made in writing and shall be by registered or certified first class mail, return receipt requested, telecopier, email, courier service or personal delivery, addressed to the Persons shown on the Register of Members as such holders at the addresses as they appear in Register of Members, as of a record date or dates determined in accordance with these Articles and applicable law, as in effect from time to time. Where a notice is sent by registered or certified first class mail service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was received by the intended recipient. Where a notice is sent telecopier service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient. Where a notice is sent by courier service or personal delivery it shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was received by the intended recipient.

158 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under these Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the

bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

159 Notice of every general meeting shall be given in any manner hereinbefore authorised to every person shown as a Member in the Register of Members on the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the Register of Members and every person upon whom the ownership of a Share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting, and no other person shall be entitled to receive notices of general meetings.

WINDING UP

160 In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of Preferred Shares shall be entitled to be paid (i) before any distribution or payment to holders of Common Shares or of any other Shares ranking in any such event junior to the Preferred Shares, the Liquidation Preference and (ii) on a pari passu basis with the Common Shares, an amount equal to the amount that the holders of Preferred Shares would be entitled to receive in connection with such liquidation, dissolution or winding up if all of the Preferred Shares had converted into Common Shares immediately prior to the date of any such liquidation, dissolution or winding up.

161 In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, following distribution or payment to holders of Preferred Shares of the Liquidation Preference, the holders of the Common Shares shall be entitled to be paid (following payment of the Liquidation Preference to the holders of the Preferred Shares and on a *pari passu* basis with the holders of the Preferred Shares on the basis that all the Preferred Shares are converted into Common Shares immediately prior to the date of any liquidation, dissolution or winding up) the balance of any assets available for distribution.

162 If, upon any liquidation, dissolution or winding up of the Company, the assets of the Company available for distribution to the holders of the Preferred Shares shall be insufficient to permit payment in full to such holders of the sums which such holders are entitled to receive in such case, then all of the assets available for distribution to holders of the Preferred Shares shall be distributed among and paid to such holders ratably in proportion to the amounts that would be payable to such holders if such assets were sufficient to permit payment in full.

163 Upon any liquidation, dissolution or winding up of the Company, all of the assets available for distribution to holders of the Common Shares shall be distributed among and paid to such holders ratably in proportion to the number of Common Shares held by such holders.

164 A consolidation or merger of the Company resulting in the holders of the issued and outstanding voting Shares of the Company immediately prior to such transaction owning or controlling not less than a majority of the voting securities of the continuing or surviving entity immediately following such transaction, shall not be deemed to be a liquidation, dissolution or winding up of the Company.

165 Subject to the requirements of the other Articles under the heading "*WINDING UP*" if the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be

carried out as between the Members or different classes of Members. Subject to the requirements of the other Articles under the heading "*WINDING UP*", the liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

INDEMNITY

166 To the fullest extent permitted by the Statute, every Director, agent or officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him as a result of any act or failure to act in carrying out his functions other than such liability (if any) that he may incur by his own willful misconduct. To the fullest extent permitted by the Statute, such Director, agent or officer shall be liable to the Company for any loss or damage in carrying out his functions unless that liability arises through the willful misconduct of such Director, agent or officer. The provisions of this Article 166 shall apply, mutatis mutandis, to any Board observer appointed pursuant to the Shareholders' Agreement.

FINANCIAL YEAR

167 Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

TRANSFER BY WAY OF CONTINUATION

168 If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and prior to December 31, 2005 with the approval of a Directors' resolution or after December 31, 2005 with the approval of an Ordinary Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

FIXED DURATION

169 In accordance with the provisions of Section 133(b) of the Statute, the Company shall without any further action on the part of Members automatically wind up and dissolve on the passing of a (a) Directors' resolution that the Company shall be wound up on or prior to December 31, 2005 or (b) an ordinary resolution after December 31, 2005. The Directors shall within 5 Business Days of such winding up, appoint one or more persons to act as liquidator or joint liquidators off the Company, failing which the Directors themselves shall be appointed as liquidators.

QuickLinks

Exhibit 3.2

ARTICLES OF INCORPORATION
OF
WH CAPITAL CORPORATION

(a Nevada corporation)

The undersigned, for the purpose of forming a corporation pursuant to and by virtue of Chapter 78 of the Nevada Revised Statutes, hereby adopts and executes the following Articles of Incorporation.

ARTICLE I
NAME

The name of the corporation shall be WH Capital Corporation.

ARTICLE II
REGISTERED OFFICE

The name of the initial resident agent and the street address of the initial registered office in the State of Nevada where process may be served upon the corporation is Schreck Brignone, 300 South Fourth Street, Suite 1200, Las Vegas, Clark County, Nevada 89101. The corporation may, from time to time, in the manner provided by law, change the resident agent and the registered office within the State of Nevada. The corporation may also maintain an office or offices for the conduct of its business, either within or without the State of Nevada.

ARTICLE III
CAPITAL STOCK

Section 1. *Authorized Shares.* The aggregate number of shares which the corporation shall have authority to issue shall consist of one thousand (1,000) shares of common stock with par value $0.01 per share.

Section 2. *Assessment of Stock.* The capital stock of the corporation, after the amount of the subscription price has been fully paid in, shall not be assessable for any purpose, and no stock issued as fully paid shall ever be assessable or assessed. No stockholder of the corporation is individually liable for the debts or liabilities of the corporation.

ARTICLE IV
DIRECTORS AND OFFICERS

Section 1. *Number of Directors*. The members of the governing board of the corporation are styled as directors. The board of directors of the corporation shall be elected in such manner as shall be provided in the bylaws of the corporation. The initial board of directors shall consist of one individual. The number of directors may be changed from time to time in such manner as shall be provided in the bylaws of the corporation.

Section 2. *Initial Director*. The director constituting the initial board of directors of the corporation is Gregory Probert, with an address at 1800 Century Park East, Los Angeles, California 90067.

Section 3. *Payment of Expenses.* In addition to any other rights of indemnification permitted by the laws of the State of Nevada or as may be provided for by the corporation in its bylaws or by agreement, the expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding, involving alleged acts or omissions of such officer or director in his or her capacity as an officer or director of the corporation, must be paid, by the corporation or through insurance purchased and maintained by the corporation or through other financial arrangements made by the corporation, as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon

receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the corporation.

Section 4. *Limitation on Liability.* The liability of directors and officers of the corporation shall be eliminated or limited to the fullest extent permitted by the Nevada Revised Statutes. If the Nevada Revised Statutes are amended to further eliminate or limit or authorize corporate action to further eliminate or limit the liability of directors or officers, the liability of directors and officers of the corporation shall be eliminated or limited to the fullest extent permitted by the Nevada Revised Statutes, as so amended from time to time.

Section 5. *Repeal And Conflicts.* Any repeal or modification of Section 3 or 4 above approved by the stockholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the liability of a director or officer of the corporation existing as of the time of such repeal or modification. In the event of any conflict between Section 3 or 4 of this Article and any other Article of the corporation's Articles of Incorporation, the terms and provisions of Sections 3 and/or 4 of this Article shall control.

ARTICLE V
INCORPORATOR

The name and mailing or street address of the incorporator signing these Articles of Incorporation is Ellen Schulhofer, Esq., 300 S. Fourth St., Suite 1200, Las Vegas, NV 89101.

QuickLinks

Exhibit 3.3

BYLAWS
of
WH CAPITAL CORPORATION
(a Nevada corporation)

ARTICLE I
OFFICES

Section 1.1 *Principal Office.* The principal office and place of business of WH CAPITAL CORPORATION (the "*Corporation*") shall be at [1800 Century Park East, Los Angeles, California 90067].

Section 1.2 *Other Offices.* Other offices and places of business either within or without the State of Nevada may be established from time to time by resolution of the board of directors of the Corporation (the "*Board of Directors*") or as the business of the Corporation may require. The street address of the Corporation's resident agent is the registered office of the Corporation in Nevada.

ARTICLE II
STOCKHOLDERS

Section 2.1 *Annual Meeting.* The annual meeting of the stockholders of the Corporation shall be held on such date and at such time as may be designated from time to time by the Board of Directors. At the annual meeting, directors shall be elected and any other business may be transacted as may be properly brought before the meeting.

Section 2.2 *Special Meetings.*

(a) Special meetings of the stockholders may be called only by the chairman of the Board of Directors, if any, or the chief executive officer, if any, or, if there be no chairman of the Board of Directors and no chief executive officer, by the president, and shall be called by the secretary upon the written request of a majority of the Board of Directors or the holders of not less than a majority of the voting power of the Corporation's stock entitled to vote. Such request shall state the purpose or purposes of the meeting.

(b) No business shall be acted upon at a special meeting of stockholders except as set forth in the notice of the meeting.

Section 2.3 *Place of Meetings.* Any meeting of the stockholders of the Corporation may be held at the Corporation's registered office in the State of Nevada, at the principal office of the Corporation or at such other place in or out of the State of Nevada and the United States as may be designated in the notice of meeting. A waiver of notice signed by all stockholders entitled to vote may designate any place for the holding of such meeting.

Section 2.4 *Notice of Meetings; Waiver of Notice.*

(a) The president, chief executive officer, if any, a vice president, the secretary, an assistant secretary or any other individual designated by the Board of Directors shall sign and deliver or cause to be delivered to the stockholders written notice of any stockholders' meeting not less than ten (10) days, but not more than sixty (60) days, before the date of such meeting. The notice shall state the place, date and time of the meeting and the purpose or purposes for which the meeting is called. The notice shall contain or be accompanied by such additional information as may be required by the Nevada Revised Statutes ("*NRS*"), including, without limitation, NRS 78.379, 92A.120 or 92A.410.

(b) In the case of an annual meeting, any proper business may be presented for action, except that (i) if a proposed plan of merger, conversion or exchange is submitted to a vote, the

notice of the meeting must state that the purpose, or one of the purposes, of the meeting is to consider the plan of merger, conversion or exchange and must contain or be accompanied by a copy or summary of the plan; and (ii) if a proposed action creating dissenters' rights is to be submitted to a vote, the notice of the meeting must state that the stockholders are or may be entitled to assert dissenters' rights under NRS 92A.300 to 92A.500, inclusive, and be accompanied by a copy of those sections.

(c) A copy of the notice shall be personally delivered or mailed postage prepaid to each stockholder of record entitled to vote at the meeting at the address appearing on the records of the Corporation. Upon mailing, service of the notice is complete, and the time of the notice begins to run from the date upon which the notice is deposited in the mail. If the address of any stockholder does not appear upon the records of the Corporation or is incomplete, it will be sufficient to address any notice to such stockholder at the registered office of the Corporation.

(d) The written certificate of the individual signing a notice of meeting, setting forth the substance of the notice or having a copy thereof attached, the date the notice was mailed or personally delivered to the stockholders and the addresses to which the notice was mailed, shall be prima facie evidence of the manner and fact of giving such notice.

(e) Any stockholder may waive notice of any meeting by a signed writing, either before or after the meeting. Such waiver of notice shall be deemed the equivalent of the giving of such notice.

Section 2.5 *Determination of Stockholders of Record.*

(a) For the purpose of determining the stockholders entitled to notice of and to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any distribution or the allotment of any rights, or entitled to exercise any rights in respect of any change, conversion, or exchange of stock or for the purpose of any other lawful action, the directors may fix, in advance, a record date, which shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting, if applicable.

(b) If no record date is fixed, the record date for determining stockholders: (i) entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and (ii) for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at any meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting and must fix a new record date if the meeting is adjourned to a date more than 60 days later than the date set for the original meeting.

Section 2.6 *Quorum; Adjourned Meetings.*

(a) Unless the Articles of Incorporation provide for a different proportion, stockholders holding at least a majority of the voting power of the Corporation's capital stock, represented in person or by proxy (regardless of whether the proxy has authority to vote on all matters), are necessary to constitute a quorum for the transaction of business at any meeting. If, on any issue, voting by classes or series is required by the laws of the State of Nevada, the Articles of Incorporation or these Bylaws, at least a majority of the voting power, represented in person or by proxy (regardless of whether the proxy has authority to vote on all matters), within each such class or series is necessary to constitute a quorum of each such class or series.

(b) If a quorum is not represented, a majority of the voting power represented or the person presiding at the meeting may adjourn the meeting from time to time until a quorum shall be represented. At any such adjourned meeting at which a quorum shall be represented, any business may be transacted which might have been transacted as originally called. When a stockholders' meeting is adjourned to another time or place hereunder, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. However, if a new record date is fixed for the adjourned meeting, notice of the adjourned meeting must be given to each stockholder of record as of the new record date. The stockholders present at a duly convened meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the departure of enough stockholders to leave less than a quorum of the voting power.

Section 2.7 *Voting.*

(a) Unless otherwise provided in the NRS, in the Articles of Incorporation, or in the resolution providing for the issuance of preferred stock adopted by the Board of Directors pursuant to authority expressly vested in it by the provisions of the Articles of Incorporation, each stockholder of record, or such stockholder's duly authorized proxy, shall be entitled to one (1) vote for each share of voting stock standing registered in such stockholder's name at the close of business on the record date.

(b) Except as otherwise provided herein, all votes with respect to shares standing in the name of an individual at the close of business on the record date (including pledged shares) shall be cast only by that individual or such individual's duly authorized proxy. With respect to shares held by a representative of the estate of a deceased stockholder, or a guardian, conservator, custodian or trustee, even though the shares do not stand in the name of such holder, votes may be cast by such holder upon proof of such representative capacity. In the case of shares under the control of a receiver, the receiver may cast votes carried by such shares even though the shares do not stand of record in the name of the receiver; provided, that the order of a court of competent jurisdiction which appoints the receiver contains the authority to cast votes carried by such shares. If shares stand of record in the name of a minor, votes may be cast by the duly appointed guardian of the estate of such minor only if such guardian has provided the Corporation with written proof of such appointment.

(c) With respect to shares standing of record in the name of another corporation, partnership, limited liability company or other legal entity on the record date, votes may be cast: (i) in the case of a corporation, by such individual as the bylaws of such other corporation prescribe, by such individual as may be appointed by resolution of the Board of Directors of such other corporation or by such individual (including, without limitation, the officer making the authorization) authorized in writing to do so by the chairman of the Board of Directors, if any, president, chief executive officer, if any, or any vice president of such corporation; and (ii) in the case of a partnership, limited liability company or other legal entity, by an individual representing such stockholder upon presentation to the Corporation of satisfactory evidence of his or her authority to do so.

(d) Notwithstanding anything to the contrary contained herein and except for the Corporation's shares held in a fiduciary capacity, the Corporation shall not vote, directly or indirectly, shares of its own stock owned by it; and such shares shall not be counted in determining the total number of outstanding shares entitled to vote.

(e) Any holder of shares entitled to vote on any matter may cast a portion of the votes in favor of such matter and refrain from casting the remaining votes or cast the same against the proposal, except in the case of elections of directors. If such holder entitled to vote does vote any of such stockholder's shares affirmatively and fails to specify the number of affirmative votes, it

will be conclusively presumed that the holder is casting affirmative votes with respect to all shares held.

(f) With respect to shares standing of record in the name of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and wife as community property, tenants by the entirety, voting trustees or otherwise and shares held by two or more persons (including proxy holders) having the same fiduciary relationship in respect to the same shares, votes may be cast in the following manner:

(i) If only one person votes, the vote of such person binds all.

(ii) If more than one person casts votes, the act of the majority so voting binds all.

(iii) If more than one person casts votes, but the vote is evenly split on a particular matter, the votes shall be deemed cast proportionately, as split.

(g) If a quorum is present, unless the Articles of Incorporation, these Bylaws, the NRS, or other applicable law provide for a different proportion, action by the stockholders entitled to vote on a matter, other than the election of directors, is approved by and is the act of the stockholders if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action, unless voting by classes or series is required for any action of the stockholders by the laws of the State of Nevada, the Articles of Incorporation or these Bylaws, in which case the number of votes cast in favor of the action by the voting power of each such class or series must exceed the number of votes cast in opposition to the action by the voting power of each such class or series.

(h) If a quorum is present, directors shall be elected by a plurality of the votes cast.

Section 2.8 *Proxies.* At any meeting of stockholders, any holder of shares entitled to vote may designate, in a manner permitted by the laws of the State of Nevada, another person or persons to act as a proxy or proxies. Every proxy shall continue in full force and effect until its expiration or revocation in a manner permitted by the laws of the State of Nevada.

Section 2.9 *Telephonic Meetings.* Stockholders may participate in a meeting of the stockholders by means of a telephone conference or similar method of communication by which all individuals participating in the meeting can hear each other. Participation in a meeting pursuant to this Section 2.9 constitutes presence in person at the meeting.

Section 2.10 *Action Without A Meeting.*

(a) Whenever all persons entitled to vote at any meeting consent, either by: (i) a writing on the records of the meeting or filed with the secretary, (ii) presence at such meeting and oral consent entered on the minutes, or (iii) taking part in the deliberations at such meeting without objection, such meeting shall be as valid as if a meeting was regularly called and noticed.

(b) At such meeting any business may be transacted which is not excepted from the written consent or to the consideration of which no objection for want of notice is made at the time.

(c) If any meeting be irregular for want of notice or of such consent, provided a quorum was present at such meeting, the proceedings of the meeting may be ratified and approved and rendered likewise valid and the irregularity or defect therein waived by a writing signed by all parties having the right to vote at such meeting.

(d) Such consent or approval may be by proxy or power of attorney, but all such proxies and powers of attorney must be in writing.

Section 2.11 *Organization.*

(a) Meetings of stockholders shall be presided over by the chairman of the Board of Directors, or, in the absence of the chairman, by the vice-chairman of the Board of Directors, or in the absence of the vice-chairman, the president, or, in the absence of the president, by the chief executive officer, if any, or, in the absence of the foregoing persons, by a chairman designated by the Board of Directors, or, in the absence of such designation by the Board of Directors, by a chairman chosen at the meeting by the stockholders entitled to cast a majority of the votes which all stockholders present in person or by proxy are entitled to cast. The secretary, or in the absence of the secretary an assistant secretary, shall act as secretary of the meeting, but in the absence of the secretary and any assistant secretary the chairman of the meeting may appoint any person to act as secretary of the meeting. The order of business at each such meeting shall be as determined by the chairman of the meeting. The chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitation on the time allotted to questions or comments on the affairs of the Corporation, restrictions on entry to such meeting after the time prescribed for the commencement thereof and the opening and closing of the voting polls.

(b) The chairman of the meeting may appoint one or more inspectors of elections. The inspector or inspectors may (i) ascertain the number of shares outstanding and the voting power of each; (ii) determine the number of shares represented at a meeting and the validity of proxies or ballots; (iii) count all votes and ballots; (iv) determine any challenges made to any determination made by the inspector(s); and (v) certify the determination of the number of shares represented at the meeting and the count of all votes and ballots.

Section 2.12 *Absentees' Consent to Meetings.* Transactions of any meeting of the stockholders are as valid as though had at a meeting duly held after regular call and notice if a quorum is represented, either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not represented in person or by proxy (and those who, although present, either object at the beginning of the meeting to the transaction of any business because the meeting has not been lawfully called or convened or expressly object at the meeting to the consideration of matters not included in the notice which are legally or by the terms of these Bylaws required to be included therein), signs a written waiver of notice and/or consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents, and approvals shall be filed with the corporate records and made a part of the minutes of the meeting. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person objects at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called, noticed or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not properly included in the notice if such objection is expressly made at the time any such matters are presented at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of stockholders need be specified in any written waiver of notice or consent, except as otherwise provided in these Bylaws.

ARTICLE III
DIRECTORS

Section 3.1 *General Powers; Performance of Duties.* The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, except as otherwise provided in Chapter 78 of the NRS or the Articles of Incorporation.

Section 3.2 *Number, Tenure, and Qualifications.* The Board of Directors of the Corporation shall consist of at least one (1) individual and not more than ten (10) individuals. The number of directors

within the foregoing fixed minimum and maximum may be established and changed from time to time by resolution adopted by the Board of Directors of the Corporation or the stockholders without amendment to these Bylaws or the Articles of Incorporation. Except as provided in Section 3.4 below, the directors shall be elected at the annual meeting of the stockholders of the Corporation and shall hold office until his or her successor shall be elected or appointed and qualified or until his or her earlier death, retirement, disqualification, resignation or removal. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his or her term of office. No provision of this Section shall be restrictive upon the right of the Board of Directors to fill vacancies or upon the right of the stockholders to remove directors as is hereinafter provided.

Section 3.3 *Removal and Resignation of Directors.* Except as otherwise provided in the NRS:

(a) Any director may be removed from office with or without cause by the affirmative vote of the holders of not less than two-thirds (2/3) of the voting power of the issued and outstanding stock of the Corporation entitled to vote generally in the election of directors.

(b) Any director may resign effective upon giving written notice, unless the notice specifies a later time for effectiveness of such resignation, to the chairman of the Board of Directors, if any, the president or the secretary, or in the absence of all of them, any other officer.

Section 3.4 *Vacancies; Newly Created Directorships.* Any vacancies on the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office, or other cause, and newly created directorships resulting from any increase in the authorized number of directors, may be filled by a majority vote of the directors then in office or by a sole remaining director, in either case though less than a quorum, and the director(s) so chosen shall hold office for a term expiring at the next annual meeting of stockholders at which the term of the class to which he or she has been elected expires, or until his or her earlier resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent directors.

Section 3.5 *Annual and Regular Meetings.* Immediately following the adjournment of, and at the same place as, the annual or any special meeting of the stockholders at which directors are elected, the Board of Directors, including directors newly elected, shall hold its annual meeting without call or notice, other than this provision, to elect officers and to transact such further business as may be necessary or appropriate. The Board of Directors may provide by resolution the place, date, and hour for holding regular meetings between annual meetings.

Section 3.6 *Special Meetings.* Except as otherwise required by law, special meetings of the Board of Directors may be called by the chairman of the Board of Directors, or if there be no chairman of the Board of Directors, by the president, chief executive officer, if any, or secretary, and shall be called by the chairman of the Board of Directors, if any, the president, the chief executive officer, if any, or the secretary upon the request of any two (2) directors, or, if there are fewer than two (2) directors, upon the request of all of the directors. If the chairman of the Board of Directors, or if there be no chairman of the Board of Directors, each of the president, chief executive officer, if any, and secretary, refuses or neglects to call such special meeting, a special meeting may be called by notice signed by any two (2) directors.

Section 3.7 *Place of Meetings.* Any regular or special meeting of the directors of the Corporation may be held at such place as the Board of Directors, or in the absence of such designation, as the notice calling such meeting, may designate. A waiver of notice signed by the directors may designate any place for the holding of such meeting.

Section 3.8 *Notice of Meetings.* Except as otherwise provided in Section 3.5 above, there shall be delivered to each director at the address appearing for him or her on the records of the Corporation, at least forty-eight (48) hours before the time of such meeting, a copy of a written notice of any meeting (a) by delivery of such notice personally, (b) by mailing such notice postage prepaid, (c) by facsimile, (d) by overnight courier, (e) by telegram, or (f) by electronic transmission or electronic writing, including, but not limited to, email. If mailed to an address inside the United States, the notice shall be deemed delivered two (2) business days following the date the same is deposited in the United States mail, postage prepaid. If mailed to an address outside the United States, the notice shall be deemed delivered four (4) business days following the date the same is deposited in the United States mail, postage prepaid. If sent via facsimile, by electronic transmission or electronic writing, including, but not limited to, email, the notice shall be deemed delivered upon sender's receipt of confirmation of the successful transmission. If sent via overnight courier, the notice shall be deemed delivered the business day following the delivery of such notice to the courier. If the address of any director is incomplete or does not appear upon the records of the Corporation it will be sufficient to address any notice to such director at the registered office of the Corporation. Any director may waive notice of any meeting, and the attendance of a director at a meeting and oral consent entered on the minutes of such meeting shall constitute waiver of notice of the meeting unless such director objects, prior to the transaction of any business, that the meeting was not lawfully called, noticed or convened. Attendance for the express purpose of objecting to the transaction of business thereat because the meeting was not properly called or convened shall not constitute presence or a waiver of notice for purposes hereof.

Section 3.9 *Quorum; Adjourned Meetings.*

(a) A majority of the directors in office, at a meeting duly assembled, is necessary to constitute a quorum for the transaction of business.

(b) At any meeting of the Board of Directors where a quorum is not present, a majority of those present may adjourn, from time to time, until a quorum is present, and no notice of such adjournment shall be required. At any adjourned meeting where a quorum is present, any business may be transacted which could have been transacted at the meeting originally called.

Section 3.10 *Manner of Acting.* Except as otherwise provided in Section 3.12 below, the affirmative vote of a majority of the directors present at a meeting at which a quorum is present is the act of the Board of Directors.

Section 3.11 *Telephonic Meetings.* Members of the Board of Directors or of any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or such committee by means of a telephone conference or video or similar method of communication by which all persons participating in such meeting can hear each other. Participation in a meeting pursuant to this Section 3.11 constitutes presence in person at the meeting.

Section 3.12 *Action Without Meeting.* Any action required or permitted to be taken at a meeting of the Board of Directors or of a committee thereof may be taken without a meeting if, before or after the action, a written consent thereto is signed by all of the members of the Board of Directors or the committee. The written consent may be signed in counterparts, including, without limitation, facsimile counterparts, and shall be filed with the minutes of the proceedings of the Board of Directors or committee.

Section 3.13 *Powers and Duties.*

(a) Except as otherwise restricted by the laws of the State of Nevada or the Articles of Incorporation, the Board of Directors has full control over the business and affairs of the Corporation. The Board of Directors may delegate any of its authority to manage, control or conduct the business of the Corporation to any standing or special committee, or to any officer or

agent, and to appoint any persons to be agents of the Corporation with such powers, including the power to subdelegate, and upon such terms as may be deemed fit.

(b) The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of stockholders, in his discretion, may (i) require that any votes cast at such meeting shall be cast by written ballot, and/or (ii) submit any contract or act for approval or ratification at any annual meeting of the stockholders or any special meeting properly called and noticed for the purpose of considering any such contract or act, provided a quorum is present.

(c) The Board of Directors may, by resolution passed by a majority of the Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Subject to applicable law and to the extent provided in the resolution of the Board of Directors, any such committee shall have and may exercise all the powers of the Board of Directors in the management of the business and affairs of the Corporation. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. The committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required.

Section 3.14 *Compensation.* The Board of Directors, without regard to personal interest, may establish the compensation of directors for services in any capacity, including payment of all necessary expenses incurred in attending any meetings of the Board of Directors or any committee. If the Board of Directors establishes the compensation of directors pursuant to this subsection, such compensation is presumed to be fair to the Corporation unless proven unfair by a preponderance of the evidence.

Section 3.15 *Organization.* Meetings of the Board of Directors shall be presided over by the chairman of the Board of Directors, or in the absence of the chairman of the Board of Directors by the vice-chairman, or in his or her absence by a chairman chosen at the meeting. The secretary, or in the absence of the secretary an assistant secretary, shall act as secretary of the meeting, but in the absence of the secretary and any assistant secretary the chairman of the meeting may appoint any person to act as secretary of the meeting. The order of business at each such meeting shall be as determined by the chairman of the meeting.

ARTICLE IV
OFFICERS

Section 4.1 *Election.* The Board of Directors, at its annual meeting, shall elect and appoint a president, a secretary and a treasurer. Said officers shall serve until the next succeeding annual meeting of the Board of Directors and until their respective successors are elected and appointed and shall qualify or until their earlier resignation or removal. The Board of Directors may from time to time, by resolution, elect or appoint such other officers and agents as it may deem advisable, who shall hold office at the pleasure of the Board of Directors, and shall have such powers and duties and be paid such compensation as may be directed by the Board of Directors. Any individual may hold two or more offices.

Section 4.2 *Removal; Resignation.* Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause. Any officer may resign at any time upon written notice to the Corporation. Any such removal or resignation shall be subject to

the rights, if any, of the respective parties under any contract between the Corporation and such officer or agent.

Section 4.3 *Vacancies.* Any vacancy in any office because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term of such office.

Section 4.4 *Chairman of the Board.* The chairman of the Board of Directors may be chosen by the members of the Board of Directors and shall preside at the meetings of the Board of Directors and stockholders and perform such other duties as the Board of Directors may prescribe. If no chairman of the Board of Directors is appointed or if the chairman is absent from a Board of Directors meeting, then the Board of Directors may appoint a chairman for the sole purpose of presiding at any such meeting. If no chairman of the Board of Directors is appointed or if the chairman is absent from any stockholder meeting, then the vice chairman of the Board of Directors shall preside at such stockholder meeting. If the vice chairman is absent from any stockholder meeting, then the president shall preside at such stockholder meeting. If the president is absent from any stockholder meeting, then the stockholders may appoint a substitute chairman solely for the purpose of presiding over such stockholder meeting.

Section 4.5 *Vice Chairman of the Board.* The Board of Directors may appoint a vice chairman of the Board of Directors who shall perform such duties and have such powers which are delegated to him or her by the Board of Directors, these Bylaws or as may be provided by law.

Section 4.6 *Chief Executive Officer.* The Board of Directors may elect a chief executive officer who, subject to the supervision and control of the Board of Directors, shall have the ultimate responsibility for the management and control of the business and affairs of the Corporation, and shall perform such other duties and have such other powers which are delegated to him or her by the Board of Directors, these Bylaws or as may be provided by law. If a president of the Corporation has not been elected or appointed, the chief executive officer shall be deemed the president of the Corporation for all purposes hereunder.

Section 4.7 *President.* The president, subject to the supervision and control of the Board of Directors, shall in general actively supervise and control the business and affairs of the Corporation. The president shall keep the Board of Directors fully informed as the Board of Directors may request and shall consult the Board of Directors concerning the business of the Corporation. The president shall perform such other duties and have such other powers which are delegated and assigned to him or her by the Board of Directors if any, these Bylaws or as may be provided by law.

Section 4.8 *Vice Presidents.* The Board of Directors may elect one or more vice presidents. In the absence or disability of the president, or at the president's request, the vice president or vice presidents, in order of their rank as fixed by the Board of Directors, and if not ranked, the vice presidents in the order designated by the Board of Directors, or in the absence of such designation, in the order designated by the president, shall perform all of the duties of the president, and when so acting, shall have all the powers of, and be subject to all the restrictions on the president. Each vice president shall perform such other duties and have such other powers which are delegated and assigned to him or her by the Board of Directors, the president, these Bylaws or as may be provided by law.

Section 4.9 *Secretary.* The secretary shall attend all meetings of the stockholders, the Board of Directors and any committees, and shall keep, or cause to be kept, the minutes of proceedings thereof in books provided for that purpose. He or she shall keep, or cause to be kept, a register of the stockholders of the Corporation and shall be responsible for the giving of notice of meetings of the stockholders, the Board of Directors and any committees, and shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law. The secretary shall be custodian of the corporate seal, the records of the Corporation, the stock certificate books, transfer books and stock ledgers, and such other books and papers as the Board of Directors or appropriate

committee may direct. The secretary shall perform all other duties commonly incident to his or her office and shall perform such other duties which are assigned to him or her by the Board of Directors, the chief executive officer, if any, the president, these Bylaws or as may be provided by law.

Section 4.10 *Assistant Secretaries.* An assistant secretary shall, at the request of the secretary, or in the absence or disability of the secretary, perform all the duties of the secretary. He or she shall perform such other duties as are assigned to him or her by the Board of Directors, the chief executive officer, if any, the president, these Bylaws or as may be provided by law.

Section 4.11 *Treasurer.* The treasurer, subject to the order of the Board of Directors, shall have the care and custody of, and be responsible for, all of the money, funds, securities, receipts and valuable papers, documents and instruments of the Corporation, and all books and records relating thereto. The treasurer shall keep, or cause to be kept, full and accurate books of accounts of the Corporation's transactions, which shall be the property of the Corporation, and shall render financial reports and statements of condition of the Corporation when so requested by the Board of Directors, the chairman of the Board of Directors, if any, the chief executive officer, if any, or the president. The treasurer shall perform all other duties commonly incident to his or her office and such other duties as may, from time to time, be assigned to him or her by the Board of Directors, the chief executive officer, if any, the president, these Bylaws or as may be provided by law. The treasurer shall, if required by the Board of Directors, give bond to the Corporation in such sum and with such security as shall be approved by the Board of Directors for the faithful performance of all the duties of the treasurer and for restoration to the Corporation, in the event of the treasurer's death, resignation, retirement or removal from office, of all books, records, papers, vouchers, money and other property in the treasurer's custody or control and belonging to the Corporation. The expense of such bond shall be borne by the Corporation. If a chief financial officer of the Corporation has not been appointed, the treasurer may be deemed the chief financial officer of the Corporation.

Section 4.12 *Assistant Treasurers.* An assistant treasurer shall, at the request of the treasurer, or in the absence or disability of the treasurer, perform all the duties of the treasurer. He or she shall perform such other duties which are assigned to him or her by the Board of Directors, the chief executive officer, the president, the treasurer, these Bylaws or as may be provided by law. The Board of Directors may require an assistant treasurer to give a bond to the Corporation in such sum and with such security as it may approve, for the faithful performance of the duties of the assistant treasurer, and for restoration to the Corporation, in the event of the assistant treasurer's death, resignation, retirement or removal from office, of all books, records, papers, vouchers, money and other property in the assistant treasurer's custody or control and belonging to the Corporation. The expense of such bond shall be borne by the Corporation.

Section 4.13 *Execution of Negotiable Instruments, Deeds and Contracts.* All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money of the Corporation; all deeds, mortgages, proxies, powers of attorney and other written contracts, documents, instruments and agreements to which the Corporation shall be a party; and all assignments or endorsements of stock certificates, registered bonds or other securities owned by the Corporation shall be signed in the name of the Corporation by such officers or other persons as the Board of Directors may from time to time designate. The Board of Directors may authorize the use of the facsimile signatures of any such persons. Any officer of the Corporation shall be authorized to attend, act and vote, or designate another officer or an agent of the Corporation to attend, act and vote, at any meeting of the owners of any entity in which the Corporation may own an interest or to take action by written consent in lieu thereof. Such officer or agent, at any such meeting or by such written action, shall possess and may exercise on behalf of the Corporation any and all rights and powers incident to the ownership of such interest.

ARTICLE V
CAPITAL STOCK

Section 5.1 *Issuance.* Shares of the Corporation's authorized stock shall, subject to any provisions or limitations of the laws of the State of Nevada, the Articles of Incorporation or any contracts or agreements to which the Corporation may be a party, be issued in such manner, at such times, upon such conditions and for such consideration as shall be prescribed by the Board of Directors.

Section 5.2 *Stock Certificates and Uncertified Shares.* Every holder of stock in the Corporation shall be entitled to have a certificate signed by or in the name of the Corporation by the president, the chief executive officer, if any, or a vice president, and by the secretary or an assistant secretary, of the Corporation (or any other two officers or agents so authorized by the Board of Directors), certifying the number of shares of stock owned by him, her or it in the Corporation; provided, however, whenever such certificate is countersigned or otherwise authenticated by a transfer agent or a transfer clerk and by a registrar (other than the Corporation), then a facsimile of the signatures of any corporate officers or agents, the transfer agent, transfer clerk or the registrar of the Corporation may be printed or lithographed upon the certificate in lieu of the actual signatures. In the event that any officer or officers who have signed, or whose facsimile signatures have been used on any certificate or certificates for stock cease to be an officer or officers because of death, resignation or other reason, before the certificate or certificates for stock have been delivered by the Corporation, the certificate or certificates may nevertheless be adopted by the Corporation and be issued and delivered as though the person or persons who signed the certificate or certificates, or whose facsimile signature or signatures have been used thereon, had not ceased to be an officer or officers of the Corporation.

Each certificate representing shares shall state the following upon the face thereof: the name of the state of the Corporation's organization; the name of the person to whom issued; the number and class of shares and the designation of the series, if any, which such certificate represents; the par value of each share, if any, represented by such certificate or a statement that the shares are without par value. Certificates of stock shall be in such form consistent with law as shall be prescribed by the Board of Directors. No certificate shall be issued until the shares represented thereby are fully paid. In addition to the above, all certificates evidencing shares of the Corporation's stock or other securities issued by the Corporation shall contain such legend or legends as may from time to time be required by the NRS and/or the regulations of the Nevada Gaming Commission then in effect, or such other federal, state or local laws or regulations then in effect.

Section 5.3 *Surrendered; Lost or Destroyed Certificates.* All certificates surrendered to the Corporation, except those representing shares of treasury stock, shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been canceled, except that in case of a lost, stolen, destroyed or mutilated certificate, a new one may be issued therefor. However, any stockholder applying for the issuance of a stock certificate in lieu of one alleged to have been lost, stolen, destroyed or mutilated shall, prior to the issuance of a replacement, provide the Corporation with his, her or its affidavit of the facts surrounding the loss, theft, destruction or mutilation and, if required by the Board of Directors, an indemnity bond in an amount not less than twice the current market value of the stock, and upon such terms as the treasurer or the Board of Directors shall require which shall indemnify the Corporation against any loss, damage, cost or inconvenience arising as a consequence of the issuance of a replacement certificate.

Section 5.4 *Replacement Certificate.* When the Articles of Incorporation are amended in any way affecting the statements contained in the certificates for outstanding shares of capital stock of the Corporation or it becomes desirable for any reason, in the discretion of the Board of Directors, including, without limitation, the merger of the Corporation with another Corporation or the conversion or reorganization of the Corporation, to cancel any outstanding certificate for shares and

issue a new certificate therefor conforming to the rights of the holder, the Board of Directors may order any holders of outstanding certificates for shares to surrender and exchange the same for new certificates within a reasonable time to be fixed by the Board of Directors. The order may provide that a holder of any certificate(s) ordered to be surrendered shall not be entitled to vote, receive distributions or exercise any other rights of stockholders of record until the holder has complied with the order, but the order operates to suspend such rights only after notice and until compliance.

Section 5.5 *Transfer of Shares.* No transfer of stock shall be valid as against the Corporation except on surrender and cancellation of the certificates therefor accompanied by an assignment or transfer by the registered owner made either in person or under assignment. Whenever any transfer shall be expressly made for collateral security and not absolutely, the collateral nature of the transfer shall be reflected in the entry of transfer in the records of the Corporation.

Section 5.6 *Transfer Agent; Registrars.* The Board of Directors may appoint one or more transfer agents, transfer clerks and registrars of transfer and may require all certificates for shares of stock to bear the signature of such transfer agents, transfer clerks and/or registrars of transfer.

Section 5.7 *Miscellaneous.* The Board of Directors shall have the power and authority to make such rules and regulations not inconsistent herewith as it may deem expedient concerning the issue, transfer, and registration of certificates for shares of the Corporation's stock.

ARTICLE VI
DISTRIBUTIONS

Distributions may be declared, subject to the provisions of the laws of the State of Nevada and the Articles of Incorporation, by the Board of Directors and may be paid in cash, property, shares of corporate stock, or any other medium. The Board of Directors may fix in advance a record date, as provided in Section 2.5 above, prior to the distribution for the purpose of determining stockholders entitled to receive any distribution.

ARTICLE VII
RECORDS; REPORTS; SEAL; AND FINANCIAL MATTERS

Section 7.1 *Records.* All original records of the Corporation, shall be kept at the principal office of the Corporation by or under the direction of the secretary or at such other place or by such other person as may be prescribed by these Bylaws or the Board of Directors.

Section 7.2 *Corporate Seal.* The Board of Directors may, by resolution, authorize a seal, and the seal may be used by causing it, or a facsimile, to be impressed or affixed or reproduced or otherwise. Except when otherwise specifically provided herein, any officer of the Corporation shall have the authority to affix the seal to any document requiring it.

Section 7.3 *Fiscal Year-End.* The fiscal year-end of the Corporation shall be such date as may be fixed from time to time by resolution of the Board of Directors.

Section 7.4 *Reserves.* The Board of Directors may create, by resolution, such reserves as the directors may, from time to time, in their discretion, deem proper to provide for contingencies, or to equalize distributions or to repair or maintain any property of the corporation, or for such other purpose as the Board of Directors may deem beneficial to the corporation, and the directors may modify or abolish any such reserves in the manner in which they were created.

ARTICLE VIII
INDEMNIFICATION

Section 8.1 *Indemnification and Insurance.*

(a) Indemnification of Directors and Officers.

(i) For purposes of this Article, (A) "*Indemnitee*" shall mean each director or officer who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding (as hereinafter defined), by reason of the fact that he or she is or was a director or officer of the Corporation or is or was serving in any capacity at the request of the Corporation as a director, officer, employee, agent, partner, member, manager or fiduciary of, or in any other capacity for, another corporation or any partnership, joint venture, limited liability company, trust, or other enterprise; and (B) "*Proceeding*" shall mean any threatened, pending, or completed action, suit or proceeding (including, without limitation, an action, suit or proceeding by or in the right of the Corporation), whether civil, criminal, administrative, or investigative.

(ii) Each Indemnitee shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Nevada law, against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding; provided that such Indemnitee either is not liable pursuant to NRS 78.138 or acted in good faith and in a manner such Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any Proceeding that is criminal in nature, had no reasonable cause to believe that his or her conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent, does not, of itself, create a presumption that the Indemnitee is liable pursuant to NRS 78.138 or did not act in good faith and in a manner in which he or she reasonably believed to be in or not opposed to the best interests of the Corporation, or that, with respect to any criminal proceeding he or she had reasonable cause to believe that his or her conduct was unlawful. The Corporation shall not indemnify an Indemnitee for any claim, issue or matter as to which the Indemnitee has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the Corporation or for any amounts paid in settlement to the Corporation, unless and only to the extent that the court in which the Proceeding was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity for such amounts as the court deems proper. Except as so ordered by a court and for advancement of expenses pursuant to this Section, indemnification may not be made to or on behalf of an Indemnitee if a final adjudication establishes that his or her acts or omissions involved intentional misconduct, fraud or a knowing violation of law and was material to the cause of action. Notwithstanding anything to the contrary contained in these Bylaws, no director or officer may be indemnified for expenses incurred in defending any threatened, pending, or completed action, suit or proceeding (including without limitation, an action, suit or proceeding by or in the right of the Corporation), whether civil, criminal, administrative or investigative, that such director or officer incurred in his or her capacity as a stockholder.

(iii) Indemnification pursuant to this Section shall continue as to an Indemnitee who has ceased to be a director or officer of the Corporation or a director, officer, employee, agent, partner, member, manager or fiduciary of, or to serve in any other capacity for, another corporation or any partnership, joint venture, limited liability company, trust, or other enterprise and shall inure to the benefit of his or her heirs, executors and administrators.

(iv) The expenses of Indemnitees must be paid by the Corporation or through insurance purchased and maintained by the Corporation or through other financial arrangements made by the Corporation, as they are incurred and in advance of the final disposition of the Proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the Corporation. To the extent that a director or officer of the Corporation is successful on the merits or otherwise in defense of any Proceeding, or in the defense of any claim, issue or matter therein, the Corporation shall indemnify him or her against expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection with the defense.

(b) *Indemnification of Employees and Other Persons.* The Corporation may, by action of its Board of Directors and to the extent provided in such action, indemnify employees and other persons as though they were Indemnitees.

(c) *Non-Exclusivity of Rights.* The rights to indemnification provided in this Article shall not be exclusive of any other rights that any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation or these Bylaws, agreement, vote of stockholders or directors, or otherwise.

(d) *Insurance.* The Corporation may purchase and maintain insurance or make other financial arrangements on behalf of any Indemnitee for any liability asserted against him or her and liability and expenses incurred by him or her in his or her capacity as a director, officer, employee, member, managing member or agent, or arising out of his or her status as such, whether or not the Corporation has the authority to indemnify him or her against such liability and expenses.

(e) *Other Financial Arrangements.* The other financial arrangements which may be made by the Corporation may include the following (i) the creation of a trust fund; (ii) the establishment of a program of self-insurance; (iii) the securing of its obligation of indemnification by granting a security interest or other lien on any assets of the Corporation and (iv) the establishment of a letter of credit, guarantee or surety. No financial arrangement made pursuant to this subsection section may provide protection for a person adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable for intentional misconduct, fraud, or a knowing violation of law, except with respect to advancement of expenses or indemnification ordered by a court.

(f) *Other Matters Relating to Insurance or Financial Arrangements.* Any insurance or other financial arrangement made on behalf of a person pursuant to this Section may be provided by the Corporation or any other person approved by the Board of Directors, even if all or part of the other person's stock or other securities is owned by the Corporation. In the absence of fraud (i) the decision of the Board of Directors as to the propriety of the terms and conditions of any insurance or other financial arrangement made pursuant to this Section and the choice of the person to provide the insurance or other financial arrangement is conclusive; and (ii) the insurance or other financial arrangement is not void or voidable and does not subject any director approving it to personal liability for his action, even if a director approving the insurance or other financial arrangement is a beneficiary of the insurance or other financial arrangement.

Section 8.2 *Amendment.* The provisions of this Article VIII relating to indemnification shall constitute a contract between the Corporation and each of its directors and officers which may be modified as to any director or officer only with that person's consent or as specifically provided in this Section. Notwithstanding any other provision of these Bylaws relating to their amendment generally, any repeal or amendment of this Article which is adverse to any director or officer shall apply to such director or officer only on a prospective basis, and shall not limit the rights of an Indemnitee to

indemnification with respect to any action or failure to act occurring prior to the time of such repeal or amendment. Notwithstanding any other provision of these Bylaws (including, without limitation, Article X below), no repeal or amendment of these Bylaws shall affect any or all of this Article VIII so as to limit or reduce the indemnification in any manner unless adopted by (a) the unanimous vote of the directors of the Corporation then serving, or (b) by the stockholders as set forth in Article X hereof; provided that no such amendment shall have a retroactive effect inconsistent with the preceding sentence.

ARTICLE IX
CHANGES IN NEVADA LAW

References in these Bylaws to Nevada law or the NRS or to any provision thereof shall be to such law as it existed on the date these Bylaws were adopted or as such law thereafter may be changed; provided that (a) in the case of any change which expands the liability of directors or officers or limits the indemnification rights or the rights to advancement of expenses which the Corporation may provide in Article VIII hereof, the rights to limited liability, to indemnification and to the advancement of expenses provided in the Articles of Incorporation and/or these Bylaws shall continue as theretofore to the extent permitted by law; and (b) if such change permits the Corporation, without the requirement of any further action by stockholders or directors, to limit further the liability of directors or limit the liability of officers or to provide broader indemnification rights or rights to the advancement of expenses than the Corporation was permitted to provide prior to such change, then liability thereupon shall be so limited and the rights to indemnification and the advancement of expenses shall be so broadened to the extent permitted by law.

ARTICLE X
AMENDMENT OR REPEAL

Section 10.1 *Amendment of Bylaws.*

(a) *Board of Directors.* In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to adopt, repeal, alter, amend and rescind these Bylaws.

(b) *Stockholders.* Notwithstanding Section 10.1(a) above, these Bylaws may be rescinded, altered, amended or repealed in any respect by the affirmative vote of the holders of at least a majority of the outstanding voting power of the Corporation, voting together as a single class.

QuickLinks

Exhibit 4.2

WH HOLDINGS (CAYMAN ISLANDS) LTD.
WH CAPITAL CORPORATION

(as Issuers)

9 1/2% Notes due 2011

INDENTURE

Dated as of March 8, 2004

The Bank of New York
(as Trustee)

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(a)(5)	7.8; 7.10
(b)	7.8; 7.10; 12.2
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	2.5
(b)	12.3
(c)	12.3
313(a)	7.6
(b)(1)	N.A.
(b)(2)	7.6
(c)	7.6; 12.2
(d)	7.6
314(a)	4.3; 4.4; 12.2
(b)	N.A.
(c)(1)	12.4
(c)(2)	12.4
(c)(3)	N.A.
(d)	N.A.
(e)	12.5
(f)	N.A.
315(a)	7.1(b)
(b)	7.5; 12.2
(c)	7.1(a)
(d)	7.1(c)
(e)	6.11
316(a)(first sentence)	2.9
(a)(1)(A)	6.5
(a)(1)(B)	6.4
(a)(2)	N.A.
(b)	6.7
(c)	6.4
317(a)(1)	6.8
(a)(2)	6.9
(b)	2.4
318(a)	12.1
(c)	12.1

N.A. means not applicable

* This Cross-Reference table shall not, for any purpose, be deemed to be part of this Indenture.

INDENTURE, dated as of March 8, 2004, among WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company ("Holdings" or the "Company"), and WH Capital Corporation, a Nevada corporation ("Capital" and, together with the Company, the "Issuers"), and The Bank of New York, as trustee (the "Trustee").

Each party agrees as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the 9 1/2% Notes due 2011 issued hereunder (the "Notes"):

ARTICLE I
DEFINITIONS AND INCORPORATION
BY REFERENCE

SECTION 1.1 DEFINITIONS

"144A Global Note" means one or more Global Notes bearing the Private Placement Legend that shall be issued in an aggregate amount of denominations equal in total to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"Accrued Bankruptcy Interest" means, with respect to any Indebtedness, all interest accruing thereon after the filing of a petition by or against the Company or Capital or any Subsidiary of the Company or Capital under any Bankruptcy Law, in accordance with and at the rate (including any rate applicable upon any default or event of default, to the extent lawful) specified in the documents evidencing or governing such Indebtedness, whether or not the claim for such interest is allowed as a claim after such filing in any proceeding under such Bankruptcy Law.

"Acquired Indebtedness" means Indebtedness (including Disqualified Capital Stock) of any Person existing at the time such Person becomes a Subsidiary of the Company, including by designation, or is merged or consolidated into or with the Company or a Subsidiary of the Company.

"Acquisition" means the purchase or other acquisition of any Person or all or substantially all the assets of any Person by any other Person, whether by purchase, merger, consolidation, or other transfer, and whether or not for consideration.

"Additional Notes" means additional Notes which may be issued after the Issue Date pursuant to this Indenture (other than pursuant to an Exchange Offer or otherwise in exchange for or in replacement of outstanding Notes). All references herein to "Notes" shall be deemed to include Additional Notes.

"Affiliate" means any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. For purposes of this definition, the term "control" means the power to direct the management and policies of a Person, directly or through one or more intermediaries, whether through the ownership of voting securities, by contract, or otherwise; *provided*, that with respect to ownership interests in the Company and its Subsidiaries, a Beneficial Owner of 10% or more of the total voting power normally entitled to vote in the election of directors, managers or trustees, as applicable, shall for such purposes be deemed to possess control.

"Agent" means any Registrar, Paying Agent or co-registrar.

"Applicable Premium" means, with respect to the Notes to be redeemed at any Early Redemption Date the excess of (A) the present value at such time of (i) the redemption price of such Notes at April 1, 2008 plus (ii) all interest required to be paid on such Notes from the date of redemption through April 1, 2008, computed using a discount rate equal to the Treasury Rate on such Early Redemption Date plus 0.75% per annum, over (B) the principal amount of such Notes.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange at the relevant time.

"Applicable Tax Rate" means, in respect of any particular Tax Determination Year, a percentage equal to the highest marginal United States federal income tax rate applicable to an individual in respect of such Tax Determination Year as determined by the Tax Amounts CPA.

"Arm's length Basis" means for any transaction between and among any member of the Holdings CFC Group and the Parent Group the pricing of which is determined on an arm's length basis and in compliance with the "best method rule" and the "documentation requirements" under Sections 482 and 6662 of the Code and the Treasury regulations promulgated thereunder.

"Average Life" means, as of the date of determination, with respect to any security or instrument, the quotient obtained by dividing (1) the sum of the products (a) of the number of years from the date of determination to the date or dates of each successive scheduled principal (or redemption) payment of such security or instrument and (b) the amount of each such respective principal (or redemption) payment by (2) the sum of all such principal (or redemption) payments.

"Bankruptcy Code" means the United States Bankruptcy Code, codified at 11 U.S.C. §101-1330, as amended.

"Bankruptcy Law" means Title 11, U.S. Code, or any similar Federal, state or foreign law for the relief of debtors.

"Beneficial Owner" or "*beneficial owner*" for purposes of the definition of Change of Control and Affiliate has the meaning attributed to it in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date), whether or not applicable.

"Board of Directors" means, with respect to any Person, the board of directors (or if such Person is not a corporation, the equivalent board of managers or members or body performing similar functions for such Person) of such Person or any committee of the Board of Directors of such Person authorized, with respect to any particular matter, to exercise the power of the board of directors of such Person.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

"Capital" means WH Capital Corporation, a Nevada corporation.

"Capital Contribution" means any contribution to the equity of the Company from the holders of the Company's Equity Interests for which no consideration other than the issuance of Qualified Capital Stock is given.

"Capitalized Lease Obligation" means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

"Capital Stock" means, with respect to any corporation, any and all shares, interests, rights to purchase (other than convertible or exchangeable Indebtedness that is not itself otherwise capital stock), warrants, options, participations or other equivalents of or interests (however designated) in stock issued by that corporation.

"Cash Equivalent" means:

(1) securities issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (*provided*, that the full faith and credit of the United States of America is pledged in support thereof),

(2) demand deposits, time deposits and certificates of deposit and commercial paper issued by the parent corporation of any domestic commercial bank of recognized standing having capital and surplus in excess of $500,000,000,

(3) commercial paper issued by others rated at least A-2 or the equivalent thereof by Standard & Poor's Corporation or at least P-2 or the equivalent thereof by Moody's Investors Service, Inc.,

(4) repurchase obligations having terms not more than seven days, with institutions meeting the criteria set forth in clause (2) above, for direct obligations issued by or fully guaranteed by the United States of America (*provided*, that the full faith and credit of the United States of America is pledged in support thereof), having, on the date of purchase thereof, a fair market value of at least 100% of the amount of repurchase obligations,

(5) interests in money market or mutual funds all of whose assets are invested in assets or securities of the type described in clauses (1) through (4) above,

(6) with respect to Investments by any Foreign Subsidiary, any demand deposit account,

(7) direct investments in tax exempt obligations of any state of the United States of America, or any municipality of any such state, in each case rated "AA" or better by Standard & Poor's Rating Service, "Aa2" or better by Moody's Investor Service, Inc. or an equivalent rating by any other credit rating agency of recognized national standing, provided that such obligations mature within six months from the date of acquisition thereof, and

(8) investments in mutual funds or variable rate notes that invest solely in tax exempt obligations of the types described in clause (7) above,

and in the case of each of (1) and (2) maturing within one year after the date of acquisition.

"Change of Control" means:

(1) prior to consummation of an Initial Public Offering the Principals and their Affiliates shall cease to beneficially own at least 51% of the voting power of the Voting Equity Interests of the Company;

(2) following the consummation of an Initial Public Offering, (A) any merger or consolidation of the Company with or into any Person or any sale, transfer or other conveyance, whether direct or indirect, of all or substantially all of the assets of the Company on a consolidated basis, in one transaction or a series of related transactions, if, immediately after giving effect to such transaction(s), any "person" (including any group that is deemed to be a "person") (other than the Principals and their Affiliates) becomes the "beneficial owner," directly or indirectly, of more than 35% of voting power of the aggregate Voting Equity Interests of the transferee(s) or surviving entity or entities, (B) any "person" (including any group that is deemed to be a "person") (other than the Principals and their Affiliates) is or becomes the "beneficial owner," directly or indirectly, of more than 35% of the voting power of the aggregate Voting Equity Interests of the Company, or (C) the Continuing Directors cease for any reason to constitute a majority of the Company's Board of Directors then in office;

(3) 100% of the outstanding Equity Interests of WH Intermediate cease to be held of record by the Company, a Subsidiary Guarantor, a Limited Debtor Subsidiary, Luxembourg Holdings, Luxembourg Intermediate Holdings and/or Herbalife;

(4) 100% of the outstanding Equity Interests of Luxembourg Holdings cease to be held of record by WH Intermediate, the Company, a Subsidiary Guarantor, a Limited Debtor Subsidiary, Luxembourg Intermediate Holdings and/or Herbalife;

(5) 100% of the outstanding Equity Interests of Luxembourg Intermediate Holdings cease to held of record by Luxembourg Holdings, the Company, a Subsidiary Guarantor, a Limited Debtor Subsidiary, WH Intermediate and/or Herbalife; or

(6) 100% of the outstanding Equity Interests of Herbalife cease to be held of record by Luxembourg Intermediate Holdings, the Company, a Subsidiary Guarantor, a Limited Debtor Subsidiary, Luxembourg Holdings and/or Herbalife;

provided, *however* that any consolidation, merger, sale, lease, conveyance or transfer of assets (including upon a dissolution or liquidation) pursuant to and in accordance with Article V shall not constitute a "Change on Control" under clauses (3), (4), (5) or (6) above.

"Clearstream" means Clearstream Banking Luxembourg, or its successors.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means WH Holdings (Cayman Islands) Ltd., an exempted company with limited liability organized under the laws of the Cayman Islands.

"Consolidated Coverage Ratio" of any Person on any date of determination (the "Transaction Date") means the ratio, on a*pro forma* basis, of (a) the aggregate amount of Consolidated EBITDA of such Person attributable to continuing operations and businesses (exclusive of amounts attributable to operations and businesses permanently discontinued or disposed of) for the Reference Period to (b) the aggregate Consolidated Fixed Charges of such Person (exclusive of amounts attributable to operations and businesses permanently discontinued or disposed of, but only to the extent that the obligations giving rise to such Consolidated Fixed Charges would no longer be obligations contributing to such Person's Consolidated Fixed Charges subsequent to the Transaction Date) during the Reference Period; provided, that for purposes of such calculation:

(1) Acquisitions which occurred during the Reference Period or subsequent to the Reference Period and on or prior to the Transaction Date shall be assumed to have occurred on the first day of the Reference Period,

(2) transactions giving rise to the need to calculate the Consolidated Coverage Ratio shall be assumed to have occurred on the first day of the Reference Period,

(3) the incurrence of any Indebtedness (including issuance of any Disqualified Capital Stock) or the repayment or retirement of any Indebtedness (other than Indebtedness incurred under any revolving credit facility) during the Reference Period or subsequent to the Reference Period and on or prior to the Transaction Date shall be assumed to have occurred on the first day of the Reference Period, and

(4) the Consolidated Fixed Charges of such Person attributable to interest on any Indebtedness or dividends on any Disqualified Capital Stock bearing a floating interest (or dividend) rate shall be computed on a *pro forma* basis as if the average rate in effect from the beginning of the Reference Period to the Transaction Date had been the applicable rate for the entire period, unless such Person or any of its Subsidiaries is a party to an Interest Swap or Hedging Obligation (which shall remain in effect for the 12-month period immediately following

the Transaction Date) that has the effect of fixing the interest rate on the date of computation, in which case such rate (whether higher or lower) shall be used.

"Consolidated EBITDA" means, with respect to any Person, for any period, the Consolidated Net Income of such Person for such period adjusted to add thereto (to the extent deducted from net revenues in determining Consolidated Net Income), without duplication, the sum of

(1) Consolidated income tax expense,

(2) any Tax Amounts Payments made by such Person during such period,

(3) Consolidated depreciation and amortization expense,

(4) Consolidated Fixed Charges,

(5) non-cash charges relating to employee benefit or other management compensation plans of such Person or any of its Consolidated Subsidiaries or any non-cash compensation charge arising from any grant of stock, stock options or other equity-based awards of such Person or any of its Subsidiaries (excluding in each case any non-cash charge to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense incurred in a prior period), and

(6) non-cash loses or charges related to impairment of goodwill and other intangible assets.

less the amount of all cash payments made by such Person or any of its Subsidiaries during such period to the extent such payments relate to non-cash charges that were added back in determining Consolidated EBITDA for such period or any prior period; *provided*, that consolidated income tax expense and depreciation and amortization of a Subsidiary that is a less than Wholly-Owned Subsidiary shall only be added to the extent of the equity interest of the Company in such Subsidiary.

"Consolidated Fixed Charges" of any Person means, for any period, the aggregate amount (without duplication and determined in each case in accordance with GAAP) of:

(a) interest expensed or capitalized, paid, accrued, or scheduled to be paid or accrued (including, in accordance with the following sentence, interest attributable to Capitalized Lease Obligations) of such Person and its Consolidated Subsidiaries during such period, including (1) original issue discount and non-cash interest payments or accruals on any Indebtedness, (2) the interest portion of all deferred payment obligations, and (3) all commissions, discounts and other fees and charges owed with respect to bankers' acceptances and letters of credit financings and currency and Interest Swap and Hedging Obligations, in each case to the extent attributable to such period, and

(b) the amount of dividends accrued or payable (or guaranteed) by such Person or any of its Consolidated Subsidiaries in respect of Preferred Stock (other than by Subsidiaries of such Person to such Person or such Person's Wholly-Owned Subsidiaries).

For purposes of this definition, (x) interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined in good faith by the Company to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP and (y) interest expense attributable to any Indebtedness represented by the guaranty by such Person or a Subsidiary of such Person of an obligation of another Person shall be deemed to be the interest expense attributable to the Indebtedness guaranteed.

"Consolidated Net Income" means, with respect to any Person for any period, the net income (or loss) of such Person and its Consolidated Subsidiaries (determined on a consolidated basis in accordance with GAAP) for such period, reduced by the amount of any Tax Amounts Payments made

during such period and adjusted to exclude (only to the extent included in computing such net income (or loss) and without duplication):

(a) all gains (but not losses) which are either extraordinary (as determined in accordance with GAAP) or are nonrecurring (including any gain from the sale or other disposition of assets outside the ordinary course of business or from the issuance or sale of any capital stock), and

(b) the net income, if positive, of any Person, other than a Consolidated Subsidiary, in which such Person or any of its Consolidated Subsidiaries has an interest, except to the extent of the amount of any dividends or distributions actually paid in cash to such Person or a Consolidated Subsidiary of such Person during such period, but in any case not in excess of such Person's *pro rata* share of such Person's net income for such period.

"Consolidated Subsidiary" means, for any Person, each Subsidiary of such Person (whether now existing or hereafter created or acquired) the financial statements of which are consolidated for financial statement reporting purposes with the financial statements of such Person in accordance with GAAP.

"Consolidation" means, with respect to the Company, the consolidation of the accounts of the Subsidiaries with those of the Company, as applicable, all in accordance with GAAP; *provided*, that "consolidation" shall not include consolidation of the accounts of any Unrestricted Subsidiary with the accounts of the Company. The term "consolidated" has a correlative meaning to the foregoing.

"Continuing Director" means during any period of 12 consecutive months after the Issue Date, individuals who at the beginning of any such 12-month period constituted the Board of Directors of the Company (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Company was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved, including new directors designated in or provided for in an agreement regarding the merger, consolidation or sale, transfer or other conveyance, of all or substantially all of the assets of the Company, if such agreement was approved by a vote of such majority of directors).

"Corporate Trust Office" shall be at the address of the Trustee specified in Section 12.2 hereof or such other address as to which the Trustee may give notice to the Company.

"Credit Agreement" means the credit agreement dated June 27, 2002, by and among Herbalife International, Inc., the Company, certain Subsidiaries of the Company, certain financial institutions and UBS AG Stamford Branch, as agent, providing for a term loan facility and a revolving credit facility, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as such credit agreement and/or related documents may be amended, restated, supplemented, renewed, replaced or otherwise modified from time to time whether or not with the same agent, trustee, representative lenders or holders, and, subject to the proviso to the next succeeding sentence, irrespective of any changes in the terms and conditions thereof. Without limiting the generality of the foregoing, the term "Credit Agreement" shall include agreements in respect of Interest Swap and Hedging Obligations with lenders (or Affiliates thereof) party to the Credit Agreement and shall also include any amendment, amendment and restatement, renewal, extension, restructuring, supplement or modification to any Credit Agreement and all refundings, refinancings and replacements of any Credit Agreement, including any credit agreement:

(1) extending the maturity of any Indebtedness incurred thereunder or contemplated thereby,

(2) adding or deleting borrowers or guarantors thereunder, so long as borrowers and issuers include one or more of the Company and its Subsidiaries and their respective successors and assigns,

(3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder;*provided*, that on the date such Indebtedness is incurred it would not be prohibited by the Section 4.7, or

(4) otherwise altering the terms and conditions thereof in a manner not expressly prohibited by the terms of this Indenture.

"Custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

"Default" means any event that is or with the passage of time or the giving of notice or both would be an Event of Default.

"Definitive Note" means one or more certificated Notes registered in the name of the Holder thereof and issued in accordance with Section 2.6 hereof, in the form of Exhibit A hereto except that such Note shall not include the information called for by footnotes 3, 4 and 5 thereof.

"Depositary" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.3 hereof as the Depositary with respect to the Notes, until a successor shall have been appointed and become such pursuant to the applicable provisions of this Indenture, and thereafter "Depositary" shall mean or include such successor.

"Disqualified Capital Stock" means with respect to the Company, (a) Equity Interests of the Company that, by its terms or by the terms of any security into which it is convertible, exercisable or exchangeable, is, or upon the happening of an event or the passage of time or both would be, required to be redeemed or repurchased including at the option of the holder thereof by the Company or any of its Subsidiaries, in whole or in part, on or prior to 91 days following the Stated Maturity of the Notes and (b) any Equity Interests of the Company or of any Subsidiary of the Company other than any common equity with no preferences, privileges, and no redemption or repayment provisions. Notwithstanding the foregoing, any Equity Interests that would constitute Disqualified Capital Stock solely because the holders thereof have the right to require the Company to repurchase such Equity Interests upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Capital Stock if the terms of such Equity Interests provide that the Company may not repurchase or redeem any such Equity Interests pursuant to such provisions prior to the Company's purchase of the Notes as are required to be purchased pursuant to the provisions of this Indenture as described under Section 4.14 hereof.

"Distribution Compliance Period" means the 40-day distribution compliance period as defined in Regulation S.

"*Equity Interests*" means Capital Stock or partnership, participation or membership interests and all warrants, options or other rights to acquire Capital Stock or partnership, participation or membership interests (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock or partnership, participation or membership interests).

"Euroclear" means Euroclear Bank S.A./N.V., or its successor, as operator of the Euroclear system.

*"Exchange A*ct" means the Securities Exchange Act of 1934, as amended.

*"Exchange N*otes" means Series B Notes issued pursuant to the Exchange Offer.

"Exchange Offer" means an offer that may be made by the Issuers pursuant to the Registration Rights Agreement to exchange Exchange Notes for the Notes issued on the Issue Date.

"Exchange Offer Registration Statement" shall have the meaning set forth in the Registration Rights Agreement.

"Exempted Affiliate Transaction" means (a) customary employee compensation arrangements approved by a majority of independent (as to such transactions) members of the Board of Directors of the Company, (b) Restricted Payments permitted by Section 4.9 hereof, (c) transactions solely between or among the Company and Subsidiaries of the Company or solely among Subsidiaries of the Company, (d) so long as no Default or Event of Default has occurred and is continuing at the time of such payments, payment of Monitoring Fees pursuant to the Monitoring Services Agreements, (e) payment of any Tax Amounts Payments that are not prohibited by Section 4.9 hereof, (f) the Monitoring Services Agreements, (g) Capital Contributions to the Company or any sale of Capital Stock (other than Disqualified Capital Stock) of the Company to an Affiliate and (h) payment of reasonable directors' fees and customary indemnification and insurance agreements in favor of directors.

"Existing Indebtedness" means Indebtedness (including unfunded commitments therefor) of the Company and its Subsidiaries in existence on the Issue Date, reduced to the extent such amounts are repaid, refinanced or retired.

"Fair Market Value" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Issuers.

"Final Determination" means a final "determination" as defined under section 1313 of the Code or a similar determination under state, local, or foreign law.

"Final Determination Amount" means, in respect of any particular Tax Determination Year, any additional taxes, interest, and penalties resulting from a Final Determination and arising from or attributable to amounts paid or accrued pursuant to the Intercompany Subpart F Income.

"Foreign Subsidiary" means any Subsidiary of the Company which (i) is not organized under the laws of the United States, any state thereof or the District of Columbia and (ii) conducts substantially all of its business operations outside the United States of America.

"GAAP" means United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession in the United States as in effect at the time.

"Global Notes" means one or more Notes in the form of Exhibit A hereto that includes, as applicable, the information referred to in footnotes 3, 4 and 5 to the form of Note, attached hereto as Exhibit A, issued under this Indenture, that is deposited with or on behalf of and registered in the name of the Depositary or its nominee.

"Global Note Legend" means the legend set forth in Section 2.6(g)(ii) hereof, which is required to be placed on all Global Notes issued under this Indenture.

"Guarantee" when used with respect to the Notes, means a guarantee by the Guarantors of all or any part of the Notes, in accordance with Article X hereof.

"Guarantor" means (a) any Subsidiary Guarantor and (b) any other Subsidiary of the Company that has guaranteed the Company's Obligations under this Indenture in accordance with the terms of this Indenture.

"Herbalife" means Herbalife International, Inc., a Nevada corporation, and its successors.

"Herbalife Notes" means the $11^{3}/_{4}$% Senior Subordinated Notes due 2011 of Herbalife.

"Holder" means a Person in whose name a Note is registered on the Registrar's books.

"Holdings CFC Group" means the Company and any direct or indirect Subsidiary of the Company, other than Herbalife and any direct or indirect Subsidiary of Herbalife.

"Holdings Group" means the Company and its Subsidiaries.

"Indebtedness" of any Person means, without duplication,

(a) all liabilities and obligations, contingent or otherwise, of such Person, to the extent such liabilities and obligations would appear as a liability upon the consolidated balance sheet of such Person in accordance with GAAP, (1) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), (2) evidenced by bonds, notes, debentures or similar instruments, (3) representing the balance deferred and unpaid of the purchase price of any property or services, except those incurred in the ordinary course of its business that would constitute ordinarily a trade payable to trade creditors;

(b) all liabilities and obligations, contingent or otherwise, of such Person (1) evidenced by bankers' acceptances or similar instruments issued or accepted by banks, (2) relating to any Capitalized Lease Obligation, or (3) evidenced by a letter of credit or a reimbursement obligation of such Person with respect to any letter of credit;

(c) all net obligations of such Person under Interest Swap and Hedging Obligations;

(d) all liabilities and obligations of others of the kind described in the preceding clause (a), (b) or (c) that such Person has guaranteed or provided credit support or that is otherwise its legal liability or which are secured by any assets or property of such Person;

(e) any and all deferrals, renewals, extensions, refinancing and refundings (whether direct or indirect) of, or amendments, modifications or supplements to, any liability of the kind described in any of the preceding clauses (a), (b), (c) or (d), or this clause (e), whether or not between or among the same parties; and

(f) all Disqualified Capital Stock of such Person (measured at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends).

For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Capital Stock, such Fair Market Value to be determined in good faith by the board of directors of the issuer (or managing general partner of the issuer) of such Disqualified Capital Stock.

The amount of any Indebtedness outstanding as of any date shall be (1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount, but the accretion of original issue discount in accordance with the original terms of Indebtedness issued with an original issue discount shall not be deemed to be an incurrence and (2) the principal amount thereof, in the case of any other Indebtedness.

"Indenture" means this Indenture, as amended or supplemented from time to time in accordance with the terms hereof.

"Indirect Participant" means an entity that clears through, maintains a direct or indirect, custodial relationship with, or holds a beneficial interest through, a Participant.

"Initial Public Offering" means an underwritten public offering of common stock of the Company in which gross proceeds to the Company are at least $50,000,000.

"Initial Purchaser" means the initial purchaser under the Purchase Agreement.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who is not also a QIB.

"Intercompany Subpart F Income" means, in respect of any Tax Determination Year, (i) the subpart F income of any member of the Holdings CFC Group for such year as determined under section 951(a)(1)(A) of the Code and (ii) the amount of earnings of any member of the Holdings CFC Group for such year as determined under section 951(a)(1)(B) of the Code in respect of any section 956 amount on income derived by the Holdings CFC Group in the ordinary course of its commercial activities conducted on an Arm's-length Basis with the Parent Group.

"Interest Payment Date" means the stated due date of an installment of interest on the Notes.

"Interest Swap and Hedging Obligation" means any obligation of any Person pursuant to any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate exchange agreement, currency exchange agreement or any other agreement or arrangement designed to protect against fluctuations in interest rates or currency values, including, without limitation, any arrangement whereby, directly or indirectly, such Person is entitled to receive from time to time periodic payments calculated by applying either a fixed or floating rate of interest on a stated notional amount in exchange for periodic payments made by such Person calculated by applying a fixed or floating rate of interest on the same notional amount.

"Investment" by any Person in any other Person means (without duplication):

(a) the acquisition (whether by purchase, merger, consolidation or otherwise) by such Person (whether for cash, property, services, securities or otherwise) of Equity Interests, capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities, including any options or warrants, of such other Person or any agreement to make any such acquisition;

(b) the making by such Person of any deposit with, or advance, loan or other extension of credit to, such other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such other Person) or any commitment to make any such advance, loan or extension (but excluding accounts receivable, endorsements for collection or deposits arising in the ordinary course of business);

(c) the entering into by such Person of any guarantee of, or other credit support or contingent obligation with respect to, Indebtedness or other liability of such other Person;

(d) the making of any capital contribution by such Person to such other Person; and

(e) the designation by the Board of Directors of the Company of any Person to be an Unrestricted Subsidiary.

The Company, without duplication, shall be deemed to make an Investment in an amount equal to the fair market value of the net assets of any subsidiary of the Company (or, if neither the Company nor any of its Subsidiaries has theretofore made an Investment in such subsidiary, in an amount equal to the Investments being made), at the time that such subsidiary is designated an Unrestricted Subsidiary, and any property transferred to an Unrestricted Subsidiary from the Company or a Subsidiary of the Company shall be deemed an Investment valued at its fair market value at the time of such transfer.

"Issue Date" means the date of first issuance of the Notes under this Indenture.

"Junior Security" means any Qualified Capital Stock and any Indebtedness of the Company or a Guarantor, as applicable, that is contractually subordinated in right of payment to Indebtedness outstanding under the Credit Agreement at least to the same extent as the Notes and has no scheduled installment of principal due, by redemption, sinking fund payment or otherwise, on or prior to the Stated Maturity of the Notes; *provided*, that "Junior Security" shall mean any Qualified Capital Stock and any Indebtedness of the Company or the Guarantor, as applicable, that:

(1) has a final maturity date occurring after the final maturity date of, all Indebtedness outstanding under the Credit Agreement on the date of issuance of such Qualified Capital Stock or Indebtedness,

(2) is unsecured,

(3) has an Average Life longer than the security for which such Qualified Capital Stock or Indebtedness is being exchanged, and

(4) by their terms or by law are contractually subordinated to Indebtedness outstanding under the Credit Agreement (and any securities issued in exchange for such Indebtedness outstanding under the Credit Agreement) on the date of issuance of such Qualified Capital Stock or Indebtedness at least to the same extent as the Notes.

"Letter of Transmittal" means the letter of transmittal to be prepared by the Issuers and sent to all Holders of the Notes for use by such Holders in connection with the Exchange Offer.

"Lien" means any mortgage, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired.

"Limited Debtor Subsidiary" means any Subsidiary of the Company that has no material Indebtedness other than the Notes as a guaranty of the Notes, and/or a guarantee with respect to the Herbalife Notes, the Credit Agreement and/or the Notes.

"Liquidated Damages" means all liquidated damages then owing pursuant to the Registration Rights Agreement.

"Luxembourg Holdings" means WH Luxembourg Holdings SàRL, a Luxembourg company, and its successors and/or assigns.

"Luxembourg Intermediate Holdings" means WH Luxembourg Intermediate Holdings SàRL, a Luxembourg company, and its successors and/or assigns.

"Monitoring Fees" means payments to Whitney or GGC Administration, LLC pursuant to the Monitoring Services Agreements.

"Monitoring Services Agreements" means those certain separate monitoring fee agreements dated as of July 31, 2002 among (i) the Company, Herbalife and Whitney and (ii) the Company, Herbalife and GGC Administration, LLC, without giving effect to any amendment thereto or waiver thereof.

"Net Cash Proceeds" means the aggregate amount of cash or Cash Equivalents received by the Company in the case of a sale or Capital Contribution in respect, of Qualified Capital Stock and by the Company and the Subsidiaries of the Company in respect of an Asset Sale plus, in the case of an issuance of Qualified Capital Stock upon any exercise, exchange or redemption of securities (including options, warrants, rights and convertible or exchangeable debt) of the Company that were issued for cash on or after the Issue Date, the amount of cash originally received by the Company upon the issuance of such securities (including options, warrants, rights and convertible or exchangeable debt) less, in each case, the sum of all payments, fees, commissions and (in the case of Asset Sales, reasonable and customary), expenses (including, without limitation, the fees and expenses of legal counsel and investment banking fees and expenses) incurred in connection with such Asset Sale or sale of Qualified Capital Stock, and, in the case of an Asset Sale only, less the amount (estimated reasonably and in good faith by the Company) of income, franchise, sales and other applicable taxes required to be paid by the Company or any Subsidiary of the Company in connection with such Asset Sale in the taxable year that such sale is consummated or in the immediately succeeding taxable year, the computation of which shall take into account the reduction in tax liability resulting from any available operating losses and net operating loss carryovers, tax credits and tax credit carryforwards, and similar tax attributes, less amounts required to be applied to the repayment of Indebtedness, other than Indebtedness outstanding under the Credit Agreement, secured by a Lien on the asset or assets that were the subject of the Asset Sale.

"Notice of Deficiency" means a notice of deficiency as described under section 6212 of the Code or a similar notice under state, local or foreign law.

"Non-U.S. Person" means any Person other than a U.S. Person.

"Notes Custodian" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"Obligation" means any principal, premium or interest payment, or monetary penalty, or damages, due by the Issuers or any Guarantor under the terms of the Notes or this Indenture, including any Liquidated Damages due pursuant to the terms of the Registration Rights Agreement.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, any Assistant Secretary or any Vice President of such Person.

"Officers' Certificate" means the officers' certificate to be delivered upon the occurrence of certain events as set forth in this Indenture.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Sections 12.4 and 12.5 hereof. The counsel may be an employee of or counsel to the Issuers or any Subsidiary of the Company.

"Parent" means WH Intermediate Holdings Ltd., a Cayman Islands corporation.

"Parent Group" means Parent and its subsidiaries.

"Parent Group Tax Savings Amount" means, in respect of any Tax Determination Year, the excess of (x) the tax liability incurred by the Parent Group for such Tax Determination Year as determined as if Herbalife had earned the Intercompany Subpart F Income of the Holdings CFC Group arising in the ordinary course of the commercial activities, conducted on an Arm's length Basis, between the Parent

Group and the Holdings CFC Group over (y) the actual tax liability incurred by the Parent Group for such Tax Determination Year (as determined on a basis consistent with any Final Determination in respect of any previous Tax Determination Year), which liability shall take into account any taxes that have been, or will be, incurred by the Parent Group in connection with the making of a Tax Amounts Payment in respect of such Tax Determination Year. If, in respect of any Tax Determination Year, the Parent or any Subsidiary of the Parent Group has received a Notice of Deficiency, in respect of which there has been no Final Determination, related to any item arising from or attributable to amounts paid or accrued pursuant to the Intercompany Subpart F Income, the Parent Group Tax Savings Amount shall be determined on a basis consistent with such Notice of Deficiency except to the extent that, based on the advice of the Tax Amounts CPA, the Parent reasonably determines that, more likely than not, the Parent or such Subsidiary will prevail on the merits in connection with contesting such Notice of Deficiency.

"Participant" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to The Depository Trust Company, shall include Euroclear and Clearstream).

"Participating Broker-Dealer" means any broker-dealer that receives Exchange Notes for its own account in the Exchange Offer in exchange for Notes that were acquired by such broker-dealer as a result of market-making or other trading activities.

"Permitted Indebtedness" means that:

(a) the Issuers may incur Indebtedness evidenced by the Notes (including the Exchange Notes in respect thereof) issued pursuant to this Indenture up to the amounts being issued on the Issue Date less any amounts repaid or retired (and not including any Additional Notes);

(b) the Company and its Subsidiaries may incur Refinancing Indebtedness with respect to any Existing Indebtedness or the Company and its Subsidiaries, as applicable, may incur Refinancing Indebtedness with respect to any Indebtedness (including Disqualified Capital Stock), described in clause (a) or incurred pursuant to the second paragraph of Section 4.7, or which was refinanced pursuant to this clause (b);

(c) the Company and the Subsidiaries of the Company may incur Indebtedness solely in respect of bankers acceptances, letters of credit and performance bonds (to the extent that such incurrence does not result in the incurrence of any obligation to repay any obligation relating to borrowed money or other Indebtedness), all in the ordinary course of business in accordance with customary industry practices, in amounts and for the purposes customary in the Company's industry; *provided*, that the aggregate principal amount outstanding of such Indebtedness (including any Refinancing Indebtedness and any other Indebtedness issued to retire, refinance, refund, defease or replace such Indebtedness) shall at no time exceed $1,000,000;

(d) the Company and the Subsidiaries of the Company may incur Indebtedness owed to (borrowed from) any Subsidiary and any Subsidiary may incur Indebtedness owed to (borrowed from) the Company or any other Subsidiary; *provided*, that (i) in the case of Indebtedness of the Company, such obligations shall be unsecured and contractually subordinated in all respects to the Company's obligations under or in respect of the Notes and (ii) any event that causes such Subsidiary to no longer be a Subsidiary shall be deemed to be a new incurrence by such issuer of such Indebtedness and any guarantor thereof subject to Section 4.7;

(e) the Company and its Subsidiaries may incur Interest Swap and Hedging Obligations that are incurred for the purpose of fixing or hedging interest rate or currency risk with respect to any fixed or floating rate Indebtedness that is permitted by this Indenture to be outstanding or any receivable or liability the payment of which is determined by reference to a foreign currency; *provided*, that the notional amount of any such Interest Swap and Hedging Obligation does not

exceed the principal amount of Indebtedness to which such Interest Swap and Hedging Obligation relates; and

(f) the Company and its Subsidiaries may incur the Existing Indebtedness.

"Permitted Investment" means:

(a) any Investment in any of the Notes;

(b) any Investment in Cash Equivalents;

(c) intercompany notes to the extent permitted under clause (d) of the definition of "Permitted Indebtedness" herein;

(d) any Investment by the Company or any Subsidiary of the Company in a Person in a Related Business if as a result of such Investment such Person immediately becomes a Subsidiary of the Company;

(e) any Investment in any Person in exchange for the Company's Qualified Capital Stock or the Net Cash Proceeds of any substantially concurrent sale of the Company's Qualified Capital Stock;

(f) Investment in other Persons, *provided*, that after giving *pro forma* effect to each such Investment, the aggregate amount of all such Investments made on and after the Issue Date pursuant to this clause (f) that are outstanding (after giving effect to any such Investments that are returned to the Company or the Subsidiary that made such prior Investment, without restriction, in cash on or prior to the date of any such calculation), but only up to the amount of the Investment made under this clause (f) in such Person, at any time does not in the aggregate exceed $15,000,000 (measured by the value attributed to the Investment at the time made or returned, as applicable);

(g) Investments by and among the Company or any Subsidiary of the Company, in the Company and/or other Subsidiaries of the Company;

(h) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.13;

(i) Investments in distributors, customers and suppliers in the ordinary course of business that either (A) generate accounts receivables, or (B) are accepted in settlement of bona fide disputes;

(j) Investments in the form of advances to employees for travel, relocation and like expenses, in each case, consistent with the Company's past practices; and

(k) Investments in the form of loans and advances not to exceed $2,500,000 at any one time outstanding pursuant to this clause (k) to employees, directors and distributors, of the Company and the Subsidiaries of the Company for the purpose of funding the purchase of Capital Stock of the Company by such employees, directors and distributors.

"Permitted Jurisdiction" means the United States, and any state thereof and the District of Columbia, any member country of the European Union, Bermuda, the British Virgin Islands, Gibraltar, Hong Kong, Switzerland and Singapore.

"Permitted Lien" means:

(a) Liens existing on the Issue Date;

(b) Liens securing the Credit Agreement and the Notes;

(c) Liens arising from precautionary Uniform Commercial Code financing statement filings regarding operating leases entered into by the Company or any Subsidiary of the Company in the ordinary course of business;

(d) Liens securing Refinancing Indebtedness incurred to refinance any Indebtedness that was previously so secured in a manner no more adverse to the Holders than the terms of the Liens securing such refinanced Indebtedness, and *provided* that the Indebtedness secured is not increased and the Lien is not extended to any additional assets or property that would not have been security for the Indebtedness refinanced; and

(e) Liens securing Indebtedness of any Subsidiary incurred in accordance with the provisions of Section 4.7.

"Person" or *"person"* means any corporation, individual, limited liability company, joint stock company, joint venture, partnership, limited liability company, unincorporated association, governmental regulatory entity, country, state or political subdivision thereof, trust, municipality or other entity.

"Preferred Stock" means any Equity Interest of any class or classes of a Person (however designated) which is preferred as to payments of dividends, or as to distributions upon any liquidation or dissolution, over Equity Interests of any other class of such Person.

"Private Placement Legend" means the legend set forth in Section 2.6(g)(i) hereof to be placed on all Notes issued under this Indenture except where specifically stated otherwise by the provisions of this Indenture.

"Pro Forma" or *"pro forma"* shall have the meaning set forth in Regulation S-X of the Securities Act of 1933, as amended, unless otherwise specifically stated herein.

"Principals" means each of (1) Whitney V, L.P. and (2) CCG Investments (BVI), L.P.

"Purchase Agreement" means the agreement dated March 3, 2004, among the Initial Purchaser, the Company and Capital.

"Purchase Money Indebtedness" of any Person means any Indebtedness of such Person to any seller or other Person incurred solely to finance the acquisition (including in the case of a Capitalized Lease Obligation, the lease), construction, installation or improvement of any after acquired real or personal tangible property which, in the reasonable good faith judgment of the Board of Directors of the Company, is directly related to a Related Business of the Company and which is incurred substantially concurrent with such acquisition, construction, installation or improvement and is secured only by the assets so financed.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Capital Stock" means any Capital Stock of the Company that is not Disqualified Capital Stock.

"Qualified Equity Offering" means (i) an underwritten public offering pursuant to a registration statement filed with the Commission in accordance with the Securities Act of 1933, as amended, of Qualified Capital Stock of the Company, or (ii) an unregistered offering of Qualified Capital Stock of the Company for cash resulting in net proceeds to the Company in excess of $50,000,000.

"Qualified Exchange" means:

(1) any legal defeasance, redemption, retirement, repurchase or other acquisition of Capital Stock, or Indebtedness of the Company issued on or after the Issue Date with the Net Cash Proceeds received by the Company from the substantially concurrent sale of its Qualified Capital Stock (other than to a Subsidiary of the Company) or, to the extent used to retire Indebtedness

(other than Disqualified Capital Stock) of the Company issued on or after the Issue Date, Refinancing Indebtedness of the Company, or

(2) any issuance of Qualified Capital Stock of the Company in exchange for any Capital Stock or Indebtedness of the Company issued on or after the Issue Date.

"Record Date" means a Record Date specified in the Notes, whether or not such date is a Business Day.

"Recourse Indebtedness" means Indebtedness (a) as to which either the Company or any Subsidiary of the Company (1) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (2) is directly or indirectly liable (as a guarantor or otherwise), or (3) constitutes the lender, and (b) a default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Company or any Subsidiary of the Company to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity.

"Reference Period" with regard to any Person means the four full fiscal quarters ended immediately preceding any date upon which any determination is to be made pursuant to the terms of the Notes or this Indenture.

"Refinancing Indebtedness" means Indebtedness (including Disqualified Capital Stock) (a) issued in exchange for, or the proceeds from the issuance and sale of which are used substantially concurrently to repay, redeem, defease, refund, refinance, discharge or otherwise retire for value, in whole or in part, or (b) constituting an amendment, modification or supplement to, or a deferral or renewal of ((a) and (b) above are, collectively, a "Refinancing"), any Indebtedness (including Disqualified Capital Stock) in a principal amount or, in the case of Disqualified Capital Stock, liquidation preference, not to exceed (after deduction of reasonable and customary fees and expenses incurred in connection with the Refinancing plus the amount of any premium paid in connection with such Refinancing) the lesser of (1) the principal amount or, in the case of Disqualified Capital Stock, liquidation preference, of the Indebtedness (including Disqualified Capital Stock) so Refinanced and (2) if such Indebtedness being Refinanced was issued with an original issue discount, the accreted value thereof (as determined in accordance with GAAP) at the time of such Refinancing; *provided*, that (A) such Refinancing Indebtedness shall only be used to refinance outstanding Indebtedness (including Disqualified Capital Stock) of such Person issuing such Refinancing Indebtedness, (B) such Refinancing Indebtedness shall (x) not have an Average Life shorter than the Indebtedness (including Disqualified Capital Stock) to be so refinanced at the time of such Refinancing and (y) in all respects, be no less contractually subordinated or junior, if applicable, to the rights of Holders than was the Indebtedness (including Disqualified Capital Stock) to be refinanced, (C) such Refinancing Indebtedness shall have a final stated maturity or redemption date, as applicable, no earlier than the final stated maturity or redemption date, as applicable, of the Indebtedness (including Disqualified Capital Stock) to be so refinanced or, if sooner, 91 days after the Stated Maturity of the Notes, and (D) such Refinancing Indebtedness shall be secured (if secured) in a manner no more adverse to the Holders than the terms of the Liens (if any) securing such refinanced Indebtedness, including, without limitation, the amount of Indebtedness secured shall not be increased.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of the Issue Date, by and among the Company and the other parties named on the signature pages thereof, as such agreement may be amended, modified or supplemented from time to time.

"Reg S Permanent Global Note" means one or more permanent Global Notes that shall be issued in an aggregate amount of denominations equal in total to the outstanding principal amount of the Reg S Temporary Global Note upon expiration of the Distribution Compliance Period.

"Reg S Temporary Global Note" means one or more temporary Global Notes bearing the Private Placement Legend and the Reg S Temporary Global Note Legend, issued in an aggregate amount of denominations equal in total to the outstanding principal amount of the Notes initially sold in reliance on Rule 903 of Regulation S.

"Reg S Temporary Global Note Legend" means the legend set forth in Section 2.6(g)(iii) hereof, which is required to be placed on all Reg S Temporary Global Notes issued under this Indenture.

"Regulation S" means Regulation S promulgated under the Securities Act, as it may be amended from time to time, and any successor provision thereto.

"Regulation S Global Note" means a Reg S Temporary Global Note or a Reg S Permanent Global Note, as the case may be.

"Related Business" means the business conducted (or proposed to be conducted) by the Company and its Subsidiaries as of the Issue Date and any and all businesses that in the good faith judgment of the Board of Directors of the Company are materially related, ancillary or complementary businesses.

"Related Business Asset" means assets that the Company determines will be used in a Related Business.

"Related Party" means, with respect to any of the Principals, any Person who controls, is controlled by or is under common control with such Principal;*provided*, that for purposes of this definition "control" means the beneficial ownership of more than 80% of the total voting power of a Person normally entitled to vote in the election of directors, managers or trustees, as applicable of a Person.

"Responsible Officer" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Restricted Definitive Note" means one or more Definitive Notes bearing the Private Placement Legend, issued under this Indenture.

"Restricted Global Note" means one or more Global Notes bearing the Private Placement Legend, issued under this Indenture.

"Restricted Investment" means, in one or a series of related transactions, any Investment, other than other Permitted Investments.

"Restricted Payment" means, with respect to any Person:

(a) the declaration or payment of any dividend or other distribution in respect of Equity Interests of such Person or any parent of such Person,

(b) any payment (except to the extent with Qualified Capital Stock) on account of the purchase, redemption or other acquisition or retirement for value of Equity Interests of such Person or any parent of such Person,

(c) other than with the proceeds from the substantially concurrent sale of, or in exchange for, Refinancing Indebtedness any purchase, redemption, or other acquisition or retirement for value of, any payment in respect of any amendment of the terms of or any defeasance of, any Subordinated Indebtedness, directly or indirectly, prior to the scheduled maturity, any scheduled repayment of principal, or scheduled sinking fund payment, as the case may be, of such Indebtedness, and

(d) any Restricted Investment by such Person;

provided, however, that the term "Restricted Payment" does not include (1) any dividend, distribution or other payment on or with respect to Equity Interests of an issuer to the extent payable solely in shares of Qualified Capital Stock of such issuer, or (2) any dividend, distribution or other payment to the Company, or to any Subsidiary, by the Company, any Subsidiary of the Company, or (3) any Investment in the Company or any Subsidiary of the Company; *provided,* that the consideration for such Investment shall be received by the Company or any Subsidiary, or (4) the repurchase of Equity Interests deemed to occur upon the exercise of stock options if such Equity Interests represent a portion of the exercise price thereof.

"Rule 144" means Rule 144 promulgated under the Securities Act, as it may be amended from time to time, and any successor provision thereto.

"Rule 144A" means Rule 144A promulgated under the Securities Act, as it may be amended from time to time, and any successor provision thereto.

"SEC" means the United States Securities and Exchange Commission, or any successor agency.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder.

"Senior Indebtedness" means Indebtedness (including any obligation in respect of the Credit Agreement, and interest, whether or not allowable, accruing on Indebtedness incurred pursuant to the Credit Agreement after the filing of a petition initiating any proceeding under any bankruptcy, insolvency or similar law) of WH Intermediate or any of its Subsidiaries, whether outstanding on the Issue Date or thereafter incurred, arising under the Credit Agreement or any other Indebtedness (unless, in the case of any particular Indebtedness, the instrument creating or evidencing such Indebtedness expressly provides that such Indebtedness shall be contractually subordinated in right of payment to any other Indebtedness of the obligor thereunder); *provided* that in no event shall Senior Indebtedness include (a) Indebtedness to any Subsidiary of the Company or any Affiliate of the Company, (b) Indebtedness incurred in violation of the terms of this Indenture; *provided* that Indebtedness under the Credit Agreement shall not cease to be Senior Indebtedness as a result of this clause (b) if the lenders thereunder obtained a certificate from an executive officer of the Company on the date such Indebtedness was incurred certifying that the incurrence of such Indebtedness was not prohibited by this Indenture, (c) Indebtedness to trade creditors, (d) Disqualified Capital Stock, (e) Capitalized Lease Obligations, unless designated in the instrument evidencing such Capitalized Lease Obligations as "Senior Indebtedness," (f) any amounts owed for goods, materials or services purchased in the ordinary course of business or for compensation to employees of the Company or any of its Subsidiaries and (g) any liability for taxes owed or owing.

"Series A Notes" means the $9^1/_2$% Series A Notes due 2011 issued on the Issue Date.

"Series B Notes" means the $9^1/_2$% Series B Notes due 2011 issued pursuant to the Exchange Offer.

"Shelf Registration Statement" shall have the meaning set forth in the Registration Rights Agreement.

"Significant Subsidiary" shall have the meaning provided under Regulation S-X of the Securities Act as in effect on the Issue Date.

"Special Record Date" means, for payment of any Defaulted Interest, a date fixed by the Paying Agent pursuant to Section 2.12 hereof.

"Stated Maturity," when used with respect to any Note, means April 1, 2011.

"Subordinated Indebtedness" means Indebtedness of the Issuers that is subordinated in right of payment by its terms or the terms of any document or instrument or instrument relating thereto ("contractually") to the Notes.

"Subsidiary," with respect to any Person, means (1) a corporation a majority of whose Equity Interests with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person, by such Person and one or more Subsidiaries of such Person or by one or more Subsidiaries of such Person, and (2) any other Person (other than a corporation) in which such Person, one or more Subsidiaries of such Person, or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has a majority ownership interest, or (3) a partnership in which such Person or a Subsidiary of such Person is, at the time, a general partner and in which such Person, directly or indirectly, at the date of determination thereof has a majority ownership interest. Notwithstanding the foregoing, an Unrestricted Subsidiary shall not be a Subsidiary of the Company or of any Subsidiary of the Company. Unless the context requires otherwise, Subsidiary means each direct and indirect Subsidiary of the Company.

"Subsidiary Guarantor" means a Subsidiary of the Company that has jointly and severally irrevocably and unconditionally guaranteed the Notes, on a non-subordinated basis, except that such guarantee can be subordinated to such Subsidiary's guarantee of the Credit Agreement in a manner consistent with the subordination of the Company's obligation in respect of the Notes to the Company's Senior Indebtedness.

"Tax Amounts CPA" means PricewaterhouseCoopers L.L.P. or any other certified public accounting firm of national reputation. The Tax Amounts CPA shall reasonably determine for each Tax Determination Year, the Applicable Tax Rate, the Final Determination Amount, Intercompany Subpart F Income, Tax Amounts Payment and Parent Group Tax Savings Amount.

"Tax Amounts Payment" means, in respect of any Tax Determination Year, an amount payable to Tax Amounts Recipients equal to the lesser of (hereinafter referred to as the "Initial Limitation") (A) the product of (x) the Applicable Tax Rate and (y) the Intercompany Subpart F Income that is (or would be) includible in the gross income of the Tax Amounts Recipients (assuming, for this purpose, that each such Tax Amount Recipient is a "United States shareholder" as defined in section 951(b) of the Code) for such year under section 951(a) of the Code, (B) the Parent Group Tax Savings Amount for such year, (C) the product of (x) 6% and (y) the sum of (i) Consolidated Net Income of the Parent Group for such year, (ii) Consolidated income tax expense for the Parent Group for such year, and (iii) Tax Amount Payments made to Tax Amounts Recipients during such year, or (D) $10,000,000. The Initial Limitation shall be reduced (but not below zero) by any Final Determination Amount in respect of a previous Tax Determination Year. A Final Determination Amount shall be applied to reduce an Initial Limitation for the Tax Determination Year during which the Final Determination in respect of such Final Determination Amount occurs. A Final Determination Amount shall be deemed to be reduced to the extent that such Final Determination Amount has been applied to reduce an Initial Limitation. Thereafter, the remaining Final Determination Amount, if any, shall be applied to reduce the Initial Limitation for each successive Tax Determination Year in like fashion until such Final Determination Amount has been reduced to zero.

"Tax Amounts Recipient" means, in respect of any Tax Determination Year, persons who hold capital stock of the Company on December 31 of such year or, if earlier, on the last day of such year that the Company continues to be a "controlled foreign corporation" as defined under section 957 of the Code.

"Tax Determination Year" means the calendar year in respect of which a Tax Amounts Recipient is (or would be) required to include in gross income under section 951(a) of the Code his pro rata share of Intercompany Subpart F Income (assuming for this purpose, that such Tax Amounts Recipient is a "United States shareholder" as defined in Section 951(b) of the Code).

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) as in effect on the date on which this Indenture is qualified under the TIA.

"Transfer Restricted Notes" means Global Notes and Definitive Notes that bear or are required to bear the Private Placement Legend, issued under this Indenture.

"Treasury Rate" means the yield to maturity at the time of computation of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Release H 15 (519) which has become publicly available at least two Business Days prior to the Early Redemption Date (or, if such Statistical Release is no longer published, any publicly available source or similar market data) closest to the period from the Early Redemption Date to April 1, 2008; *provided*, *however*, that if the period from the Early Redemption Date to April 1, 2008 is not equal to the constant maturity of a U.S. Treasury security for which a weekly average is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of one year) from the weekly average yields of U.S. Treasury securities for which such yields are given, except that if the period from the Early Redemption Date to April 1, 2008 is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year shall be used.

"Trustee" means the party named as such above until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means such successor serving hereunder.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York.

"Unrestricted Definitive Note" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend, issued under this Indenture.

"Unrestricted Global Note" means one or more permanent Global Notes that do not bear and are not required to bear the Private Placement Legend, issued under this Indenture.

"Unrestricted Subsidiary" means any subsidiary of the Company that does not directly, indirectly or beneficially own any Capital Stock of, and Subordinated Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company and that, at the time of determination, shall be an Unrestricted Subsidiary (as designated by the Board of Directors of the Company); *provided*, that such Subsidiary at the time of such designation (a) has no Recourse Indebtedness; (b) is not party to any agreement, contract, arrangement or understanding with the Company or any Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company; (c) is a Person with respect to which neither the Company nor any Subsidiary of the Company has any direct or indirect obligation (x) to subscribe for additional Equity Interests or (y) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and (d) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any Subsidiary of the Company. The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Subsidiary, *provided*, that (1) no Default or Event of

Default is existing or shall occur as a consequence thereof and (2) immediately after giving effect to such designation, on a*pro forma* basis, the Issuers could incur at least $1.00 of Indebtedness pursuant to the Debt Incurrence Ratio of Section 4.7. Each such designation shall be evidenced by filing with the Trustee a certified copy of the resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions.

"U.S. Government Obligations" means direct non-callable obligations of, or non-callable obligations guaranteed by, the United States of America for the payment of which obligation or guarantee the full faith and credit of the United States of America is pledged.

"U.S. Person" means a U.S. person as defined in Rule 902(o) under the Securities Act.

"Voting Equity Interests" means Equity Interests which at the time are entitled to vote in the election of, as applicable, directors, members or partners generally.

"WH Intermediate" means WH Intermediate Holdings Ltd., a Cayman Islands corporation, and its successors and/or assigns.

"Wholly-Owned Subsidiary" means a Subsidiary all the Equity Interests of which (other than directors' qualifying shares) are owned by the Company or one or more Wholly-Owned Subsidiaries of the Company.

SECTION 1.2 OTHER DEFINITIONS

Term	Defined in Section
"Acceleration Notice"	6.2
"Additional Amounts"	4.20
"Affiliate Transaction"	4.12
"Asset Sale"	4.13
"Asset Sale Amount"	4.13
"Asset Sale Offer"	4.13
"Asset Sale Offer Amount"	4.13
"Asset Sale Offer Period"	4.13
"Asset Sale Offer Price"	4.13
"Authentication Order"	2.2
"Benefited Party"	10.1
"Change of Control Offer"	4.14
"Change of Control Offer Period"	4.14
"Change of Control Purchase Price"	4.14
"Change of Control Repurchase Date"	4.14
"Covenant Defeasance"	8.3
"Debt Incurrence Ratio"	4.7
"Defaulted Interest"	2.7
"Determination Date"	1.1 Leverage Ratio
"Domestic Corporation"	5.1
"DTC"	2.3
"Early Redemption Date"	3.7
"Equity Proceeds Redemption Date"	3.7
"Event of Default"	6.1
"Excess Proceeds"	4.13
"Excluded Holder"	4.20
"Guarantee Obligations"	10.1
"incur" or "incurrence"	4.7
"Incurrence Date"	4.7

"Investment Company Act"	4.17
"Issuers"	Introduction
"Legal Defeasance"	8.2
"Liquidated Damages Notice"	4.21
"Mandatory Redemption"	3.8
"Mandatory Redemption Date"	3.8
"Mandatory Redemption Price"	3.8
"Paying Agent"	2.3
"Payment Blockage Notice"	11.2
"Payment Blockage Period"	11.2
"Payment Default"	11.2
"Refinancing"	1.1 Refinancing Indebtedness
"Registrar"	2.3
"Taxes"	4.20
"Transaction Date"	1.1 Consolidated Coverage Ratio
"Triggering Event"	3.8

SECTION 1.3 INCORPORATION BY REFERENCE OF TRUST INDENTURE ACT

Whenever this Indenture refers to a provision of the TIA, such provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"Commission" means the SEC;

"indenture securities" means the Notes;

"indenture security Holder" means a Holder of a Note;

"indenture to be qualified" means this Indenture;

"indenture trustee" or *"institutional trustee"* means the Trustee;

"obligor" on the Notes means the Company, each Guarantor and any successor obligor upon the Notes.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

SECTION 1.4 RULES OF CONSTRUCTION

Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) provisions apply to successive events and transactions;

(6) "herein," "hereof" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision; and

(7) references to sections of or rules under the Securities Act and the Exchange Act shall be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

ARTICLE II
THE NOTES

SECTION 2.1 FORM AND DATING

(a) General. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes shall be in denominations of $1,000 and integral multiples thereof.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuers and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) Global Notes. Notes issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee or the Notes Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.6 hereof.

(c) Euroclear and Clearstream Procedures Applicable. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking Luxembourg" and "Customer Handbook" of Clearstream in effect at the relevant time shall be applicable to transfers of beneficial interests in the Regulation S Global Notes that are held by Participants through Euroclear or Clearstream.

SECTION 2.2 EXECUTION AND AUTHENTICATION

Two Officers of each of the Issuers shall sign the Notes for the Issuers by manual or facsimile signature. In the case of Definitive Notes, such signatures may be imprinted or otherwise reproduced on such Notes. If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid. A Note shall not be valid until authenticated by the manual signature of an authorized signatory of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture. The Trustee shall, upon a written order of the Issuers signed by an Officer of each of the Issuers (an "Authentication Order"), authenticate Notes for issuance up to the aggregate principal amount stated in such Authentication Order; *provided* that Notes authenticated for issuance on the Issue Date shall not exceed $275,000,000 in aggregate principal amount. The Trustee may appoint an authenticating agent acceptable to the Issuers to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee

may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuers.

SECTION 2.3 REGISTRAR, PAYING AGENT AND DEPOSITARY

The Issuers shall maintain an office or agency in the Borough of Manhattan, The City of New York, where Notes may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Issuers may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Issuers may change any Paying Agent or Registrar without notice to any Holder. The Issuers shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Issuers fail to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Issuers or any of its Subsidiaries may act as Paying Agent or Registrar. The Issuers initially appoints The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes. The Issuers initially appoints the Trustee to act as the Registrar and Paying Agent and to act as Notes Custodian with respect to the Global Notes.

SECTION 2.4 PAYING AGENT TO HOLD MONEY IN TRUST

The Issuers shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Liquidated Damages, if any, or interest on the Notes (whether such money has been distributed to it by the Company or any other obligor of the Notes), and shall notify the Trustee of any default by the Issuers in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuers at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) shall have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company or Capital, the Trustee shall serve as Paying Agent for the Notes.

SECTION 2.5 HOLDER LISTS

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA § 312(a). If the Trustee is not the Registrar, the Issuers shall furnish, or shall cause the Registrar (if other than the Company) to furnish, to the Trustee at least seven Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Issuers shall otherwise comply with TIA § 312(a).

SECTION 2.6 TRANSFER AND EXCHANGE

(a) Transfer and Exchange of Global Notes. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes shall be exchanged by the Company for Definitive Notes if (i) the Issuers deliver to the Trustee notice from the Depositary that (x) the Depositary is unwilling or unable to continue to act as Depositary for the Global Notes and the Issuers thereupon fail to appoint a successor Depositary within 120 days or (y) the Depositary is no longer a clearing agency registered under the Exchange

Act, (ii) the Issuers in their sole discretion determine that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and deliver a written notice to such effect to the Trustee or (iii) upon request of the Trustee or Holders of a majority of the aggregate principal amount of outstanding Notes if there shall have occurred and be continuing a Default or Event of Default with respect to the Notes; *provided* that in no event shall the Reg S Temporary Global Note be exchanged by the Issuers for Definitive Notes prior to (x) the expiration of the Distribution Compliance Period and (y) the receipt by the Registrar of any certificate identified by the Company and its counsel to be required pursuant to Rule 903 or Rule 904 under the Securities Act. Upon the occurrence of any of the preceding events in (i), (ii) or (iii) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as otherwise provided in this Section 2.6 or as provided in Sections 2.7 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.6 or Section 2.7 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.6(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.6(b), (c) or (f) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) *Transfer of Beneficial Interests in the Same Global Note.* Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided, however,* that prior to the expiration of the Distribution Compliance Period, transfers of beneficial interests in the Reg S Temporary Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.6(b)(i).

(ii) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes.* In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.6(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) an order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) an order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (B)(1) above; *provided*, that in no event shall Definitive Notes be issued upon the transfer or exchange of beneficial interests in

the Reg S Temporary Global Note prior to (x) the expiration of the Distribution Compliance Period and (y) the receipt by the Registrar of any certificates identified by the Company or its counsel to be required pursuant to Rule 903 and Rule 904 under the Securities Act. Upon consummation of an Exchange Offer by the Company in accordance with Section 2.6(f) hereof, the requirements of this Section 2.6(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.6(h) hereof.

(iii) *Transfer of Beneficial Interests to Another Restricted Global Note.* A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.6(b)(ii) above and the Registrar receives the following:

(A) if the transferee shall take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transferee shall take delivery in the form of a beneficial interest in the Reg S Temporary Global Note or the Reg S Permanent Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transferee shall take delivery in the form of an Institutional Accredited Investor Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(iv) *Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in the Unrestricted Global Note.* A beneficial interest in any Restricted Global Note may be exchanged by any Holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.6(b)(ii) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and Section 2.6(f) hereof, and the Holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following: (1) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial

interest in an Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or (2) if the Holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof; and, in each such case set forth in this subparagraph (D), an Opinion of Counsel in form, and from legal counsel, reasonably acceptable to the Registrar and the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.2 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above. Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Definitive Notes.

(i) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes.* If any Holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3)(d) thereof, if applicable;

(F) if such beneficial interest is being transferred to the Company or any of its subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(G) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Restricted Global Note to be reduced accordingly pursuant to Section 2.6(h) hereof, and the Company shall execute and, upon receipt of an Authentication Order pursuant to Section 2.2 hereof, the Trustee shall authenticate and deliver to the Person designated in the instructions a Restricted Definitive Note in the appropriate principal amount. Any Restricted Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.6(c) shall be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Restricted Definitive Notes to the Persons in whose names such Notes are so registered. Any Restricted Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.6(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes.* A Holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and Section 2.6(f) hereof, and the Holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following: (1) if the Holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note that does not bear the Private Placement Legend, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or (2) if the Holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Note that does not bear the Private Placement Legend, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof; and, in each such case set forth in this subparagraph (D), an Opinion of Counsel in form, and from legal counsel, reasonably acceptable to the Registrar and the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any Holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note or to transfer such beneficial interest to

a Person who takes delivery thereof in the form of an Unrestricted Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.6(b)(ii) hereof, the Trustee shall cause the aggregate principal amount of the applicable Unrestricted Global Note to be reduced accordingly pursuant to Section 2.6(h) hereof, and the Company shall execute and, upon receipt of an Authentication Order pursuant to Section 2.2 hereof, the Trustee shall authenticate and deliver to the Person designated in the instructions an Unrestricted Definitive Note in the appropriate principal amount. Any Unrestricted Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.6(c)(iii) shall be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Unrestricted Definitive Notes to the Persons in whose names such Notes are so registered. Any Unrestricted Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.6(c)(iii) shall not bear the Private Placement Legend.

(iv) *Transfer or Exchange of Reg S Temporary Global Notes.* Notwithstanding the other provisions of this Section 2.6, a beneficial interest in the Reg S Temporary Global Note may not be (A) exchanged for a Definitive Note prior to (x) the expiration of the Distribution Compliance Period (unless such exchange is effected by the Company, does not require an investment decision on the part of the Holder thereof and does not violate the provisions of Regulation S) and (y) the receipt by the Registrar of any certificates identified by the Company or its counsel to be required pursuant to Rule 903(c)(3)(B) under the Securities Act or (B) transferred to a Person who takes delivery thereof in the form of a Definitive Note prior to the events set forth in clause (A) above or unless the transfer is pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(d) Transfer and Exchange of Definitive Notes for Beneficial Interests.

(i) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes.* If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof; or

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof,

the Trustee shall cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the 144A Global Note, and in the case of clause (C) above, the Regulation S Global Note.

(ii) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an

Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and Section 2.6(f) hereof, and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following: (1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or (2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof; and, in each such case set forth in this subparagraph (D), an Opinion of Counsel in form, and from legal counsel, reasonably acceptable to the Registrar and the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act. Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.6(d)(ii), the Trustee shall cancel the Restricted Definitive Notes so transferred or exchanged and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

(iv) *Transfer or Exchange of Unrestricted Definitive Notes to Beneficial Interest in Restricted Notes Prohibited.* An Unrestricted Definitive Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, beneficial interests in a Restricted Global Note.

(v) *Issuance of Unrestricted Global Notes.* If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (ii)(B), (ii)(D) or (iii) of this Section 2.6(d) at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.2 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.6(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.6(e).

(i) *Restricted Definitive Notes to Restricted Definitive Notes.* Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer shall be made pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer shall be made pursuant to Rule 903 or Rule 904 under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer shall be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(ii) *Restricted Definitive Notes to Unrestricted Definitive Notes.* Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and Section 2.6(f) hereof, and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following: (1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or (2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof; and, in each such case set forth in this subparagraph (D), an Opinion of Counsel in form, and from legal counsel, reasonably acceptable to the Registrar and the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained

herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) *Unrestricted Definitive Notes to Unrestricted Definitive Notes.* A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) Exchange Offer. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Issuers shall issue and, upon receipt of an Authentication Order in accordance with Section 2.2 hereof, the Trustee shall authenticate (i) one or more Unrestricted Global Notes in an aggregate principal amount equal to the sum of (A) the principal amount of the beneficial interests in the Restricted Global Notes tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not broker-dealers, (y) they are not participating in a distribution of the Exchange Notes and (z) they are not affiliates (as defined in Rule 144) of the Company, and accepted for exchange in the Exchange Offer and (B) the principal amount of Definitive Notes exchanged or transferred for beneficial interests in Unrestricted Global Notes in connection with the Exchange Offer pursuant to Section 2.6(d)(ii) hereof and (ii) Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer (other than Definitive Notes described in clause (i)(B) immediately above). Concurrently with the issuance of such Notes, the Trustee shall cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Company shall execute and, upon receipt of an Authentication Order pursuant to Section 2.2 hereof, the Trustee shall authenticate and deliver to the Persons designated by the Holders of Definitive Notes so accepted Definitive Notes in the appropriate principal amount.

(g) Legends. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) *Private Placement Legend.*

(A) Except as permitted by subparagraph (B) below, until after the second anniversary of the later of the Issue Date and the last date on which either Issuer or any Affiliate of either Issuer was owner of such Note (or any predecessor security) (or such shorter period of time as permitted by Rule 144(k) under the Securities Act or any successor provision thereunder) (or such longer period of time as may be required under the Securities Act or applicable state securities law in the opinion of counsel for the Issuers, unless otherwise agreed by the Issuers and the Holder thereof), each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE NOTE (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AND THE NOTE EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE NOTE EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER OR ANOTHER EXEMPTION UNDER THE SECURITIES ACT. THE HOLDER OF THE

NOTE EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE ISSUERS THAT (A) SUCH NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1)(A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), PURCHASING FOR ITS OWN ACCOUNT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (B) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 OF THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (D) TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") THAT IS PURCHASING AT LEAST $100,000 OF NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF AN INSTITUTIONAL ACCREDITED INVESTOR (AND BASED UPON AN OPINION OF COUNSEL IF THE ISSUERS SO REQUEST) OR (E) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED THAT IN THE CASE OF A TRANSFER UNDER CLAUSE (E) SUCH TRANSFER IS SUBJECT TO THE RECEIPT BY THE TRUSTEE (AND THE ISSUERS, IF THEY SO REQUEST) OF A CERTIFICATION OF THE TRANSFEROR AND AN OPINION OF COUNSEL TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (2) TO THE ISSUERS OR ANY OF THEIR SUBSIDIARIES OR (3) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND THE INDENTURE GOVERNING THE NOTES AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTE EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE. IF ANY RESALE OR OTHER TRANSFER OF ANY NOTE IS PROPOSED TO BE MADE UNDER CLAUSE (A)(1)(D) ABOVE WHILE THESE TRANSFER RESTRICTIONS ARE IN FORCE THEN THE TRANSFEROR SHALL DELIVER A LETTER FROM THE TRANSFEREE TO THE ISSUERS AND THE TRUSTEE WHICH SHALL PROVIDE, AMONG OTHER THINGS, THAT THE TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR AND THAT IT IS ACQUIRING THE SECURITIES FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(iv), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) to this Section 2.6 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) *Global Note Legend.* To the extent required by the Depositary, each Global Note shall bear legends in substantially the following forms:

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED

PURSUANT TO SECTION 2.6 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.6(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUERS."

"UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(iii) *Reg S Temporary Global Note Legend.* To the extent required by the Depositary, each Reg S Temporary Global Note shall bear a legend in substantially the following form:

"THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR DEFINITIVE NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN). NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE CASH PAYMENTS OF INTEREST DURING THE PERIOD WHICH SUCH HOLDER HOLDS THIS NOTE. NOTHING IN THIS LEGEND SHALL BE DEEMED TO PREVENT INTEREST FROM ACCRUING ON THIS NOTE."

(h) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or cancelled in whole and not in part, each such Global Note shall be returned to or retained and cancelled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who shall take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement may be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who shall take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement may be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Issuers shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order.

(ii) No service charge shall be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.6, 4.13 and 4.14 hereof).

(iii) The Registrar shall not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Company, evidencing the same Indebtedness, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(v) The Issuers shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.2 hereof and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or (C) to register the transfer of or to exchange a Note between a Record Date and the next succeeding Interest Payment Date.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuers may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuers shall be affected by notice to the contrary.

(vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.2 hereof.

(viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.6 to effect a registration of transfer or exchange may be submitted by facsimile.

Notwithstanding anything herein to the contrary, as to any certifications and certificates delivered to the Registrar pursuant to this Section 2.6, the Registrar's duties shall be limited to confirming that any such certifications and certificates delivered to it are in the form of Exhibits A, B, C and D attached hereto. The Registrar shall not be responsible for confirming the truth or accuracy of representations made in any such certifications or certificates.

SECTION 2.7 REPLACEMENT NOTES

If any mutilated Note is surrendered to the Trustee or the Issuers and the Trustee and the Issuers receive evidence (which evidence may be from the Trustee) to their satisfaction of the destruction, loss or theft of any Note, the Issuers shall issue and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee

or the Issuers, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee or the Issuers, as the case may be, to protect the Issuers, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuers may charge for their expenses in replacing a Note. Every replacement Note is an additional obligation of the Issuers and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

SECTION 2.8 OUTSTANDING NOTES

The Notes outstanding at any time are all the Notes authenticated by the Trustee (including any Note represented by a Global Note) except for those cancelled by it or at its direction, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.8 as not outstanding. Except as set forth in Section 2.9 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note. If a Note is replaced pursuant to Section 2.7 hereof, such Note ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a *bona fide* purchaser. If the principal amount of any Note is considered paid under Section 4.1 hereof, it ceases to be outstanding and interest on it ceases to accrue. If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or the maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

SECTION 2.9 TREASURY NOTES

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded.

SECTION 2.10 TEMPORARY NOTES

Until certificates representing Notes are ready for delivery, the Issuers may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that the Issuers consider appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, at and after the consummation of the Merger, the Issuers shall prepare and the Trustee shall authenticate Definitive Notes in exchange for temporary Notes. Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

SECTION 2.11 CANCELLATION

The Issuers at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee, or at the direction of the Trustee, the Registrar or the Paying Agent (other than the Company or an Affiliate of the Company), and no one else, shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall dispose of cancelled Notes (subject to the record retention requirement of the Exchange Act) in accordance with its procedures for the disposition of cancelled securities in effect are as of the date of such disposition. Certification of the disposition of all cancelled Notes shall be delivered to the Issuers. The Issuers may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation. If the Issuers shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the Indebtedness represented by such Notes unless and until the same are surrendered to the Trustee for cancellation pursuant to this Section 2.11.

SECTION 2.12 DEFAULTED INTEREST

Any interest on any Note which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date plus, to the extent lawful, any interest payable on the defaulted interest at the rate and in the manner provided in Section 4.1 hereof and in the Note (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered Holder on the relevant Record Date, and such Defaulted Interest may be paid by the Issuers, at its election in each case, as provided in clause (1) or (2) below:

(1) The Issuers may elect to make payment of any Defaulted Interest to the Persons in whose names the Notes are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuers shall notify the Trustee and the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the Issuers shall deposit with the Paying Agent an amount of cash equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements reasonably satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such cash when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in this clause (1). Thereupon the Paying Agent shall fix a "Special Record Date" for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Paying Agent of the notice of the proposed payment. The Paying Agent shall promptly notify the Issuers and the Trustee of such Special Record Date and, in the name and at the expense of the Issuers, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at its address as it appears in the Note register maintained by the Registrar not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Notes (or their respective predecessor Notes) are registered on such Special Record Date and shall no longer be payable pursuant to the following clause (2).

(2) The Issuers may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Issuers to the Trustee and the Paying Agent of the proposed payment pursuant to this clause, such manner shall be deemed practicable by the Trustee and the Paying Agent.

Subject to the foregoing provisions of this Section 2.12, each Note delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Note shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Note.

SECTION 2.13 CUSIP NUMBERS

The Issuers in issuing the Notes may use "CUSIP" and/or "ISIN" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" and/or "ISIN" numbers in notices of redemption as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuers shall promptly notify the Trustee of any change in the "CUSIP" and/or "ISIN" numbers.

SECTION 2.14 ISSUANCE OF ADDITIONAL NOTES

The Issuers may, subject to Section 4.7 hereof and applicable law, issue Additional Notes under this Indenture. The Notes issued on the Issue Date and any Additional Notes subsequently issued shall be treated as a single class for all purposes under this Indenture.

ARTICLE III
REDEMPTION

SECTION 3.1 NOTICES TO TRUSTEE

If the Issuers elects to redeem Notes pursuant to the optional redemption provisions of Section 3.7 hereof, the Issuers shall furnish to the Trustee, at least 45 days (unless a shorter period is acceptable to the Trustee) but not more than 60 days (unless a longer period is acceptable to the Trustee) before a redemption date, an Officers' Certificate setting forth (i) the clause of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price.

SECTION 3.2 SELECTION OF NOTES TO BE REDEEMED

If less than all of the Notes are to be redeemed at any time, the Trustee shall select the Notes or portions thereof to be redeemed among the Holders of the Notes in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not so listed, on a *pro rata* basis, by lot or in accordance with any other method the Trustee considers fair and appropriate. In the event of partial redemption by lot, the particular Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 20 nor more than 60 days prior to the redemption date by the Trustee from the outstanding Notes not previously called for redemption.

The Trustee shall promptly notify the Issuers in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed. Notes and portions of Notes in denominations of larger than $1,000 selected shall be in amounts of $1,000 or integral multiples of $1,000; except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not an integral multiple of $1,000, shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

SECTION 3.3 NOTICE OF REDEMPTION

Subject to the provisions of Section 3.7 hereof, at least 30 days but not more than 60 days before a redemption date, the Issuers shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address.

The notice shall identify the Notes to be redeemed (including the CUSIP or ISIN number, if any) and shall state:

(a) the redemption date;

(b) the redemption price;

(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, on or after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Issuers default in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP or ISIN number, if any, listed in such notice or printed on the Notes.

At the Issuers' request, the Trustee shall give the notice of redemption in the Issuers' name and at its expense*provided*, *however,* that the Issuers shall have delivered to the Trustee, at least 15 days prior to the date such notice is to be given (unless a shorter period shall be acceptable to the Trustee), an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

SECTION 3.4 EFFECT OF NOTICE OF REDEMPTION

Once notice of redemption is mailed in accordance with Section 3.3 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

SECTION 3.5 DEPOSIT OF REDEMPTION PRICE

On or before the redemption date, the Issuers shall deposit with the Trustee or with the Paying Agent immediately available funds sufficient to pay the redemption price of and accrued and unpaid interest (and Liquidated Damages, if any) on all Notes to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Issuers any money deposited with the Trustee or the Paying Agent by the Issuers in excess of the amounts necessary to pay the redemption price of, and accrued and unpaid interest (and Liquidated Damages, if any) on, all Notes to be redeemed.

If the Issuers comply with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after an interest Record Date but on or prior to the related Interest Payment Date, then any accrued and unpaid interest (and Liquidated Damages, if any) shall be paid to the Person in whose name such Note was registered at the close of business on such Record Date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Issuers to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.1 hereof.

SECTION 3.6 NOTES REDEEMED IN PART

Upon surrender of a Note that is redeemed in part, the Issuers shall issue and, upon receipt of an Authentication Order, the Trustee shall authenticate for the Holder at the expense of the Issuers a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

SECTION 3.7 OPTIONAL REDEMPTION

(a) At any time prior to April 1, 2008, the Issuers may redeem the Notes for cash, in whole or part, from time to time, upon not less than 30 nor more than 60 days' notice to each Holder of the Notes to be redeemed at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus the Applicable Premium as of, and accrued and unpaid interest, including Liquidated Damages, if any, to the date of the redemption (the date of any such redemption prior to April 1, 2008, an "Early Redemption Date").

(b) At any time on or after April 1, 2008, the Issuers may redeem the Notes for cash, in whole or in part, upon not less than 30 days nor more than 60 days prior notice mailed by first

class mail to each Holder of the Notes to be redeemed at its last registered address, at the following redemption prices (expressed as percentages of the principal amount) if redeemed during the 12-month period commencing April 1 of the years indicated below, in each case (subject to the right of Holders of record on a Record Date to receive the corresponding interest due (and the corresponding Liquidated Damages, if any) on the corresponding Interest Payment Date that is on or prior to such redemption date) together with accrued and unpaid interest (and Liquidated Damages, if any) thereon to the date of redemption of the Notes (the date of any such redemption, together with any Early Redemption Date and any Equity Proceeds Redemption Date referred to in clause (c), a "Redemption Date"):

Year	Percentage
2008	104.750%
2009	102.375%
2010 and thereafter	100.000%

(c) At any time or from time to time on or prior to April 1, 2007, upon one or more Qualified Equity Offerings up to 40% of the aggregate principal amount of the Notes issued pursuant to this Indenture (only as necessary to avoid any duplication, excluding any replacement Notes) may be redeemed at the Issuers' option within 90 days of the closing of any such Qualified Equity Offering, on not less than 30 days, but not more than 60 days, notice to each Holder of the Notes to be redeemed, with cash received by the Issuers from the Net Cash Proceeds of such Qualified Equity Offering, at a redemption price equal to 109.5% of principal, together with accrued and unpaid interest (and Liquidated Damages, if any), thereon to the date of redemption of the Notes (any such date, an "Equity Proceeds Redemption Date"); provided, however, that immediately following such redemption not less than 60% of the aggregate principal amount of the Notes originally issued pursuant to this Indenture on the Issue Date remain outstanding (only as necessary to avoid any duplication, excluding any replacement Notes).

(d) Any redemption pursuant to this Section 3.7 shall be made pursuant to the provisions of Sections 3.1 through 3.6 hereof.

SECTION 3.8 MANDATORY REDEMPTION

(a) The Issuers shall not be required to make mandatory redemption payments with respect to the Notes (however, the Issuers are required to offer to repurchase Notes in accordance with the provisions of Sections 4.13 and 4.14 hereof) and the Notes shall not have the benefit of any sinking fund.

ARTICLE IV
COVENANTS

SECTION 4.1 PAYMENT OF NOTES

The Issuers shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 11:00 a.m. Eastern time on the due date money deposited by the Issuers in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due. The Issuers shall pay all Liquidated Damages, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement and herein.

The Issuers shall pay interest (including Accrued Bankruptcy Interest in any proceeding under any Bankruptcy Law) on overdue principal at the then applicable interest rate on the Notes to the extent lawful; the Issuers shall pay interest (including Accrued Bankruptcy Interest in any proceeding under

any Bankruptcy Law) on overdue installments of interest (and Liquidated Damages, if any) (without regard to any applicable grace period) at the same rate to the extent lawful.

SECTION 4.2 MAINTENANCE OF OFFICE OR AGENCY

The Issuers shall maintain in the Borough of Manhattan, The City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuers in respect of the Notes and this Indenture may be served. The Issuers shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuers shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office.

The Issuers may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such additional designations; provided that no such designation or rescission shall in any manner relieve the Issuers of their obligation to maintain an office or agency in the Borough of Manhattan, The City of New York. The Issuers shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuers hereby designate the Corporate Trust Office as one such office or agency of the Company in accordance with Section 2.3 hereof.

SECTION 4.3 SEC REPORTS AND REPORTS TO HOLDERS

Whether or not the Issuers are subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Issuers shall deliver to the Trustee and to each Holder and prospective purchasers of Notes identified to the Issuers by an Initial Purchaser, within 5 days after the Issuers are or would have been (if the Issuers were subject to such reporting obligations) required to file such with the SEC, annual and quarterly financial statements substantially equivalent to financial statements that would have been included in reports on Forms 10-K or 10-Q, if the Issuers were subject to the requirements of Section 13 or 15(d) of the Exchange Act, including, with respect to annual information only, a report thereon by the Issuers' certified independent public accountants as such would be required in such reports to the SEC, and, in each case, together with a management's discussion and analysis of financial condition and results of operations which would be so required and, from and after consummation of the Exchange Offer, unless the SEC shall not accept such reports, file with the SEC the annual, quarterly and other reports which it is or would have been required to file with the SEC. In addition, the Issuers agree that prior to the consummation of the Exchange Offer, they shall make available to the holders and the securities analysts and prospective investors upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuers' compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificate).

SECTION 4.4 COMPLIANCE CERTIFICATE

(a) The Issuers shall deliver to the Trustee, within 120 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Issuers and the Subsidiaries of the Issuers during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Issuers and the Subsidiaries of the Issuers have kept, observed, performed and fulfilled their obligations under this Indenture, and further stating,

as to each such Officer signing such certificate, that to his or her knowledge the Issuers and the Subsidiaries of the Issuers are not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred and be continuing, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Issuers are taking or propose to take with respect thereto) and that to his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Issuers are taking or propose to take with respect thereto. The Issuers shall provide the Trustee with timely written notice of any change in its fiscal year end, which currently ends on December 31.

(b) The Issuers shall, so long as any of the Notes are outstanding, deliver to the Trustee, within five Business Days of any Officer becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Issuers are taking or propose to take with respect thereto.

SECTION 4.5 TAXES

The Issuers shall pay, and shall cause each of the Subsidiaries of the Issuers to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment would not have a material adverse effect on the ability of the Issuers to satisfy their obligations under the Notes and this Indenture.

SECTION 4.6 STAY, EXTENSION AND USURY LAWS

The Issuers covenant (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuers (to the extent that it may lawfully do so) hereby expressly waive all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 4.7 LIMITATION ON INCURRENCE OF ADDITIONAL INDEBTEDNESS AND DISQUALIFIED CAPITAL STOCK

Except as set forth in this Section 4.7, the Issuers shall not and the Issuers shall not permit any Subsidiary of the Issuers to, directly or indirectly, issue, assume, guaranty, incur, become directly or indirectly liable with respect to (including as a result of an Acquisition), or otherwise become responsible for, contingently or otherwise (individually and collectively, to "incur" or, as appropriate, an "incurrence"), any Indebtedness (including Disqualified Capital Stock and Acquired Indebtedness), other than Permitted Indebtedness.

Notwithstanding the foregoing if:

(1) no Default or Event of Default shall have occurred and be continuing at the time of, or would occur after giving effect on a *pro forma* basis to, such incurrence of Indebtedness, and

(2) on the date of such incurrence (the "Incurrence Date"), the Issuers' Consolidated Coverage Ratio for the Reference Period immediately preceding the Incurrence Date, after giving effect on a *pro forma* basis to such incurrence of such Indebtedness and, to the extent set forth in the definition of Consolidated Coverage Ratio, the use of proceeds thereof, would be at least 2.0 to 1.0,

then the Issuers and their Subsidiaries may incur such Indebtedness (including Disqualified Capital Stock).

In addition, the foregoing limitations of the first paragraph of this covenant shall not prohibit:

(a) the incurrence by the Issuers or the incurrence by any Subsidiary of the Company of Purchase Money Indebtedness;*provided*, that

(1) the aggregate amount of such Indebtedness incurred and outstanding at any time pursuant to this paragraph (a) (plus any Refinancing Indebtedness issued to retire, defease, refinance, replace or refund such Indebtedness) shall not exceed $50,000,000 (or the equivalent thereof, at the time of incurrence, in the applicable foreign currency), and

(2) in each case, such Indebtedness shall not constitute more than 100% of the cost to the Issuers or the cost to such Subsidiary of the Company, (determined in accordance with GAAP in good faith by the Board of Directors of the Issuers), as applicable, of the property so purchased, constructed, improved or leased;

(b) the incurrence by the Issuers or the incurrence by any Subsidiary of the Company of Indebtedness in an aggregate amount incurred and outstanding at any time pursuant to this paragraph (b) of up to $25,000,000 (or the equivalent thereof, at the time of incurrence, in the applicable foreign currencies); and

(c) the incurrence by the Issuers or the incurrence by any of the Issuers' Subsidiaries of Indebtedness pursuant to the Credit Agreement in an aggregate amount incurred and outstanding at any time pursuant to this paragraph (c), without regard to the notional amount of any Interest Swap or Hedging Obligations relating thereto that constitute Permitted Indebtedness pursuant to clause (f) of the definition thereof (plus any Refinancing Indebtedness incurred to retire, defease, refinance, replace or refund such Indebtedness) of up to $205,000,000 (or the equivalent thereof at the time of incurrence in the applicable foreign currency), minus the amount of any such Indebtedness (1) retired with the Net Cash Proceeds from any Asset Sale applied to permanently reduce the outstanding amounts or the commitments with respect to such Indebtedness pursuant to clause (b) (2) of Section 4.13, (2) assumed by a transferee in an Asset Sale and (3) the aggregate amount of all mandatory principal payments and prepayments in respect of term loans thereunder (excluding any such payments to the extent refinanced at the time of payment under a replacement or refinancing thereof) actually made; *provided*, that, this clause (3) shall not reduce the aggregate amount of Indebtedness available to be incurred and outstanding by the Company and its Subsidiaries pursuant to this clause (c) below $35,000,000.

In addition, the Company will not permit WH Intermediate, Luxembourg Holdings, Luxembourg Intermediate Holdings or Herbalife to refinance, redeem, repurchase or repay the Herbalife Notes or issue additional Indebtedness (other than Senior Indebtedness) unless WH Intermediate, Luxembourg Holdings, Luxembourg Intermediate Holdings, Herbalife and all of their respective subsidiaries that have guaranteed such Indebtedness fully and unconditionally guarantee the Notes; provided that such guarantee shall be subordinated to Senior Indebtedness of WH Intermediate, Luxembourg Holdings, Luxembourg Intermediate Holdings, Herbalife and such subsidiaries in substantially the same manner that the Herbalife Notes and the related guarantees are subordinated to Senior Indebtedness; provided, further, that the obligation to execute any such guarantee shall not apply if and for so long as such guarantee is restricted or prohibited by the terms of any Senior Indebtedness of WH Intermediate, Luxembourg Holdings, Luxembourg Intermediate Holdings or Herbalife. The Company will not permit WH Intermediate, Luxembourg Holdings, Luxembourg Intermediate Holdings or Herbalife to issue any Indebtedness (other than Credit Agreement) after the Issue Date that restricts or prohibits the guarantee of the Notes required by the prior sentence.

Indebtedness (including Disqualified Capital Stock) of any Person which is outstanding at the time such Person becomes a Subsidiary of the Company (including upon designation of any subsidiary or other Person as a Subsidiary of the Company) or is merged with or into or consolidated with the Company or a Subsidiary of the Company shall be deemed to have been incurred at the time such Person becomes or is designated a Subsidiary of the Company or is merged with or into or consolidated with the Company or a Subsidiary of the Company.

Notwithstanding any other provision of this Section 4.7, but only to avoid duplication, a guarantee of Indebtedness of the Company or any Subsidiary of the Company incurred in accordance with the terms of this Indenture (other than Indebtedness incurred pursuant to clause (a) hereof) issued at the time such Indebtedness was incurred or if later at the time the guarantor thereof became a Subsidiary of the Company shall not constitute a separate incurrence, or amount outstanding, of Indebtedness. For purposes of determining compliance with this Section 4.7, in the event that an item of Indebtedness is entitled to be incurred pursuant to this Section 4.7 or one or more clause of the definition of "Permitted Indebtedness," the Company shall, in its sole discretion, classify (or later reclassify in whole or in part, in its sole discretion) such item of Indebtedness in any manner that complies with this Section 4.7.

SECTION 4.8 LIMITATION ON LIENS SECURING INDEBTEDNESS

The Issuers shall not create, incur, assume or suffer to exist any Lien of any kind, other than Permitted Liens, upon any of their respective assets now owned or acquired on or after the date of this Indenture securing any of the Issuers' Indebtedness, unless the Issuers provide that the Notes are equally and ratably so secured; *provided* that if such Indebtedness is Subordinated Indebtedness, the Lien securing such Subordinated Indebtedness shall be contractually subordinate and junior to the Lien securing the Notes with the same relative priority as such Subordinated Indebtedness shall have with respect to the Notes.

SECTION 4.9 LIMITATION ON RESTRICTED PAYMENTS

(a) The Issuers shall not and the Issuers shall not permit any Subsidiary of the Company to, directly or indirectly, make any Restricted Payment if, after giving effect to such Restricted Payment on a pro forma basis:

(1) a Default or an Event of Default shall have occurred and be continuing,

(2) the Issuers are not permitted to incur at least $1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio in Section 4.7 hereof, or

(3) the aggregate amount of all Restricted Payments made by the Company and the Subsidiaries of the Company, as applicable, including after giving effect to such proposed Restricted Payment, on and after the Issue Date, would exceed, without duplication, the sum of:

(A) 50% of the Company's aggregate Consolidated Net Income for the period (taken as one accounting period), commencing on the first day of the fiscal quarter in which the Issue Date occurs, to and including the last day of the fiscal quarter ended immediately prior to the date of each such calculation for which the Company's consolidated financial statements are required to be delivered to the Trustee or, if sooner, filed with the SEC (or, in the event Consolidated Net Income for such period is a deficit, then minus 100% of such deficit), plus

(B) the aggregate Net Cash Proceeds received by the Company from a Capital Contribution or from the sale of the Company's Qualified Capital Stock (other than (i) to a Subsidiary of the Company, (ii) to the extent applied in connection with a Qualified Exchange or a Permitted Investment pursuant to clause (e) of the definition thereof, and

(iii) Net Cash proceeds received by the Company from a Capital Contribution or from the sale of the Company's Qualified Capital Stock, or, (iv) to avoid duplication, otherwise given credit for in any provision of the following paragraph), after the Issue Date, plus

(C) except in each case, in order to avoid duplication, to the extent any such payment or proceeds have been included in the calculation of Consolidated Net Income, an amount equal to the net reduction in Investments (other than returns of or from Permitted Investments) in any Person resulting from cash distributions on or cash repayments of any Investments, including payments of interest on Indebtedness, dividends, repayments of loans or advances, or other distributions or other transfers of assets, in each case to the Company or any Subsidiary or from the Net Cash Proceeds from the sale of any such Investment or from redesignations of Unrestricted Subsidiaries as Subsidiaries (valued in each case as provided in the definition of "Investments"), not to exceed, in each case, the amount of Investments previously made by the Company or any Subsidiary in such Person, including, if applicable, such Unrestricted Subsidiary, less the cost of disposition, plus

(D) $7,500,000.

(b) The foregoing clauses (a)(2) and (a)(3) of this Section 4.9, however, shall not prohibit:

(1) repurchases of Capital Stock from the Company's employees, distributors or directors (or their heirs or estates) or employees or directors (or their heirs or estates) of the Company or any Subsidiary of the Company upon the death, disability or termination of employment (or termination of distribution, in the case of a distributor) in an aggregate amount to all employees or directors (or their heirs or estates) not to exceed $5,000,000 in the aggregate on and after the Issue Date,

(2) provided that (x) prior to declaration and disbursement of a Tax Amounts Payment, the Company delivers to the Trustee an Officer's Certificate (i) certifying that the Tax Amounts CPA has made the determinations required to be made by the Tax Amounts CPA pursuant to this Indenture and (y) setting forth in reasonable detail the basis for the determination of the Tax Amounts Payment, then, with respect to each Tax Determination Year, the disbursement of a Tax Amounts Payment, following the close of such Tax Determination Year, or

(3) for the avoidance of doubt, payments of up to an aggregate of $5,000,000 in Monitoring Fees to the Principals and their Related Parties in any twelve month period pursuant to the Monitoring Services Agreements plus reasonable out-of-pocket expenses.

(c) Clause (a) of this Section 4.9 above, however, shall not prohibit:

(1) any dividend, distribution or other payments by any Subsidiary of the Company on its Equity Interests that is paid pro rata to all holders of such Equity Interests,

(2) a Qualified Exchange, and

(3) the payment of any dividend on Qualified Capital Stock within 60 days after the date of its declaration if such dividend could have been made on the date of such declaration in compliance with the foregoing provisions.

(d) The full amount of any Restricted Payment made pursuant to clauses (b)(1), (c)(1) and (c)(3) of this Section 4.9 (but not pursuant clauses (b)(2), (b)(3) or (c)(2) of this Section 4.9), however, shall be counted as Restricted Payments made for purposes of the calculation of the aggregate amount of Restricted Payments available to be made referred to in clause (a)(3) of this Section 4.9; provided, however, that if there is a Final Determination in respect of any particular

Tax Determination Year for which a Tax Amounts Payment has been disbursed pursuant to the foregoing clause (b)(2), the Final Determination Amount related thereto (other than interest and penalties) shall be counted as a Restricted Payment made for purposes of the calculation of such aggregate Restricted Payments from and after the date such Final Determination is made.

(e) For purposes of this Section 4.9, the amount of any Restricted Payment made or returned, if other than in cash, shall be the fair market value thereof, as determined in the good faith reasonable judgment of the Issuers' Board of Directors, at the time made or returned, as applicable. Additionally, within 5 days of each Restricted Payment in excess of $250,000 that is not a Restricted Investment, the Issuers shall deliver an Officers' Certificate to the Trustee describing in reasonable detail the nature of such Restricted Payment, stating the amount of such Restricted Payment, stating in reasonable detail the provisions of this Indenture pursuant to which such Restricted Payment was made and certifying that such Restricted Payment was made in compliance with the terms of this Indenture.

SECTION 4.10 LIMITATION ON DIVIDENDS AND OTHER PAYMENT RESTRICTIONS AFFECTING SUBSIDIARIES

The Issuers shall not, and the Company shall permit any Subsidiary of the Company to, directly or indirectly, create, assume or suffer to exist any consensual restriction on the ability of any Subsidiary of the Company to pay dividends or make other distributions to or on behalf of, or to pay any obligation to or on behalf of, or otherwise to transfer assets or property to or on behalf of, or make or pay loans or advances to or on behalf of, the Company or any Subsidiary of the Company, except:

(1) restrictions imposed by the Notes or this Indenture or by the Issuers' other Indebtedness (other than Existing Indebtedness);*provided*, that such restrictions are no more restrictive taken as a whole than those imposed by this Indenture and the Notes,

(2) restrictions imposed by applicable law,

(3) existing restrictions under Existing Indebtedness (as in effect on the Issue Date) (other than Indebtedness incurred in connection with the Credit Agreement),

(4) restrictions under any Acquired Indebtedness not incurred in violation of this Indenture or any agreement (including any Equity Interest) relating to any property, asset, or business acquired by the Company or any Subsidiary of the Company, which restrictions in each case existed at the time of acquisition, were not put in place in connection with or in anticipation of such acquisition and are not applicable to any Person, other than the Person acquired, or to any property, asset or business, other than the property, assets and business so acquired,

(5) any restriction imposed by Indebtedness incurred under the Credit Agreement incurred pursuant to Section 4.7 hereof;*provided*, that such restriction or requirement is no more restrictive, taken as a whole, than that imposed by the Credit Agreement, as of the Issue Date,

(6) other restrictions imposed by Indebtedness of the Issuers' Subsidiaries incurred pursuant to Section 4.7 hereof;*provided*, that such restriction is not materially less favorable to the Company, as determined in good faith by the Company's Board of Directors, than the restrictions in the Credit Agreement or the Herbalife Notes in each case, taken as a whole, as in effect on the Issue Date,

(7) restrictions solely with respect to any Subsidiary of the Company imposed pursuant to a binding agreement which has been entered into for the sale or disposition of all of the Equity Interests or assets of such Subsidiary; *provided*, that such restrictions apply solely to the Equity Interests or assets of such Subsidiary which are being sold,

(8) in connection with and pursuant to permitted Refinancings, replacements of restrictions imposed pursuant to clause (1), (3), (4) or this clause (8) of this Section 4.10 that are not more restrictive taken as a whole than those being replaced and do not apply to any other Person or assets than those that would have been covered by the restrictions in the Indebtedness so refinanced or replaced, and

(9) customary provisions with respect to the disposition or distribution of assets in joint venture agreements and other similar agreements relating solely to the assets subject to such agreement.

Notwithstanding the foregoing, (a) customary provisions restricting subletting or assignment of any lease entered into in the ordinary course of business, consistent with industry practice shall not be prohibited by this Section 4.10 and (b) any asset subject to a Lien which is not prohibited to exist with respect to such asset pursuant to the terms of this Indenture may be subject to customary restrictions on the transfer or disposition thereof pursuant to such Lien.

SECTION 4.11 LIMITATION ON LINES OF BUSINESS

Neither the Company nor any Subsidiary of the Company shall directly or indirectly engage to any substantial extent in any line or lines of business activity other than that which, in the reasonable good faith judgment of the Company's Board of Directors, is a Related Business.

SECTION 4.12 LIMITATION ON TRANSACTIONS WITH AFFILIATES

The Issuers shall not and shall not let any Subsidiary of the Company or, on or after the Issue Date, enter into or suffer to exist any contract, agreement, arrangement or transaction with any Affiliate (an "Affiliate Transaction"), or any series of related Affiliate Transactions, (other than Exempted Affiliate Transactions), (1) unless it is determined that the terms of such Affiliate Transaction are fair and reasonable to the Issuers, and no less favorable to the Issuers than could have been obtained in an arm's length transaction with a non-Affiliate, and (2) if involving consideration to either party in excess of $5,000,000, unless such Affiliate Transaction(s) has been approved by a majority of the members of the Issuers' Board of Directors that are disinterested in such transaction, if there are any directors who are so disinterested, and (3) if involving consideration to either party in excess of $10,000,000, or $7,500,000 if there are no disinterested directors for such transaction, unless, in addition the Issuers, prior to the consummation thereof, obtain a written favorable opinion as to the fairness of such transaction to the Issuers from a financial point of view from an independent investment banking firm of national reputation in the United States or, if pertaining to a matter for which such investment banking firms do not customarily render such opinions, an appraisal or valuation firm of national reputation in the United States. Within 5 days of any Affiliate Transaction(s) involving consideration to either party of $5,000,000 or more (other than Exempted Affiliate Transactions), the Issuers shall deliver to the Trustee an Officers' Certificate addressed to the Trustee certifying that such Affiliate Transaction complied with clauses (1), (2) and (3) of this Section 4.12, as applicable.

SECTION 4.13 LIMITATION ON SALE OF ASSETS AND SUBSIDIARY STOCK

(a) The Issuers shall not and shall not permit any Subsidiary of the Company to, in one or a series of related transactions, sell, transfer, assign or otherwise dispose of, directly or indirectly, any of their property, business or assets, including by merger or consolidation (in the case of a Subsidiary of the Company), and including any sale or other transfer or issuance of any Equity Interests of any Subsidiary of the Company, whether by the Company or through the issuance, sale or transfer of Equity Interests by a Subsidiary of the Company and including any sale and leaseback transaction (any of the foregoing, an "Asset Sale"), unless:

(1) with respect to any Asset Sale or related series of Asset Sales involving securities, property or assets with an aggregate fair market value in excess of $1,000,000, at least 75% of

the total consideration for such Asset Sale or series of related Asset Sales consists of cash or Cash Equivalents; and

(2) the Company or such Subsidiary determines in good faith that the Company or such Subsidiary, as applicable, receives, as applicable, fair market value for such Asset Sale.

For purposes of clause (1) above, total consideration received means the total consideration received for such Asset Sales minus the amount of, (a) Indebtedness assumed by a transferee in an Asset Sale; and (b) property that within 30 days of such Asset Sale is converted into cash or Cash Equivalents; *provided*, that such cash and Cash Equivalents shall be treated as Net Cash Proceeds attributable to the original Asset Sale for which such property was received.

(b) Within 360 days following such Asset Sale, the Net Cash Proceeds therefrom (the "Asset Sale Amount") are

(1) invested in Related Business Assets and property (except in connection with the acquisition of a Person that becomes a Subsidiary of the Company in a Related Business) other than notes, bonds, obligation and securities) or make Permitted Investments pursuant to and in accordance with clauses (f) and (g) of the definition thereof which in the good faith reasonable judgment of the Board of Directors of the Issuers shall immediately constitute or be a part of a Related Business of the Company or such Subsidiary (if it continues to be a Subsidiary) immediately following such transaction, or

(2) used to retire Indebtedness of a Subsidiary of the Issuers (other than the Notes) or Indebtedness of the Company or a Subsidiary incurred pursuant to paragraph (c) of Section 4.7 hereof (including, in the case of a revolver or similar arrangement that makes credit available, permanently reducing the commitment by such amount) to the extent that such Indebtedness was incurred in reliance on paragraph (c) of Section 4.7 hereof, or

(3) applied to the optional redemption of the Notes in accordance with the terms of this Indenture and the Issuers' other Indebtedness ranking on a parity with the Notes and with similar provisions requiring the Issuers to redeem such Indebtedness with the proceeds from such Asset Sale, *pro rata* in proportion to the respective principal amounts (or accreted values in the case of Indebtedness issued with an original issue discount) of the Notes and such other Indebtedness then outstanding,

Pending the final application of any Net Cash Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Cash Proceeds in any manner that is not prohibited by this Indenture.

(c) The accumulated Net Cash Proceeds from Asset Sales not applied as set forth in clauses (1), (2) or (3) of Section 4.13(b) above shall constitute Excess Proceeds. Within 30 days after the date that the amount of Excess Proceeds exceeds $15,000,000, the Company shall apply the Excess Proceeds (the "Asset Sale Offer Amount") to the repurchase of the Notes and such other Indebtedness ranking on a parity with the Notes and with similar provisions requiring the Issuers to make an offer to purchase such Indebtedness with the proceeds from such Asset Sale pursuant to a cash offer (subject only to conditions required by applicable law, if any) (*pro rata* in proportion to the respective principal amounts (or accreted values in the case of Indebtedness issued with an original issue discount) of the Notes and such other Indebtedness then outstanding) (the "Asset Sale Offer"), at a purchase price of 100% of the principal amount (or accreted value in the case of Indebtedness issued with an original issue discount) (the "Asset Sale Offer Price"), together with accrued and unpaid interest and Liquidated Damages, if any, to the date of payment. Each Asset Sale Offer shall remain open for a minimum of 20 Business Days following its commencement (the "Asset Sale Offer Period").

(d) Upon expiration of the Asset Sale Offer Period, the Issuers shall apply the Asset Sale Offer Amount plus an amount equal to accrued and unpaid interest and Liquidated Damages, if any, to the purchase of all Indebtedness properly tendered in accordance with the provisions hereof (on a *pro rata* basis if the Asset Sale Offer Amount is insufficient to purchase all Indebtedness so tendered) at the Asset Sale Offer Price, (together with accrued interest and Liquidated Damages, if any, to the redemption date). To the extent that the aggregate amount of Notes and such other pari passu Indebtedness tendered pursuant to an Asset Sale Offer is less than the Asset Sale Offer Amount, the Issuers may use any remaining Net Cash Proceeds in any manner not otherwise prohibited by this Indenture and following the consummation of each Asset Sale Offer the Excess Proceeds amount shall be reset to zero.

Notwithstanding, and without complying with, the provisions of this Section 4.13:

(1) the Company and the Subsidiaries of the Company may, in the ordinary course of business, (a) convey, sell, transfer, assign or otherwise dispose of inventory and other assets in the ordinary course of business and (b) liquidate Cash Equivalents;

(2) the Company and the Subsidiaries of the Company may convey, sell, transfer, assign or otherwise dispose of all or substantially all of its assets pursuant to and in accordance with Article V hereof;

(3) the Company and the Subsidiaries of the Company may convey, sell, transfer, assign or otherwise dispose of assets to the Company or any Subsidiary of the Company;

(4) the Company and the Subsidiaries of the Company may settle, release or surrender, tort or other litigation claims in the ordinary course of business;

(5) the Company and the Subsidiaries of the Company may make Permitted Investments (pursuant to and in accordance with clauses (f) and (g) in the definition thereof) and Restricted Investments under Section 4.9 hereof;

(6) the Company and the Subsidiaries of the Company may incur Liens (and the disposition of assets related to such Liens by the secured party pursuant to a foreclosure) that are not prohibited by this Indenture; and

(7) Subsidiaries of the Company may issue Equity Interests of such Subsidiary upon redemption of, or in exchange for, other outstanding securities of such Subsidiary the issuance of which was not prohibited by this Indenture.

To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 4.13, the Issuers' compliance or the compliance of any of the Issuers' subsidiaries with such laws and regulations shall not in and of itself cause a breach of the Issuers' obligations under this Section 4.13.

If the payment date in connection with an Asset Sale Offer hereunder is on or after an interest payment Record Date and on or before the associated Interest Payment Date, any accrued and unpaid interest (and Liquidated Damages, if any), due on such Interest Payment Date shall be paid to the Person in whose name a Note is registered at the close of business on such Record Date.

SECTION 4.14 REPURCHASE OF NOTES AT THE OPTION OF THE HOLDER UPON A CHANGE OF CONTROL

In the event that a Change of Control has occurred, each Holder shall have the right, at such Holder's option, pursuant to an offer (subject only to conditions required by applicable law, if any) by the Issuers (the "Change of Control Offer"), to require the Issuers to repurchase all or any part of such Holder's Notes (*provided*, that the principal amount of such Notes must be $1,000 or an integral multiple thereof) on a date (the "Change of Control Repurchase Date") that is no later than 45

Business Days after the occurrence of such Change of Control, at a cash price equal to 101% of the principal amount thereof (the "Change of Control Purchase Price"), together with accrued and unpaid interest (and Liquidated Damages, if any), to the Change of Control Repurchase Date.

The Change of Control Offer shall be made within 20 Business Days following a Change of Control and shall remain open for 20 Business Days following its commencement or such other period as may be required by applicable law (the "Change of Control Offer Period"). Upon expiration of the Change of Control Offer Period, the Issuers shall promptly purchase all Notes properly tendered in response to the Change of Control Offer.

Notwithstanding the foregoing, the Issuers shall not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuers, including any requirements to repay in full all Indebtedness outstanding under the Credit Agreement as set forth in the following paragraph of this Section 4.14, and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Prior to the commencement of a Change of Control Offer, but in any event within 30 days following any Change of Control, the Issuers shall:

(1) repay in full all Indebtedness outstanding under, and terminate, the Credit Agreement, or

(2) obtain the requisite consents under the Credit Agreement to permit the repurchase of the Notes as provided herein.

The Issuers' failure to comply with the preceding sentence shall constitute an Event of Default described in clause (3) under Section 6.1 hereof.

On or before the Change of Control Repurchase Date, the Issuers shall:

(1) accept for payment Notes or portions thereof properly tendered pursuant to the Change of Control Offer,

(2) deposit with the Paying Agent cash sufficient to pay the Change of Control Purchase Price (together with accrued and unpaid interest (and Liquidated Damages, if any) to the Change of Control Repurchase Date) of all Notes so tendered, and

(3) deliver to the Trustee the Notes so accepted together with an Officers' Certificate listing the Notes or portions thereof being purchased by the Issuers.

The Paying Agent promptly shall pay the Holders so accepted an amount equal to the Change of Control Purchase Price (together with accrued and unpaid interest and Liquidated Damages, if any to the Change of Control Repurchase Date) and the Trustee promptly shall authenticate and deliver to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered. Any Notes not so accepted shall be delivered promptly by the Company to the Holder thereof. The Issuers publicly shall announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Repurchase Date.

To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, the Issuers' compliance with such laws and regulations shall not in and of itself cause a breach of their obligations under such covenant.

If the Change of Control Repurchase Date hereunder is on or after an interest payment Record Date and on or before the associated Interest Payment Date, any accrued and unpaid interest (and Liquidated Damages, if any) due on such Interest Payment Date shall be paid to the Person in whose name a Note is registered at the close of business on such Record Date.

SECTION 4.15 LIMITATION ON GUARANTEES

If any Subsidiary of the Company guarantees any of the Company's Indebtedness (other than Indebtedness outstanding under the Credit Agreement), or suffers to exist any Lien on any of such Subsidiary's assets to secure any Indebtedness of the Company (other than Indebtedness in respect of the Company's guaranty of Indebtedness outstanding under the Credit Agreement), then such Subsidiary must cause the Notes to be guaranteed or secured, as the case may be, on an equal and ratable basis.

SECTION 4.16 LIMITATION ON ACTIVITIES OF CAPITAL

Capital shall not hold any material assets (other than Capital Stock of any Subsidiary of the Company or of another co obligor of the Notes) or engage in any business activities (other than holding any such Capital Stock); *provided*, that Capital may be a co-obligor of the Notes or any other Indebtedness of the Company incurred in accordance with Section 4.7. Capital may, as necessary, engage in any activities directly related or necessary in connection therewith.

SECTION 4.17 LIMITATION ON STATUS AS INVESTMENT COMPANY

The Company and each of the Subsidiaries of the Company shall be prohibited from being required to register as an "investment company" (as that term is defined in the Investment Company Act of 1940, as amended (the "Investment Company Act")), or from otherwise becoming subject to regulation under the Investment Company Act.

SECTION 4.18 MAINTENANCE OF PROPERTIES AND INSURANCE

The Company and its Subsidiaries shall cause all material properties used or useful to the conduct of their business to be maintained and kept in good condition, repair and working order (reasonable wear and tear excepted) and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in their reasonable judgment may be necessary, so that the business carried on in connection therewith may be properly conducted at all times; *provided, however*, that nothing in this Section 4.18 shall prevent the Company or any Subsidiary from discontinuing any operation or maintenance of any of such properties, or disposing of any of them, if such discontinuance or disposal is (a) (i) in the judgment of the Company, desirable in the conduct of the business of such entity and (ii) would not have a material adverse effect on the ability of the Company and its Subsidiaries to satisfy their obligations under the Notes and this Indenture, and, to the extent applicable, (b) as otherwise permitted under Section 4.13 hereof.

The Company and its Subsidiaries shall provide, or cause to be provided, for themselves, insurance (including appropriate self-insurance) against loss or damage of the kinds that, in the reasonable, opinion of the Company is adequate and appropriate for the conduct of the business of the Company and such Subsidiaries.

SECTION 4.19 CORPORATE EXISTENCE

Subject to Section 4.14 and Article V hereof, each of the Issuers shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company, Capital or any such Subsidiary of the Company and (ii) the rights (charter and statutory), licenses and franchises of the Company, Capital and the Subsidiaries of the Company; *provided, however,*that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of the Subsidiaries of the Company, if the Board of Directors of the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and the Subsidiaries of the Company, taken as a whole, and that the loss

thereof would not have a material adverse effect on the ability of the Issuers to satisfy their obligations under the Notes and this Indenture.

SECTION 4.20 PAYMENT OF ADDITIONAL AMOUNTS

All amounts paid or credited by the Company under or with respect to the Notes shall be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment, or other governmental charge imposed or levied by or on behalf of the Government of the Cayman Islands (or any successor jurisdiction, in the case of any successor corporation to the Company in accordance with the Article V) or of any political subdivision thereof or by any authority or agency therein or thereof having power to tax (hereinafter "Taxes"), unless the Company is required to withhold or deduct Taxes by law or by the interpretation or administration thereof by the relevant government authority or agency. If the Company is so required to withhold or deduct any amount for or on account of Taxes from any payment or credit made under or with respect to the Notes, the Company shall pay such additional amounts (the "Additional Amounts") as may be necessary so that the net payment or credit received by each owner of a beneficial interest in the Notes (including Additional Amounts) after such withholding or deduction will not be less than the amount the Holder or owner of a beneficial interest in the Notes would have received if such Taxes had not been withheld or deducted; *provided* that no Additional Amounts shall be payable with respect to a payment or credit made to an owner of a beneficial interest in the Notes (i) which is subject to such Taxes by reason of its being connected with the Cayman Islands (or any successor jurisdiction) or any political subdivision thereof otherwise than by the mere holding, use or ownership or deemed holding, use or ownership of the Notes or the receipt of payments or credits or enforcing any rights thereunder, (ii) which is subject to such Taxes by reason of its failure to comply with any certification, identification, information, documentation or other reporting requirement if compliance is required by law, regulation, administrative practice or an applicable treaty as a precondition to exemption from, or a reduction in the rate of deduction or withholding of, such Taxes, (iii) which failed to duly and timely comply with a timely request by the Company to provide information, documents, certification or other evidence concerning such Holder's nationality, residence, entitlement to treaty benefits, identity or connection with the Cayman Islands (or such successor jurisdiction) or any political subdivision or authority thereof, if and to the extent that due and timely compliance with such request could have resulted in the reduction or elimination of any Taxes as to which Additional Amounts would otherwise have been payable to such Holder of Notes but for this clause (iii), (iv) which is a fiduciary, a partnership or not the beneficial owner of any payment on a Note, if and to the extent that any beneficiary or settlor of such fiduciary, any partner of such partnership or the beneficial owner of such payment (as the case may be) would not have been entitled to receive Additional Amounts with respect to such payment if such beneficiary, settlor, partner or beneficial owner had been the Holder of such Note or (v) any combination of the foregoing clauses (i) through (iv) (in each case referred to herein as an "Excluded Holder"). The Company shall also (1) make such withholding or deduction and (2) remit the full amount deducted or withheld to the relevant authority in accordance with and in the time required by applicable law. The Company shall furnish the Holders of the Notes, within 30 days after the date the payment of any Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by the Company, if reasonably available. In the event that the Company fails to remit any taxes in respect of which Additional Amounts are payable, the Company shall indemnify and hold harmless each owner of a beneficial interest in the Notes (other than an Excluded Holder) and upon written request reimburse such owner of a beneficial interest in the Notes for the amount of (i) any Taxes levied on and paid by, such owner of a beneficial interest in the Notes as a result of payment made with respect to the Notes (including penalties, interest and expenses arising from or with respect to such Taxes) and (ii) any Taxes (including penalties, interest and expenses arising from or with respect to such Taxes) imposed with respect to payment of Additional Amounts or any reimbursement pursuant to this sentence.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Company shall be obligated to pay Additional Amounts with respect to such payments, the Company shall deliver to the Trustee an Officers' Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and setting forth such other information necessary to enable the Trustee to pay such Additional Amounts to Holders or owners of a beneficial interest in the Notes, as the case may be, on the payment date.

The obligations of the Company under this Section 4.20 shall survive the termination of this Indenture and the payment of all amounts under or with respect to the Notes.

SECTION 4.21 LIQUIDATED DAMAGES NOTICE.

In the event that the Company is required to pay Liquidated Damages to Holders of Notes pursuant to the Registration Rights Agreement, the Company will provide written notice ("Liquidated Damages Notice") to the Trustee of its obligation to pay Liquidated Damages no later than fifteen days prior to the proposed payment date for the Liquidated Damages, and the Liquidated Damages Notice shall set forth the amount of Liquidated Damages to be paid by the Company on such payment date. The Trustee shall not at any time be under any duty or responsibility to any Holder of Notes to determine the Liquidated Damages, or with respect to the nature, extent, or calculation of the amount of Liquidated Damages owed, or with respect to the method employed in such calculation of the Liquidated Damages.

ARTICLE V
SUCCESSORS

SECTION 5.1 MERGER, CONSOLIDATION OR SALE OF ASSETS OF THE COMPANY

The Company shall not consolidate with or merge with or into another Person or, directly or indirectly, sell, lease, convey or transfer (including by means of a dissolution or liquidation) all or substantially all of the Company's assets (such amounts to be computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another Person or group of affiliated Persons or adopt a plan of liquidation, unless:

(1) either (a) the Company is the continuing entity or (b) the resulting, surviving or transferee entity is a corporation organized under the laws of the United States, any state thereof or the District of Columbia (a "Domestic Corporation") or any member country of the European Union or another Permitted Jurisdiction, and expressly assumes by supplemental indenture all of the Company's obligations in connection with the Notes and this Indenture; *provided*, that if the surviving or transferee entity is not a Domestic Corporation, a co-issuer that is a Domestic Corporation shall also be an obligor with respect to the Notes;

(2) no Default or Event of Default shall exist or shall occur immediately after giving effect on a *pro forma* basis to such transaction; and

(3) unless such transaction is for the purpose of reincorporation into another jurisdiction and not in connection with any other transaction with any Person other than a Wholly Owned Subsidiary of the Company, immediately after giving effect to such transaction on a *pro forma* basis, the consolidated resulting, surviving or transferee entity would immediately thereafter be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio set forth in Section 4.7 herein.

SECTION 5.2 SUCCESSOR CORPORATION SUBSTITUTED FOR THE COMPANY

Upon any consolidation, merger, sale, conveyance or transfer (including by means of a dissolution or liquidation) of the Company in accordance with the foregoing, the successor corporation formed by such consolidation or into which the Company is merged or the transferee corporation shall succeed to and (except in the case of a lease or a sale of less than all assets of the Company) be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor or transferee corporation had been named therein as the Company, and (except in the case of a lease or a sale of less than all of the Company's assets) the Company shall be released from the obligations under the Notes and this Indenture except with respect to any obligations that arise from, or are related to, such transaction.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise) of all or substantially all of the properties and assets of one or more Subsidiaries, the Company's interest in which constitutes all or substantially all of the Company's properties and assets, shall be deemed to be the transfer of all or substantially all of the Company's properties and assets.

ARTICLE VI
DEFAULTS AND REMEDIES

SECTION 6.1 EVENTS OF DEFAULT

An "Event of Default," wherever used herein, means any one of the following events:

(1) the Issuers' failure to pay any installment of interest (or Liquidated Damages, if any) on the Notes as and when the same becomes due and payable and the continuance of any such failure for 30 days,

(2) the Issuers' failure to pay all or any part of the principal, or premium, if any, on the Notes when and as the same becomes due and payable at maturity, redemption, by acceleration or otherwise, including, without limitation, payment of the Change of Control Purchase Price or the Asset Sale Offer Price, on Notes validly tendered and not properly withdrawn pursuant to a Change of Control Offer or Asset Sale Offer, as applicable,

(3) the Issuers' failure or any Subsidiary of the Company to observe or perform any other covenant or agreement contained in the Notes or this Indenture and, except for the provisions under Sections 4.14 and 5.1 hereof, the continuance of such failure for a period of 30 days after written notice is given to the Issuers by the Trustee or to the Issuers and the Trustee by the Holders of at least 25% in aggregate principal amount of the Notes outstanding,

(4) the Issuers' failure to report the occurrence of a Default under any covenant contained in the Notes or this Indenture and the continuance of such failure for a period of 30 days after management of the Company and Capital, exercising reasonable diligence, becomes aware thereof,

(5) a court having jurisdiction in the premises enters a decree or order for (a) relief in respect of the Company, Capital or any Significant Subsidiary of the Company or Capital in an involuntary case under any applicable Bankruptcy Law now or hereafter in effect, (b) appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company, the Capital or any Significant Subsidiary or for all or substantially all of the property and assets of the Company, the Capital or any Significant Subsidiary or (c) the winding up or liquidation of the affairs of the Company, the Capital or any Significant Subsidiary and, in each case, such decree or order shall remain unstayed and in effect for a period of 60 consecutive days;

(6) the Company or Capital or any Significant Subsidiary of the Company or Capital (a) commences a voluntary case under any applicable Bankruptcy Law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law,

(b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or Capital or any Significant Subsidiary of the Company or Capital or for all or substantially all of the property and assets of the Company, Capital or any Significant Subsidiary or (c) effects any general assignment for the benefit of creditors;

(7) a default in the Indebtedness of the Company or Capital or the Indebtedness of any Subsidiary of the Company with an aggregate amount outstanding in excess of $15,000,000 (a) resulting from the failure to pay principal at maturity or (b) as a result of which the maturity of such Indebtedness has been accelerated prior to its stated maturity, and

(8) final unsatisfied judgments not covered by insurance aggregating in excess of $15,000,000, at any one time rendered against the Company, Capital or any Subsidiary of the Company and not stayed, bonded or discharged within 60 days after such judgments have become final and non-appealable.

SECTION 6.2 ACCELERATION

(a) If an Event of Default occurs and is continuing (other than an Event of Default specified in clauses (5) and (6) of Section 6.1 hereof relating to the Company, Capital or any of the Significant Subsidiaries of the Company or Capital,) then in every such case, unless the principal of all of the Notes shall have already become due and payable, either the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by notice in writing to the Issuers (and to the Trustee if given by Holders) (an "Acceleration Notice"), may declare all principal, determined as set forth below, and accrued interest (and Liquidated Damages, if any) thereon to be due and payable immediately; *provided*, *however*, that if any Indebtedness is outstanding pursuant to the Credit Agreement, upon a declaration of such acceleration, such principal and interest shall be due and payable upon the earlier of (x) the fifth Business Day after sending the Issuers and the representative such written notice, unless such Event of Default is cured or waived prior to such date and (y) the date of acceleration of any Indebtedness outstanding under the Credit Agreement. In the event a declaration of acceleration resulting from an Event of Default described in clause (7) under Section 6.1 hereof with respect to any Indebtedness outstanding under the Credit Agreement has occurred and is continuing, such declaration of acceleration shall be automatically annulled if such default is cured or waived or the holders of the Indebtedness which is the subject of such default have rescinded their declaration of acceleration in respect of such Indebtedness within 30 days thereof and the Trustee has received written notice of such cure, waiver or rescission and no other Event of Default described in clause (7) under Section 6.1 hereof has occurred that has not been cured or waived within 30 days of the declaration of such acceleration in respect of such Indebtedness. If an Event of Default specified in clause (5) or (6) under Section 6.1 hereof, relating to the Company or any of the Company's Significant Subsidiaries occurs, all principal and accrued interest (and Liquidated Damages, if any) thereon shall be immediately due and payable on all outstanding Notes without any declaration or other act on the part of the Trustee or the Holders. The Holders of a majority in aggregate principal amount of Notes generally are authorized to rescind such acceleration if all existing Events of Default, other than the non-payment of the principal of, premium, if any, and interest on the Notes which have become due solely by such acceleration have been cured or waived.

(b) Prior to the declaration of acceleration of the maturity of the Notes, the Holders of a majority in aggregate principal amount of the Notes at the time outstanding may waive on behalf of all the Holders any Default, except a Default in the payment of principal or of interest on any Note not yet cured or a Default with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each outstanding Note affected.

Subject to the provisions of this Indenture relating to the duties of the Trustee, the Trustee shall be under no obligation to exercise any of its rights or powers under this Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee security or indemnity reasonably satisfactory to the Trustee. Subject to all provisions of this Indenture and applicable law, the Holders of a majority in aggregate principal amount of the Notes at the time outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee.

(c) At any time after such a declaration of acceleration being made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter provided in this Article VI, the Holders of not less than a majority in aggregate principal amount of then outstanding Notes, by written notice to the Issuers and the Trustee, may rescind, on behalf of all Holders, any such declaration of acceleration and its consequences if:

(1) the Issuers have repaid or deposited with the Trustee cash sufficient to pay: (a) all overdue interest (and Liquidated Damages, if any) on all Notes; (b) the principal of (and premium, if any, applicable to) any Notes which would become due other than by reason of such declaration of acceleration, and to the extent such interest is lawful, interest thereon at the rate borne by the Notes; (c) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Notes; and (d) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee and its agents and counsel, and all other amounts due the Trustee under Section 7.7 hereof; and

(2) all Events of Default, other than the non-payment of the principal of, premium, if any, and interest (and Liquidated Damages, if any) on the Notes which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 6.4 hereof.

(d) Notwithstanding clause (c)(2) of this Section 6.2, no waiver shall be effective against any Holder for any Event of Default or event which with notice or lapse of time or both would be an Event of Default with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each outstanding Note affected thereby, unless all such affected Holders agree, in writing, to waive such Event of Default or other event. No such waiver shall cure or waive any subsequent default or impair any right consequent thereon.

SECTION 6.3 OTHER REMEDIES

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, Liquidated Damages, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 6.4 WAIVER OF PAST DEFAULTS

Subject to Section 6.7 hereof and notwithstanding anything contained in Section 6.2(b), the Holders of a majority in principal amount of the outstanding Notes by written notice to the Issuers and

to the Trustee, may, on behalf of all Holders, waive any existing or past Default or Event of Default hereunder and its consequences under this Indenture, except, subject to Section 6.2(c), a default:

(1) in the payment of principal of, premium, if any, Liquidated Damages, if any, or interest on any Note not yet cured as specified in clauses (1) and (2) of Section 6.2(c) hereof;

(2) in respect of a covenant or provision hereof which, under Article IX, cannot be modified or amended without the consent of the Holder of each outstanding Note affected, unless all such affected Holders agree, in writing, to waive such default; or

(3) the rescission of which would conflict with any judgment order, or decree of a court of competent jurisdiction.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right arising therefrom.

SECTION 6.5 CONTROL BY MAJORITY

Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that the Trustee determines in good faith may be unduly prejudicial to the rights of other Holders of Notes not joining in the giving of such direction or that may involve the Trustee in personal liability and the Trustee may take any other action it deems proper that is not inconsistent with any such direction received from Holders of the Notes.

SECTION 6.6 LIMITATION ON SUITS

A Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

(1) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any costs, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(5) during such 60-day period the Holders of a majority in aggregate principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

SECTION 6.7 RIGHTS OF HOLDERS OF NOTES TO RECEIVE PAYMENT

Notwithstanding any other provision of this Indenture, except as permitted by Section 9.2 hereof, the right of any Holder of a Note to receive payment of the principal of, premium and interest (and Liquidated Damages, if any) on the Notes, on or after the respective due dates expressed in the Notes (including in connection with an offer to purchase) or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.8 COLLECTION SUIT BY TRUSTEE

If an Event of Default specified in Section 6.1 hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuers for the whole amount of principal of, premium (and Liquidated Damages, if any) and interest remaining unpaid on the Notes and, to the extent lawful, interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.9 TRUSTEE MAY FILE PROOFS OF CLAIM

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Issuers (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.7 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.7 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding; provided, however that the Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and may be a member of the creditor's committee.

SECTION 6.10 PRIORITIES

If the Trustee collects any money pursuant to this Article VI, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.7 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection (including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel);

Second: to Holders of Notes for amounts due and unpaid on the Notes for principal and Liquidated Damages, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium and Liquidated Damages, if any, and interest, respectively; and

Third: to the Issuers or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

SECTION 6.11 UNDERTAKING FOR COSTS

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.7 hereof, or a suit by Holders of more than 10% in aggregate principal amount of the then outstanding Notes.

ARTICLE VII
TRUSTEE

SECTION 7.1 DUTIES OF TRUSTEE

(a) If an Event of Default of which the Trustee has knowledge has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of its own affairs.

(b) Except during the continuance of an Event of Default of which the Trustee has knowledge:

(1) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this paragraph (c) does not limit the effect of paragraph (b) of this Section 7.1;

(2) the Trustee shall not be liable for any error of judgment made in good faith by an Officer of the Trustee, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.5 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to Sections 7.1 and 7.2 hereof.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuers. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

SECTION 7.2 RIGHTS OF TRUSTEE

(a) In connection with the Trustee's rights and duties under this Indenture, the Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting under this Indenture, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuers shall be sufficient if signed by an Officer of each of the Issuers.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) Except with respect to Section 4.1 hereof, the Trustee shall have no duty to inquire as to the performance of the Issuers' covenants in Article IV hereof. In addition, the Trustee shall not be deemed to have knowledge of any Default or Event of Default except (i) any Event of Default occurring pursuant to Sections 6.1(1), 6.1(2) and 4.1 hereof or (ii) any Default or Event of Default of which the Trustee shall have received written notification in the manner set forth in this Indenture or a Responsible Officer of the Trustee shall have obtained actual knowledge. Delivery of reports, information and documents to the Trustee under Section 4.3 hereof is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuers', compliance with any of their covenants thereunder (as to which the Trustee is entitled to rely exclusively on an Officer's Certificate).

(h) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee may, in its discretion, make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuers, personally or by agent or attorney at the sole cost of the Issuers and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(i) Any request or direction of the Issuers mentioned herein shall be sufficiently evidenced by an Issuer request or Issuer order and any resolution of the Board of Directors may be sufficiently evidenced by a Board resolution.

(j) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(k) The Trustee may request that the Issuers deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

SECTION 7.3 INDIVIDUAL RIGHTS OF TRUSTEE

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest (as defined in the TIA) it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11 hereof.

SECTION 7.4 TRUSTEE'S DISCLAIMER

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuers' use of the proceeds from the Notes or any money paid to the Issuers or upon the Issuers' direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

SECTION 7.5 NOTICE OF DEFAULTS

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to Holders of Notes a notice in the manner and to the extent provided by Section 313(c) of the TIA of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, Liquidated Damages, if any, or interest on any Note, the Trustee may withhold the notice if and so long as a committee of its Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

SECTION 7.6 REPORTS BY TRUSTEE TO HOLDERS OF THE NOTES

Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, and for so long as Notes remain outstanding, the Trustee shall mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA § 313(a) (but if no event described in TIA § 313(a) has occurred within the 12 months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA § 313(b)(2). The Trustee shall also transmit by mail all reports as required by TIA § 313(c).

A copy of each report at the time of its mailing to the Holders of Notes shall be mailed to the Issuers and filed with the SEC and each stock exchange on which the Notes are listed in accordance

with TIA § 313(d). The Issuers shall promptly notify the Trustee when the Notes are listed on any stock exchange or delisted therefrom.

SECTION 7.7 COMPENSATION AND INDEMNITY

The Issuers shall pay to the Trustee from time to time such compensation for its acceptance of this Indenture and services hereunder as the Issuers and the Trustee shall from time to time agree in writing. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuers shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Issuers shall indemnify the Trustee, and any predecessor Trustee and their agents, against any and all losses, liabilities or expenses (including reasonable attorneys' fees) incurred by them arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Issuers (including this Section 7.7) and defending itself against any claim (whether asserted by the Issuers or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence, bad faith or willful misconduct. The Trustee shall notify the Issuers promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuers shall not relieve the Issuers of their obligations hereunder. The Issuers shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Issuers shall pay the reasonable fees and expenses of such counsel. The Issuers need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

The obligations of the Issuers under this Section 7.7 shall survive the satisfaction and discharge of this Indenture.

To secure the Issuers' payment obligations in this Section 7.7, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien shall survive the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Sections 6.1(5) or 6.1(6) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Trustee shall comply with the provisions of TIA § 313(b)(2) to the extent applicable.

SECTION 7.8 REPLACEMENT OF TRUSTEE

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.8.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuers. The Holders of Notes of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuers in writing. The Issuers may remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10 hereof;

(2) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(3) a Custodian or public officer takes charge of the Trustee or its property; or

(4) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuers shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuers.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee (at the expense of the Issuers), the Issuers, or the Holders of Notes of at least 10% in aggregate principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder of a Note who has been a Holder of a Note for at least six months, fails to comply with Section 7.10 hereof, such Holder of a Note may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuers. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders of the Notes. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee; *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.7 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.8, the Issuers' obligations under Section 7.7 hereof shall continue for the benefit of the retiring Trustee.

SECTION 7.9 SUCCESSOR TRUSTEE BY MERGER, ETC.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

SECTION 7.10 ELIGIBILITY; DISQUALIFICATION

There shall at all times be a Trustee hereunder that is a corporation or trust company (or a member of a bank holding company) organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has (or the bank holding company of which it is a member has) a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA § 310(a)(1), (2) and (5). The Trustee is subject to TIA § 310(b).

SECTION 7.11 PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY

The Trustee is subject to TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). A Trustee who has resigned or been removed shall be subject to TIA § 311(a) to the extent indicated therein.

ARTICLE VIII
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

SECTION 8.1 OPTION TO EFFECT LEGAL DEFEASANCE OR COVENANT DEFEASANCE

The Issuers may, at the option of its Board of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.2 or 8.3 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article VIII.

SECTION 8.2 LEGAL DEFEASANCE AND DISCHARGE

Upon the Issuers' exercise under Section 8.1 hereof of the option applicable to this Section 8.2, each of the Issuers, all, subject to the satisfaction of the applicable conditions set forth in Section 8.4 hereof, be deemed to have been discharged from its obligations with respect to all outstanding Notes on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuers shall be deemed to have paid and discharged all amounts owed under the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.5 hereof and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Notes, and this Indenture (and the Trustee, on demand of and at the expense of the Issuers shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of outstanding Notes to receive solely from the trust fund described in Section 8.4 hereof, and as more fully set forth in Section 8.4, payments in respect of the principal of, premium, if any, and interest (and Liquidated Damages, if any) on such Notes when such payments are due, (b) the Issuers' obligations with respect to such Notes under Sections 2.6, 2.7 and 2.10 and Section 4.2 hereof, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Issuers' obligations in connection therewith and (d) this Article VIII. Subject to compliance with this Article VIII, the Issuers may exercise its option under this Section 8.2 notwithstanding the prior exercise of its option under Section 8.3 hereof.

SECTION 8.3 COVENANT DEFEASANCE

Upon the Issuers' exercise under Section 8.1 hereof of the option applicable to this Section 8.3, subject to the satisfaction of the applicable conditions set forth in Section 8.4 hereof, the Issuers shall be released from their respective obligations under Sections 4.3, 4.4, 4.5, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16 and 4.18, hereof and Article V hereof, in each case on and after the date the conditions set forth below are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Issuers may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.1 hereof, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby. In addition, upon the Issuers' exercise under Section 8.1 hereof of the option applicable to this Section 8.3, subject to the satisfaction of the applicable conditions set forth in Section 8.4 hereof, (x) Sections 6.1(3), (4), (7) and (8) hereof shall not constitute Events of Default and (y) Sections 6.1(5) and 6.1(6) hereof shall not constitute an Event of Default to the extent they occur after the 91st day following the occurrence of the Issuers' exercise of Covenant Defeasance; provided,

however that for all other purposes as set forth herein, such Covenant Defeasance provisions shall be effective.

SECTION 8.4 CONDITIONS TO LEGAL OR COVENANT DEFEASANCE

The following shall be the conditions to the application of either Section 8.2 or 8.3 hereof to the outstanding Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuers must irrevocably deposit with the Trustee, in trust, for the benefit of Holders, cash in United States legal tender, U.S. Government Obligations, or a combination thereof, in amounts that shall be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and Liquidated Damages, if any, and interest on the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Trustee must have, for the benefit of Holders, a valid, perfected exclusive security interest in such trust;

(b) in the case of an election under Section 8.2 hereof, the Issuers must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee from United States legal counsel confirming that (A) the Issuers has received from, or there has been published by the Internal Revenue Service a ruling, or (B) since the date of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, the Holders of the outstanding Notes shall not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and shall be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of an election under Section 8.3 hereof, the Issuers must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee from United States legal counsel confirming that Holders of the outstanding Notes shall not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and shall be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) in the case of an election under Section 8.2 or 8.3 hereof, (x) no Default or Event of Default shall have occurred and be continuing on the date of the deposit, and (y) in the case of Legal Defeasance, no Event of Default specified in clause (5) or (6) of Section 6.1 hereof shall have occurred at any time from the date of the deposit to the 91st calendar day thereafter;

(e) the Defeasance may not result in a breach or violation of, or constitute a default under this Indenture or any other material agreement or instrument to which the Issuers are a party or by which the Issuers are bound;

(f) the Issuers must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuers with the intent to hinder, delay or defraud any other of the Issuers' creditors; and

(g) the Issuers must deliver to the Trustee an Officers' Certificate confirming the satisfaction of the conditions in clauses (a) through (f) above, and an Opinion of Counsel, confirming the satisfaction of the conditions in clauses (a) (with respect to the validity and perfection of the security interest), (b), (c) and (e) above.

Legal Defeasance and Covenant Defeasance shall be deemed to occur on the earlier of (i) the 91st day after the deposit and (ii) the date all of the applicable conditions set forth in this Section 8.4 are satisfied.

SECTION 8.5 DEPOSITED MONEY AND GOVERNMENT SECURITIES TO BE HELD IN TRUST; OTHER MISCELLANEOUS PROVISIONS

Subject to Section 8.6 hereof, all money and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.5, the "Trustee") pursuant to Section 8.4 hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest (and Liquidated Damages, if any), but such money need not be segregated from other funds except to the extent required by law.

The Issuers shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the money or U.S. Government Obligations deposited pursuant to Section 8.4 hereof or the principal and interest received in respect thereof, other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article VIII to the contrary notwithstanding, the Trustee shall deliver or pay to the Issuers from time to time upon the request of the Issuers any money or U.S. Government Obligations held by it as provided in Section 8.4 hereof which, in the opinion of a firm of independent public accountants nationally recognized in the United States expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.4(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 8.6 REPAYMENT TO COMPANY

Any money deposited with the Trustee or any Paying Agent, or then held by the Issuers, in trust for the payment of the principal of, premium, if any, Liquidated Damages, if any, or interest on any Note and remaining unclaimed for two years after such principal, and premium, if any, Liquidated Damages, if any, or interest has become due and payable shall be paid to the Issuers its written request or (if then held by the Issuers) shall be discharged from such trust; and the Holder of such Note shall thereafter, as a creditor, look only to the Issuers for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuers as trustee thereof, shall thereupon cease; *provided, however,*that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuers cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Issuers.

SECTION 8.7 REINSTATEMENT

If the Trustee or Paying Agent is unable to apply any United States legal tender or U.S. Government Obligations in accordance with Section 8.2 or 8.3 hereof, as the case may be, by reason of any order directing the repayment of the deposited money to the Issuers or otherwise making the deposit unavailable to make payments under the Notes when due, or if any court enters an order avoiding the deposit of money with the Trustee or Paying Agent or otherwise requires the payment of the money so deposited to the Issuers or to a fund for the benefit of its creditors, then (so long as the insufficiency exists or the order remains in effect) the Issuers' obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.2 or 8.3 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.2 or 8.3 hereof, as the case may be; *provided, however*, that, if the Issuers make any payment of principal of, premium, if any, Liquidated Damages, if any, or interest on any

Note following the reinstatement of its obligations, the Issuers shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE IX
AMENDMENT, SUPPLEMENT AND WAIVER

SECTION 9.1 WITHOUT CONSENT OF HOLDERS OF NOTES

Notwithstanding Section 9.2 hereof, the Issuers and the Trustee may amend or supplement this Indenture, the Notes, without the consent of any Holder of a Note:

(a) to cure any ambiguity, defect or inconsistency;

(b) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(c) to provide for the assumption of the Company's obligations to the Holders of the Notes in the case of a merger or consolidation pursuant to Article V hereof;

(d) to provide for Guarantors as set forth in Section 4.15 hereof or for the release or assumption of a Guarantee in compliance with this Indenture;

(e) to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the rights hereunder of any Holder of the Note;

(f) to comply with the provisions of the Depositary, Euroclear or Clearstream or the Trustee with respect to the provisions of this Indenture or the Notes relating to transfers and exchanges of Notes or beneficial interests therein;

(g) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA; or

(h) to provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture as of the date hereof.

Upon the request of the Issuers accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of the documents described in Section 9.6 hereof, the Trustee shall join with the Issuers in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental Indenture that adversely affects its own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.2 WITH CONSENT OF HOLDERS OF NOTES

Except as expressly stated otherwise in this Section 9.2, and subject to Section 6.7 hereof, the Issuers and the Trustee may amend or supplement this Indenture and the Notes with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and, subject to Sections 6.4 and 6.7 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture or the Notes may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes).

Subject to Sections 6.4 and 6.7 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding may waive compliance in a particular instance by the Issuers or any Subsidiary with any provision of this Indenture or the Notes.

However, without the consent of each Holder affected (it being understood that, except as expressly stated otherwise in paragraphs (a) through (c) below, Section 4.13 and 4.14 hereof may be amended, waived or modified in accordance with the first paragraph of this Section 9.2) an amendment or waiver may not (with respect to any Notes held by a non-consenting Holder):

(a) change the Stated Maturity on any Note, or reduce the principal amount thereof or the rate (or extend the time for payment) of interest thereon or any premium payable upon the redemption thereof at the Issuers' option, or change the city of payment where, or the coin or currency in which, any Note or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption at the Issuers' option, on or after the Redemption Date), or after an Asset Sale or Change of Control has occurred reduce the Asset Sale Offer Price or Change of Control Purchase Price with respect to the corresponding Asset Sale or Change of Control or alter the provisions (including the defined terms used therein) regarding the Issuers' right to redeem the Notes at the Issuers' option in a manner adverse to the Holders, or

(b) reduce the percentage in principal amount of the outstanding Notes, the consent of whose Holders is required for any such amendment, supplemental indenture or waiver provided for in this Indenture, or

(c) modify any of the waiver provisions, except to increase any required percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note affected thereby.

In connection with any amendment, supplement or waiver under this Article IX, the Issuers may, but shall not be obligated to, offer to any Holder who consents to such amendment, supplement or waiver, or to all Holders, consideration for such Holder's consent to such amendment, supplement or waiver.

Upon the request of the Issuers accompanied by a resolution of their Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 9.6 hereof, the Trustee shall join with the Issuers in the execution of such amended or supplemental Indenture unless such amended or supplemental Indenture adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental Indenture.

It shall not be necessary for the consent of the Holders of Notes under this Section 9.2 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.2 becomes effective, the Issuers shall mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Issuers to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Indenture or waiver.

SECTION 9.3 COMPLIANCE WITH TRUST INDENTURE ACT

Every amendment or supplement to this Indenture or the Notes shall be set forth in an amended or supplemental Indenture that complies with the TIA as then in effect.

SECTION 9.4 REVOCATION AND EFFECT OF CONSENTS

Until an amendment, supplement or waiver becomes effective (as determined by the Issuers and which may be prior to any such amendment, supplement or waiver becoming operative), a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same Indebtedness as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective (as determined by the Issuers), which may be prior to any such amendment, supplement or waiver becoming operative.

The Issuers may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment, supplement or waiver, which record date shall be the date so fixed by the Issuers notwithstanding the provisions of the TIA. If a record date is fixed, then notwithstanding the last sentence of the immediately preceding paragraph, those Persons who were Holders at such record date, and only those Persons (or their duly designated proxies), shall be entitled to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date.

After an amendment, supplement or waiver becomes effective, it shall bind every Holder unless it makes a change described in any of clauses (a) through (d) of Section 9.2 hereof, in which case, the amendment, supplement or waiver shall bind only each Holder of a Note who has consented to it and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note; *provided*, that any such waiver shall not impair or affect the right of any Holder to receive payment of principal and premium of and interest (and Liquidated Damages, if any) on a Note, on or after the respective dates set for such amounts to become due and payable expressed in such Note, or to bring suit for the enforcement of any such payment on or after such respective dates.

SECTION 9.5 NOTATION ON OR EXCHANGE OF NOTES

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuers in exchange for all Notes may issue and the Trustee shall authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.6 TRUSTEE TO SIGN AMENDMENTS, ETC.

The Trustee shall sign any amended or supplemental Indenture authorized pursuant to this Article IX if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Issuers may not sign an amended or supplemental Indenture until the Board of Directors approves it. In executing any amended or supplemental Indenture, the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and to receive and (subject to Section 7.1 hereof) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental Indenture is authorized or permitted by this Indenture.

ARTICLE X
GUARANTEES

SECTION 10.1 GUARANTEES

By its execution of a supplemental Indenture substantially in the form included in Exhibit E hereto, each Guarantor will acknowledge and agree that it receives substantial benefits from the Company and that such party is providing its Guarantee for good and valuable consideration, including, without limitation, such substantial benefits and services. Accordingly, subject to the provisions of this Article X, each Guarantor, jointly and severally, hereby unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and its successors and assigns that: (i) the principal of, premium, if any, and interest (and Liquidated Damages, if any) on the Notes shall be duly and punctually paid in full when due, whether at maturity, by acceleration, call for redemption, upon a Change of Control Offer, upon an Asset Sale Offer or otherwise, and interest on overdue principal, premium, if any, Liquidated Damages, if any, and (to the extent permitted by law) interest on any interest, if any, on the Notes and all other payment Obligations of the Issuers to the Holders or the Trustee hereunder or under the Notes (including fees, expenses or other) shall be promptly paid in full, all in accordance with the terms hereof; and (ii) in case of any extension of time of payment or renewal of any Notes or any of such other Obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration, call for redemption, upon a Change of Control, upon an Asset Sale Offer or otherwise, subject, however, in the case of clauses (i) and (ii) above, to the limitations set forth in Section 10.5 hereof (collectively, the "Guarantee Obligations").

Subject to the provisions of this Article X, each Guarantor hereby agrees that its Guarantee hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any thereof, the entry of any judgment against the Issuers, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. Each Guarantor hereby waives and relinquishes: (a) any right to require the Trustee, the Holders or the Issuers (each, a "Benefited Party") to proceed against the Issuers, the Subsidiaries or any other Person or to proceed against or exhaust any security held by a Benefited Party at any time or to pursue any other remedy in any secured party's power before proceeding against the Guarantors; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other Person or Persons or the failure of a Benefited Party to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other Person or Persons; (c) demand, protest and notice of any kind (except as expressly required by this Indenture), including but not limited to notice of the existence, creation or incurring of any new or additional Indebtedness or obligation or of any action or non-action on the part of the Guarantors, the Issuers, the Subsidiaries, any Benefited Party, any creditor of the Guarantors, the Issuers or the Subsidiaries or on the part of any other Person whomsoever in connection with any Obligations the performance of which are hereby guaranteed; (d) any defense based upon an election of remedies by a Benefited Party, including but not limited to an election to proceed against the Guarantors for reimbursement; (e) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (f) any defense arising because of a Benefited Party's election, in any proceeding instituted under the Bankruptcy Law, of the application of Section 1111(b)(2) of the Bankruptcy Code; and (g) any defense based on any borrowing or grant of a security interest under Section 364 of the Bankruptcy Code. The Guarantors hereby covenant that, except as otherwise provided therein, the Guarantees shall not be discharged except by payment in full of all Guarantee Obligations, including the principal, premium, if any, and interest on the Notes and all other costs provided for under this Indenture.

If any Holder or the Trustee is required by any court or otherwise to return to either the Issuers or the Guarantors, or any trustee or similar official acting in relation to either the Issuers or the Guarantors, any amount paid by the Issuers or the Guarantors to the Trustee or such Holder, the Guarantees, to the extent theretofore discharged, shall be reinstated in full force and effect. Each of the Guarantors agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any Guarantee Obligations hereby until payment in full of all such obligations guaranteed hereby. Each Guarantor agrees that, as between it, on the one hand, and the Holders of Notes and the Trustee, on the other hand, (x) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article VI hereof for the purposes hereof, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guarantee Obligations, and (y) in the event of any acceleration of such Obligations as provided in Article VI hereof, such Guarantee Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purpose of the Guarantee.

SECTION 10.2 EXECUTION AND DELIVERY OF GUARANTEES

To evidence its Guarantee set forth in Section 10.1 hereof, each of the Guarantors agrees that a notation of its Guarantee substantially in the form included in Exhibit F hereto shall be endorsed on each Note authenticated and delivered by the Trustee and that this Indenture shall be executed on behalf of such Guarantor by an Officer of such Guarantor.

Each of the Guarantors agree that its Guarantee set forth in this Article X shall remain in full force and effect and apply to all the Notes notwithstanding any failure to endorse on each Note a notation of its Guarantee.

If an Officer whose facsimile signature is on a Note or a notation of Guarantee no longer holds that office at the time the Trustee authenticates the Note on which the Guarantee is endorsed, the Guarantee shall be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantees set forth in this Indenture on behalf of the Guarantors.

SECTION 10.3 GUARANTORS MAY CONSOLIDATE, ETC., ON CERTAIN TERMS

(a) Subject to Article V, nothing contained in this Indenture or in the Notes shall prevent any consolidation or merger of any Guarantor with or into each other or with or into the Company. Upon any such consolidation or merger, the Guarantee of the Guarantor that does not survive the consolidation or merger shall no longer be of any force or effect.

(b) Except for a merger or consolidation in which a Guarantor is sold and its Guarantee is released in compliance with the provisions of Section 10.4 hereof or as permitted by Section 10.3(a), no Guarantor shall consolidate or merge with or into (whether or not such Guarantor is the surviving Person) another Person unless, (i) subject to the provisions of the following paragraph and the other provisions of this Indenture, the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) assumes all the obligations of such Guarantor pursuant to a supplemental indenture, and (ii) immediately before and immediately after giving effect to such transaction on a *pro forma* basis, no Default or Event of Default shall have occurred or be continuing. In case of any such consolidation or merger and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and reasonably satisfactory in form to the Trustee, of the Guarantees endorsed upon the Notes and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by such Guarantor, such successor corporation shall succeed to and be substituted for such Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor corporation thereupon may cause to be signed any or all of the Guarantees to be endorsed upon all of the Notes issuable hereunder which theretofore shall

not have been signed by the Company and delivered to the Trustee. All the Guarantees so issued shall in all respects have the same legal rank and benefit under this Indenture as the Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Guarantees had been issued at the date of the execution hereof.

(c) The Trustee, subject to the provisions of Section 12.4 hereof, shall be entitled to receive an Officers' Certificate as conclusive evidence that any such consolidation or merger, and any such assumption of Guarantee Obligations, comply with the provisions of this Section 10.3. Such Officers' Certificate shall comply with the provisions of Section 12.5 hereof.

SECTION 10.4 RELEASE OF GUARANTORS

Notwithstanding Section 10.3(b) hereof, upon the sale or disposition (including by merger or stock purchase) of a Guarantor (as an entirety) to an entity which is not and is not required to become a Guarantor, or the designation of a Subsidiary to become an Unrestricted Subsidiary, which transaction is otherwise in compliance with this Indenture (including, without limitation, the provisions of Section 4.13 hereof), such Guarantor shall be deemed released from its obligations under its Guarantee of the Notes; *provided, however*, that any such termination shall occur only to the extent that all obligations of such Guarantor under all of its guarantees of, and under all of its pledges of assets or other security interests which secure, any Indebtedness of the Company or any Indebtedness of any other Subsidiary of the Company shall also terminate upon such release, sale or transfer and none of its Equity Interests are pledged for the benefit of any holder of any Indebtedness of the Company or any Indebtedness of any Subsidiary of the Company.

Upon delivery by the Company to the Trustee of an Officers' Certificate, to the effect that such sale or other disposition or that such designation was made by the Company in accordance with the provisions of this Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of any such Guarantor from its obligations under its Guarantee. Except as provided in Section 10.3(a) hereof, any Guarantor not released from its obligations under its Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under this Indenture as provided in this Article X.

Notwithstanding the foregoing provisions of this Article X, (i) any Guarantor whose Guarantee would otherwise be released pursuant to the provisions of this Section 10.4 may elect, at its sole discretion, by written notice to the Trustee, to maintain such Guarantee in effect notwithstanding the event or events that otherwise would cause the release of such Guarantee (which election to maintain such Guarantee in effect may be conditional or for a limited period of time), and (ii) any Subsidiary of the Company which is not a Guarantor may elect, at its sole discretion, by written notice to the Trustee, to become a Guarantor (which election may be conditional or for a limited period of time).

SECTION 10.5 LIMITATION OF GUARANTOR'S LIABILITY; CERTAIN BANKRUPTCY EVENTS

(a) Each Guarantor, and by its acceptance hereof each Holder, hereby confirms that it is the intention of all such parties that the Guarantee Obligation of such Guarantor pursuant to its Guarantee not constitute a fraudulent transfer or conveyance for purposes of any Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law. To effectuate the foregoing intention, the Holders and such Guarantor hereby irrevocably agree that the Guarantee Obligations of such Guarantor under this Article X shall be limited to the maximum amount as shall, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the Guarantee Obligations of such other Guarantor under this Article X, result in the Guarantee Obligations of such Guarantor under the Guarantee of such Guarantor not constituting a fraudulent transfer or conveyance.

(b) Each Guarantor hereby covenants and agrees, to the fullest extent that it may do so under applicable law, that in the event of the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or Capital, such Guarantor shall not file (or join in any filing of), or otherwise seek to participate in the filing of, any motion or request seeking to stay or to prohibit (even temporarily) execution on the Guarantee and hereby waives and agrees, to the fullest extent that it may do so under applicable law, not to take the benefit of any such stay of execution, whether under Section 362 or 105 of the Bankruptcy Law or otherwise.

SECTION 10.6 APPLICATION OF CERTAIN TERMS AND PROVISIONS TO THE GUARANTORS

(a) For purposes of any provision of this Indenture which provides for the delivery by any Guarantor of an Officers' Certificate and/or an Opinion of Counsel, the definitions of such terms in Section 1.1 hereof shall apply to such Guarantor as if references therein to the Issuers were references to such Guarantor.

(b) Any request, direction, order or demand which by any provision of this Indenture is to be made by any Guarantor, shall be sufficient if evidenced as described in Section 12.2 hereof as if references therein to the Issuers were references to such Guarantor.

(c) Any notice or communication which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders of Notes to or on any Guarantor may be given or served as described in Section 12.2 hereof as if references therein to the Issuers were references to such Guarantor.

(d) Upon any demand, request or application by any Guarantor to the Trustee to take any action under this Indenture, such Guarantor shall furnish to the Trustee such certificates and opinions as are required in Section 12.4 hereof as if all references therein to the Issuers were references to such Guarantor.

SECTION 10.7 SUBORDINATION OF GUARANTEES

The obligations of each Guarantor under its Guarantee pursuant to this Article X is subordinated in right of payment to the prior payment in full in cash, to the extent applicable to such Guarantor, of all Indebtedness outstanding under the Credit Agreement on the same basis as the Notes are subordinated to Indebtedness outstanding under the Credit Agreement. For the purposes of the foregoing sentence, the Trustee and the Holders shall have the right to receive and/or retain payments by any of the Guarantors only at such times as they may receive and/or retain payments in respect of Notes pursuant to this Indenture, including as set forth in Article XI hereof. In the event that the Trustee or the Holders receive any payment from a Guarantor at a time when such payment is prohibited by the foregoing sentence, such payment shall be held in trust for the benefit of, and immediately paid over and delivered to, the holders of the Indebtedness outstanding under the Credit Agreement remaining unpaid, to the extent necessary to pay in full in cash all such Indebtedness.

ARTICLE XI
SUBORDINATION

SECTION 11.1 NOTES SUBORDINATED TO INDEBTEDNESS OUTSTANDING UNDER THE CREDIT AGREEMENT

The Issuers and each Holder by its acceptance of Notes, agree that (a) the payment of the principal of, premium, if any, and interest (and Liquidated Damages, if any) on the Notes and (b) any other payment in respect of the Notes, including on account of the acquisition or redemption of the Notes by the Issuers (including, without limitation, pursuant to Sections 4.13 and 4.14) is subordinated, to the extent and in the manner provided in this Article XI, to the prior payment in full in cash of all

Indebtedness outstanding under the Credit Agreement, as applicable, and that these subordination provisions are for the benefit of the holders of Indebtedness outstanding under the Credit Agreement.

This Article XI shall constitute a continuing offer to all Persons who, in reliance upon such provisions, become holders of, or continue to hold, and such provisions are made for the benefit of the holders of Indebtedness outstanding under the Credit Agreement and such holders are made obligees hereunder and any one or more of them may enforce such provisions.

SECTION 11.2 NO PAYMENT ON NOTES IN CERTAIN CIRCUMSTANCES

(a) No payment (by setoff or otherwise), as applicable, on account of any Obligation in respect of the Notes, including the principal of, premium, if any, or interest on the Notes or Liquidated Damages, or on account of the redemption provisions of the Notes (including any repurchases of Notes), for cash or property (other than payments made with Junior Securities): (i) upon the maturity of any of the Indebtedness outstanding under the Credit Agreement, whether by lapse of time, acceleration (unless waived) or otherwise, unless and until all principal of, premium, if any, and the interest on such Indebtedness are first paid in full in cash or Cash Equivalents (or such payment is duly provided for); or (ii) in the event of default in the payment of any principal of, premium, if any, or interest on the Indebtedness outstanding under the Credit Agreement, when it becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise (a "Payment Default"), unless and until such Payment Default has been cured or waived.

(b) Upon (i) the happening of an event of default other than a Payment Default that permits the holders of Indebtedness outstanding under the Credit Agreement to declare such Indebtedness to be due and payable and (ii) written notice of such event of default given to the Issuers by the representative under the Credit Agreement (a "Payment Blockage Notice"), then, unless and until such event of default has been cured or waived, no payment (by setoff or otherwise) may be made by the Issuers or on behalf of the Issuers on account of any Obligation in respect of the Notes, including the principal of, premium, if any, or interest on the Notes (including any repurchases of any of the Notes), or on account of the redemption provisions of the Notes (or Liquidated Damages), in any such case, other than payments made with Junior Securities. Notwithstanding the foregoing, unless the Indebtedness outstanding under the Credit Agreement has been declared due and payable within 179 days after the Payment Blockage Notice is delivered as set forth above (the "Payment Blockage Period") (and such declaration has not been rescinded or waived), at the end of the Payment Blockage Period, the Issuers shall be required to pay all sums not previously paid to the Holders during the Payment Blockage Period due to the foregoing prohibitions and to resume all other payments as and when due on the Notes.

Any number of Payment Blockage Notices may be given;*provided, however,* that: (i) not more than one Payment Blockage Notice shall be given within a period of any 360 consecutive days; and (ii) no non-payment default that existed upon the date of such Payment Blockage Notice or the commencement of such Payment Blockage Period shall be made the basis for the commencement of any other Payment Blockage Period (for purposes of this provision, any subsequent action, or any subsequent breach of any financial covenant for a period commencing after the expiration of such Payment Blockage Period that, in either case, would give rise to a new event of default, even though it is an event that would also have been a separate breach pursuant to any provision under which a prior event of default previously existed, shall constitute a new event of default for this purpose).

(c) In furtherance of the provisions of Section 11.1, in the event that, notwithstanding the foregoing provisions of this Section 11.2 or Section 11.3, any payment or distribution of the Company's assets or Capital's assets (other than payments made with Junior Securities) shall be received by the Trustee or the Holders at a time when such payment or distribution is prohibited by the foregoing provisions of this Section 11.2, such payment or distribution shall be held in trust for the benefit of the holders of Indebtedness outstanding under the Credit Agreement and shall be immediately paid or delivered by the Trustee or such Holders, as the case may be, to the holders of Indebtedness outstanding under the Credit Agreement remaining unpaid or unprovided for or to their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Indebtedness may have been issued, ratably according to the aggregate principal amounts remaining unpaid on account of such Indebtedness held or represented by each, for application to the payment of all such Indebtedness remaining unpaid, to the extent necessary to pay or to provide for the payment of all such Indebtedness in full in cash or Cash Equivalents after giving effect to any concurrent payment or distribution to the Holders of such Indebtedness.

SECTION 11.3 NOTES SUBORDINATED TO PRIOR PAYMENT OF ALL INDEBTEDNESS OUTSTANDING UNDER THE CREDIT AGREEMENT ON DISSOLUTION, LIQUIDATION OR REORGANIZATION

Upon any distribution of the Company's assets or Capital assets upon any dissolution, winding up, total or partial liquidation or reorganization of the Company or Capital, whether voluntary or involuntary, in bankruptcy, insolvency, receivership or a similar proceeding or upon assignment for the benefit of creditors or any marshaling of assets or liabilities:

(a) the holders of all Indebtedness outstanding under the Credit Agreement shall first be entitled to receive payment in full in cash or Cash Equivalents (or have such payment duly provided for) before the Holders are entitled to receive any payment on account of any Obligation in respect of the Notes, including the principal of, premium, if any, and interest on the Notes (or Liquidated Damages) (other than payments made with Junior Securities); and

(b) any payment or distribution of the Company's assets or Capital's assets of any kind or character from any source, whether in cash, property or securities (other than Junior Securities) to which the Holders or the Trustee on behalf of the Holders would be entitled (by setoff or otherwise), except for the subordination provisions contained in this Indenture, shall be paid by the liquidating trustee or agent or other Person making such a payment or distribution directly to the holders of Indebtedness outstanding under the Credit Agreement or their representative to the extent necessary to make payment in full (or have such payment duly provided for) on all such Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of the Indebtedness outstanding under the Credit Agreement.

SECTION 11.4 HOLDERS TO BE SUBROGATED TO RIGHTS OF HOLDERS OF INDEBTEDNESS OUTSTANDING UNDER THE CREDIT AGREEMENT

Subject to the payment in full in cash of all Indebtedness outstanding under the Credit Agreement as provided herein, the Holders of Notes shall be subrogated to the rights of the holders of such Indebtedness to receive payments or distributions of assets of the Issuers applicable to the Indebtedness outstanding under the Credit Agreement until all amounts owing on the Notes shall be paid in full, and for the purpose of such subrogation no such payments or distributions to the holders of such Indebtedness by or on behalf of the Issuers, or by or on behalf of the Holders by virtue of this Article XI, which otherwise would have been made to the Holders shall, as between the Issuers and the Holders, be deemed to be payment by the Issuers or on account of Indebtedness outstanding under the Credit Agreement, it being understood that the provisions of this Article XI are and are intended solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of such Indebtedness, on the other hand.

SECTION 11.5 RELATIVE RIGHTS

This Article XI defines the relative rights of Holders and holders of Indebtedness. Nothing in this Indenture shall: (1) impair, as between the Issuers and Holders, the obligation of the Issuers, which is absolute and unconditional, to pay principal of and interest on the Notes in accordance with their terms; (2) affect the relative rights of Holders and creditors of the Issuers other than their rights in relation to holders of Indebtedness outstanding under the Credit Agreement; or (3) prevent the Trustee or any Holder from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Indebtedness outstanding under the Credit Agreement to receive distributions and payments otherwise payable to Holders.

SECTION 11.6 TRUSTEE ENTITLED TO ASSUME PAYMENTS NOT PROHIBITED IN ABSENCE OF NOTICE

The Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee unless and until a Responsible Officer of the Trustee or any Paying Agent shall have received, no later than three Business Days prior to such payment written notice thereof from the Issuers or from one or more holders of Indebtedness outstanding under the Credit Agreement or from any representative therefor and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Sections 7.1 and 7.2, shall be entitled in all respects conclusively to assume that no such fact exists.

Notwithstanding anything to the contrary in this Article XI or elsewhere in this Indenture or in the Notes, upon any distribution of assets of the Company and Capital referred to in this Article XI, the Trustee, subject to the provisions of Sections 7.1 and 7.2, and the Holders shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending, or a certificate of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of Indebtedness outstanding under the Credit Agreement and other Indebtedness of the Issuers, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article XI so long as such court has been apprised of the provisions of, or the order, decree or certificate makes reference to, the provisions of this Article XI.

SECTION 11.7 APPLICATION BY TRUSTEE OF ASSETS DEPOSITED WITH IT

Amounts deposited in trust with the Trustee pursuant to and in accordance with Article VIII shall be for the sole benefit of Holders and, to the extent the making of such deposit by the Issuers shall (i) not be in contravention of any term or provision of the Credit Agreement and (ii) be allocated for the payment of the Notes, shall not be subject to the subordination provisions of this Article XI.

Otherwise, any deposit of assets with the Trustee or the Agent (whether or not in trust) for the payment of principal of or interest on any Notes shall be subject to the provisions of Sections 11.1, 11.2, 11.3 and 11.4; *provided*, that, if prior to three Business Days preceding the date on which by the terms of this Indenture any such assets may become distributable for any purpose (including without limitation, the payment of either principal of or interest on any Note) the Trustee or such Paying Agent shall not have received with respect to such assets the written notice provided for in Section 11.6, then the Trustee or such Paying Agent shall have full power and authority to receive such assets and to apply the same to the purpose for which they were received, and shall not be affected by any notice to the contrary which may be received by it on or after such date.

SECTION 11.8 SUBORDINATION RIGHTS NOT IMPAIRED BY ACTS OR OMISSIONS OF THE ISSUERS OR HOLDERS OF INDEBTEDNESS OUTSTANDING UNDER THE CREDIT AGREEMENT

No right of any present or future holders of any Indebtedness outstanding under the Credit Agreement to enforce the subordination provisions contained in this Article XI shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Issuers or by any act or failure to act, in good faith, by any such Holder, or by any noncompliance by the Issuers with the terms of this Indenture, regardless of any knowledge thereof which any such Holder may have or be otherwise charged with. The holders of Indebtedness outstanding under the Credit Agreement may extend, renew, modify or amend the terms of the Indebtedness outstanding under the Credit Agreement or any security therefor and release, sell or exchange such security and otherwise deal freely with the Issuers, all without affecting the liabilities and obligations of the parties to this Indenture or the Holders. The subordination provisions contained in this Indenture are for the benefit of the holders from time to time of Indebtedness outstanding under the Credit Agreement and may not be rescinded, cancelled, amended or modified in any way other than any amendment or modification that is consented to by each holder of Indebtedness outstanding under the Credit Agreement that would be adversely affected thereby. The subordination provisions hereof shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Indebtedness outstanding under the Credit Agreement is rescinded or must otherwise be returned by any holder of the Indebtedness outstanding under the Credit Agreement upon the insolvency, bankruptcy, or reorganization of the Company, Capital, or otherwise, all as though such payment has not been made.

SECTION 11.9 HOLDERS AUTHORIZE TRUSTEE TO EFFECTUATE SUBORDINATION OF NOTES.

Each Holder of the Notes by his acceptance thereof authorizes and expressly directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination provisions contained in this Article XI and to protect the rights of the Holders pursuant to this Indenture, and appoints the Trustee his attorney-in-fact for such purpose, including, in the event of any dissolution, winding up, liquidation or reorganization of the Company or Capital (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or any other marshaling of assets and liabilities of the Company or Capital), the immediate filing of a claim for the unpaid balance of his Notes in the form required in said proceedings and cause said claim to be approved. In the event of any liquidation or reorganization of the Company or Capital in bankruptcy, insolvency, receivership or similar proceeding, if the Holders of the Notes (or the Trustee on their behalf) have not filed any claim, proof of claim, or other instrument of similar character necessary to enforce the obligations of the Company or Capital in respect of the Notes at least thirty (30) days before the expiration of the time to file the same, then in such event, but only in such event, the holders of the Indebtedness outstanding under the Credit Agreement or a representative on their behalf may, as an attorney-in-fact for such Holders, file any claim, proof of claim, or other instrument of similar character on behalf of such Holders. Nothing herein contained shall be deemed to authorize the Trustee or the holders of Indebtedness outstanding under the Credit Agreement or their

representative to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee or the holders of Indebtedness outstanding under the Credit Agreement or their representative to vote in respect of the claim of any Holder in any such proceeding.

SECTION 11.10 RIGHT OF TRUSTEE TO HOLD INDEBTEDNESS OUTSTANDING UNDER THE CREDIT AGREEMENT

The Trustee shall be entitled to all of the rights set forth in this Article XI in respect of any Indebtedness outstanding under the Credit Agreement at any time held by it to the same extent as any other holder of Indebtedness outstanding under the Credit Agreement and nothing in this Indenture shall be construed to deprive the Trustee of any of its rights as such holder.

Nothing in this Article shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.7.

SECTION 11.11 ARTICLE XI NOT TO PREVENT EVENTS OF DEFAULT

The failure to make a payment on account of principal of, premium, if any, or interest (or Liquidated Damages, if any) on the Notes by reason of any provision of this Article XI shall not be construed as preventing the occurrence of a Default or an Event of Default under Section 6.1 or in any way limit the rights of the Trustee or any Holder to pursue any other rights or remedies with respect to the Notes.

SECTION 11.12 NO FIDUCIARY DUTY OF TRUSTEE TO HOLDERS OF INDEBTEDNESS OUTSTANDING UNDER THE CREDIT AGREEMENT

The Trustee shall not be deemed to owe any fiduciary duty to the holders of Indebtedness outstanding under the Credit Agreement and shall not be liable to any such holders if it shall in good faith mistakenly pay over or distribute to the Holders of Notes or the Issuers or any other Person, cash, property or securities to which any holders of Indebtedness outstanding under the Credit Agreement shall be entitled by virtue of this Article XI or otherwise. With respect to the holders of Indebtedness outstanding under the Credit Agreement, the Trustee undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in this Article and no implied covenants or obligations with respect to holders of Indebtedness outstanding under the Credit Agreement shall be read into this Indenture against the Trustee. Nothing in this Section 11.12 shall affect the obligation of any other such Person to hold such payment for the benefit of, and to pay such payment over to, the holders of Indebtedness outstanding under the Credit Agreement or their representative. In the event of any conflict between the fiduciary duty of the Trustee to the Holders of Notes and to the holders of Indebtedness outstanding under the Credit Agreement, the Trustee is expressly authorized to resolve such conflict in favor of the Holders.

ARTICLE XII
MISCELLANEOUS

SECTION 12.1 TRUST INDENTURE ACT CONTROLS

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by the TIA, the imposed duties shall control.

SECTION 12.2 NOTICES

Any notice or communication by the Issuers or the Trustee to the other is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

Issuers:

WH Holdings (Cayman Islands) Ltd.
c/o Whitney & Co., LLC
177 Broad Street
Stamford, CT 06901
Attention: Mr. James H. Fordyce
Kevin J. Curley, Esq.
Telecopier No. (203) 973-1422

with copies (which shall not constitute notice) to:

WH Holdings (Cayman Islands) Ltd.
c/o 1800 Century Park East, 15th Floor
Los Angeles, CA 90067
Attention: Brett R. Chapman, Esq.
Telecopier No. (310) 557-3909; and to

Gibson, Dunn & Crutcher, LLP
2029 Century Park East, Suite 4000
Los Angeles, CA 90067
Attention: Jonathan K. Layne, Esq.
Telecopier No. (310) 551-8741

If to the Trustee:

The Bank of New York
101 Barclay Street, Floor 21W
New York, New York 10286
Attention: Global Finance Unit
Telecopier No.: (212) 815-5802

The Issuers or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: (i) at the time delivered by hand, if personally delivered; (ii) the third Business Day after sent by mail; (iii) when receipt acknowledged, if telecopied; and (iv) the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA § 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Issuers mail a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

SECTION 12.3 COMMUNICATION BY HOLDERS OF NOTES WITH OTHER HOLDERS OF NOTES

Holders may communicate pursuant to TIA § 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Issuers, the Trustee, the Registrar and anyone else shall have the protection of TIA § 312(c).

SECTION 12.4 CERTIFICATE AND OPINION AS TO CONDITIONS PRECEDENT

Upon any request or application by the Issuers to the Trustee to take any action under this Indenture, the Issuers shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.5 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 12.5 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

SECTION 12.5 STATEMENTS REQUIRED IN CERTIFICATE OR OPINION

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA § 314(a)(4)) shall comply with the provisions of TIA § 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied;*provided, however,* that with respect to matters of fact, an Opinion of Counsel may rely on an Officers' Certificate or certificate of public officials.

SECTION 12.6 RULES BY TRUSTEE AND AGENTS

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 12.7 NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND STOCKHOLDERS

No past, present or future director, officer, employee, incorporator or shareholder (direct or indirect) of the Issuers (or any such successor entity), as such, shall have any liability for any Obligations of the Issuers under the Notes or this Indenture solely by reason of his or its status as such shareholder, employee, officer or director. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 12.8 GOVERNING LAW

THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE GUARANTEES, INCLUDING, WITHOUT LIMITATION, SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND NEW YORK CIVIL PRACTICE LAWS AND RULES 327(b).

SECTION 12.9 NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuers or their Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 12.10 SUCCESSORS

All agreements of the Issuers in this Indenture and the Notes shall bind their successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 12.11 SEVERABILITY

In case any one or more of the provisions of this Indenture or in the Notes or in the Guarantees shall be held invalid, illegal or unenforceable, in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions shall not in any way be affected or impaired thereby, it being intended that all of the provisions hereof shall be enforceable to the full extent permitted by law.

SECTION 12.12 COUNTERPART ORIGINALS

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 12.13 TABLE OF CONTENTS, HEADINGS, ETC.

The Table of Contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

[Signatures on following page]

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Indenture as of the date first written above.

THE ISSUERS:
WH HOLDINGS (CAYMAN ISLANDS) LTD.

By: /s/ MICHAEL O. JOHNSON

Name: Michael O. Johnson
Title: Chief Executive Officer

WH CAPITAL CORPORATION

By: /s/ BRETT R. CHAPMAN

Name: Brett R. Chapman
Title: Secretary

THE TRUSTEE:
THE BANK OF NEW YORK

By: /s/ LUIS PEREZ

Name: Luis Perez
Title: Assistant Vice President

EXHIBIT A

[FORM OF NOTE]

[THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.6 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.6(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUERS.](1)

(1) To be included only on Global Notes deposited with the Depositary.

[UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.](2)

(2) To be included only on Global Notes deposited with the Depositary.

[THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR DEFINITIVE NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN). NEITHER THE HOLDER NOR THE BENEFICIAL OWNERS OF THIS REGULATION S TEMPORARY GLOBAL NOTE SHALL BE ENTITLED TO RECEIVE CASH PAYMENTS OF INTEREST DURING THE PERIOD WHICH SUCH HOLDER HOLDS THIS NOTE. NOTHING IN THIS LEGEND SHALL BE DEEMED TO PREVENT INTEREST FROM ACCRUING ON THIS NOTE.](3)

(3) To be included only on Reg S Temporary Global Notes in accordance with Section 2.6(g)(iii) of the Indenture.

[THE NOTE (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AND THE NOTE EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE NOTE EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE

RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER OR ANOTHER EXEMPTION UNDER THE SECURITIES ACT. THE HOLDER OF THE NOTE EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE ISSUERS THAT (A) SUCH NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1)(A) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), PURCHASING FOR ITS OWN ACCOUNT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (B) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 OF THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (D) TO AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") THAT IS PURCHASING AT LEAST $100,000 OF NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF AN INSTITUTIONAL ACCREDITED INVESTOR (AND BASED UPON AN OPINION OF COUNSEL IF THE ISSUERS SO REQUEST) OR (E) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED THAT IN THE CASE OF A TRANSFER UNDER CLAUSE (E) SUCH TRANSFER IS SUBJECT TO THE RECEIPT BY THE TRUSTEE (AND THE ISSUERS, IF THEY SO REQUEST) OF A CERTIFICATION OF THE TRANSFEROR AND AN OPINION OF COUNSEL TO THE EFFECT THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (2) TO THE ISSUERS OR ANY OF THEIR SUBSIDIARIES OR (3) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND THE INDENTURE GOVERNING THE NOTES AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTE EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (A) ABOVE. IF ANY RESALE OR OTHER TRANSFER OF ANY NOTE IS PROPOSED TO BE MADE UNDER CLAUSE (A)(1)(D) ABOVE WHILE THESE TRANSFER RESTRICTIONS ARE IN FORCE THEN THE TRANSFEROR SHALL DELIVER A LETTER FROM THE TRANSFEREE TO THE ISSUERS AND THE TRUSTEE WHICH SHALL PROVIDE, AMONG OTHER THINGS, THAT THE TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR AND THAT IT IS ACQUIRING THE SECURITIES FOR INVESTMENT PURPOSES AND NOT FOR DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT.](4)

(4) To be included only on Restricted Global Notes or Restricted Definitive Notes in accordance with Section 2.6(g)(i) of the Indenture.

WH Holdings (Cayman Islands) Ltd.
WH Capital Corporation

9 1/2% [SERIES A] [SERIES B](5) NOTE DUE 2011

(5) Series A should be replaced with Series B in the Exchange Notes.

CUSIP:

ISIN:

No. $

WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted company with limited liability (the "Company") and WH Capital Corporation, a Nevada corporation ("Capital" and, together with the Company, the "Issuers"), which term includes any successors under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of Dollars, on April 1, 2011.

Interest Payment Dates: April 1 and October 1, commencing October 1, 2004.

Record Dates: March 15 and September 15.

Reference is made to the further provisions of this Note on the reverse side, which shall, for all purposes, have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Issuers have caused this instrument to be duly executed.

WH HOLDINGS (CAYMAN ISLANDS) LTD.

By: _____

Name:
Title:

By: _____

Name:
Title:

WH CAPITAL CORPORATION

By: _____

Name:
Title:

By: _____

Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Notes described in the within-mentioned Indenture.

THE BANK OF NEW YORK

By: _____

Authorized Signatory

Dated:

(Back of Note)

9 1/2% [Series A] [Series B](6) Notes due 2011

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(6) Series A should be replaced with Series B in the Exchange Notes.

Capitalized terms used herein shall have the meanings assigned to them in the Indenture (as defined below) unless otherwise indicated.

1. *Interest.* The Issuers promise to pay interest on the principal amount of this Note at 9 1/2% per annum from the Issue Date until maturity and shall pay the Liquidated Damages, if any, payable pursuant to Section 4 of the Registration Rights Agreement referred to below. The Issuers shall pay interest (and Liquidated Damages, if any) semi-annually on April 1 and October 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "Interest Payment Date"). The first Interest Payment Date shall be October 1, 2004. Interest on the Notes shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Issue Date; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a Record Date (defined below) referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date. The Issuers shall pay interest (including Accrued Bankruptcy Interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at the rate then in effect; it shall pay interest (including Accrued Bankruptcy Interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (and Liquidated Damages, if any) (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

2. *Method of Payment.* The Issuers shall pay interest on the Notes (except defaulted interest) (and Liquidated Damages, if any) to the Persons who are registered Holders of Notes at the close of business on the March 15 or September 15 next preceding the Interest Payment Date (each a "Record Date"), even if such Notes are cancelled after such Record Date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes shall be payable as to principal, interest, premium, if any, (and Liquidated Damages, if any) at the office or agency of the Issuers maintained within the City and State of New York for such purpose, or, at the option of the Issuers, payment of interest (and Liquidated Damages, if any) may be made by check mailed to the Holders at their addresses set forth in the register of Holders, and provided that payment by wire transfer of immediately available funds to an account within the United States shall be required with respect to principal of, and interest, premium, if any (and Liquidated Damages, if any), on, all Global Notes. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. *Paying Agent and Registrar.* Initially, The Bank of New York, the Trustee under the Indenture, shall act as Paying Agent and Registrar. The Issuers may change any Paying Agent or Registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. *Indenture.* The Issuers issued the Notes under an Indenture dated as of the Issue Date ("Indenture") by and among the Company, Capital and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (15 U.S. Code §§ 77aaa-77bbbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms.

5. *Optional Redemption.*

(a) At any time prior to April 1, 2008, the Issuers may redeem the Notes for cash, in whole or part, from time to time, upon not less than 30 nor more than 60 days notice to each Holder of the Notes to be redeemed at a redemption price equal to 100% of the principal amount of the

Notes to be redeemed plus the Applicable Premium as of, and accrued and unpaid interest, including Liquidated Damages, if any, to the date of the redemption (the date of any such redemption prior to April 1, 2008, an "Early Redemption Date").

(b) At any time on or after April 1, 2008, the Issuers may redeem the Notes for cash, in whole or in part, upon not less than 30 days nor more than 60 days prior notice mailed by first class mail to each Holder of the Notes to be redeemed at its last registered address, at the following redemption prices (expressed as percentages of the principal amount) if redeemed during the 12-month period commencing April 1 of the years indicated below, in each case (subject to the right of Holders of record on a Record Date to receive the corresponding interest due (and the corresponding Liquidated Damages, if any) on the corresponding Interest Payment Date that is on or prior to such redemption date) together with accrued and unpaid interest (and Liquidated Damages, if any) thereon to the date of redemption of the Notes (the date of any such redemption, together with any Early Redemption Date and any Equity Proceeds Redemption Date referred to in clause (c), a "Redemption Date"):

Year	Percentage
2008	104.750%
2009	102.375%
2010 and thereafter	100.000%

(c) At any time or from time to time on or prior to April 1, 2007, upon one or more Qualified Equity Offerings, up to 40% of the aggregate principal amount of the Notes issued pursuant to this Indenture (only as necessary to avoid any duplication, excluding any replacement Notes) may be redeemed at the Issuers' option within 90 days of the closing of any such Qualified Equity Offering, on not less than 30 days, but not more than 60 days, notice to each Holder of the Notes to be redeemed, with cash received by the Issuers from the Net Cash Proceeds of such Qualified Equity Offering, at a redemption price equal to 109.50% of principal, together with accrued and unpaid interest (and Liquidated Damages, if any), thereon to the date of redemption of the Notes (any such date, an "Equity Proceeds Redemption Date"); provided, however, that immediately following such redemption not less than 60% of the aggregate principal amount of the Notes originally issued pursuant to this Indenture on the Issue Date remain outstanding (only as necessary to avoid any duplication, excluding any replacement Notes).

(d) Notice of redemption shall be mailed by first class mail at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than $1,000 may be redeemed in part but only in integral multiples of $1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest (and Liquidated Damages, if any) ceases to accrue on Notes or portions thereof called for redemption unless the Company defaults on such payments due on the redemption date.

6. *Mandatory Redemption.* The Issuers will not be required to make any mandatory redemption payments with respect to the Notes and the Notes will not have the benefit of any sinking fund.

7. *Offers to Purchase.*

(a) *Change of Control.* In the event that a Change of Control has occurred, each Holder of Notes shall have the right, at such Holder's option, pursuant to an offer (subject only to conditions required by applicable law, if any) by the Issuers (the "Change of Control Offer"), to require the Issuers to repurchase all or any part of such Holder's Notes (*provided*, that the principal amount of such Notes must be $1,000 or an integral multiple thereof) on a date (the "Change of Control Repurchase Date") that is no later than 45 Business Days after the occurrence of such Change of

Control, at a cash price equal to 101% of the principal amount thereof, together with accrued and unpaid interest (and Liquidated Damages, if any), to the Change of Control Repurchase Date.

The Change of Control Offer shall be made within 20 Business Days following a Change of Control and shall remain open for 20 Business Days following its commencement or such other period as may be required by applicable law (the "Change of Control Offer Period"). Upon expiration of the Change of Control Offer Period, the Issuers shall promptly purchase all Notes properly tendered in response to the Change of Control Offer.

(b) *Asset Sale.* If the Issuers or any of their respective Subsidiaries consummates an Asset Sale, within 30 days after the date that the amount of Excess Proceeds exceeds $15,000,000, the Company shall apply the Excess Proceeds (the "Asset Sale Offer Amount") to the repurchase of the Notes and such other Indebtedness ranking on a parity with the Notes and with similar provisions requiring the Issuers to make an offer to purchase such Indebtedness with the proceeds from such Asset Sale pursuant to a cash offer (subject only to conditions required by applicable law, if any) (pro rata in proportion to the respective principal amounts (or accreted values in the case of Indebtedness issued with an original issue discount) of the Notes and such other Indebtedness then outstanding) (the "Asset Sale Offer"), at a purchase price of 100% of the principal amount (or accreted value in the case of Indebtedness issued with an original issue discount) (the "Asset Sale Offer Price"), together with accrued and unpaid interest and Liquidated Damages, if any, to the date of payment. Each Asset Sale Offer shall remain open for a minimum of 20 Business Days following its commencement (the "Asset Sale Offer Period").

8. *Denominations, Transfer, Exchange.* The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuers may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuers need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, it need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a Record Date and the next succeeding Interest Payment Date.

9. *Persons Deemed Owners.* The registered Holder of a Note may be treated as its owner for all purposes.

10. *Amendment, Supplement and Waiver.* Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and, subject to Sections 6.4 and 6.7 of the Indenture, any existing Default or Event of Defaults (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes). Without the consent of any Holder of a Note, the Indenture or the Notes may be amended or supplemented to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of the Issuers' obligations to Holders of the Notes in case of a merger or consolidation, to provide for Guarantees as set forth in the Indenture or for the release or assumption of Guarantees in compliance with the Indenture, to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the rights under the Indenture of any such Holder, to comply with the provisions of the Depositary, Euroclear or

Clearstream or the Trustee with respect to the provisions of the Indenture or the Notes relating to transfers and exchanges of Notes or beneficial interests therein, to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA or to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture.

11. *Defaults and Remedies.* The Indenture provides that each of the following constitutes an Event of Default:

(1) the Issuers' failure to pay any installment of interest (or Liquidated Damages, if any) on the Notes as and when the same becomes due and payable and the continuance of any such failure for 30 days;

(2) the Issuers' failure to pay all or any part of the principal, or premium, if any, on the Notes when and as the same becomes due and payable at maturity, redemption, by acceleration or otherwise, including, without limitation, payment of the Change of Control Purchase Price or the Asset Sale Offer Price, on Notes validly tendered and not properly withdrawn pursuant to a Change of Control Offer or Asset Sale Offer, as applicable;

(3) the Issuers' or any Subsidiary of the Company's failure to observe or perform any other covenant or agreement contained in the Notes or this Indenture and, except for the provisions under Sections 4.14 and 5.1 hereof, the continuance of such failure for a period of 30 days after written notice is given to the Issuers by the Trustee or to the Issuers and the Trustee by the Holders of at least 25% in aggregate principal amount of the Notes outstanding;

(4) the Issuers' failure to report the occurrence of a Default under any covenant contained in the Notes or this Indenture and the continuance of such failure for a period of 30 days after management of the Company and Capital, exercising reasonable diligence, becomes aware thereof;

(5) a court having jurisdiction in the premises enters a decree or order for (a) relief in respect of the Company, Capital or any Significant Subsidiary of the Company or Capital in an involuntary case under any applicable Bankruptcy Law now or hereafter in effect, (b) appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company, Capital or any Significant Subsidiary or for all or substantially all of the property and assets of the Company, Capital or any Significant Subsidiary or (c) the winding up or liquidation of the affairs of the Company, Capital or any Significant Subsidiary and, in each case, such decree or order shall remain unstayed and in effect for a period of 60 consecutive days;

(6) the Company or Capital or any Significant Subsidiary of the Company or Capital (a) commences a voluntary case under any applicable Bankruptcy Law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or Capital or any Significant Subsidiary of the Company or Capital or for all or substantially all of the property and assets of the Company, Capital or any Significant Subsidiary or (c) effects any general assignment for the benefit of creditors;

(7) a default in the Indebtedness of the Company, Capital or the Indebtedness of any Subsidiary of the Company with an aggregate amount outstanding in excess of $15,000,000 (a) resulting from the failure to pay principal at maturity or (b) as a result of which the maturity of such Indebtedness has been accelerated prior to its stated maturity; and

(8) final unsatisfied judgments not covered by insurance aggregating in excess of $15,000,000, at any one time rendered against the Company, Capital or any Subsidiary of the Company and not stayed, bonded or discharged within 60 days after such judgments have become final and non-appealable.

If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee shall mail to Holders of Notes a notice in the manner and to the extent provided by Section 313(c) of the TIA of the Default or Event of Default within 90 days after it occurs.

12. *Subordination.* The Notes are subordinated in right of payment, to the extent and in the manner provided in Article XI of the Indenture, to the prior payment in full in cash of all Indebtedness outstanding under the Credit Agreement. The Issuers agree, and each Holder by accepting a Note consents and agrees, to the subordination provided in the Indenture and authorizes the Trustee to give it effect.

13. *Trustee Dealings with Company.* The Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee.

14. *No Recourse Against Others.* No past, present or future director, officer, employee, incorporator or stockholder (direct or indirect) of the Issuers (or any such successor entity), as such, shall have any liability for any Obligations of the Issuers under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such Obligations or their creation, except in their capacity as an obligor of the Notes in accordance with the Indenture. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

15. *Authentication.* This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

16. *Abbreviations.* Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

17. *[Additional Rights of Holders of Transfer Restricted Notes.* In addition to the rights provided to Holders of Notes under the Indenture, Holders of Transfer Restricted Notes shall have all the rights set forth in the Registration Rights Agreement dated as of the date of the Indenture, among the Company, Capital and the Initial Purchaser (the "Registration Rights Agreement").](7)

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(7) This paragraph should only be included in the Series A Notes.

18. *CUSIP Numbers.* Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuers caused CUSIP and/or ISIN numbers to be printed on the Notes and the Trustee shall use CUSIP and/or ISIN numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon, and any such redemption shall not be affected by any defect in or omission of such numbers.

19. *Governing Law.* THE INDENTURE AND THE NOTES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, WITHOUT LIMITATION, SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND NEW YORK CIVIL LAWS AND RULES 327(b).

The Issuers shall furnish to any Holder upon written request and without charge a copy of the Indenture [and/or the Registration Rights Agreement]. Requests may be made to:

WH Holdings (Cayman Islands) Ltd.
WH Capital Corporation
c/o Whitney & Co., LLC
177 Broad Street
Stamford, Connecticut 06901
Attention: Mr. James H. Fordyce or
Kevin J. Curley, Esq.
(203) 973-1400

Assignment Form

To assign this Note, fill in the form below: (I) or (We) assign and transfer this Note to

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint to transfer this Note on the books of the Issuers. The agent may substitute another to act for him.

Date:

Your Signature:

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*

* NOTICE: The Signature must be guaranteed by an Institution which is a member of one of the following recognized signature Guarantee Programs: (i) The Securities Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MNSP); (iii) The Stock Exchange Medallion Program (SEMP); or (iv) such other guarantee program acceptable to the Trustee.

Option of Holder to Elect Purchase

If you want to elect to have this Note purchased by the Issuers pursuant to Section 4.13 or Section 4.14 of the Indenture, check the box below:

☐ Section 4.13 ☐ Section 4.14

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.13 or Section 4.14 of the Indenture, state the amount you elect to have purchased (in denominations of $1,000 only, except if you have elected to have all of your Notes purchased): $

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the Note)

Social Security or Tax Identification No.: _____

Signature Guarantee* _____

* NOTICE: The Signature must be guaranteed by an Institution which is a member of one of the following recognized signature Guarantee Programs: (i) The Securities Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MNSP); (iii) The Stock Exchange Medallion Program (SEMP); or (iv) of such other guarantee program acceptable to the Trustee.

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of an interest in this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of an interest in another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal Amount of this Global Note Following Such Decrease (or Increase)	Signature of Authorized Officer of Trustee or Note Custodian

EXHIBIT B
FORM OF CERTIFICATE OF TRANSFER

WH Holdings (Cayman Islands) Ltd.
WH Capital Corporation
c/o Whitney & Co., LLC
177 Broad Street
Stamford, CT 06901

The Bank of New York
101 Barclay Street, Floor 21W
New York, New York 10286

Re: $9^1/_2$% Notes due 2011

Dear Sirs:

Reference is hereby made to the Indenture, dated as of March 8, 2004 (the "Indenture"), among WH Holdings (Cayman Islands) Ltd. (the "Company"), WH Capital Corporation ("Capital" and, together with the Company, the "Issuers"), and The Bank of New York, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture. , (the "Transferor") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $ in such Note[s] or interests (the "Transfer"), to (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. ☐ ***Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Definitive Note Pursuant to Rule 144A.*** The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any State of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note shall be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

2. ☐ ***Check if Transferee will take delivery of a beneficial interest in the Regulation S Global Note or a Definitive Note pursuant to Regulation S.*** The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Distribution Compliance Period, the transfer is not being made to a U.S. Person or

for the account or benefit of a U.S. Person (other than an Initial Purchaser) and the interest transferred shall be held immediately thereafter through Euroclear or Clearstream. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note shall be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

3. ☐ ***Check and complete if Transferee will take delivery of a Definitive Note pursuant to any provision of the Securities Act other than Rule 144A or Regulation S.*** The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any State of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) ☐ Such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act; or

(b) ☐ Such Transfer is being effected to the Company or a Subsidiary thereof; or

(c) ☐ Such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act; or

(d) ☐ such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Note or Restricted Definitive Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in a form of Exhibit D to the Indenture and (2) if such Transfer is in respect of a principal amount of Notes at the time of transfer of less than $250,000, an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification and provided to the Issuers, which has confirmed its acceptability), to the effect that such Transfer is in compliance with the Securities Act and with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the Definitive Note shall be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Definitive Notes and in the Indenture and the Securities Act.

4. ☐ ***Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.***

(a) ☐ ***Check if Transfer is Pursuant to Rule 144.*** (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture and the Securities Act.

(b) ☐ ***Check if Transfer is Pursuant to Regulation S.*** (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky

securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture and the Securities Act.

(c) ☐ ***Check if Transfer is Pursuant to Other Exemption.*** (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuers.

Dated:

[Insert Name of Transferor]

By:

Name:
Title:

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP), or

(ii) ☐ Regulation S Global Note (CUSIP ; or ISIN), or

(b) ☐ a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) ☐ a beneficial interest in the:

(i) ☐ 144A Global Note (CUSIP), or

(ii) ☐ Regulation S Global Note (CUSIP ; or ISIN), or

(iii) ☐ Unrestricted Global Note (CUSIP); or

(b) ☐ a Restricted Definitive Note; or

(c) ☐ an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C
FORM OF CERTIFICATE OF EXCHANGE

WH Holdings (Cayman Islands) Ltd.
WH Capital Corporation
c/o Whitney & Co., LLC
177 Broad Street
Stamford, CT 06901

The Bank of New York
101 Barclay Street, Floor 21W
New York, New York 10286

Re: 9 1/2% Notes due 2011

Dear Sirs:

Reference is hereby made to the Indenture, dated as of March 8, 2004 (the "Indenture"), among WH Holdings (Cayman Islands) Ltd. (the "Company"), WH Capital Corporation ("Capital" and, together with the Company, the "Issuers"), and The Bank of New York, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

, (the "Owner") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $ in such Note[s] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1. ***Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note.***

(a) ☐ ***Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note.*** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any State of the United States.

(b) ☐ ***Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note.*** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any State of the United States.

(c) ☐ ***Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note.*** In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and

the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any State of the United States.

(d) ☐ ***Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note.*** In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any State of the United States.

2. ***Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes.***

(a) ☐ ***Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note.*** In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(b) ☐ ***Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note.*** In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the: [CHECK ONE]

☐ 144A Global Note or ☐ Regulation S Global Note

with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any State of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuers.

[Insert Name of Owner]

By:

Name:
Title:

Dated:

EXHIBIT D
FORM OF CERTIFICATE FROM ACQUIRING
INSTITUTIONAL ACCREDITED INVESTOR

WH Holdings (Cayman Islands) Ltd.
Wh Capital Corporation
c/o Whitney & Co., LLC
177 Broad Street
Stamford, CT 06901

The Bank of New York
101 Barclay Street, Floor 21W
New York, New York 10286

Re: 9 1/2% Notes due 2011

Dear Sirs:

Reference is hereby made to the Indenture, dated as of March 8, 2004 (the "Indenture"), among WH Holdings (Cayman Islands) Ltd. (the "Company"), WH Capital Corporation ("Capital" and, together with the Company, the "Issuers"), and The Bank of New York, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $ aggregate principal amount of: (a) a beneficial interest in a Global Note, or (b) a Definitive Note, we confirm that:

1. We understand that any subsequent transfer of the Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes or any interest therein except in compliance with, such restrictions and conditions and the United States Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes or any interest therein, we will do so only (i) to the Issuers, (ii) in the United States to a person whom the seller reasonably believes is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in an offshore transaction in accordance with Rule 904 under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each of cases (i) through (v) in accordance with any applicable securities laws of any state of the United States, and we further agree to provide to any person purchasing the Definitive Note from us in a transaction meeting the requirements of clauses (i) through (v) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Notes or beneficial interest therein, we will be required to furnish to you and the Issuers such certifications, legal opinions and other information as you and the Issuers may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect. We further understand that any subsequent transfer by us of the Notes or beneficial interest therein acquired by us must be effected through the Initial Purchaser.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Issuers are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Dated:

[Insert Name of Accredited Investor]

By:

Name:
Title:

EXHIBIT E
FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY GUARANTORS

Supplemental Indenture (this "Supplemental Indenture"), dated as of , among (the "Guaranteeing Subsidiary"), a subsidiary of WH Holdings (Cayman Islands) Ltd. (or its permitted successor), a Cayman Islands exempted company with limited liability (the "Company"), the Company, WH Capital Corporation, a Nevada corporation ("Capital" and, together with the Company, the "Issuers"), and The Bank of New York, as trustee under the Indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, the Issuers have heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of March 8, 2004, providing for the issuance of $9^1/_2$% Notes due 2011 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which any newly-acquired or created Guarantor shall unconditionally guarantee all of the Issuers' obligations under the Notes and the Indenture on the terms and conditions set forth herein (the "Subsidiary Guarantee"); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. *Capitalized Terms.* Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. *Agreement to Guarantee.* The Guaranteeing Subsidiary irrevocably and unconditionally guarantees the Guarantee Obligations, which include (i) the due and punctual payment of the principal of, premium, if any, and interest (and Liquidated Damages, if any) on the Notes, whether at maturity, by acceleration, call for redemption, upon a Change of Control Offer, upon an Asset Sale Offer or otherwise, the due and punctual payment of interest on the overdue principal and premium, if any, and (to the extent permitted by law) interest on any interest on the Notes, and payment of expenses, and the due and punctual performance of all other Obligations of the Issuers, to the Holders or the Trustee all in accordance with the terms set forth in Article X of the Indenture, and (ii) in case of any extension of time of payment or renewal of any Notes or any such other Obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration, call for redemption, upon a Change of Control Offer, upon an Asset Sale Offer or otherwise, subject in the cases of clauses (i) and (ii) above, to the limitations set forth in Section 10.5 of the Indenture.

The obligations of Guaranteeing Subsidiary to the Holders and to the Trustee pursuant to this Subsidiary Guarantee and the Indenture are expressly set forth in Article X of the Indenture and reference is hereby made to such Indenture for the precise terms of this Subsidiary Guarantee.

The obligations of Guaranteeing Subsidiary to the Holders and to the Trustee pursuant to this Subsidiary Guarantee and the Indenture are expressly subordinated, to the extent applicable, to Indebtedness outstanding under the Credit Agreement, as set forth in Section 10.7 of the Indenture and reference is hereby made to such Section for the precise terms of such subordination.

No past, present or future director, officer, employee, incorporator or stockholder (direct or indirect) of the Guaranteeing Subsidiary (or any such successor entity), as such, shall have any liability for any obligations of the Guaranteeing Subsidiary under this Subsidiary Guarantee or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation, except in their capacity as an obligor or Guarantor of the Notes in accordance with the Indenture.

This is a continuing Guarantee and shall remain in full force and effect and shall be binding upon the Guaranteeing Subsidiary and its successors and assigns until full and final payment of all of the Issuers' Obligations under the Notes and Indenture or until released in accordance with the Indenture and shall inure to the benefit of the successors and assigns of the Trustee and the Holders, and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof. This is a Guarantee of payment and performance and not of collectibility.

The obligations of the Guaranteeing Subsidiary under its Subsidiary Guarantee shall be limited to the extent necessary to insure that it does not constitute a fraudulent conveyance under applicable law.

THE TERMS OF ARTICLES X AND XI OF THE INDENTURE ARE INCORPORATED HEREIN BY REFERENCE.

3. *NEW YORK LAW TO GOVERN.* THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE, INCLUDING, WITHOUT LIMITATION, SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND NEW YORK CIVIL PRACTICE LAWS AND RULES 327(b).

4. *Counterparts.* The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

5. *Effect of Headings.* The Section headings herein are for convenience only and shall not affect the construction hereof.

6. *Not Responsible for Recitals.* The recitals contained herein shall be taken as the statements of the Issuers and the Guaranteeing Subsidiary, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

THE ISSUERS:
WH HOLDINGS (CAYMAN ISLANDS) LTD.

By: _____

Name:
Title:

WH CAPITAL CORPORATION

By: _____

Name:
Title:

GUARANTEEING SUBSIDIARY:
NAME:

By: _____

Name:
Title:

THE TRUSTEE:
THE BANK OF NEW YORK

By: _____

Name:
Title:

EXHIBIT F

FORM OF GUARANTEE
GUARANTEE

For good and valuable consideration received from the Issuers by the undersigned (hereinafter referred to as the "Guarantors," which term includes any successors or assigns under the Indenture, dated March 8, 2004, among the Issuers (as defined below) and The Bank of New York, as trustee, (the "Indenture"), have irrevocably and unconditionally guaranteed the Guarantee Obligations (as defined in Section 10.1 of the Indenture), which include (i) the due and punctual payment of the principal of, premium, if any, and interest (and Liquidated Damages, if any) on the 9 1/2% Notes due 2011 (the "Notes") of WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted company with limited liability (the "Company") and WH Capital Corporation, a Nevada corporation ("Capital," and together with the Company, the "Issuers"), whether at maturity, by acceleration, call for redemption, upon a Change of Control Offer, upon an Asset Sale Offer or otherwise, and the prompt payment of interest on the overdue principal and premium, if any, and (to the extent permitted by law) interest on any interest on the Notes, and all other payment Obligations of the Company, to the Holders or the Trustee all in accordance with the terms set forth in Article X of the Indenture, and (ii) in case of any extension of time of payment or renewal of any Notes or any such other Obligations, the prompt payment in full of such Notes or other Obligations when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration, call for redemption, upon a Change of Control Offer, upon an Asset Sale Offer, or otherwise, subject in the case of clauses (i) and (ii) above, to the limitations set forth in Section 10.5 of the Indenture.

The obligations of each Guarantor to the Holders and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article X of the Indenture and reference is hereby made to such Indenture for the precise terms of this Guarantee.

The obligations of each Guarantor to the Holders and to the Trustee pursuant to this Guarantee and the Indenture are expressly subordinated, to the extent applicable, to Indebtedness outstanding under the Credit Agreement, as set forth in Section 10.7 of the Indenture and reference is hereby made to such Section for the precise terms of such subordination.

No past, present or future director, officer, employee, incorporator or stockholder (direct or indirect) of the Guarantors (or any such successor entity), as such, shall have any liability for any obligations of the Guarantors under this Guarantee or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation, except in their capacity as an obligor or Guarantor of the Notes in accordance with the Indenture.

This is a continuing Guarantee and shall remain in full force and effect and shall be binding upon each Guarantor and its successors and assigns until full and final payment of all of the Company's obligations under the Notes and Indenture or until released or legally defeased in accordance with the Indenture and shall inure to the benefit of the successors and assigns of the Trustee and the Holders, and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof. This is a Guarantee of payment and performance and not of collectibility.

This Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which this Guarantee is noted shall have been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers.

The obligations of each Guarantor under this Guarantee shall be limited to the extent necessary to insure that it does not constitute a fraudulent conveyance under applicable law.

THE TERMS OF ARTICLES X AND XI OF THE INDENTURE ARE INCORPORATED HEREIN BY REFERENCE.

Capitalized terms used herein have the same meanings given in the Indenture unless otherwise indicated.

IN WITNESS WHEREOF, the Guarantor has caused this instrument to be duly executed.

Dated:

[NAME OF GUARANTOR]

By: _____

Name:
Title:

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Exhibit 5.1

May 10, 2004

(310) 552-8500

C 38208-00018

(310) 552-7030

WH Holdings (Cayman Islands) Ltd.
WH Capital Corporation
c/o Herbalife International, Inc.
1800 Century Park East
Los Angeles, California 90067

Re: *WH Holdings (Cayman Islands) Ltd./WH Capital Corporation*
Registration Statement on Form S-4

Ladies and Gentlemen:

We have acted as United States special counsel to WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company, and WH Capital Corporation, a Nevada corporation (the "*Issuers*"), in connection with the Issuers' registration, on a Registration Statement on Form S-4 (the "*Registration Statement*"), under the Securities Act of 1933, as amended, of $275,000,000 aggregate principal amount of 9.50% Notes due 2011 (the "*New Notes*").

The New Notes will be offered in exchange for like principal amounts of the Issuers' outstanding 9.50% Notes due 2011 (the "*Outstanding Notes*") pursuant to the Registration Rights Agreement, dated as of March 8, 2004 (the "*Registration Rights Agreement*"), by and between the Issuers and UBS Securities LLC (the "Initial Purchaser"). The Registration Rights Agreement was executed in connection with the private placement of the Outstanding Notes.

The New Notes will be issued pursuant to the Indenture, dated as of March 8, 2004 (the "*Indenture*"), by and between the Issuers and The Bank of New York, as Trustee. The New Notes and the Indenture are each governed under the internal laws of the State of New York, and are sometimes collectively referred to herein as the "*Documents*."

In rendering this opinion, we have examined the Documents, and have also made such inquiries and examined, among other things, originals or copies, certified or otherwise identified to our satisfaction, of such records, agreements, certificates, instruments and other documents, as we have considered necessary or appropriate for purposes of this opinion.

In rendering this opinion, we have assumed:

(a) Each party to the Documents (i) is a validly existing corporation in good standing under the laws of its state of incorporation, (ii) has all requisite power and authority to execute, deliver and perform its obligations under the Documents, (iii) has duly authorized, by all necessary action on such party's part, the execution and delivery of each such Document and the performance of such obligations and (iv) has duly executed and delivered each such Document;

(b) Each of the Documents is the legal, valid and binding obligation of, and is enforceable against, each party thereto (other than the Issuers, as to which the assumptions in this clause (b) do not apply) in accordance with its terms;

(c) The signatures on all documents examined by us are genuine, all individuals executing such documents had all requisite legal capacity and competency and (except in the case of the documents signed on behalf of the Issuers) were duly authorized to execute and deliver such documents, the documents submitted to us as originals are authentic, and the documents submitted to us as certified or reproduction copies conform to the originals;

(d) There are no agreements or understandings between or among the Issuers and other parties to the Documents, or third parties, that would expand, modify or otherwise affect the terms of the Documents or the respective rights or obligations of the parties thereunder;

(e) The proceeds from the sale of the Outstanding Notes were applied as set forth in the Offering Memorandum of the Company dated March 3, 2004 in connection with the issuance and sale of the Outstanding Notes; and

(f) The issuance and delivery of the New Notes will not, at any time, violate any applicable law or result in a violation of any provision of any instrument or agreement then binding on the Issuers or any restriction imposed by any court or governmental body having jurisdiction over the Issuers.

Based upon the foregoing and in reliance thereon, and subject to the assumptions, exceptions, qualifications and limitations contained herein, we are of the opinion that when issued in exchange for the Outstanding Notes pursuant to the terms of the Indenture and the exchange offer described in the Registration Statement, the New Notes will be legally issued and will constitute binding obligations of the Issuers.

The foregoing opinions are subject to the following exceptions, qualifications and limitations:

A. We render no opinion herein as to matters involving the laws of any jurisdiction other than the State of New York and the United States of America. This opinion is limited to the effect of the present state of the laws of the State of New York and the United States of America and the facts as they presently exist. We assume no obligation to revise or supplement this opinion in the event of changes in such laws or the interpretations thereof or in the event of changes in such facts. We express no opinion herein regarding any insurance laws or regulations.

B. Our opinions are subject to (i) the effect of any bankruptcy, insolvency, reorganization, moratorium, arrangement or similar laws affecting the rights and remedies of creditors' generally (including, without limitation, the effect of statutory or other laws regarding fraudulent transfers or preferential transfers) and (ii) general principles of equity, including without limitation concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies regardless of whether enforceability is considered in a proceeding in equity or at law.

C. We express no opinion regarding the effectiveness (i) of any waiver (whether or not stated as such) under the Documents, or any consent thereunder relating to, any unknown future rights or the rights of any party thereto existing, or duties owing to it, as a matter of law; (ii) of any waiver (whether or not stated as such) contained in the Documents of rights of any party, or duties owing to it, that is broadly or vaguely stated or does not describe the right or duty purportedly waived with reasonable specificity; (iii) of provisions relating to indemnification, exculpation or contribution; (iv) of any provisions of the Documents that may be construed as penalties or forfeitures; or (v) of any covenants (other than covenants relating to the payment of principal, interest, premium, indemnities and expenses) in the Indenture to the extent they are construed to be independent requirements as distinguished from conditions to the declaration or occurrence of a default or any event of default.

D. We express no opinion as to the applicability to, or the effect of noncompliance by, the holders of the New Notes or the Trustee with any state or federal laws applicable to the transactions contemplated by the Documents because of the nature of the business of such party.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to this firm under the heading "Legal Matters" contained in the prospectus that forms a part of the Registration Statement. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations promulgated thereunder.

Very truly yours,

/s/ GIBSON, DUNN & CRUTCHER LLP

GIBSON, DUNN & CRUTCHER LLP

JKL/BDK/MBM/FEM

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Exhibit 5.2

[LETTERHEAD]

To the Addressees named in the Schedule

10th May, 2004

Dear Sirs

Re: ***WH Holdings (Cayman Islands) Ltd. (the "Company")***

We have acted as Cayman Islands legal advisers to WH Holdings (Cayman Islands) Ltd. (the "**Company**") in connection with the Company's registration statement on Form S-4, including all amendments or supplements thereto (the "**Registration Statement**"), filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, relating to the exchange offer for all outstanding 9 1/2% Notes (the "**Outstanding Notes**") due April 1, 2011 for new 9 1/2% Notes (the "**Notes**") due April 1, 2011 to be registered pursuant to the Registration Statement. We are furnishing this opinion as Exhibit 5.2 to the Registration Statement.

1 DOCUMENTS REVIEWED

We have reviewed originals, copies, drafts or conformed copies of the following documents:

1.1 the Certificate of Incorporation dated 4th April, 2002 and Memorandum and Articles of Association of the Company adopted on 24th July, 2002 as amended by a special resolution passed on 11th October, 2002, an ordinary resolution to alter the share capital passed on 31st July, 2003 and special resolutions and an ordinary resolution passed on 1st March, 2004;

1.2 the minutes of the meeting of the board of directors of the Company held on 3rd February, 2004, the minutes of the meeting of the special offering committee of the Company held on 3rd March, 2004, and the corporate records of the Company maintained at its registered office in the Cayman Islands;

1.3 a Certificate of Good Standing issued by the Registrar of Companies in the Cayman Islands (the "**Certificate of Good Standing**");

1.4 a certificate from a director of the Company a copy of which is annexed hereto (the "**Director's Certificate**"); and

1.5 the documents listed in the Second Schedule hereto. The documents listed from 1 to 3 in the Second Schedule hereto are collectively referred to as the "**Note Documents**".

2 ASSUMPTIONS

The following opinion is given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion. This opinion only relates to the laws of the Cayman Islands which are in force on the date of this opinion. In giving this opinion we have relied (without further verification) upon the completeness and accuracy of the Director's Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

2.1 the Note Documents and the Notes have been or will be authorised and duly executed and delivered by or on behalf of all relevant parties (other than the Company as a matter of Cayman Islands law) in accordance with all relevant laws (other than the laws of the Cayman Islands);

2.2 the Note Documents and the Notes are, or will be, legal, valid, binding and enforceable against all relevant parties in accordance with their terms under New York law and all other relevant laws (other than the laws of the Cayman Islands);

2.3 the choice of New York law as the governing law of the Note Documents and the Notes has been made in good faith and would be regarded as a valid and binding selection which will be upheld by the courts of the State of New York as a matter of New York law and all other relevant laws (other than the laws of the Cayman Islands);

2.4 copy documents, conformed copies or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals;

2.5 all signatures, initials and seals are genuine;

2.6 the power, authority and legal right of all parties under all relevant laws and regulations (other than, with respect to the Company, the laws of the Cayman Islands) to enter into, execute, deliver and perform their respective obligations under the Note Documents;

2.7 the Notes will be issued and authenticated in accordance with the provisions of the Indenture;

2.8 no invitation has been or will be made by or on behalf of the Company to the public in the Cayman Islands to subscribe for any of the Notes; and

2.9 there is nothing under any law (other than the law of the Cayman Islands) which would or might affect the opinions hereinafter appearing. Specifically, we have made no independent investigation of the laws of the State of New York.

3 OPINIONS

Based upon, and subject to, the foregoing assumptions and the qualifications set out below, and having regard to such legal considerations as we deem relevant, we are of the opinion that:

3.1 The Company has been duly incorporated as an exempted company with limited liability and is validly existing and in good standing under the laws of the Cayman Islands.

3.2 The Company has full power and authority under its Memorandum and Articles of Association to enter into, execute and perform its obligations under the Note Documents and the Notes including the issue and offer of the Notes pursuant to the Note Documents and the Registration Statement.

3.3 The execution and delivery of the Note Documents and the issue and offer of the Notes by the Company and the performance of its obligations thereunder do not conflict with or result in a breach of any of the terms or provisions of the Memorandum and Articles of Association of the Company or any law, public rule or regulation applicable to the Company in the Cayman Islands currently in force.

3.4 The execution, delivery and performance of the Note Documents has been authorised by and on behalf of the Company and, assuming the Note Documents have been executed and delivered by any Director or Officer, the Note Documents have been duly executed and delivered on behalf of the Company and constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms.

3.5 The Notes have been duly authorised by the Company and when the Notes are signed in facsimile or manually by a Director on behalf of the Company and, if appropriate, authenticated in the manner set forth in the Indenture and delivered against due payment therefor will be duly executed, issued and delivered and will constitute the legal, valid and binding obligations of the Company enforceable in accordance with their respective terms.

3.6 No authorisations, consents, approvals, licences, validations or exemptions are required by law from any governmental authorities or agencies or other official bodies in the Cayman Islands in connection with:

3.6.1 the issue of the prospectus contained in the Registration Statement;

3.6.2 the execution, creation or delivery of the Note Documents by the Company;

3.6.3 subject to the payment of stamp duty, the enforcement of the Note Documents against the Company;

3.6.4 the offering, execution, authentication, allotment, issue or delivery of the Notes;

3.6.5 the performance by the Company of its obligations under the Notes and the Note Documents; or

3.6.6 the payment of the principal and interest and any other amounts under the Notes.

3.7 No taxes, fees or charges (other than stamp duty) are payable (either by direct assessment or withholding) to the government or other taxing authority in the Cayman Islands under the laws of the Cayman Islands in respect of:

3.7.1 the execution or delivery of the Note Documents or the Notes;

3.7.2 the enforcement of the Note Documents or the Notes;

3.7.3 payments made under, or pursuant to, the Note Documents; or

3.7.4 the issue, transfer or redemption of the Notes.

The Cayman Islands currently have no form of income, corporate or capital gains tax and no estate duty, inheritance tax or gift tax.

3.8 The courts of the Cayman Islands will observe and give effect to the choice of New York law as the governing law of the Note Documents and the Notes.

3.9 Based solely on our inspection of the Register of Writs and Other Originating process in the Grand Court of the Cayman Islands from the date of incorporation of the Company there were no actions or petitions pending against the Company in the courts of the Cayman Islands as at close of business in the Cayman Islands on [7th] May, 2004.

3.10 Although there is no statutory enforcement in the Cayman Islands of judgments obtained in the State of New York, the courts of the Cayman Islands will recognise a foreign judgment as the basis for a claim at common law in the Cayman Islands provided such judgment:

3.10.1 is given by a competent foreign court;

3.10.2 imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given;

3.10.3 is final;

3.10.4 is not in respect of taxes, a fine or a penalty; and

3.10.5 was not obtained in a manner and is not of a kind the enforcement of which is contrary to the public policy of the Cayman Islands.

3.11 It is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of the Note Documents or the Notes that any document be filed, recorded or enrolled with any governmental authority or agency or any official body in the Cayman Islands.

3.12 The statements made in the Registration Statement under the heading "Cayman Islands tax consequences" are correct in so far as such statements are summaries of or relate to Cayman Islands law.

4 QUALIFICATIONS

The opinions expressed above are subject to the following qualifications:

4.1 The term "**enforceable**" as used above means that the obligations assumed by the Company under the Note Documents and the Notes are of a type which the courts of the Cayman Islands will enforce. It does not mean that those obligations will necessarily be enforced in all circumstances in accordance with their terms. In particular:

4.1.1 enforcement may be limited by bankruptcy, insolvency, liquidation, reorganisation, readjustment of debts or moratorium or other laws of general application relating to or affecting the rights of creditors;

4.1.2 enforcement may be limited by general principles of equity. For example, equitable remedies such as specific performance may not be available, *inter alia*, where damages are considered to be an adequate remedy;

4.1.3 some claims may become barred under the statutes of limitation or may be or become subject to defenses of set-off, counterclaim, estoppel and similar defenses;

4.1.4 where obligations are to be performed in a jurisdiction outside the Cayman Islands, they may not be enforceable in the Cayman Islands to the extent that performance would be illegal under the laws of that jurisdiction;

4.1.5 the Cayman Islands court has jurisdiction to give judgment in the currency of the relevant obligation and statutory rates of interest payable upon judgments will vary according to the currency of the judgment. If the Company becomes insolvent and is made subject to a liquidation proceeding, the Cayman Islands court will require all debts to be proved in a common currency, which is likely to be the "functional currency" of the Company determined in accordance with applicable accounting principles. Currency indemnity provisions have not been tested, so far as we are aware, in the courts of the Cayman Islands;

4.1.6 obligations to make payments that may be regarded as penalties will not be enforceable; and

4.1.7 the courts of the Cayman Islands may decline to exercise jurisdiction in relation to substantive proceedings brought under or in relation to the Note Documents in matters where they determine that such proceedings may be tried in a more appropriate forum.

4.2 Cayman Islands stamp duty may be payable if the original Note Documents, the agreements to transfer Notes or the original Notes (not being treated as registered Notes) are brought to or executed in the Cayman Islands.

4.3 To maintain the Company in good standing under the laws of the Cayman Islands, annual filing fees must be paid and returns made to the Registrar of Companies.

4.4 The obligations of the Company may be subject to restrictions pursuant to United Nations sanctions as implemented under the laws of the Cayman Islands.

4.5 A certificate, determination, calculation or designation of any party to the Note Documents or the Notes as to any matter provided therein might be held by a Cayman Islands court not to be conclusive final and binding if, for example, it could be shown to have an unreasonable or arbitrary basis, or in the event of manifest error.

4.6 In principle a Cayman Islands court will award costs and disbursements in litigation in accordance with the relevant contractual provisions but there remains some uncertainty as to the way in which the rules of the Grand Court will be applied in practice. Whilst it is clear that costs incurred prior to judgment can be recovered in accordance with the contract, it is likely that post-judgment costs

(to the extent recoverable at all) will be subject to taxation in accordance with Grand Court Rules Order 62.

4.7 We reserve our opinion as to the extent to which a Cayman Islands court would, in the event of any relevant illegality, sever the offending provisions and enforce the remainder of the transaction of which such provisions form a part, notwithstanding any express provisions in this regard.

4.8 We make no comment with regard to the references to foreign statutes in the Note Documents or the Notes.

We express no view as to the commercial terms of the Note Documents or the Notes or whether such terms represent the intentions of the parties and make no comment with respect to any representations which may be made by the Company.

This opinion may be relied upon by the addressees only. It may not be relied upon by any other person except with our prior written consent.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving our consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the Rules and Regulations of the Commission thereunder.

Yours faithfully,

/s/ MAPLES AND CALDER

Maples and Calder

FIRST SCHEDULE

UBS Securities LLC
299 Park Avenue
New York, New York 10171
USA

The Bank of New York
101 Barclay St—21W
New York, New York 10286
USA

WH Holdings (Cayman Islands) Limited
P.O. Box 309GT,
Ugland House,
South Church Street,
George Town,
Grand Cayman,
Cayman Islands

SECOND SCHEDULE

1. Indenture dated as of 8th March, 2004 among the Company, WH Capital Corporation and The Bank of New York as trustee.

2. Purchase agreement dated 3rd March, 2004 among the Company, WH Capital Corporation and UBS Securities LLC.

3. Registration rights agreement dated as of 8th March, 2004 among the Company, WH Capital Corporation and UBS Securities LLC.

4. Registration Statement.

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Exhibit 5.3

May 10, 2004

WH Capital Corporation
1800 Century Park East
Los Angeles, California 90067

Ladies and Gentlemen:

We have acted as special Nevada counsel to WH Capital Corporation, a Nevada corporation (the "Company"), in connection with the registration by the Company and WH Holdings (Cayman Islands) Ltd., a Cayman Islands corporation ("WH Holdings" and together with the Company, the "Issuers") of $275,000,000 aggregate principal amount of their 9 1/2% Notes due 2011 (the "Exchange Notes") pursuant to a registration statement on Form S-4 (the "Registration Statement") to be filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "1933 Act"). The Exchange Notes will be issued pursuant to that certain Indenture, dated as of March 8, 2004 (the "Indenture"), by and between the Issuers and The Bank of New York, as Trustee (the "Trustee"). Capitalized terms used herein without definition have the meanings given to them in the Indenture, a copy of which will be filed as an exhibit to the Registration Statement.

In our capacity as your special Nevada counsel, we are familiar with the proceedings taken and proposed to be taken by the Company in connection with the authorization and issuance of the Exchange Notes and, for purposes of this opinion, we have assumed such proceedings will be timely completed in the manner presently proposed and the terms of such issuance will otherwise be in compliance with law.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of rendering the opinions expressed herein. In our examination, we have assumed: (i) the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as certified, conformed, photostatic or facsimile copies; (ii) that each natural person executing any instrument, document, or agreement is legally competent to do so; (iii) there are no oral or written modifications of or amendments to the documents we have examined, and there has been no waiver of any of the provisions thereof, by actions or conduct of the parties or otherwise; and (iv) all corporate records made available to us by the Company and all public records we have reviewed are accurate and complete.

We have been furnished with, and with your consent have relied upon, certificates of officers of the Company with respect to certain factual matters. In addition, we have obtained and relied upon such certificates and assurances from public officials as we have deemed necessary or appropriate for purposes of this opinion.

We are qualified to practice law in the State of Nevada. The opinions set forth herein are expressly limited to the laws of the State of Nevada and we do not purport to be experts on, or to express any opinion herein concerning, or to assume any responsibility as to the applicability to or the effect on any of the matters covered herein of, the laws of any other jurisdiction or as to matters of municipal law or the laws of any other local agencies within the state. We express no opinion concerning, and we assume no responsibility as to laws or judicial decisions related to, or any orders, consents or other authorizations or approvals as may be required by, any federal law, including any federal securities law, or any state securities or "Blue Sky" laws.

Based upon the foregoing, and having regard to legal considerations and other information that we deem relevant, we are of the opinion that:

1. The Company is duly organized as a corporation and validly existing and in good standing under the laws of the State of Nevada.

2. The Company has the requisite corporate power and authority necessary to own its property and carry on its business as described in the Registration Statement and to enter into and perform its respective obligations under the Indenture and the Registration Rights Agreement.

3. The execution and delivery of the Exchange Notes, the Indenture and the Registration Rights Agreement have been duly authorized by the Company.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and the reference to this firm therein under the caption "Legal Matters" in the prospectus included therein. In giving this consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the 1933 Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ SCHRECK BRIGNONE

SCHRECK BRIGNONE

QuickLinks

Exhibit 10.39

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "*Agreement*") is dated as of March 8, 2004, by and among WH HOLDINGS (CAYMAN ISLANDS) LTD., a Cayman Islands exempted limited liability company (the "*Company*"), WH CAPITAL CORPORATION, a Nevada corporation ("*Capital*," and together with the Company, the "*Issuers*") on the one hand, and UBS SECURITIES LLC (the "*Initial Purchaser*"), on the other hand.

This Agreement is entered into in connection with the Purchase Agreement, dated as of March 3, 2004, by and among the Issuers and the Initial Purchaser (the "*Purchase Agreement*"), relating to the offering of $275,000,000 aggregate principal amount of the Issuers' 9 1/2% Notes due 2011 (the "*Notes*"). The execution and delivery of this Agreement is a condition to the Initial Purchaser's obligation to purchase the Notes under the Purchase Agreement.

The parties hereby agree as follows:

Section 1. *Definitions*

As used in this Agreement, the following terms shall have the following meanings:

"**action**" shall have the meaning set forth in Section 7(c) hereof.

"**Advice**" shall have the meaning set forth in Section 5 hereof.

"**Agreement**" shall have the meaning set forth in the first introductory paragraph hereto.

"**Applicable Period**" shall have the meaning set forth in Section 2(b) hereof.

"**Board of Directors**" shall have the meaning set forth in Section 5 hereof.

"**Business Day**" shall mean a day that is not a Legal Holiday.

"**Commission**" shall mean the Securities and Exchange Commission.

"**Day**" shall mean a calendar day.

"**Damages Payment Date**" shall have the meaning set forth in Section 4(b) hereof.

"**Delay Period**" shall have the meaning set forth in Section 5 hereof.

"**Effectiveness Period**" shall have the meaning set forth in Section 3(b) hereof.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"**Exchange Notes**" shall have the meaning set forth in Section 2(a) hereof.

"**Exchange Offer**" shall have the meaning set forth in Section 2(a) hereof.

"**Exchange Offer Registration Statement**" shall have the meaning set forth in Section 2(a) hereof.

"**Holder**" shall mean any holder of a Registrable Note or Registrable Notes.

"**Indenture**" shall mean the indenture, dated as of the Issue Date, by and between the Issuers and The Bank of New York, as trustee, pursuant to which the Notes are being issued, as amended or supplemented from time to time in accordance with the terms thereof.

"**Initial Purchaser**" shall have the meaning set forth in the first introductory paragraph hereof.

"**Inspectors**" shall have the meaning set forth in Section 5(n) hereof.

"**Issue Date**" shall mean March 8, 2004, the date of original issuance of the Notes.

"**Issuers**" shall have the meaning set forth in the introductory paragraph hereto and shall also include the Issuers' permitted successors and assigns.

"**Legal Holiday**" shall mean a Saturday, a Sunday or a day on which banking institutions in New York, New York or in Los Angeles, California are required by law, regulation or executive order to remain closed.

"**Liquidated Damages**" shall have the meaning set forth in Section 4(a) hereof.

"**Losses**" shall have the meaning set forth in Section 7(a) hereof.

"**NASD**" shall have the meaning set forth in Section 5(s) hereof.

"**Notes**" shall have the meaning set forth in the second introductory paragraph hereto.

"**Participant**" shall have the meaning set forth in Section 7(a) hereof.

"**Participating Broker-Dealer**" shall have the meaning set forth in Section 2(b) hereof.

"**Person**" shall mean an individual, corporation, partnership, joint venture association, joint stock company, trust, unincorporated limited liability company, government or any agency or political subdivision thereof or any other entity.

"**Private Exchange**" shall have the meaning set forth in Section 2(b) hereof.

"**Private Exchange Notes**" shall have the meaning set forth in Section 2(b) hereof.

"**Prospectus**" shall mean the prospectus included in any Registration Statement (including, without limitation, any prospectus subject to completion and a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"**Purchase Agreement**" shall have the meaning set forth in the second introductory paragraph hereof.

"**Records**" shall have the meaning set forth in Section 5(n) hereof.

"**Registrable Notes**" shall mean each Note upon its original issuance and at all times subsequent thereto, each Exchange Note as to which Section 2(c)(iii) hereof is applicable upon original issuance and at all times subsequent thereto and each Private Exchange Note upon original issuance thereof and at all times subsequent thereto, in each case until (i) a Registration Statement (other than, with respect to any Exchange Note as to which Section 2(c)(iii) hereof is applicable, the Exchange Offer Registration Statement) covering such Note, Exchange Note or Private Exchange Note has been declared effective by the Commission and such Note, Exchange Note or such Private Exchange Note, as the case may be, has been disposed of in accordance with such effective Registration Statement, (ii) such Note has been exchanged pursuant to the Exchange Offer for an Exchange Note or Exchange Notes that may be resold without restriction under state and federal securities laws, (iii) such Note, Exchange Note or Private Exchange Note, as the case may be, ceases to be outstanding for purposes of the Indenture or (iv) such Note, Exchange Note or Private Exchange Note has been sold in compliance with Rule 144 or is salable pursuant to Rule 144(k).

"**Registration Default**" shall have the meaning set forth in Section 4(a) hereof.

"**Registration Statement**" shall mean any registration statement of the Issuers covering any of the Registrable Notes filed with the Commission under the Securities Act on the appropriate form, and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"**Requesting Participating Broker-Dealer**" shall have the meaning set forth in Section 2(b) hereof.

"**Rule 144**" shall mean Rule 144 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144A) or regulation hereafter adopted by the Commission providing for offers and sales of securities made in compliance therewith resulting in offers and sales by subsequent holders that are not affiliates of an issuer of such securities being free of the registration and prospectus delivery requirements of the Securities Act.

"**Rule 144A**" shall mean Rule 144A promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144) or regulation hereafter adopted by the Commission.

"**Rule 415**" shall mean Rule 415 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission.

"**Securities Act**" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"**Shelf Filing Event**" shall have the meaning set forth in Section 2(c) hereof.

"**Shelf Registration**" shall have the meaning set forth in Section 3(a) hereof.

"**Shelf Registration Statement**" shall mean a Registration Statement filed in connection with a Shelf Registration.

"**TIA**" shall mean the Trust Indenture Act of 1939, as amended.

"**Trustee**" shall mean the trustee under the Indenture and the trustee (if any) under any Indenture governing the Exchange Notes and Private Exchange Notes.

"**Underwritten registration or underwritten offering**" shall mean a registration in which securities of the Issuers are sold to an underwriter for reoffering to the public.

Section 2. *Exchange Offer*

(a) The Issuers shall (i) file a Registration Statement (the "*Exchange Offer Registration Statement*") within 105 days after the Issue Date with the Commission on an appropriate registration form with respect to a registered offer (the "*Exchange Offer*") to exchange any and all of the Registrable Notes for a like aggregate principal amount of notes (the "*Exchange Notes*") that are identical in all material respects to the Notes (except that the Exchange Notes shall not contain terms with respect to transfer restrictions or Liquidated Damages upon a Registration Default), (ii) use their reasonable efforts to cause the Exchange Offer Registration Statement to be declared effective under the Securities Act within 165 days after the Issue Date and (iii) use their reasonable efforts to consummate the Exchange Offer within 195 days after the Issue Date. Upon the Exchange Offer Registration Statement being declared effective by the Commission, the Issuers will offer the Exchange Notes in exchange for surrender of the Notes. The Issuers shall keep the Exchange Offer open for not less than 30 days (or longer if required by applicable law) after the date notice of the Exchange Offer is mailed to Holders.

Each Holder that participates in the Exchange Offer will be required to represent to the Issuers in writing that (i) any Exchange Notes to be received by it will be acquired in the ordinary course of its business, (ii) it has no arrangement or understanding with any Person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Notes in violation of the provisions of the Securities Act or, if it is an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iii) if such Holder is not a broker-dealer, it is not engaged in, and does not intend to engage in, a distribution of Exchange Notes, (iv) if such Holder is a broker-dealer that will receive Exchange Notes for its own

account in exchange for Notes that were acquired as a result of market-making or other trading activities, it will deliver a prospectus in connection with any resale of such Exchange Notes and (v) such Holder has full power and authority to transfer the Notes in exchange for the Exchange Notes and that the Issuers will acquire good and unencumbered title thereto free and clear of any liens, restrictions, charges or encumbrances and not subject to any adverse claims.

(b) The Issuers and the Initial Purchaser acknowledge that the staff of the Commission has taken the position that any broker-dealer that elects to exchange Notes that were acquired by such broker-dealer for its own account as a result of market-making or other trading activities for Exchange Notes in the Exchange Offer (a "*Participating Broker-Dealer*") may be deemed to be an "underwriter" within the meaning of the Securities Act and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Notes (other than a resale of an unsold allotment resulting from the original offering of the Notes).

The Issuers and the Initial Purchaser also acknowledge that the staff of the Commission has taken the position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating Broker-Dealers may resell the Exchange Notes, without naming the Participating Broker-Dealers or specifying the amount of Exchange Notes owned by them, such Prospectus may be delivered by Participating Broker-Dealers to satisfy their prospectus delivery obligations under the Securities Act in connection with resales of Exchange Notes for their own accounts, so long as the Prospectus otherwise meets the requirements of the Securities Act.

In light of the foregoing, if requested by a Participating Broker-Dealer (a "*Requesting Participating Broker-Dealer*"), the Issuers agree to use their reasonable efforts to keep the Exchange Offer Registration Statement continuously effective for a period not to exceed 60 days after the date on which the Exchange Registration Statement is declared effective, or such longer period if extended pursuant to the last paragraph of Section 5 hereof (such period, the "*Applicable Period*"), or such earlier date as all Requesting Participating Broker-Dealers shall have notified the Issuers in writing that such Requesting Participating Broker-Dealers have resold all Exchange Notes acquired in the Exchange Offer. The Issuers shall include a plan of distribution in such Exchange Offer Registration Statement that meets the requirements set forth in the preceding paragraph.

If, prior to consummation of the Exchange Offer, the Initial Purchaser or any Holder, as the case may be, holds any Notes acquired by it that have, or that are reasonably likely to be determined to have, the status of an unsold allotment in an initial distribution, or if any Holder is not entitled to participate in the Exchange Offer, the Issuers upon the request of the Initial Purchaser or any such Holder, as the case may be, shall simultaneously with the delivery of the Exchange Notes in the Exchange Offer, issue and deliver to the Initial Purchaser or any such Holder, as the case may be, in exchange (the "*Private Exchange*") for such Notes held by the Initial Purchaser or any such Holder, as the case may be, a like principal amount of notes (the "*Private Exchange Notes*") of the Issuers that are identical in all material respects to the Exchange Notes except that the Private Exchange Notes may be subject to restrictions on transfer and bear a legend to such effect. The Private Exchange Notes shall be issued pursuant to the same Indenture as the Exchange Notes and bear the same CUSIP number as the Exchange Notes.

For each Note surrendered in the Exchange Offer, the Holder will receive an Exchange Note having a principal amount equal to that of the surrendered Note. Interest on each Exchange Note and Private Exchange Note issued pursuant to the Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Notes surrendered in exchange therefor or, if no interest has been paid on the Notes, from the Issue Date.

Upon consummation of the Exchange Offer, the Issuers shall have no further registration obligations other than the Issuers' continuing registration obligations with respect to (i) Private Exchange Notes, (ii) Exchange Notes held by Participating Broker-Dealers and (iii) Notes or Exchange Notes as to which clause (c)(iii) of this Section 2 applies.

In connection with the Exchange Offer, the Issuers shall:

(1) mail or cause to be mailed to each Holder entitled to participate in the Exchange Offer a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(2) utilize the services of a depositary for the Exchange Offer with an address in the Borough of Manhattan, The City of New York;

(3) permit Holders to withdraw tendered Notes at any time prior to the close of business, New York time, on the last Business Day on which the Exchange Offer shall remain open; and

(4) otherwise comply in all material respects with all applicable laws, rules and regulations.

As soon as practicable after the close of the Exchange Offer and the Private Exchange, if any, the Issuers shall:

(1) accept for exchange all Registrable Notes validly tendered and not validly withdrawn by the Holders pursuant to the Exchange Offer and the Private Exchange, if any;

(2) deliver or cause to be delivered to the Trustee for cancellation all Registrable Notes so accepted for exchange; and

(3) cause the Trustee to authenticate and deliver promptly to each such Holder of Notes, Exchange Notes or Private Exchange Notes, as the case may be, equal in principal amount to the Registrable Notes of such Holder so accepted for exchange.

The Exchange Offer and the Private Exchange shall not be subject to any conditions, other than that (i) the Exchange Offer or Private Exchange, as the case may be, does not violate applicable law or any applicable interpretation of the staff of the Commission, (ii) no action or proceeding shall have been instituted or threatened in any court or by any governmental agency which might materially impair the ability of the Issuers to proceed with the Exchange Offer or the Private Exchange, and no material adverse development shall have occurred in any existing action or proceeding with respect to the Issuers and (iii) all governmental approvals shall have been obtained, which approvals the Issuers deem necessary for the consummation of the Exchange Offer or Private Exchange.

The Exchange Notes and the Private Exchange Notes shall be issued under (i) the Indenture or (ii) an indenture identical in all material respects to the Indenture (in either case, with such changes as are necessary to comply with any requirements of the Commission to effect or maintain the qualification thereof under the TIA) and which, in either case, has been qualified under the TIA and shall provide that (a) the Exchange Notes shall not be subject to the transfer restrictions set forth in the Indenture and (b) the Private Exchange Notes shall be subject to the transfer restrictions set forth in the Indenture. The Indenture or such indentures shall provide that the Exchange Notes, the Private Exchange Notes and the Notes shall vote and consent together on all matters requiring the vote or consent of the holders of the Exchange Notes, the Private Exchange Notes and the Notes under the Indenture as one class and that none of the Exchange Notes, the Private Exchange Notes or the Notes will have the right to vote or consent as a separate class on any matter.

(c) In the event that (i) any changes in law or the applicable interpretations of the staff of the Commission do not permit the Issuers to effect the Exchange Offer, (ii) for any reason the Exchange Offer is not consummated within 195 days of the Issue Date, (iii) any Holder, other than the Initial Purchaser, is prohibited by law or the applicable interpretations of the staff of the Commission from participating in the Exchange Offer or does not receive Exchange Notes on the date of the exchange that may be sold without restriction under state and federal securities laws (other than due solely to the status of such holder as an affiliate of the Issuers within the meaning of the Securities Act) or (iv) the Initial Purchaser so requests with respect to Notes or Private Exchange Notes that have, or that are reasonably likely to be determined to have, the status of unsold allotments in an initial distribution (each such event referred to in clauses (i) through (iv) of this sentence, a "*Shelf Filing Event*"), then the Issuers shall file a Shelf Registration pursuant to Section 3 hereof.

Section 3. *Shelf Registration*

If at any time a Shelf Filing Event shall occur, then:

(a) *Shelf Registration.* The Issuers shall file with the Commission a Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 covering all of the Registrable Notes not exchanged in the Exchange Offer, Private Exchange Notes and Exchange Notes as to which Section 2(c)(iii) is applicable (the "*Shelf Registration*"). The Issuers shall use their reasonable efforts to file with the Commission the Shelf Registration as promptly as practicable. The Shelf Registration shall be on Form S-1 or another appropriate form permitting registration of such Registrable Notes for resale by Holders in the manner or manners designated by them (including, without limitation, one or more underwritten offerings). The Issuers shall not permit any securities other than the Registrable Notes to be included in the Shelf Registration.

(b) The Issuers shall use their reasonable efforts (x) to cause the Shelf Registration to be declared effective under the Securities Act on or prior to the later of 195 calendar days after the Issue Date or 90 days after the Shelf Registration is required to be filed with the Commission and (y) to keep the Shelf Registration continuously effective under the Securities Act for the period ending on the date which is two years from the Issue Date, subject to extension pursuant to the penultimate paragraph of Section 5 hereof (the "*Effectiveness Period*"), or such shorter period ending when all Registrable Notes covered by the Shelf Registration have been sold in the manner set forth and as contemplated in the Shelf Registration; *provided*, *however*, that (i) the Effectiveness Period in respect of the Shelf Registration shall be extended to the extent required to permit dealers to comply with the applicable prospectus delivery requirements of Rule 174 under the Securities Act and as otherwise provided herein and (ii) the Issuers may suspend the effectiveness of the Shelf Registration Statement by written notice to the Holders as a result of (A) the filing of a post-effective amendment to the Shelf Registration Statement to incorporate annual audited financial information with respect to the Issuers where such post-effective amendment is not yet effective and needs to be declared effective to permit Holders to use the related Prospectus and (B) the penultimate paragraph of Section 5 hereof.

(c) *Supplements and Amendments.* The Issuers agree to supplement or make amendments to the Shelf Registration Statement as and when required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration Statement or by the Securities Act or rules and regulations thereunder for shelf registration, or if reasonably requested by the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement or by any underwriter of such Registrable Notes.

Section 4. *Liquidated Damages*

(a) The Issuers and the Initial Purchaser agree that the Holders will suffer damages if the Issuers fail to fulfill their respective obligations under Section 2 or Section 3 hereof and that it would not be feasible to ascertain the extent of such damages with precision. Accordingly, the Issuers agree that if:

(i) the Exchange Offer Registration Statement is not filed with the Commission on or prior to the 105th day following the Issue Date or, if that filing date is not a Business Day, the next day that is a Business Day,

(ii) the Exchange Offer Registration Statement is not declared effective on or prior to the 165th day following the Issue Date or, if that effectiveness day is not a Business Day, the next day that is a Business Day,

(iii) the Exchange Offer is not consummated on or prior to the 195th day following the Issue Date, or, if that day is not a Business Day, the next day that is a Business Day; or

(iv) the Shelf Registration Statement is required to be filed but is not declared effective by the later of 195 calendar days after the Issue Date or 90 days after the Shelf Registration is required to be filed with the Commission, or, if either such day is not a Business Day, the next day that is a Business Day or is declared effective by such date but thereafter ceases to be effective or usable, except if the Shelf Registration ceases to be effective or usable as specifically permitted by the penultimate paragraph of Section 5 hereof

(each such event referred to in clauses (i) through (iv) a "*Registration Default*"), liquidated damages ("*Liquidated Damages*") will accrue on the affected Notes and the affected Exchange Notes, as applicable. The rate of Liquidated Damages will be 0.25% per annum for the first 90-day period immediately following the occurrence of a Registration Default, increasing by an additional 0.25% per annum with respect to each subsequent 90-day period up to a maximum amount of 1.00% per annum, from and including the date on which any such Registration Default shall occur to, but excluding, the earlier of (1) the date on which all Registration Defaults have been cured or (2) the date on which all the Registrable Notes otherwise become freely transferable by Holders other than affiliates of the Issuers without further registration under the Securities Act.

Notwithstanding the foregoing, (1) the amount of Liquidated Damages payable shall not increase because more than one Registration Default has occurred and is pending and (2) a Holder of Notes or Exchange Notes who is not entitled to the benefits of the Shelf Registration Statement (*i.e.*, such Holder has not elected to include information) shall not be entitled to Liquidated Damages with respect to a Registration Default that pertains to the Shelf Registration Statement.

(b) So long as Notes remain outstanding, the Issuers shall notify the Trustee within five Business Days after each and every date on which an event occurs in respect of which Liquidated Damages is required to be paid. Any amounts of Liquidated Damages due pursuant to clauses (a)(i), (a)(ii), (a)(iii) or (a)(iv) of this Section 4 will be payable in cash semi-annually on each April 1 and October 1 (each a "*Damages Payment Date*"), commencing with the first such date occurring after any such Liquidated Damages commence to accrue, to Holders to whom regular interest is payable on such Damages Payment Date with respect to Notes that are Registrable Securities. The amount of Liquidated Damages for Registrable Notes will be determined by multiplying the applicable rate of Liquidated Damages by the aggregate principal amount of all such Registrable Notes outstanding on the Damages Payment Date following such Registration Default in the case of the first such payment of Liquidated Damages with respect to a Registration Default (and thereafter at the next succeeding Damages Payment Date until the cure of such Registration Default), multiplied by a fraction, the numerator of which is the number of days such

Liquidated Damages rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months and, in the case of a partial month, the actual number of days elapsed), and the denominator of which is 360.

Section 5. *Registration Procedures*

In connection with the filing of any Registration Statement pursuant to Section 2 or 3 hereof, the Issuers shall effect such registrations to permit the sale of the securities covered thereby in accordance with the intended method or methods of disposition thereof, and pursuant thereto and in connection with any Registration Statement filed by the Issuers hereunder, each of the Issuers shall:

(a) Prepare and file with the Commission the Registration Statement or Registration Statements prescribed by Section 2 or 3 hereof, and use its reasonable efforts to cause each such Registration Statement to become effective and remain effective as provided herein; *provided*, *however*, that if (1) such filing is pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto, before filing any Registration Statement or Prospectus or any amendments or supplements thereto, the Issuers shall furnish to and afford the Holders of the Registrable Notes covered by such Registration Statement or each such Participating Broker-Dealer, as the case may be, its counsel (if such counsel is known to the Issuers) and the managing underwriters, if any, a reasonable opportunity to review copies of all such documents (including copies of any documents to be incorporated by reference therein and all exhibits thereto) proposed to be filed (in each case at least five Business Days prior to such filing or such later date as is reasonable under the circumstances). The Issuers shall not file any Registration Statement or Prospectus or any amendments or supplements thereto if the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement, or any such Participating Broker-Dealer, as the case may be, its counsel, or the managing underwriters, if any, shall reasonably object on a timely basis.

(b) Prepare and file with the Commission such amendments and post-effective amendments to each Shelf Registration Statement or Exchange Offer Registration Statement, as the case may be, as may be necessary to keep such Registration Statement continuously effective for the Effectiveness Period or the Applicable Period, as the case may be; cause the related Prospectus to be supplemented by any Prospectus supplement required by applicable law, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; and comply with the provisions of the Securities Act and the Exchange Act applicable to it with respect to the disposition of all securities covered by such Registration Statement as so amended or in such Prospectus as so supplemented and with respect to the subsequent resale of any securities being sold by a Participating Broker-Dealer covered by any such Prospectus, in each case, in accordance with the intended methods of distribution set forth in such Registration Statement or Prospectus, as so amended.

(c) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto from whom the Issuers have received written notice that such Broker-Dealer will be a Participating Broker-Dealer in the applicable Exchange Offer, notify the selling Holders of Registrable Notes, or each such Participating Broker-Dealer, as the case may be, their counsel and the managing underwriters, if any, as promptly as possible, and, if requested by any such Person, confirm such notice in writing, (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective under the Securities Act (including in such notice a written statement that any Holder may, upon request, obtain, at the sole expense of the Issuers, one conformed copy of such Registration Statement or post-effective amendment including financial statements and schedules, documents incorporated or deemed to be incorporated by reference and exhibits), (ii) of the issuance by the Commission or any state securities commission or other governmental agency or court of any stop order, injunction, ruling or other order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of any preliminary prospectus, the initiation of any proceedings for that purpose or of any request by the Commission for additional information or for an amendment or supplement to the Registration Statement or any Prospectus or Prospectus supplement relating thereto, (iii) if at any time when a Prospectus is required by the Securities Act to be delivered in connection with sales of the Registrable Notes or resales of Exchange Notes by Participating Broker- Dealers, the representations and warranties of the Issuers contained in any agreement (including any underwriting agreement) contemplated by Section 5(m)(i) hereof cease to be true and correct in all material respects, (iv) of the receipt by the Issuers of any notification with respect to the suspension of the qualification or exemption from qualification of a Registration Statement or any of the Registrable Notes or the Exchange Notes for offer or sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, (v) of the happening of any event, the existence of any condition or any information becoming known to the Issuers that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in or amendments or supplements to such Registration Statement, Prospectus or documents so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (vi) of the Issuers' determination that a post-effective amendment to a Registration Statement would be appropriate.

(d) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, use its reasonable best efforts to prevent the issuance of any order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of a Prospectus or suspending the qualification (or exemption from qualification) of any of the Registrable Notes or the Exchange Notes, as the case may be, for sale in any jurisdiction, and, if any such order is issued, to use its reasonable best efforts to obtain the withdrawal of any such order at the earliest practicable moment.

(e) If (1) a Shelf Registration is filed pursuant to Section 3 hereof or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is

required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period and if reasonably requested by the managing underwriter or underwriters (if any), the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement or any Participating Broker-Dealer, as the case may be, (i) promptly incorporate in such Registration Statement or Prospectus a prospectus supplement or post-effective amendment such information as the managing underwriter or underwriters (if any), such Holders or any Participating Broker-Dealer, as the case may be (based upon advice of counsel), determine is reasonably necessary to be included therein and (ii) make all required filings of such prospectus supplement or such post-effective amendment as soon as practicable after the Issuers have received notification of the matters to be incorporated in such prospectus supplement or post-effective amendment; *provided*, *however*, that the Issuers shall not be required to take any action hereunder that would, in the written opinion of counsel to the Issuers, violate applicable laws.

(f) If (1) a Shelf Registration is filed pursuant to Section 3 hereof or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, furnish to each selling Holder of Registrable Notes or each such Participating Broker-Dealer, as the case may be, who so requests, its counsel and each managing underwriter, if any, at the sole expense of the Issuers, one conformed copy of the Registration Statement or Registration Statements and each post-effective amendment thereto, including financial statements and schedules, and, if requested, all documents incorporated or deemed to be incorporated therein by reference and all exhibits.

(g) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, deliver to each selling Holder of Registrable Notes or each such Participating Broker-Dealer, as the case may be, its respective counsel, and the underwriters, if any, at the sole expense of the Issuers, as many copies of the Prospectus or Prospectuses (including each form of preliminary prospectus) and each amendment or supplement thereto and any documents incorporated by reference therein as such Persons may reasonably request; and, subject to the last paragraph of this Section 5, the Issuers hereby consent to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, and the underwriters or agents, if any, and dealers (if any), in connection with the offering and sale of the Registrable Notes covered by, or the sale by Participating Broker-Dealers of the Exchange Notes pursuant to, such Prospectus and any amendment or supplement thereto.

(h) Prior to any public offering of Registrable Notes or Exchange Notes or any delivery of a Prospectus contained in the Exchange Offer Registration Statement by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, use its reasonable best efforts to register or qualify, and to cooperate with the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, the managing underwriter or underwriters, if any, and its respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Notes or Exchange Notes, as the case may be, for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any selling Holder, Participating Broker-Dealer, or the managing underwriter or underwriters reasonably request; *provided*, *however*, that where Exchange Notes or Registrable Notes are offered other than through an underwritten offering, the Issuers agree to use their reasonable best efforts to cause the Issuers' counsel to perform Blue Sky investigations and file registrations and qualifications required to be filed pursuant to this

Section 5(h); keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of such Exchange Notes or Registrable Notes covered by the applicable Registration Statement; *provided*, *however*, that the Issuers shall not be required to (A) qualify generally to do business in any jurisdiction where they are not then so qualified, (B) take any action that would subject them to general service of process in any such jurisdiction where they are not then so subject or (C) subject themselves to taxation in excess of a nominal dollar amount in any such jurisdiction where they are not then so subject.

(i) If a Shelf Registration is filed pursuant to Section 3 hereof, cooperate with the selling Holders of Registrable Notes and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Notes to be sold, which certificates shall not bear any restrictive legends and shall be in a form eligible for deposit with the depositary or common depositary, as applicable, and enable such Registrable Notes to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, or selling Holders may request at least five Business Days prior to any sale of such Registrable Notes or Exchange Notes.

(j) Use its reasonable efforts to cause the Registrable Notes or Exchange Notes covered by any Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be reasonably necessary to enable the seller or sellers thereof or the underwriter or underwriters, if any, to consummate the disposition of such Registrable Notes or Exchange Notes, except as may be required solely as a consequence of the nature of such selling Holder's business, in which case the Issuers will cooperate in all reasonable respects with the filing of such Registration Statement and the granting of such approvals.

(k) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, upon the occurrence of any event contemplated by Section 5(c)(v) or 5(c)(vi) hereof, as promptly as practicable prepare and (subject to Section 5(a) and the penultimate paragraph of this Section 5) file with the Commission, at the sole expense of the Issuers, a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Notes being sold thereunder or to the purchasers of the Exchange Notes to whom such Prospectus will be delivered by a Participating Broker-Dealer, any such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) Prior to the effective date of the first Registration Statement relating to the Registrable Notes, (i) provide the Trustee with certificates for the Registrable Notes in a form eligible for deposit with the depositary and common depositary, as applicable, and (ii) provide a CUSIP number for the Registrable Notes.

(m) In connection with any underwritten offering of Registrable Notes pursuant to a Shelf Registration, enter into an underwriting agreement as is customary in underwritten offerings of debt securities similar to the Notes and take all such other actions as are reasonably requested by the managing underwriter or underwriters in order to expedite or facilitate the registration or the disposition of such Registrable Notes and, in such connection, (i) make such representations and warranties to, and covenants with, the underwriters with respect to the business of the Issuers and

their respective subsidiaries, as then conducted (including any acquired business, properties or entity, if applicable), and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, as are customarily made by issuers to underwriters in underwritten offerings of debt securities similar to the Notes, and confirm the same in writing if and when requested; (ii) use its reasonable efforts to obtain the written opinions of counsel to the Issuers and written updates thereof in form, scope and substance reasonably satisfactory to the managing underwriter or underwriters, addressed to the underwriters covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by the managing underwriter or underwriters; (iii) use its reasonable efforts to obtain "cold comfort" letters and updates thereof in form, scope and substance reasonably satisfactory to the managing underwriter or underwriters from the independent certified public accountants of the Issuers (and, if necessary, any other independent certified public accountants of any subsidiary of the Issuers or of any business acquired by the Issuers for which financial statements and financial data are, or are required to be, included or incorporated by reference in the Registration Statement), addressed to each of the underwriters, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings; and (iv) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures no less favorable than those set forth in Section 7 hereof (or such other provisions and procedures acceptable to Holders of a majority in aggregate principal amount of Registrable Notes covered by such Registration Statement and the managing underwriter or underwriters or agents) with respect to all parties to be indemnified pursuant to said Section; *provided* that the Issuers shall not be required to provide indemnification to any underwriter selected in accordance with the provisions of Section 9 hereof with respect to information relating to such underwriter furnished in writing to the Issuers by or on behalf of such underwriter expressly for inclusion in such Registration Statement. The above shall be done at each closing under such underwriting agreement, or as and to the extent required thereunder.

(n) If (1) a Shelf Registration is filed pursuant to Section 3 hereof or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, make available for inspection by any selling Holder of such Registrable Notes being sold or each such Participating Broker-Dealer, as the case may be, any underwriter participating in any such disposition of Registrable Notes, if any, and any attorney, accountant or other agent retained by any such selling Holder or each such Participating Broker-Dealer, as the case may be, or underwriter (collectively, the "*Inspectors*"), at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and instruments of the Issuers and their subsidiaries (collectively, the "*Records*") as shall be reasonably necessary to enable them to exercise any applicable due diligence responsibilities, and cause the officers, directors and employees of the Issuers and their respective subsidiaries to supply all information reasonably requested by any such Inspector in connection with such Registration Statement and Prospectus. Each Inspector shall agree in writing that it will keep the Records confidential and that it will not disclose, or use in connection with any market transactions in violation of any applicable securities laws or otherwise, any Records that the Issuers determine, in good faith, to be confidential and that either of the Issuers notifies the Inspectors in writing are confidential unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such Registration Statement or Prospectus, (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, (iii) disclosure of such information is necessary or advisable in the opinion of counsel for an Inspector in connection with any action, claim, suit or proceeding, directly or indirectly, involving or potentially involving such Inspector and arising out of, based upon, relating to, or involving this

Agreement or the Purchase Agreement, or any transactions contemplated hereby or thereby or arising hereunder or thereunder, or (iv) the information in such Records has been made generally available to the public otherwise than pursuant to a breach of this Agreement; *provided*, *however*, that (i) each Inspector shall agree to use reasonable best efforts to provide notice to the Issuers of the potential disclosure of any information by such Inspector pursuant to clause (i), (ii) or (iii) of this sentence to permit the Issuers to obtain a protective order (or waive the provisions of this paragraph (n)) and (ii) each such Inspector shall take such actions as are reasonably necessary to protect the confidentiality of such information (if practicable) to the extent such action is otherwise not inconsistent with, an impairment of or in derogation of the rights and interests of the Holder or any Inspector.

(o) Provide an indenture trustee for the Registrable Notes or the Exchange Notes, as the case may be, and cause the Indenture or the trust indenture provided for in Section 2(b) hereof to be qualified under the TIA not later than the effective date of the Exchange Offer or the first Registration Statement relating to the Registrable Notes; and in connection therewith, cooperate with the trustee under any such indenture and the Holders of the Registrable Notes or Exchange Notes, as applicable, to effect such changes to such indenture as may be required for such indenture to be so qualified in accordance with the terms of the TIA; and execute, and use its reasonable best efforts to cause such trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the Commission to enable such indenture to be so qualified in a timely manner.

(p) Comply in all material respects with all applicable rules and regulations of the Commission and make generally available to the Holders earnings statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) (i) commencing at the end of any fiscal quarter in which Registrable Notes or Exchange Notes are sold to underwriters in a firm commitment or best efforts underwritten offering and (ii) if not sold to underwriters in such an offering, commencing on the first day of the first fiscal quarter of the Company after the effective date of a Registration Statement, which statements shall cover said 12-month periods consistent with the requirements of Rule 158.

(q) Upon the request of a Holder, upon consummation of the Exchange Offer or a Private Exchange, use its reasonable efforts to obtain an opinion of counsel to the Issuers, in a form customary for underwritten transactions, addressed to the Trustee for the benefit of all Holders of Registrable Notes participating in the Exchange Offer or the Private Exchange, as the case may be, that the Exchange Notes or Private Exchange Notes, as the case may be, and the related indenture constitute legal, valid and binding obligations of the Issuers, enforceable against the Issuers in accordance with its respective terms, subject to customary exceptions and qualifications.

(r) If the Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Registrable Notes by Holders to the Issuers (or to such other Person as directed by the Issuers) in exchange for the Exchange Notes or the Private Exchange Notes, as the case may be, mark, or cause to be marked, on such Registrable Notes that such Registrable Notes are being cancelled in exchange for the Exchange Notes or the Private Exchange Notes, as the case may be; *provided* that in no event shall such Registrable Notes be marked as paid or otherwise satisfied.

(s) Cooperate with each seller of Registrable Notes covered by any Registration Statement and each underwriter, if any, participating in the disposition of such Registrable Notes and their respective counsel in connection with any filings required to be made with the National Association of Securities Dealers, Inc. (the "*NASD*").

(t) Use its reasonable efforts to take all other steps reasonably necessary or advisable to effect the registration of the Exchange Notes and/or Registrable Notes covered by a Registration Statement contemplated hereby.

The Issuers may require each seller of Registrable Notes or Exchange Notes as to which any registration is being effected to furnish to the Issuers such information regarding such seller and the distribution of such Registrable Notes or Exchange Notes as the Issuers may, from time to time, reasonably request. The Issuers may exclude from such registration the Registrable Notes of any seller so long as such seller fails to furnish such information within a reasonable time after receiving such request and in the event of such an exclusion, the Issuers shall have no further obligation under this Agreement (including, without limitation, the obligations under Section 4) with respect to such seller or any subsequent Holder of such Registrable Notes. Each seller as to which any Shelf Registration is being effected agrees to furnish promptly to the Issuers all information required to be disclosed in order to make any information previously furnished to the Issuers by such seller not materially misleading.

If any such Registration Statement refers to any Holder by name or otherwise as the holder of any securities of the Issuers, then such Holder shall have the right to require (i) the insertion therein of language, in form and substance reasonably satisfactory to such Holder, to the effect that the holding by such Holder of such securities is not to be construed as a recommendation by such Holder of the investment quality of the securities covered thereby and that such holding does not imply that such Holder will assist in meeting any future financial requirements of the Issuer, or (ii) in the event that such reference to such Holder by name or otherwise is not required by the Securities Act or any similar federal statute then in force, the deletion of the reference to such Holder in any amendment or supplement to the applicable Registration Statement filed or prepared subsequent to the time that such reference ceases to be required.

Each Holder of Registrable Notes and each Participating Broker-Dealer agrees by acquisition of such Registrable Notes or Exchange Notes that, upon actual receipt of any notice from the Issuers (x) of the happening of any event of the kind described in Section 5(c)(ii), 5(c)(iii), 5(c)(iv), or 5(c)(v) hereof, or (y) that the Board of Directors of the Issuers (the "*Board of Directors*") has resolved that the Issuers have a *bona fide* business purpose for doing so, then the Issuers may delay the filing or the effectiveness of the Exchange Offer Registration Statement or the Shelf Registration Statement (if not then filed or effective, as applicable) and shall not be required to maintain the effectiveness thereof or amend or supplement the Exchange Offer Registration Statement or the Shelf Registration, in all cases, for a period (a "*Delay Period*") expiring upon the earlier to occur of (i) in the case of the immediately preceding clause (x), such Holder's or Participating Broker-Dealer's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 5(k) hereof or until it is advised in writing (the "*Advice*") by the Issuers that the use of the applicable Prospectus may be resumed, and has received copies of any amendments or supplements thereto or (ii) in the case of the immediately preceding clause (y), the date which is the earlier of (A) the date on which such business purpose ceases to interfere with the Issuers' obligations to file or maintain the effectiveness of any such Registration Statement pursuant to this Agreement or (B) 60 days after the Issuers notify the Holders of such good faith determination. There shall not be more than 90 days of Delay Periods during any 12-month period. Each of the Effectiveness Period and the Applicable Period, if applicable, shall be extended by the number of days during any Delay Period. Any Delay Period will not alter the obligations of the Issuers to pay Liquidated Damages under the circumstances set forth in Section 4 hereof.

In the event of any Delay Period pursuant to clause (y) of the preceding paragraph, notice shall be given as soon as practicable after the Board of Directors makes such a determination of the need for a Delay Period and shall state, to the extent practicable, an estimate of the duration of such Delay Period and shall advise the recipient thereof of the agreement of such Holder provided in the next succeeding

sentence. Each Holder, by his acceptance of any Registrable Note, agrees that during any Delay Period, each Holder will discontinue disposition of such Notes or Exchange Notes covered by such Registration Statement or Prospectus or Exchange Notes to be sold by such Holder or Participating Broker-Dealer, as the case may be and further agrees that it shall hold in confidence the existence of any Delay Period.

Section 6. *Registration Expenses*

All fees and expenses incident to the performance of or compliance with this Agreement by the Issuers (other than any underwriting discounts or commissions) shall be borne by the Issuers, whether or not the Exchange Offer Registration Statement or the Shelf Registration is filed or becomes effective or the Exchange Offer is consummated, including, without limitation, (i) all registration and filing fees (including, without limitation, (A) fees with respect to filings required to be made with the NASD in connection with an underwritten offering and (B) fees and expenses of compliance with state securities or Blue Sky laws (including, without limitation, reasonable fees and disbursements of counsel in connection with Blue Sky qualifications of the Registrable Notes or Exchange Notes and determination of the eligibility of the Registrable Notes or Exchange Notes for investment under the laws of such jurisdictions (x) where the holders of Registrable Notes are located, in the case of an Exchange Offer, or (y) as provided in Section 5(h) hereof, in the case of a Shelf Registration or in the case of Exchange Notes to be sold by a Participating Broker-Dealer during the Applicable Period)), (ii) printing expenses, including, without limitation, expenses of printing certificates for Registrable Notes or Exchange Notes in a form eligible for deposit and of printing prospectuses if the printing of prospectuses is requested by the managing underwriter or underwriters, if any, or by the Holders of a majority in aggregate principal amount of the Registrable Notes included in any Registration Statement or in respect of Exchange Notes to be sold by any Participating Broker-Dealer during the Applicable Period, as the case may be, (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Issuers and reasonable fees and disbursements of one special counsel for all of the sellers of Registrable Notes (exclusive of any counsel retained pursuant to Section 7 hereof), (v) fees and disbursements of all independent certified public accountants referred to in Section 5(m)(iii) hereof (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to such performance), (vi) Securities Act liability insurance, if the Issuers desire such insurance, (vii) fees and expenses of all other Persons retained by the Issuers, (viii) internal expenses of the Issuers (including, without limitation, all salaries and expenses of officers and employees of the Issuers performing legal or accounting duties), (ix) the expense of any annual audit, (x) the fees and expenses incurred in connection with the listing of the securities to be registered on any securities exchange, and the obtaining of a rating of the securities, in each case, if applicable, and (xi) the expenses relating to printing, word processing and distributing all Registration Statements, underwriting agreements, indenture and any other documents necessary in order to comply with this Agreement. Notwithstanding the foregoing or anything to the contrary, each Holder shall pay all underwriting discounts and commissions of any underwriters with respect to any Registrable Notes sold by or on behalf of it.

Section 7. *Indemnification*

(a) The Issuers, jointly and severally, agree to indemnify and hold harmless each Holder of Registrable Notes and each Participating Broker-Dealer selling Exchange Notes during the Applicable Period, each Person, if any, who controls any such Person within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act, the agents, employees, officers and directors of each Holder and each such Participating Broker-Dealer and the agents, employees, officers and directors of any such controlling Person (each, a "*Participant*") from and against any and all losses, liabilities, claims, damages and expenses (including, but not limited to, reasonable attorneys' fees and any and all reasonable out-of-pocket expenses actually incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim

whatsoever, and any and all reasonable amounts paid in settlement of any claim or litigation (in the manner set forth in clause (c) below)) (collectively, "*Losses*") to which they or any of them may become subject under the Securities Act, the Exchange Act or otherwise insofar as such Losses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment thereto) or Prospectus (as amended or supplemented if the Issuers shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by, arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the case of the Prospectus, in the light of the circumstances under which they were made, not misleading, *provided* that (i) the foregoing indemnity shall not be available to any Participant insofar as such Losses arise out of, are based upon or are caused by any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information relating to such Participant furnished to the Issuers in writing by or on behalf of such Participant expressly for use therein, and (ii) that the foregoing indemnity with respect to any preliminary prospectus shall not inure to the benefit of any Participant from whom the Person asserting such Losses purchased Registrable Notes if (x) it is established in the related proceeding that such Participant failed to send or give a copy of the Prospectus (as amended or supplemented if such amendment or supplement was furnished to such Participant prior to the written confirmation of such sale) to such Person with or prior to the written confirmation of such sale, if required by applicable law, and (y) the untrue statement or omission or alleged untrue statement or omission was completely corrected in the Prospectus (as amended or supplemented if amended or supplemented as aforesaid) and such Prospectus does not contain any other untrue statement or omission or alleged untrue statement or omission that was the subject matter of the related proceeding. This indemnity agreement will be in addition to any liability that the Issuers may otherwise have, including, but not limited to, liability under this Agreement.

(b) Each Participant agrees, severally and not jointly, to indemnify and hold harmless the Issuers, each Person, if any, who controls the Issuers within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act, and each of their respective agents, employees, officers and directors and the agents, employees, officers and directors of any such controlling Person from and against any Losses to which they or any of them may become subject under the Securities Act, the Exchange Act or otherwise insofar as such Losses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment thereto) or Prospectus (as amended or supplemented if the Issuers shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by, arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the case of the Prospectus, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that any such Loss arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with information relating to such Participant furnished in writing to the Issuers by or on behalf of such Participant expressly for use therein.

(c) Promptly after receipt by an indemnified party under subsection 7(a) or 7(b) above of notice of the commencement of any action, suit or proceeding (collectively, an "*action*"), such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify each party against whom indemnification is to be sought in writing of the commencement of such action (but the failure so to notify an indemnifying party shall not relieve such indemnifying party from any liability that it may have under this Section 7 except to the extent that it has been prejudiced in any material respect by such failure). In case any such

action is brought against any indemnified party, and it notifies an indemnifying party of the commencement of such action, the indemnifying party will be entitled to participate in such action, and to the extent it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense of such action with counsel satisfactory to such indemnified party. Notwithstanding the foregoing, the indemnified party or parties shall have the right to employ its or their own counsel in any such action, but the reasonable fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless (i) the employment of such counsel shall have been authorized in writing by the indemnifying parties in connection with the defense of such action, (ii) the indemnifying parties shall not have employed counsel to take charge of the defense of such action within a reasonable time after notice of commencement of the action, or (iii) the named parties to such action (including any impleaded parties) include such indemnified party and the indemnifying party or parties (or such indemnifying parties have assumed the defense of such action), and such indemnified party or parties shall have reasonably concluded, that there may be defenses available to it or them that are different from, in addition to, or in conflict with, those available to one or all of the indemnifying parties (in which case the indemnifying parties shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events such reasonable fees and expenses of counsel shall be borne by the indemnifying parties. In no event shall the indemnifying party be liable for the fees and expenses of more than one counsel (together with appropriate local counsel) at any time for all indemnified parties in connection with any one action or separate but substantially similar or related actions arising in the same jurisdiction out of the same general allegations or circumstances. Any such separate firm for the Participants shall be designated in writing by Participants who sold a majority in interest of Registrable Notes sold by all such Participants and shall be reasonably acceptable to the Issuers and any such separate firm for the Issuers, its affiliates, officers, directors, representatives, employees and agents and such control Person of the Issuers shall be designated in writing by the Issuers and shall be reasonable acceptable to the Holders. An indemnifying party shall not be liable for any settlement of any claim or action effected without its written consent, which consent may not be unreasonably withheld. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and does not include a statement as to or an admission or fault, culpability or failure to act on behalf of any indemnified party.

(d) In order to provide for contribution in circumstances in which the indemnification provided for in this Section 7 is for any reason held to be unavailable from the indemnifying party, or is insufficient to hold harmless a party indemnified under this Section 7, each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such aggregate Losses (i) in such proportion as is appropriate to reflect the relative benefits received by each indemnifying party, on the one hand, and each indemnified party, on the other hand, from the sale of the Notes to the Initial Purchaser or the resale of the Registrable Notes by such Holder, as applicable, or (ii) if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of each indemnified party, on the one hand, and each indemnifying party, on the other hand, in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Issuers, on the one hand, and each Participant, on the other hand, shall be deemed to be in the same proportion as (x) the total proceeds from the sale of the Notes to the Initial Purchaser (net of discounts and commissions but before deducting expenses) received by the Issuers are to (y) the

total net profit received by such Participant in connection with the sale of the Registrable Notes. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuers or such Participant and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or alleged statement or omission.

(e) The parties agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to above. Notwithstanding the provisions of this Section 7, (i) in no case shall any Participant be required to contribute any amount in excess of the amount by which the net profit received by such Participant in connection with the sale of the Registrable Notes exceeds the amount of any damages that such Participant has otherwise been required to pay by reason of any untrue or alleged untrue statement or omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim for contribution may be made against another party or parties under this Section 7, notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 7 or otherwise, except to the extent that it has been prejudiced in any material respect by such failure; *provided*, *however*, that no additional notice shall be required with respect to any action for which notice has been given under this Section 7 for purposes of indemnification. Anything in this section to the contrary notwithstanding, no party shall be liable for contribution with respect to any action or claim settled without its written consent, *provided*, *however*, that such written consent was not unreasonably withheld.

Section 8. *Rules 144 and 144A*

The Issuers covenant that they will file the reports required, if any, to be filed by them under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder in a timely manner in accordance with the requirements of the Securities Act and the Exchange Act and, if at any time the Issuers are not required to file such reports, they will, upon the request of any Holder or beneficial owner of Registrable Notes, make available such information necessary to permit sales pursuant to Rule 144A under the Securities Act. The Issuers further covenant that for so long as any Registrable Notes remain outstanding they will take such further action as any Holder of Registrable Notes may reasonably request from time to time to enable such Holder to sell Registrable Notes without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144(k) and Rule 144A under the Securities Act, as such Rules may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission.

Section 9. *Underwritten Registrations*

If any of the Registrable Notes covered by any Shelf Registration are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will manage the offering will be selected by the Holders of a majority in aggregate principal amount of such Registrable Notes included in such offering and shall be reasonably acceptable to the Issuers.

No Holder of Registrable Notes may participate in any underwritten registration hereunder if such Holder does not (a) agree to sell such Holder's Registrable Notes on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) complete and execute all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

Section 10. *Miscellaneous*

(a) *No Inconsistent Agreements.* Each of the Issuers have not, as of the date hereof, and shall not have, after the date of this Agreement, entered into any agreement with respect to any of its securities that is inconsistent with the rights granted to the Holders of Registrable Notes in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not conflict with and are not inconsistent with, in any material respect, the rights granted to the holders of any of the Issuers' other issued and outstanding securities under any such agreements. The Issuers have not entered and will not enter into any agreement with respect to any of its securities which will grant to any Person piggy-back registration rights with respect to any Registration Statement.

(b) *Adjustments Affecting Registrable Notes.* The Issuers shall not, directly or indirectly, take any action with respect to the Registrable Notes as a class that would adversely affect the ability of the Holders of Registrable Notes to include such Registrable Notes in a registration undertaken pursuant to this Agreement.

(c) *Amendments and Waivers.* The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given except pursuant to a written agreement duly signed and delivered by (I) the Issuers and (II)(A) the Holders of not less than a majority in aggregate principal amount of the then outstanding Registrable Notes and (B) in circumstances that would adversely affect the Participating Broker-Dealers, the Participating Broker-Dealers holding not less than a majority in aggregate principal amount of the Exchange Notes held by all Participating Broker-Dealers; *provided*, *however*, that Section 7 and this Section 10(c) may not be amended, modified or supplemented except pursuant to a written agreement duly signed and delivered by the Issuers and each Holder and each Participating Broker-Dealer (including any Person who was a Holder or Participating Broker-Dealer of Registrable Notes or Exchange Notes, as the case may be, disposed of pursuant to any Registration Statement) affected by any such amendment, modification, supplement or waiver. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders of Registrable Notes whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders of Registrable Notes may be given by Holders of at least a majority in aggregate principal amount of the Registrable Notes being sold pursuant to such Registration Statement.

(d) *Notices.* All notices and other communications (including, without limitation, any notices or other communications to the Trustee) provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, next-day air courier or telecopier:

(i) if to a Holder of the Registrable Notes or any Participating Broker-Dealer, at the most current address of such Holder or Participating Broker-Dealer, as the case may be, set forth on the records of the registrar under the Indenture.

(ii) if to either of the Issuers, at the address as follows:

WH Holdings (Cayman Islands) Ltd.
c/o Whitney & Co., LLC
177 Broad Street
Stamford, CT 06901
Telephone: (203) 973-4100
Fax: (203) 973-1422
Attention: Mr. James Fordyce

and

WH Holdings (Cayman Islands) Ltd.
c/o Herbalife International of America, Inc.
1800 Century Park East, 15th Floor
Los Angeles, CA 90067-1501
Telephone: 310 410-9600
Fax: (310) 203-7747
Attention: Brett R. Chapman, Esq.

with a copy to:

Gibson Dunn & Crutcher, LLP
2029 Century Park East
Los Angeles, CA 90067
Telephone: (310) 552-8500
Fax: (310) 551-8741
Attention: Jonathan K. Layne, Esq.

(iii) if to the Initial Purchaser, at the address as follows:

UBS Securities LLC,
677 Washington Boulevard
Stamford, CT 06901
Telephone: (203) 719-3000
Fax number: (212) 719-1075
Attention: High Yield Syndicate Department

With a copy at such address to the attention of Legal Department, fax number (203) 719-0680

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by the recipient's telecopier machine, if telecopied; and on the next Business Day, if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee at the address and in the manner specified in such Indenture.

(e) *Successors and Assigns.* This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, the Holders and the Participating Broker-Dealers; *provided*, *however*, that this Agreement shall not inure to the benefit of or be binding upon a successor or assign of a Holder unless and to the extent such successor or assign holds Registrable Notes.

(f) *Counterparts.* This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(g) *Headings.* The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(h) *Governing Law.* THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK INCLUDING, WITHOUT LIMITATION, SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW AND NEW YORK CIVIL PRACTICE LAWS AND RULES 327(B) (WITHOUT GIVING EFFECT TO ANY PROVISIONS THEREOF RELATING TO CONFLICTS OF LAW).

(i) *Severability.* If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(j) *Securities Held by the Issuers or Their Affiliates.* Whenever the consent or approval of Holders of a specified percentage of Registrable Notes is required hereunder, Registrable Notes held by the Issuers or any of their affiliates (as such term is defined in Rule 405 under the Securities Act) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(k) *Third-Party Beneficiaries.* Holders and beneficial owners of Registrable Notes and Participating Broker-Dealers are intended third-party beneficiaries of this Agreement, and this Agreement may be enforced by such Persons. No other Person is intended to be, or shall be construed as, a third-party beneficiary of this Agreement.

(l) *Attorneys' Fees.* As between the parties to this Agreement, in any action or proceeding brought to enforce any provision of this Agreement, or where any provision hereof is validly asserted as a defense, the successful party shall be entitled to recover reasonable attorneys' fees actually incurred in addition to its costs and expenses and any other available remedy.

(m) *Entire Agreement.* This Agreement, together with the Purchase Agreement and the Indenture, is intended by the parties as a final and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein and any and all prior oral or written agreements, representations, or warranties, contracts, understandings, correspondence, conversations and memoranda between the Holders on the one hand and either of the Issuers on the other, or between or among any agents, representatives, parents, subsidiaries, affiliates, predecessors in interest or successors in interest with respect to the subject matter hereof and thereof are merged herein and replaced hereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

WH HOLDINGS (CAYMAN ISLANDS) LTD.

By: /s/ MICHAEL O. JOHNSON

Name: Michael O. Johnson
Title: Chief Executive Officer

WH CAPITAL CORPORATION

By: /s/ BRETT R. CHAPMAN

Name: Brett R. Chapman
Title: Secretary

UBS SECURITIES LLC

By: /s/ DAVID BARTH

Name: David Barth
Title: Executive Director
High Yield Capital Markets

By: /s/ MICHAEL F. NEWCOMB II

Name: Michael F. Newcomb II
Title: Executive Director
High Yield Capital Markets

QuickLinks

Exhibit 10.40

WH CAPITAL CORPORATION
(a Nevada corporation)

INDEMNITY AGREEMENT

THIS INDEMNITY AGREEMENT is made and entered into as of February 9, 2004, by and between WH Capital Corporation, a Nevada corporation (the "**Company**"), and Gregory Probert ("**Indemnitee**"), as an "**Agent**" (as hereinafter defined) of the Company.

RECITALS

A. The Company recognizes that competent and experienced individuals are reluctant to serve as directors or officers of corporations unless they are protected by comprehensive liability insurance or indemnification, or both, due to increased exposure to litigation costs and risks resulting from their service to such corporations, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such directors and officers;

B. The Company and Indemnitee are aware of the substantial growth in the number of lawsuits filed against corporate officers and directors in connection with their activities in such capacities and by reason of their status as such;

C. The Company and Indemnitee recognize that the statutes and judicial decisions regarding the duties of directors and officers are often difficult to apply, ambiguous or conflicting, and therefore fail to provide such directors and officers with adequate or reliable advance knowledge or guidance with respect to the legal risks and potential liabilities to which they may become personally exposed or information regarding the proper course of action to take in performing their duties in good faith for the Company;

D. The Company and Indemnitee recognize that plaintiffs often seek damages in such large amounts and the costs of litigation may be so enormous (whether or not the case is meritorious), that the defense and/or settlement of such litigation is often beyond the financial resources of officers and directors or far outweighs the limited benefits of serving as a director and officer of the Company;

E. The Company believes that it is unfair for its directors and officers and the directors and officers of its subsidiaries to assume the risk of huge judgments and other Expenses which may occur in cases in which the director or officer received no personal profit and in cases where the director or officer was not culpable;

F. The Company, after reasonable investigation, has determined that the liability insurance coverage presently available to the Company and its subsidiaries is inadequate, unreasonably expensive or both. The Company believes, therefore, that the interests of the Company and its stockholders would best be served by a combination of (i) such insurance as the Company or its subsidiaries may hereafter obtain and (ii) the indemnification by the Company of the directors and officers of the Company and its subsidiaries;

G. Section 78.7502 of the Nevada Revised Statutes, as amended ("**NRS**"), empowers the Company to indemnify its directors, officers, employees and agents and indemnify persons who serve or served, at the request of the Company, as the directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise and NRS 78.751(2) further provides that the articles, bylaws or an agreement may provide that the expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the Company as they are incurred and in advance;

H. NRS 78.751(3) expressly provides that the indemnification authorized by NRS 78.7502 and the advancement of expenses authorized in NRS 78.751(2) do not exclude any other rights to which those seeking indemnification or advancement thereunder may be entitled under the articles of incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise;

I. In order to induce and encourage highly experienced and capable individuals to serve as an officer or director of the Company, to take the business risks necessary for the success of the Company and its subsidiaries and to otherwise promote the desirable end that such persons will resist what they consider unjustifiable lawsuits and claims made against them in connection with good faith performance of their duties to the Company, secure in the knowledge that certain expenses, costs and liabilities incurred by them in their defense of such litigation will be borne by the Company and that they will receive the maximum protection against such risks and liabilities as may be afforded by law, the Board of Directors of the Company has determined, after due consideration and investigation of the terms and provisions of this Agreement and the various other options available to the Company and Indemnitee in lieu hereof, that contractual indemnification as set forth herein is not only reasonable and prudent but necessary to promote and ensure the best interests of the Company, its stockholders and its subsidiaries;

J. The Company desires and has requested Indemnitee to serve or continue to serve as a director or officer of the Company and/or one or more subsidiaries of the Company, as the case may be, free from undue concern for the risks and personal liabilities arising out of or related to such services to the Company and/or one or more of its subsidiaries;

K. Indemnitee has served or is willing to serve, or continue to serve, the Company and/or one or more of its subsidiaries, provided that he or she is furnished with the indemnity provided for herein; and

L. Certain Indemnitees have recently served as an Agent (as defined herein) in reliance of the Company's promise to enter into this Agreement upon the Company's ability to do so as a Nevada corporation.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the above premises and the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

1. *Definitions.* As used in this Agreement:

(a) The term "**Agent**" of the Company shall include any person who is or was a director, officer, employee or other agent of the Company or was a director, officer, employee or agent of a predecessor corporation of the Company or was a member, manager or managing member of a predecessor limited liability company or affiliate of such limited liability company or is or was serving in any capacity at the request of the Company as a director, officer, employee, agent, partner, member, manager or fiduciary of, or in any other capacity for, another corporation or any partnership, joint venture, limited liability company, trust, or other enterprise.

(b) The term "**Proceeding**" shall include any threatened, pending or completed action, suit or proceeding, whether brought by or in the name of the Company or otherwise, and whether of a civil, criminal, administrative or investigative nature including, but not limited to, actions, suits, investigations or proceedings brought under and/or predicated upon the Securities Act of 1933, as amended, and/or the Securities Exchange Act of 1934, as amended, and/or their respective state counterparts and/or any rule or regulation promulgated thereunder, in which Indemnitee may be or may have been involved as a party or otherwise, by reason of the fact that Indemnitee is or was an Agent of the Company, by reason of any action taken by him or her or of any inaction on his or her part while acting as an Agent whether or not he or she is serving in such capacity at the time any liability or expense is incurred for which indemnification or reimbursement can be provided under this Agreement.

(c) The term "**Expenses**" shall be broadly construed and shall include all direct and indirect costs incurred, paid or accrued of any type or nature whatsoever including, without limitation,

(i) all attorneys' fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses (including food and lodging expenses while traveling), duplicating costs, printing and binding costs, telephone charges, postage, delivery service, freight or other transportation fees and expenses and related disbursements; (ii) all other disbursements and out-of-pocket costs; (iii) reasonable compensation for time spent by Indemnitee for which he or she is not otherwise compensated by the Company or any third party (provided the rate of compensation and estimated time involved is approved in advance by the Board of Directors), actually and reasonably incurred by Indemnitee in connection with either the investigation, defense or appeal of a Proceeding or establishing or enforcing a right to indemnification or advancement of expenses under this Agreement, NRS 78.7502, NRS 78.751 or otherwise; and (iv) amounts paid in settlement by or on behalf of Indemnitee to the extent permitted by Nevada law; *provided, however*, that "**Expenses**" shall not include any judgments, fines, penalties or excise taxes imposed under the Employee Retirement Income Security Act of 1974, as amended, or other excise taxes or penalties actually levied against Indemnitee.

(d) References to "**other enterprise**" shall include, without limitation, employee benefit plans; references to "**fines**" shall include, without limitation, any excise tax assessed with respect to any employee benefit plan; and any service as an Agent with respect to any employee benefit plan, its participants or beneficiaries, and a person who acts in good faith and in a manner he or she reasonably believes to be in the interest of the participants and beneficiaries of an employee benefit plan, shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

(e) "**Independent Legal Counsel**" means a law firm, member of a law firm, or attorney that is experienced in matters of corporate law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification or indemnity agreements); or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "**Independent Legal Counsel**" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

2. *Agreement to Serve.* Unless Indemnitee is no longer an Agent, Indemnitee agrees to serve and/or continue to serve as an Agent of the Company, at his or her will or under separate agreement, as the case may be, in the capacity Indemnitee currently serves as an Agent of the Company, for so long as he or she is duly appointed or elected and qualified in accordance with the applicable provisions of the Bylaws of the Company until such time as he or she tenders his or her resignation in writing; *provided, however*, that nothing contained in this Agreement is intended to create any right or obligation to continued employment by Indemnitee in any capacity.

3. *Indemnification and Contribution.* The Company shall indemnify Indemnitee to the fullest extent permitted by Nevada law and the Articles of Incorporation and Bylaws of the Company in effect on the date hereof or as Nevada law or the Articles of Incorporation and Bylaws may from time to time be amended (but, in the case of any such amendment, only to the extent such amendment permits the Company to provide broader indemnification rights than Nevada law and the Articles and Bylaws permitted the Company to provide before such amendment). Such indemnification shall include, without limitation, the following:

(a) *Indemnity in Third Party Proceedings.* The Company shall indemnify Indemnitee if Indemnitee is a party to or is threatened to be made a party to or otherwise involved in any Proceeding (other than a Proceeding by or in the name of the Company to procure a judgment in

its favor) by reason of the fact that he or she is or was an Agent of the Company or by reason of any act or inaction by Indemnitee in any such capacity, against all Expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of such Proceeding, if Indemnitee either is not liable pursuant to NRS 78.138 or acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal Proceeding, in addition had no reasonable cause to believe that his or her conduct was unlawful. The termination of any such Proceeding by judgment, order of court, settlement, conviction or upon a plea of nolo contendere, or its equivalent, does not, of itself, create a presumption that Indemnitee is liable pursuant to NRS 78.138 or did not act in good faith in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Company, or that, with respect to any criminal Proceeding, that such person had reasonable cause to believe that his or her conduct was unlawful;

(b) *Indemnity in Derivative Actions.* The Company shall indemnify Indemnitee if Indemnitee is a party to or threatened to be made a party to or otherwise involved in any Proceeding by or in the name of the Company to procure a judgment in its favor by reason of the fact that Indemnitee was or is an Agent of the Company or by reason of any act or inaction by him or her in any such capacity, against all Expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of such Proceeding, if Indemnitee either is not liable pursuant to NRS 78.138 or acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company;

(c) *Limitations on Indemnification.* No indemnification under this Paragraph 3 shall be made for any claim, issue or matter as to which Indemnitee has been adjudged by a court of competent jurisdiction, after the exhaustion of all appeals therefrom, to be liable to the Company or for amounts paid in settlement to the Company, unless and only to the extent that any court in which such Proceeding is brought or other court of competent jurisdiction determines upon application that, in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such amounts as the court shall deem proper;

(d) *Indemnification of Expenses of Successful Party.* Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue or matter therein, including the dismissal of an action without prejudice, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection with the investigation, defense or appeal of such Proceeding;

(e) *Indemnification for Expenses of a Witness.* Notwithstanding any other provision of this Agreement, the Company shall indemnify Indemnitee if and whenever he or she is a witness or is threatened to be made a witness to any Proceeding to which Indemnitee is not a party, by reason of the fact that he or she is or was an Agent or by reason of any action taken or not taken by him or her in such capacity, against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith; and

(f) *Contribution.* If the indemnification provided in this Agreement is unavailable and may not be paid to Indemnitee for any reason other than statutory limitations set forth in applicable law, then in respect of any threatened, pending or completed Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit, arbitration, proceeding, inquiry or investigation), the Company shall contribute to the amount of Expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, and amounts paid in settlement) actually and reasonably incurred and paid or payable by Indemnitee in such proportion

as is appropriate to reflect (i) the relative benefits received by the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be in joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such action, suit, arbitration, proceeding, inquiry or investigation arose, and (ii) the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and of Indemnitee, on the other, in connection with the events which resulted in such Expenses and liabilities (including, but not limited to, judgments, fines, and amounts paid in settlement), as well as any other relevant equitable considerations. The relative fault referred to above shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such Expenses and liabilities (including, but not limited to, judgments, fines, and amounts paid in settlement). The Company agrees that it would not be just and equitable if contribution pursuant to this subsection were determined by pro rata allocation or any other method of allocation that does not take account of the foregoing equitable considerations.

4. *Advances of Expenses.* Subject to Paragraph 12 hereof, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with the investigation, defense, settlement or appeal of any Proceeding to which Indemnitee is a party or is threatened to be made a party by reason of the fact that Indemnitee is or was an Agent of the Company or is a witness of the Company in any Proceeding. Indemnitee hereby undertakes to repay such amounts advanced only if, and only to the extent that, it shall ultimately be determined by a court of competent jurisdiction that Indemnitee is not entitled to be indemnified by the Company as authorized by this Agreement. The advances to be made hereunder shall be paid by the Company to or on behalf of Indemnitee within ten calendar days following delivery of a written request therefor by Indemnitee to the Company. The request shall reasonably evidence the Expenses incurred by Indemnitee in connection therewith. Indemnitee's entitlement to advancement of Expenses shall include those incurred in connection with any Proceeding by Indemnitee seeking a determination or adjudication pursuant to this Agreement.

5. *Independent Legal Counsel.*

The Company agrees to pay the reasonable fees of the Independent Legal Counsel and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

6. *Procedure for Indemnification.*

(a) Promptly after receipt by Indemnitee of notice of the commencement of or the threat of commencement of any Proceeding, Indemnitee shall, if Indemnitee believes that indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company in writing of the commencement or threat of commencement thereof. The written notification to the Company shall be addressed to the Board of Directors and shall include documentation or information which is necessary for the determination of entitlement to indemnification and which is reasonably available to Indemnitee. Delay in so notifying the Company shall not constitute a waiver or release by Indemnitee or of any rights hereunder. In addition, Indemnitee shall give the Company such information and cooperation as it may reasonably require and as shall be within Indemnitee's power.

(b) Any indemnification requested by Indemnitee under Paragraph 3 hereof shall be made no later than 60 calendar days after receipt of the written request of Indemnitee, unless a determination is made within said 60-day period that Indemnitee has not met the relevant standards for indemnification set forth in Paragraph 3 hereof (i) by the stockholders, (ii) by the Board of Directors of the Company by a majority vote of a quorum consisting of directors who are

not parties to such Proceeding, (iii) if such a quorum so orders, by Independent Legal Counsel (selected by the Company and approved by Indemnitee, such approval not to be unreasonably withheld) in a written opinion or (iv) in the event such a quorum is not obtainable, by Independent Legal Counsel (selected by the Company and approved by Indemnitee, such approval not to be unreasonably withheld) in a written opinion. Upon making a request for indemnification, Indemnitee shall be presumed to be entitled to indemnification under this Agreement and the Company shall have the burden of proof to overcome that presumption in reaching any contrary determination.

(c) Notwithstanding a determination under Paragraph 6(b) above that Indemnitee is not entitled to indemnification with respect to any specific Proceeding, Indemnitee shall have the right to apply to any court of competent jurisdiction in the State of Nevada for the purpose of enforcing Indemnitee's right to indemnification pursuant to this Agreement, which determination shall be made de novo and Indemnitee shall not be prejudiced by reason of a determination that he or she is not entitled to indemnification. The burden of proving that indemnification or advances are not appropriate shall be on the Company. Neither the failure of the Company (including its Board of Directors, its stockholders, or Independent Legal Counsel) to have made a determination prior to the commencement of such action that indemnification or advances are proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including its Board of Directors, its stockholders, or Independent Legal Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create any presumption that Indemnitee has not met the applicable standard of conduct.

(d) If an initial determination is made or deemed to have been made pursuant to the terms of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in the absence of (i) a misrepresentation or omission of a material fact by Indemnitee in the request for indemnification or (ii) a specific finding (which has become final) by a court of competent jurisdiction that all or any part of such indemnification is expressly prohibited by law.

(e) The Company shall indemnify Indemnitee against all Expenses incurred in connection with any hearing or proceeding under this Paragraph 6 unless a court of competent jurisdiction finds that each of the claims and/or defenses of Indemnitee in any such proceeding was frivolous or made in bad faith.

7. *Indemnity Hereunder Not Exclusive.* The provisions for indemnification and advancement of Expenses contained in this Agreement shall not be deemed exclusive of any other rights which Indemnitee may have under any provision of law, the Company's Articles of Incorporation or Bylaws, any vote of stockholders or disinterested directors, other agreements, insurance, or other financial arrangements or otherwise, both as to action in his or her official capacity and as to action in another capacity while occupying his or her position as an Agent of the Company, except that indemnification, unless ordered by a court pursuant to Paragraph 3 hereof or for the advancement of Expenses pursuant to Paragraph 4 hereof, may not be made to or on behalf of Indemnitee if a final adjudication establishes that his or her acts or omissions involved intentional misconduct, fraud or knowing violation of the law and was material to the cause of action. The indemnification provided under this Agreement shall continue as to Indemnitee for any action taken or not taken while serving as an Agent of the Company even though Indemnitee may have ceased to serve in such capacity.

8. *Partial Indemnification.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, and amounts paid in settlement) incurred by him or her in the investigation, defense, settlement or appeal of a Proceeding but not entitled,

however, to indemnification for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

9. *Assumption of Defense.* In the event the Company shall be obligated to pay the Expenses of any Proceeding against Indemnitee, the Company, if appropriate, shall be entitled to assume the defense of such Proceeding, with counsel approved by Indemnitee (such approval not to be unreasonably withheld), upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same proceeding, provided that (a) Indemnitee shall have the right to employ his or her counsel in such Proceeding at Indemnitee's expense, and (b) if (i) the employment of counsel by Indemnitee has been previously authorized in writing by the Company, (ii) the Company shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such Proceeding, then the fees and expenses of Indemnitee's counsel shall be at the expense of the Company. The Company shall not settle any action or claim that would impose any penalty or limitation on Indemnitee without Indemnitee's prior written consent. Neither the Company nor Indemnitee will unreasonably withhold its or his or her consent to any proposed settlement.

10. *Liability Insurance.* The Company shall, from time to time (including prior to the expiration of a Liability Insurance (as defined below) policy), make the good faith determination whether or not it is practicable for the Company to obtain and maintain a policy or policies of Liability Insurance with reputable insurance companies providing the Agents of the Company with coverage for any liability asserted against them and for Expenses and liabilities incurred by them in such capacity or arising out of their status as such, or to ensure the Company's performance of its indemnification obligations under this Agreement (collectively, for purposes of this Paragraph 10, "**Liability Insurance**"). Among other considerations, the Company will weigh the costs of obtaining such insurance coverage against the protection afforded by such coverage. To the extent the Company maintains Liability Insurance, Indemnitee shall be covered by such policies in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors, if Indemnitee is a director; or of the Company's most favorably insured officers, if Indemnitee is not a director of the Company but is an officer; or of the Company's most favorably insured key employees, agents, or fiduciaries, if Indemnitee is not an officer or director but is a key employee, agent or fiduciary. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain such insurance if (a) the Company determines in good faith that (i) such insurance is not reasonably available, (ii) the premium costs for such insurance are substantially disproportionate to the amount of coverage provided, or (iii) the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or (b) Indemnitee is covered by similar insurance maintained by a subsidiary or parent of the Company or other person under common control with the Company. Notwithstanding any other provision of the Agreement, the Company shall not be obligated to indemnify Indemnitee for Expenses or liabilities (including, but not limited to, judgments, fines, or amounts paid in settlement), which have been paid directly to Indemnitee by Liability Insurance. If the Company has Liability Insurance in effect at the time the Company receives from Indemnitee any notice of the commencement of a Proceeding, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

11. *Security/Financial Arrangements.* To the extent requested by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld), the Company may from time to time

provide security or other financial arrangements to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust, other collateral or other financial arrangement. Any such security or other financial arrangement, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

12. *Exceptions to Indemnification.* Notwithstanding any provision herein to the contrary, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) To indemnify or advance Expenses to Indemnitee with respect to proceedings or claims initiated or brought voluntarily by Indemnitee and not by way of defense, except (i) with respect to Proceedings brought to establish or enforce a right to indemnification under this Agreement or any law or otherwise as required under NRS 78.751 or (ii) in specific cases if the Board of Directors has approved the initiation or bringing of such proceedings or claims;

(b) To indemnify Indemnitee for any Expenses incurred by Indemnitee with respect to any proceeding instituted by Indemnitee to enforce or interpret this Agreement, if a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such proceeding was not made in good faith or was frivolous;

(c) To indemnify Indemnitee under this Agreement for any amounts paid in settlement of a Proceeding effected without the Company's written consent; or

(d) To indemnify Indemnitee on account of any Proceeding with respect to (i) remuneration paid to Indemnitee if it is determined by final judgment or other final adjudication that such remuneration was in violation of law, (ii) which final judgment is rendered against Indemnitee for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, the provisions of Section 304 of the Sarbanes-Oxley Act of 2002 or similar provisions of any federal, state or local statute, or (iii) which it is determined by final judgment or other final adjudication that Indemnitee defrauded or stole from the Company or converted to his or her own personal use and benefit business or properties of the Company or was otherwise knowingly dishonest.

13. *Duration and Interpretation of Agreement.* It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to Indemnitee to the fullest extent now or hereafter permitted by law. This Agreement shall continue so long as Indemnitee shall be subject to any possible Proceeding by reason of the fact that he or she is or was an Agent and shall be applicable to Proceedings commenced or continued after execution of this Agreement, whether arising from acts or omissions occurring before or after such execution.

14. *Severability.* If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provisions held invalid, illegal or unenforceable and to give effect to Paragraph 13 hereof.

15. *Modification and Waiver.* No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

16. *Successor and Assigns.* The terms of this Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors, administrators and other legal representatives.

17. *Notices.* All notices or other communications provided for by this Agreement shall be made in writing and shall be deemed properly delivered when (i) delivered personally or by messenger (including air courier), or (ii) by the mailing of such notice to the party entitled thereto, registered or certified mail, postage prepaid to the parties at the following addresses (or to such other addresses designated in writing by one party to the other):

Company:	WH Capital Corporation 1800 Century Park East Los Angeles, CA 90067 Attention: Vicki Tuchman
Indemnitee:	Gregory Probert 1800 Century Park East Los Angeles, CA 90067

18. *Governing Law.* This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Nevada.

19. *Consent of Jurisdiction.* The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the courts of the State of Nevada for all purposes in connection with any action or Proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the state courts of the State of Nevada.

20. *Subrogation.* In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

21. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which will be deemed an original but both of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Indemnity Agreement as of the date first above written.

Company:

WH CAPITAL CORPORATION, a Nevada corporation

By: /s/ BRETT R. CHAPMAN

Name: Brett R. Chapman
Title: Secretary

Indemnitee:

/s/ GREGORY PROBERT

Name: Gregory Probert

QuickLinks

Exhibit 10.41

WH CAPITAL CORPORATION
(a Nevada corporation)

INDEMNITY AGREEMENT

THIS INDEMNITY AGREEMENT is made and entered into as of February 9, 2004, by and between WH Capital Corporation, a Nevada corporation (the "**Company**"), and Brett R. Chapman ("**Indemnitee**"), as an "**Agent**" (as hereinafter defined) of the Company.

RECITALS

A. The Company recognizes that competent and experienced individuals are reluctant to serve as directors or officers of corporations unless they are protected by comprehensive liability insurance or indemnification, or both, due to increased exposure to litigation costs and risks resulting from their service to such corporations, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such directors and officers;

B. The Company and Indemnitee are aware of the substantial growth in the number of lawsuits filed against corporate officers and directors in connection with their activities in such capacities and by reason of their status as such;

C. The Company and Indemnitee recognize that the statutes and judicial decisions regarding the duties of directors and officers are often difficult to apply, ambiguous or conflicting, and therefore fail to provide such directors and officers with adequate or reliable advance knowledge or guidance with respect to the legal risks and potential liabilities to which they may become personally exposed or information regarding the proper course of action to take in performing their duties in good faith for the Company;

D. The Company and Indemnitee recognize that plaintiffs often seek damages in such large amounts and the costs of litigation may be so enormous (whether or not the case is meritorious), that the defense and/or settlement of such litigation is often beyond the financial resources of officers and directors or far outweighs the limited benefits of serving as a director and officer of the Company;

E. The Company believes that it is unfair for its directors and officers and the directors and officers of its subsidiaries to assume the risk of huge judgments and other Expenses which may occur in cases in which the director or officer received no personal profit and in cases where the director or officer was not culpable;

F. The Company, after reasonable investigation, has determined that the liability insurance coverage presently available to the Company and its subsidiaries is inadequate, unreasonably expensive or both. The Company believes, therefore, that the interests of the Company and its stockholders would best be served by a combination of (i) such insurance as the Company or its subsidiaries may hereafter obtain and (ii) the indemnification by the Company of the directors and officers of the Company and its subsidiaries;

G. Section 78.7502 of the Nevada Revised Statutes, as amended ("**NRS**"), empowers the Company to indemnify its directors, officers, employees and agents and indemnify persons who serve or served, at the request of the Company, as the directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise and NRS 78.751(2) further provides that the articles, bylaws or an agreement may provide that the expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the Company as they are incurred and in advance;

H. NRS 78.751(3) expressly provides that the indemnification authorized by NRS 78.7502 and the advancement of expenses authorized in NRS 78.751(2) do not exclude any other rights to which those

seeking indemnification or advancement thereunder may be entitled under the articles of incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise;

I. In order to induce and encourage highly experienced and capable individuals to serve as an officer or director of the Company, to take the business risks necessary for the success of the Company and its subsidiaries and to otherwise promote the desirable end that such persons will resist what they consider unjustifiable lawsuits and claims made against them in connection with good faith performance of their duties to the Company, secure in the knowledge that certain expenses, costs and liabilities incurred by them in their defense of such litigation will be borne by the Company and that they will receive the maximum protection against such risks and liabilities as may be afforded by law, the Board of Directors of the Company has determined, after due consideration and investigation of the terms and provisions of this Agreement and the various other options available to the Company and Indemnitee in lieu hereof, that contractual indemnification as set forth herein is not only reasonable and prudent but necessary to promote and ensure the best interests of the Company, its stockholders and its subsidiaries;

J. The Company desires and has requested Indemnitee to serve or continue to serve as a director or officer of the Company and/or one or more subsidiaries of the Company, as the case may be, free from undue concern for the risks and personal liabilities arising out of or related to such services to the Company and/or one or more of its subsidiaries;

K. Indemnitee has served or is willing to serve, or continue to serve, the Company and/or one or more of its subsidiaries, provided that he or she is furnished with the indemnity provided for herein; and

L. Certain Indemnitees have recently served as an Agent (as defined herein) in reliance of the Company's promise to enter into this Agreement upon the Company's ability to do so as a Nevada corporation.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the above premises and the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

1. *Definitions.* As used in this Agreement:

(a) The term "**Agent**" of the Company shall include any person who is or was a director, officer, employee or other agent of the Company or was a director, officer, employee or agent of a predecessor corporation of the Company or was a member, manager or managing member of a predecessor limited liability company or affiliate of such limited liability company or is or was serving in any capacity at the request of the Company as a director, officer, employee, agent, partner, member, manager or fiduciary of, or in any other capacity for, another corporation or any partnership, joint venture, limited liability company, trust, or other enterprise.

(b) The term "**Proceeding**" shall include any threatened, pending or completed action, suit or proceeding, whether brought by or in the name of the Company or otherwise, and whether of a civil, criminal, administrative or investigative nature including, but not limited to, actions, suits, investigations or proceedings brought under and/or predicated upon the Securities Act of 1933, as amended, and/or the Securities Exchange Act of 1934, as amended, and/or their respective state counterparts and/or any rule or regulation promulgated thereunder, in which Indemnitee may be or may have been involved as a party or otherwise, by reason of the fact that Indemnitee is or was an Agent of the Company, by reason of any action taken by him or her or of any inaction on his or her part while acting as an Agent whether or not he or she is serving in such capacity at the time any liability or expense is incurred for which indemnification or reimbursement can be provided under this Agreement.

(c) The term "**Expenses**" shall be broadly construed and shall include all direct and indirect costs incurred, paid or accrued of any type or nature whatsoever including, without limitation, (i) all attorneys' fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses (including food and lodging expenses while traveling), duplicating costs, printing and binding costs, telephone charges, postage, delivery service, freight or other transportation fees and expenses and related disbursements; (ii) all other disbursements and out-of-pocket costs; (iii) reasonable compensation for time spent by Indemnitee for which he or she is not otherwise compensated by the Company or any third party (provided the rate of compensation and estimated time involved is approved in advance by the Board of Directors), actually and reasonably incurred by Indemnitee in connection with either the investigation, defense or appeal of a Proceeding or establishing or enforcing a right to indemnification or advancement of expenses under this Agreement, NRS 78.7502, NRS 78.751 or otherwise; and (iv) amounts paid in settlement by or on behalf of Indemnitee to the extent permitted by Nevada law; *provided, however*, that "**Expenses**" shall not include any judgments, fines, penalties or excise taxes imposed under the Employee Retirement Income Security Act of 1974, as amended, or other excise taxes or penalties actually levied against Indemnitee.

(d) References to "**other enterprise**" shall include, without limitation, employee benefit plans; references to "**fines**" shall include, without limitation, any excise tax assessed with respect to any employee benefit plan; and any service as an Agent with respect to any employee benefit plan, its participants or beneficiaries, and a person who acts in good faith and in a manner he or she reasonably believes to be in the interest of the participants and beneficiaries of an employee benefit plan, shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

(e) "**Independent Legal Counsel**" means a law firm, member of a law firm, or attorney that is experienced in matters of corporate law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification or indemnity agreements); or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "**Independent Legal Counsel**" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

2. *Agreement to Serve.* Unless Indemnitee is no longer an Agent, Indemnitee agrees to serve and/or continue to serve as an Agent of the Company, at his or her will or under separate agreement, as the case may be, in the capacity Indemnitee currently serves as an Agent of the Company, for so long as he or she is duly appointed or elected and qualified in accordance with the applicable provisions of the Bylaws of the Company until such time as he or she tenders his or her resignation in writing; *provided, however*, that nothing contained in this Agreement is intended to create any right or obligation to continued employment by Indemnitee in any capacity.

3. *Indemnification and Contribution.* The Company shall indemnify Indemnitee to the fullest extent permitted by Nevada law and the Articles of Incorporation and Bylaws of the Company in effect on the date hereof or as Nevada law or the Articles of Incorporation and Bylaws may from time to time be amended (but, in the case of any such amendment, only to the extent such amendment permits the Company to provide broader indemnification rights than Nevada law and the Articles and Bylaws

permitted the Company to provide before such amendment). Such indemnification shall include, without limitation, the following:

(a) *Indemnity in Third Party Proceedings.* The Company shall indemnify Indemnitee if Indemnitee is a party to or is threatened to be made a party to or otherwise involved in any Proceeding (other than a Proceeding by or in the name of the Company to procure a judgment in its favor) by reason of the fact that he or she is or was an Agent of the Company or by reason of any act or inaction by Indemnitee in any such capacity, against all Expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of such Proceeding, if Indemnitee either is not liable pursuant to NRS 78.138 or acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal Proceeding, in addition had no reasonable cause to believe that his or her conduct was unlawful. The termination of any such Proceeding by judgment, order of court, settlement, conviction or upon a plea of nolo contendere, or its equivalent, does not, of itself, create a presumption that Indemnitee is liable pursuant to NRS 78.138 or did not act in good faith in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Company, or that, with respect to any criminal Proceeding, that such person had reasonable cause to believe that his or her conduct was unlawful;

(b) *Indemnity in Derivative Actions.* The Company shall indemnify Indemnitee if Indemnitee is a party to or threatened to be made a party to or otherwise involved in any Proceeding by or in the name of the Company to procure a judgment in its favor by reason of the fact that Indemnitee was or is an Agent of the Company or by reason of any act or inaction by him or her in any such capacity, against all Expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of such Proceeding, if Indemnitee either is not liable pursuant to NRS 78.138 or acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company;

(c) *Limitations on Indemnification.* No indemnification under this Paragraph 3 shall be made for any claim, issue or matter as to which Indemnitee has been adjudged by a court of competent jurisdiction, after the exhaustion of all appeals therefrom, to be liable to the Company or for amounts paid in settlement to the Company, unless and only to the extent that any court in which such Proceeding is brought or other court of competent jurisdiction determines upon application that, in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such amounts as the court shall deem proper;

(d) *Indemnification of Expenses of Successful Party.* Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue or matter therein, including the dismissal of an action without prejudice, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection with the investigation, defense or appeal of such Proceeding;

(e) *Indemnification for Expenses of a Witness.* Notwithstanding any other provision of this Agreement, the Company shall indemnify Indemnitee if and whenever he or she is a witness or is threatened to be made a witness to any Proceeding to which Indemnitee is not a party, by reason of the fact that he or she is or was an Agent or by reason of any action taken or not taken by him or her in such capacity, against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith; and

(f) *Contribution.* If the indemnification provided in this Agreement is unavailable and may not be paid to Indemnitee for any reason other than statutory limitations set forth in applicable

law, then in respect of any threatened, pending or completed Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit, arbitration, proceeding, inquiry or investigation), the Company shall contribute to the amount of Expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, and amounts paid in settlement) actually and reasonably incurred and paid or payable by Indemnitee in such proportion as is appropriate to reflect (i) the relative benefits received by the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be in joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such action, suit, arbitration, proceeding, inquiry or investigation arose, and (ii) the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and of Indemnitee, on the other, in connection with the events which resulted in such Expenses and liabilities (including, but not limited to, judgments, fines, and amounts paid in settlement), as well as any other relevant equitable considerations. The relative fault referred to above shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such Expenses and liabilities (including, but not limited to, judgments, fines, and amounts paid in settlement). The Company agrees that it would not be just and equitable if contribution pursuant to this subsection were determined by pro rata allocation or any other method of allocation that does not take account of the foregoing equitable considerations.

4. *Advances of Expenses.* Subject to Paragraph 12 hereof, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with the investigation, defense, settlement or appeal of any Proceeding to which Indemnitee is a party or is threatened to be made a party by reason of the fact that Indemnitee is or was an Agent of the Company or is a witness of the Company in any Proceeding. Indemnitee hereby undertakes to repay such amounts advanced only if, and only to the extent that, it shall ultimately be determined by a court of competent jurisdiction that Indemnitee is not entitled to be indemnified by the Company as authorized by this Agreement. The advances to be made hereunder shall be paid by the Company to or on behalf of Indemnitee within ten calendar days following delivery of a written request therefor by Indemnitee to the Company. The request shall reasonably evidence the Expenses incurred by Indemnitee in connection therewith. Indemnitee's entitlement to advancement of Expenses shall include those incurred in connection with any Proceeding by Indemnitee seeking a determination or adjudication pursuant to this Agreement.

5. *Independent Legal Counsel.*

The Company agrees to pay the reasonable fees of the Independent Legal Counsel and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

6. *Procedure for Indemnification.*

(a) Promptly after receipt by Indemnitee of notice of the commencement of or the threat of commencement of any Proceeding, Indemnitee shall, if Indemnitee believes that indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company in writing of the commencement or threat of commencement thereof. The written notification to the Company shall be addressed to the Board of Directors and shall include documentation or information which is necessary for the determination of entitlement to indemnification and which is reasonably available to Indemnitee. Delay in so notifying the Company shall not constitute a waiver or release by Indemnitee or of any rights hereunder. In addition, Indemnitee shall give the Company such information and cooperation as it may reasonably require and as shall be within Indemnitee's power.

(b) Any indemnification requested by Indemnitee under Paragraph 3 hereof shall be made no later than 60 calendar days after receipt of the written request of Indemnitee, unless a determination is made within said 60-day period that Indemnitee has not met the relevant standards for indemnification set forth in Paragraph 3 hereof (i) by the stockholders, (ii) by the Board of Directors of the Company by a majority vote of a quorum consisting of directors who are not parties to such Proceeding, (iii) if such a quorum so orders, by Independent Legal Counsel (selected by the Company and approved by Indemnitee, such approval not to be unreasonably withheld) in a written opinion or (iv) in the event such a quorum is not obtainable, by Independent Legal Counsel (selected by the Company and approved by Indemnitee, such approval not to be unreasonably withheld) in a written opinion. Upon making a request for indemnification, Indemnitee shall be presumed to be entitled to indemnification under this Agreement and the Company shall have the burden of proof to overcome that presumption in reaching any contrary determination.

(c) Notwithstanding a determination under Paragraph 6(b) above that Indemnitee is not entitled to indemnification with respect to any specific Proceeding, Indemnitee shall have the right to apply to any court of competent jurisdiction in the State of Nevada for the purpose of enforcing Indemnitee's right to indemnification pursuant to this Agreement, which determination shall be made de novo and Indemnitee shall not be prejudiced by reason of a determination that he or she is not entitled to indemnification. The burden of proving that indemnification or advances are not appropriate shall be on the Company. Neither the failure of the Company (including its Board of Directors, its stockholders, or Independent Legal Counsel) to have made a determination prior to the commencement of such action that indemnification or advances are proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including its Board of Directors, its stockholders, or Independent Legal Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create any presumption that Indemnitee has not met the applicable standard of conduct.

(d) If an initial determination is made or deemed to have been made pursuant to the terms of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in the absence of (i) a misrepresentation or omission of a material fact by Indemnitee in the request for indemnification or (ii) a specific finding (which has become final) by a court of competent jurisdiction that all or any part of such indemnification is expressly prohibited by law.

(e) The Company shall indemnify Indemnitee against all Expenses incurred in connection with any hearing or proceeding under this Paragraph 6 unless a court of competent jurisdiction finds that each of the claims and/or defenses of Indemnitee in any such proceeding was frivolous or made in bad faith.

7. *Indemnity Hereunder Not Exclusive.* The provisions for indemnification and advancement of Expenses contained in this Agreement shall not be deemed exclusive of any other rights which Indemnitee may have under any provision of law, the Company's Articles of Incorporation or Bylaws, any vote of stockholders or disinterested directors, other agreements, insurance, or other financial arrangements or otherwise, both as to action in his or her official capacity and as to action in another capacity while occupying his or her position as an Agent of the Company, except that indemnification, unless ordered by a court pursuant to Paragraph 3 hereof or for the advancement of Expenses pursuant to Paragraph 4 hereof, may not be made to or on behalf of Indemnitee if a final adjudication establishes that his or her acts or omissions involved intentional misconduct, fraud or knowing violation of the law and was material to the cause of action. The indemnification provided under this Agreement shall continue as to Indemnitee for any action taken or not taken while serving as an Agent of the Company even though Indemnitee may have ceased to serve in such capacity.

8. *Partial Indemnification.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, and amounts paid in settlement) incurred by him or her in the investigation, defense, settlement or appeal of a Proceeding but not entitled, however, to indemnification for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

9. *Assumption of Defense.* In the event the Company shall be obligated to pay the Expenses of any Proceeding against Indemnitee, the Company, if appropriate, shall be entitled to assume the defense of such Proceeding, with counsel approved by Indemnitee (such approval not to be unreasonably withheld), upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same proceeding, provided that (a) Indemnitee shall have the right to employ his or her counsel in such Proceeding at Indemnitee's expense, and (b) if (i) the employment of counsel by Indemnitee has been previously authorized in writing by the Company, (ii) the Company shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such Proceeding, then the fees and expenses of Indemnitee's counsel shall be at the expense of the Company. The Company shall not settle any action or claim that would impose any penalty or limitation on Indemnitee without Indemnitee's prior written consent. Neither the Company nor Indemnitee will unreasonably withhold its or his or her consent to any proposed settlement.

10. *Liability Insurance.* The Company shall, from time to time (including prior to the expiration of a Liability Insurance (as defined below) policy), make the good faith determination whether or not it is practicable for the Company to obtain and maintain a policy or policies of Liability Insurance with reputable insurance companies providing the Agents of the Company with coverage for any liability asserted against them and for Expenses and liabilities incurred by them in such capacity or arising out of their status as such, or to ensure the Company's performance of its indemnification obligations under this Agreement (collectively, for purposes of this Paragraph 10, "**Liability Insurance**"). Among other considerations, the Company will weigh the costs of obtaining such insurance coverage against the protection afforded by such coverage. To the extent the Company maintains Liability Insurance, Indemnitee shall be covered by such policies in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors, if Indemnitee is a director; or of the Company's most favorably insured officers, if Indemnitee is not a director of the Company but is an officer; or of the Company's most favorably insured key employees, agents, or fiduciaries, if Indemnitee is not an officer or director but is a key employee, agent or fiduciary. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain such insurance if (a) the Company determines in good faith that (i) such insurance is not reasonably available, (ii) the premium costs for such insurance are substantially disproportionate to the amount of coverage provided, or (iii) the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or (b) Indemnitee is covered by similar insurance maintained by a subsidiary or parent of the Company or other person under common control with the Company. Notwithstanding any other provision of the Agreement, the Company shall not be obligated to indemnify Indemnitee for Expenses or liabilities (including, but not limited to, judgments, fines, or amounts paid in settlement), which have been paid directly to Indemnitee by Liability Insurance. If the Company has Liability Insurance in effect at the time the Company receives from Indemnitee any notice of the commencement of a Proceeding, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such

insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

11. *Security/Financial Arrangements.* To the extent requested by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld), the Company may from time to time provide security or other financial arrangements to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust, other collateral or other financial arrangement. Any such security or other financial arrangement, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

12. *Exceptions to Indemnification.* Notwithstanding any provision herein to the contrary, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) To indemnify or advance Expenses to Indemnitee with respect to proceedings or claims initiated or brought voluntarily by Indemnitee and not by way of defense, except (i) with respect to Proceedings brought to establish or enforce a right to indemnification under this Agreement or any law or otherwise as required under NRS 78.751 or (ii) in specific cases if the Board of Directors has approved the initiation or bringing of such proceedings or claims;

(b) To indemnify Indemnitee for any Expenses incurred by Indemnitee with respect to any proceeding instituted by Indemnitee to enforce or interpret this Agreement, if a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such proceeding was not made in good faith or was frivolous;

(c) To indemnify Indemnitee under this Agreement for any amounts paid in settlement of a Proceeding effected without the Company's written consent; or

(d) To indemnify Indemnitee on account of any Proceeding with respect to (i) remuneration paid to Indemnitee if it is determined by final judgment or other final adjudication that such remuneration was in violation of law, (ii) which final judgment is rendered against Indemnitee for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, the provisions of Section 304 of the Sarbanes-Oxley Act of 2002 or similar provisions of any federal, state or local statute, or (iii) which it is determined by final judgment or other final adjudication that Indemnitee defrauded or stole from the Company or converted to his or her own personal use and benefit business or properties of the Company or was otherwise knowingly dishonest.

13. *Duration and Interpretation of Agreement.* It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to Indemnitee to the fullest extent now or hereafter permitted by law. This Agreement shall continue so long as Indemnitee shall be subject to any possible Proceeding by reason of the fact that he or she is or was an Agent and shall be applicable to Proceedings commenced or continued after execution of this Agreement, whether arising from acts or omissions occurring before or after such execution.

14. *Severability.* If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provisions held invalid, illegal or unenforceable and to give effect to Paragraph 13 hereof.

15. *Modification and Waiver.* No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

16. *Successor and Assigns.* The terms of this Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors, administrators and other legal representatives.

17. *Notices.* All notices or other communications provided for by this Agreement shall be made in writing and shall be deemed properly delivered when (i) delivered personally or by messenger (including air courier), or (ii) by the mailing of such notice to the party entitled thereto, registered or certified mail, postage prepaid to the parties at the following addresses (or to such other addresses designated in writing by one party to the other):

Company:	WH Capital Corporation 1800 Century Park East Los Angeles, CA 90067 Attention: Vicki Tuchman
Indemnitee:	Brett R. Chapman 1800 Century Park East Los Angeles, CA 90067

18. *Governing Law.* This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Nevada.

19. *Consent of Jurisdiction.* The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the courts of the State of Nevada for all purposes in connection with any action or Proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the state courts of the State of Nevada.

20. *Subrogation.* In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

21. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which will be deemed an original but both of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Indemnity Agreement as of the date first above written.

Company:

WH CAPITAL CORPORATION, a Nevada corporation

By: /s/ GREGORY PROBERT

Name: Gregory Probert
Title: President

Indemnitee:

/s/ BRETT R. CHAPMAN

Name: Brett R. Chapman

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Exhibit 10.42

STOCK SUBSCRIPTION AGREEMENT
OF
WH CAPITAL CORPORATION

The undersigned, (the "Subscriber"), hereby subscribes to and for One Hundred (100) shares of the common stock, par value $0.01 per share (the "Stock"), of WH Capital Corporation, a Nevada corporation (the "Corporation"). The Corporation is authorized pursuant to its Articles of Incorporation to issue an aggregate of One Thousand (1,000) shares of capital stock, consisting all of common stock, par value $0.01 per share. Payment for the Stock is being tendered herewith in the form of a cash contribution to the capital of the Corporation in the sum of Ten Dollars ($10.00) per share of Stock, for total consideration of One Thousand Dollars ($1,000).

This is to inform you that in connection with the Subscriber's purchase of the Stock, the Subscriber is aware that the Stock is not being registered under the Securities Act of 1933 (the "1933 Act"), or applicable state securities laws. The Subscriber understands that the Stock is being offered and sold in reliance on the exemption from registration provided by Section 4(2) of the 1933 Act. The Subscriber represents and warrants that: (i) the Stock is being acquired solely for Subscriber's own account, for investment purposes only, and not for distribution, subdivision or fractionalization thereof; and (ii) the Subscriber has no agreement or other arrangement, formal or informal, with any person to sell, transfer or pledge any part of the Stock or which would guarantee to the Subscriber any profit, or protect the Subscriber against any loss, with respect to this investment and the Subscriber has no plans to enter into any such agreement or arrangement. The Subscriber further understands that the Subscriber must bear the economic risk of this investment for an indefinite period of time because the Stock cannot be resold or otherwise transferred unless it is subsequently registered under the 1933 Act and applicable state securities laws are complied with (which the Corporation is not obligated, and does not plan, to do) or exemptions therefrom are available.

The Stock shall be issued to, and the Certificate representing the Stock prepared in the name of, WH Holdings (Cayman Islands) Ltd. The address for any communication to be delivered or mailed to the Subscriber is: 177 Broad Street, Stamford, CT 06901 (or at such other place as the undersigned may instruct by written communication to the Corporation, sent by certified mail, return receipt requested).

IN WITNESS WHEREOF, the undersigned has executed this Stock Subscription Agreement effective as of the 9th day of February, 2004.

WH HOLDINGS (CAYMAN ISLANDS) LTD., Subscriber

By: /s/ MICHAEL O. JOHNSON

Name: Michael O. Johnson

Its: Cheif Executive Officer

ACCEPTANCE

WH Capital Corporation, a Nevada corporation, being authorized to issue 100 shares of its common stock, par value $0.01 per share (the "Stock"), to WH Holdings (Cayman Islands) Ltd. (the "Subscriber"), hereby acknowledges receipt from the Subscriber of a cash contribution in the amount of $10.00 per share of Stock, for total consideration paid of $1,000.00, accepts the Subscriber's subscription and agrees to issue the Stock to the Subscriber. Dated as of the 9th day of February, 2004.

WH CAPITAL CORPORATION

By: /s/ BRETT R. CHAPMAN

Brett R. Chapman, Secretary

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Exhibit 10.43

Exhibit I

First Amendment to the
Amended and Restated
WH Holdings (Cayman Islands) Ltd. Stock Incentive Plan
(as restated on November 5, 2003)

WHEREAS, Section 10 of the WH Holdings (Cayman Islands) Ltd. Stock Incentive Plan (the "Plan") provides that the Board of Directors may amend the Plan at any time and from time to time; and

WHEREAS, the Board of Directors desires to amend the Plan effective as of January 28, 2004 to provide that the repurchase price for shares purchased at fair market value shall always be determined as of the date of repurchase; and

WHEREAS, this amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this amendment.

THEREFORE, BE IT RESOLVED, that the Plan is hereby amended as follows:

Appendix A, Section 15(d) of the Plan shall be amended in its entirety to read as follows:

(d) Company's Repurchase Option. At the discretion of the Board or the Committee, the Company may reserve to itself and/or its assignee(s) in the Option Agreement a right to repurchase Shares held by an Optionee for a period of ninety (90) days beginning on the later of (i) the day after the six month anniversary of the day the Shares for which the Option is exercised are acquired and (ii) the day of such Optionee's termination of employment from the Company for cash and/or cancellation of purchase money indebtedness, at: (A) the Fair Market Value of such Shares on the repurchase date, provided, that such right to repurchase Shares terminates following an Initial Public Offering; or (B) the Optionee's exercise price, provided such right to repurchase Shares at the exercise price lapses at the rate of at least twenty percent (20%) per year over five (5) years from the date of grant of the option. Notwithstanding the foregoing, as permitted by California law, an Optionee who is an officer, director, manager or consultant of the Company or the Parent or a Subsidiary of the Company may be subject to additional or greater restrictions.

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Exhibit 12.1

WH HOLDINGS (CAYMAN ISLANDS) LTD.
RATIO OF EARNINGS TO FIXED CHARGES

							Three months ended	
				January 1 to July 31	August 1 to December 31			
	1999	2000	2001	2002		2003	March 31, 2003	March 31, 2004
Earnings:								
Income before income taxes(1)	93,237	62,237	71,463	15,479	28,991	65,568	29,245	9,364
Add fixed charges:								
Interest expense(2)	2,785	1,466	2,768	1,986	26,101	48,659	11,691	23,229
one-third of rental expense(3)	6,113	7,320	6,666	3,864	2,868	6,984	1,700	1,769
Total Earnings plus fixed charges	102,135	71,023	80,897	21,329	57,960	121,211	42,636	34,362
Fixed charges:								
Interest expense(2)	2,785	1,466	2,768	1,986	26,101	48,659	11,691	23,229
one-third of rental expense	6,113	7,320	6,666	3,864	2,868	6,984	1,700	1,769
Total fixed charges	8,898	8,786	9,434	5,850	28,969	55,643	13,391	24,998
	8.71%	12.37%	11.66%	27.43%	49.98%	45.91%	31.41%	72.75%
Ratio of Earnings to fixed charges (4)	11.5	8.1	8.6	3.6	2.0	2.2	3.2	1.4

(1) amount represents income before income taxes after deducting the minority interest

(2) Interest expense includes amortization of deferred financing fees

(3) amount of rental expense deemed representative of that portion of rental expense estimated to be attributable to interest.

(4) In calculating the ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges. Fixed charges consist of interest expense (which includes amortization of derred financing costs) and one-third of rental expense.

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Exhibit 21.1

WH HOLDINGS (CAYMAN ISLANDS) LTD.

SUBSIDIARIES

1. Herbalife International, Inc., a Nevada corporation formed in September 1985
2. Herbalife International of America, Inc., a California corporation formed in December, 1984.
3. Herbalife of Canada, Ltd., a Canadian corporation formed in July, 1982.
4. Herbalife Australasia Pty., Ltd., an Australian corporation formed in November, 1982.
5. Herbalife (U.K.) Limited, a United Kingdom corporation formed in March, 1983.
6. Herbalife International of Hong Kong Limited, a Hong Kong Corporation formed in September, 1983.
7. Herbalife International de Espana, S.A., a Spanish Corporation formed in June, 1988.
8. Herbalife (N.Z.) Limited, A New Zealand corporation formed in November, 1988.
9. Herbalife Internacional de Mexico, S.A. de C.V., a Mexican corporation formed in May, 1989.
10. Herbalife International France, S.A., a French corporation formed in May, 1990.
11. Herbalife International Deutschland GmbH, a German corporation formed in November, 1990.
12. Herbalife International of Israel (1990) Ltd., an Israeli corporation formed in January, 1991.
13. Herbalife Products de Mexico, S.A. de C.V., a Mexican corporation formed in June, 1992.
14. Herbalife Italia S.p.A., an Italian corporation formed in July, 1992.
15. Herbalife International, S.A., a Portuguese corporation formed in August, 1992.
16. Herbalife International of Japan, K.K., a Japanese corporation formed in December, 1992.
17. Herbalife International Netherlands, B.V., a Netherlands corporation formed in March, 1993.
18. Herbalife International Belgium, S.A./N.V., a Belgian corporation formed in September, 1993.
19. Vida Herbal Suplementos Alimenticios, C.A., a Venezuelan corporation formed in September, 1993.
20. Herbalife Polska Sp.zo.o, a Polish corporation formed in October, 1993.
21. Herbalife International Argentina, S.A., an Argentinean corporation formed in December, 1993.
22. Herbalife Denmark ApS, a Danish corporation formed in December, 1993.
23. Herbalife International of Europe, Inc., a California corporation formed in January, 1994.
24. Herbalife International Distribution, Inc., a California corporation formed in March, 1994.
25. Herbalife International Philippines, Inc., a Filipino corporation formed in July, 1994.
26. Herbalife Sweden Aktiebolag, a Swedish corporation formed in October, 1994.
27. Herbalife International Do Brasil Ltda., a Brazilian corporation formed in October, 1994.
28. Herbalife International Communications, Inc., formed in November 1994.
29. Herbalife International Finland OY c/o Hanes, a Finnish corporation formed in June, 1995.

30. Herbalife International Russia 1995 Ltd., an Israeli corporation formed in June, 1995.

31. Herbalife South Africa, Ltd., a California corporation formed in June, 1995.

32. Herbalife Taiwan, Inc., a California corporation formed in June, 1995.

33. Herbalife Norway Products A/S, a Norwegian corporation formed in August, 1995.

34. Herbalife International Greece S.A., a Greek corporation formed in May, 1995.

35. Herbalife Korea Co., Ltd., a South Korean corporation formed in February, 1994.

36. Importadora Y Distribuidora Herbalife International De Chile, Limitada, a Chilean corporation formed in December, 1994.

37. Herbalife International (Thailand) Ltd, a California corporation formed in August, 1994.

38. Herbalife Europe Limited, a United Kingdom corporation formed in February, 1996.

39. Herbalife International Urunleri Tic. Ltd. Sti., a Turkish corporation formed in December, 1996.

40. Herbalife Indonesia, an Indonesian corporation formed in November, 1996.

41. Herbalife International India Private Limited, an India corporation formed in October, 1998.

42. HIIP Investment Co., LLC, a Delaware Limited Liability company formed in April, 1999.

43. H & L (Suzhou) Health Products Ltd., a Chinese corporation formed in November 1997.

44. Herbalife Leiner LLC, a Delaware Limited Liability company formed February 1999.

45. HBL International Maroc, LLC, a Moroccan corporation formed in November 2000.

46. Herbalife International Singapore, Pte. Ltd. a Singapore corporation formed in November 2002.

47. WH Holdings (Cayman Islands) Ltd., a Cayman Islands corporation formed in April 2002.

48. WH Intermediate Holdings Ltd., a Cayman Islands corporation formed in May 2002.

49. WH Luxembourg Holdings S.à.R.L, a Luxembourg corporation formed in June 2002.

50. WH Luxembourg Intermediate Holdings, a Luxembourg corporation formed in June 2002.

51. WH Luxembourg CM S.à.R.L, a Luxembourg corporation formed in June 2002.

52. Limited Liability Company, Herbalife International, RS, a Russian limited liability company formed in January, 2004.

53. WH Capital Corporation, a Nevada corporation formed in February, 2004.

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Exhibit 21.2

WH CAPITAL CORPORATION

SUBSIDIARIES

WH Capital Corporation does not have any subsidiaries.

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WH CAPITAL CORPORATION SUBSIDIARIES

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Exhibit 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Registration Statement of WH Holdings (Cayman Islands) Ltd. and WH Capital Corporation on Form S-4 of our report dated February 19, 2004, appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the headings "Experts" in such Prospectus.

/s/ DELOITTE & TOUCHE LLP

Los Angeles, California
May 10, 2004

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Exhibit 23.2

Independent Auditors' Consent

The Board of Directors
WH Holdings (Cayman Islands) Ltd:

We consent to the use of our report dated February 19, 2004, except as to note 17 which is as of March 8, 2004, with respect to the consolidated balance sheet of WH Holdings (Cayman Islands) Ltd. and subsidiaries as of December 31, 2003, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the year ended December 31, 2003, included herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Los Angeles, California
May 10, 2004

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Exhibit 25.1

FORM T-1
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2) ☐

THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	**13-5160382** (I.R.S. employer identification no.)
One Wall Street, New York, N.Y. (Address of principal executive offices)	**10286** (Zip code)

WH HOLDINGS (CAYMAN ISLANDS) LTD.
(Exact name of obligor as specified in its charter)

Cayman Islands (State or other jurisdiction of incorporation or organization)	**N/A** (I.R.S. employer identification no.)
P.O. Box 309 GT **Ugland House, South Church Street** **George Town, Grand Cayman, Cayman Islands** (Address of principal executive offices)	(Zip code)

WH CAPITAL CORPORATION
(Exact name of obligor as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	**20-1086904** (I.R.S. employer identification no.)
1800 Century Park East **Los Angeles, California** (Address of principal executive offices)	**90067** (Zip code)

9 1/2% Notes due April 1, 2011
(Title of the indenture securities)

1. General information. Furnish the following information as to the Trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New York, N.Y. 10006, and Albany, N.Y. 12203
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 33-31019.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 33-44051.)

7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 4th day of May, 2004.

THE BANK OF NEW YORK

By: /s/ VAN K. BROWN

Name: VAN K. BROWN
Title: VICE PRESIDENT

EXHIBIT 7

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business December 31, 2003, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts In Thousands
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	$ 3,752,987
Interest-bearing balances	7,153,561
Securities:	
Held-to-maturity securities	260,388
Available-for-sale securities	21,587,862
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold in domestic offices	165,000
Securities purchased under agreements to resell	2,804,315
Loans and lease financing receivables:	
Loans and leases held for sale	557,358
Loans and leases, net of unearned income	36,255,119
LESS: Allowance for loan and lease losses	664,233
Loans and leases, net of unearned income and allowance	35,590,886
Trading Assets	4,892,480
Premises and fixed assets (including capitalized leases)	926,789
Other real estate owned	409
Investments in unconsolidated subsidiaries and associated companies	277,788
Customers' liability to this bank on acceptances outstanding	144,025
Intangible assets	
Goodwill	2,635,322
Other intangible assets	781,009
Other assets	7,727,722
Total assets	$ 89,257,901

LIABILITIES		
Deposits:		
In domestic offices	$	33,763,250
Noninterest-bearing		14,511,050
Interest-bearing		19,252,200
In foreign offices, Edge and Agreement subsidiaries, and IBFs		22,980,400
Noninterest-bearing		341,376
Interest-bearing		22,639,024
Federal funds purchased and securities sold under agreements to repurchase		
Federal funds purchased in domestic offices.		545,681
Securities sold under agreements to repurchase		695,658
Trading liabilities		2,338,897
Other borrowed money:		
(includes mortgage indebtedness and obligations under capitalized leases)		11,078,363
Bank's liability on acceptances executed and outstanding		145,615
Subordinated notes and debentures		2,408,665
Other liabilities		6,441,088
Total liabilities	$	80,397,617
Minority interest in consolidated subsidiaries		640,126
EQUITY CAPITAL		
Perpetual preferred stock and related surplus		0
Common stock		1,135,284
Surplus		2,077,255
Retained earnings		4,955,319
Accumulated other comprehensive income		52,300
Other equity capital components		0
Total equity capital		8,220,158
Total liabilities minority interest and equity capital	$	89,257,901

I, Thomas J. Mastro, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Thomas J. Mastro,
Senior Vice President and Comptroller

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Thomas A. Renyi
Gerald L. Hassell
Alan R. Griffith

Directors

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Exhibit 99.1

FORM OF LETTER OF TRANSMITTAL

WH HOLDINGS (CAYMAN ISLANDS) LTD.—WH CAPITAL CORPORATION

LETTER OF TRANSMITTAL
FOR
TENDER OF ALL 9 1/2% OUTSTANDING NOTES DUE 2011
IN EXCHANGE FOR
9 1/2% NEW NOTES DUE 2011
THAT HAVE BEEN REGISTERED UNDER THE
SECURITIES ACT OF 1933

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [•], 2004, UNLESS EXTENDED (THE "EXPIRATION DATE"). TENDERS IN THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

Deliver to the Exchange Agent:

THE BANK OF NEW YORK

The Bank of New York
Corporate Trust Operations
Reorganization Unit
101 Barclay Street, 7 East
New York, N.Y. 10286
Attn: Ms. Carolle Montreuil

By Facsimile Transmission:
(for Eligible Institutions Only)
(212) 298-1915

Confirm by Telephone:
(212) 815-5920

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN THE ONE LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL

The undersigned hereby acknowledges receipt and review of the prospectus dated **[•]**, 2004 of WH Holdings (Cayman Islands) Ltd. ("Holdings"), a Cayman Islands exempted limited liability company and WH Capital Corporation, ("Capital," and, together with Holdings, the "Issuers"), a Nevada Corporation, and this Letter of Transmittal, which together describe the offer of the Issuers (the "exchange offer") to exchange Issuers' 9 1/2% Outstanding Notes Due 2011 (the "Outstanding Notes") for a like principal amount of Issuers' issued and outstanding 9 1/2% New Notes Due 2011 (the "New Notes") which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to a registration statement of which the prospectus is a part. Certain terms used but not defined herein have the respective meanings given to them in the prospectus.

Issuers reserve the right, at any time or from time to time, to extend the exchange offer at their discretion, in which event the term "expiration date" shall mean the latest date to which the exchange offer is extended. Issuers shall give notice of any extension by giving oral or written notice to the exchange agent and by issuing a press release or making a public announcement prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. The term "business day" shall mean any day that is not a Saturday, Sunday or day on which banks are authorized by law to close in the State of New York.

This Letter of Transmittal is to be used by a holder of Outstanding Notes if original Outstanding Notes, if available, are to be forwarded herewith or an agent's message (as defined in the Prospectus) is to be used if delivery of Outstanding Notes is to be made by book-entry transfer to the account maintained by the exchange agent at The Depository Trust Company (the "book-entry transfer facility") pursuant to the procedures set forth in the prospectus under the caption "The Exchange Offer—Procedures for Tendering Outstanding Notes." Holders of Outstanding Notes whose Outstanding Notes are not immediately available, or who are unable to deliver their Outstanding Notes and all other documents required by this Letter of Transmittal to the exchange agent on or prior to the expiration date, or who are unable to complete the procedure for book-entry transfer on a timely basis, must tender their Outstanding Notes according to the guaranteed delivery procedures set forth in the prospectus under the caption "The Exchange Offer—Procedures for Tendering Outstanding Notes—Guaranteed Delivery." See Instruction 2. Delivery of documents to the book-entry transfer facility does not constitute delivery to the exchange agent.

The term "holder" with respect to the exchange offer means any person in whose name Outstanding Notes are registered on the books of Issuers or any other person who has obtained a properly completed bond power from the registered holder. The undersigned has completed, executed and delivered this Letter of Transmittal to indicate the action the undersigned desires to take with respect to the exchange offer. Holders who wish to tender their Outstanding Notes must complete this Letter of Transmittal in its entirety.

PLEASE READ THE ENTIRE LETTER OF TRANSMITTAL AND THE PROSPECTUS CAREFULLY BEFORE CHECKING ANY BOX BELOW.

THE INSTRUCTIONS INCLUDED WITH THIS LETTER OF TRANSMITTAL MUST BE FOLLOWED. QUESTIONS AND REQUESTS FOR ASSISTANCE FOR ADDITIONAL COPIES OF THE PROSPECTUS AND THIS LETTER OF TRANSMITTAL MAY BE DIRECTED TO THE EXCHANGE AGENT.

List below the Outstanding Notes to which this Letter of Transmittal relates. If the space below is inadequate, list the registered numbers and principal amounts on a separate signed schedule and affix the list to this Letter of Transmittal.

DESCRIPTION OF OUTSTANDING NOTES TENDERED

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S) EXACTLY AS NAME(S) APPEAR(S) ON OUTSTANDING NOTES. (PLEASE FILL IN, IF BLANK).	OUTSTANDING NOTE(S) TENDERED			
	PRINCIPAL REPRESENTED TENDERED**	PRINCIPAL AMOUNT	REGISTERED NUMBERS(S)*	AGGREGATE AMOUNT BY NOTE(S)

* Need not be completed by book-entry holders.

** Unless otherwise indicated, any tendering holder of Outstanding Notes will be deemed to have tendered the entire aggregate principal amount represented by such Outstanding Notes. All tenders will be accepted only in minimum denominations equal to $100,000 or integral multiples of $1,000 in excess thereof.

☐ CHECK HERE IF TENDERED OUTSTANDING NOTES ARE ENCLOSED HEREWITH.

☐ CHECK HERE IF TENDERED OUTSTANDING NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING (FOR USE BY ELIGIBLE INSTITUTIONS ONLY):

Name of Tendering Institution: _____

Account Number: _____

Transaction Code Number: _____

☐ CHECK HERE IF TENDERED OUTSTANDING NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING (FOR USE BY ELIGIBLE INSTITUTIONS ONLY):

Name(s) of registered holder(s) of Outstanding Notes: _____

Date of execution of Notice of Guaranteed Delivery: _____

Window ticket number (if available): _____

Name of eligible institution that guaranteed delivery: _____

Account number (if delivered by book-entry transfer): _____

☐ CHECK HERE IF YOU ARE BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO:

Name: _____

Address: _____

SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

Subject to the terms and conditions of the exchange offer, the undersigned hereby tenders to Issuers for exchange the principal amount of Outstanding Notes indicated above. Subject to and effective upon the acceptance for exchange of the principal amount of Outstanding Notes tendered in accordance with this Letter of Transmittal, the undersigned hereby exchanges, assigns and transfers to Issuers all right, title and interest in and to the Outstanding Notes tendered for exchange hereby. The undersigned hereby irrevocably constitutes and appoints the exchange agent, the agent and attorney-in-fact of the undersigned (with full knowledge that the exchange agent also acts as the agent of Issuers in connection with the exchange offer) with respect to the tendered Outstanding Notes with full power of substitution to:

- deliver such Outstanding Notes, or transfer ownership of such Outstanding Notes on the account books maintained by the book-entry transfer facility, to Issuers and deliver all accompanying evidences of transfer and authenticity, and

- present such Outstanding Notes for transfer on the books of Issuers and receive all benefits and otherwise exercise all rights of beneficial ownership of such Outstanding Notes,

all in accordance with the terms of the exchange offer. The power of attorney granted in this paragraph shall be deemed to be irrevocable and coupled with an interest.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, exchange, assign and transfer the Outstanding Notes tendered hereby and to acquire the New Notes issuable upon the exchange of such tendered Outstanding Notes, and that Issuers will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim, when the same are accepted for exchange by Issuers.

The undersigned acknowledge(s) that this exchange offer is being made in reliance upon interpretations contained in no-action letters issued to third parties by the staff of the Securities and Exchange Commission (the "SEC"), including Exxon Capital Holdings Corporation, SEC No-Action Letter (available April 13, 1989), Morgan Stanley & Co. Inc., SEC No-Action Letter (available June 5, 1991) (the "Morgan Stanley Letter") and Mary Kay Cosmetics, Inc., SEC No-Action Letter (available June 5, 1991), that the New Notes issued in exchange for the Outstanding Notes pursuant to the exchange offer may be offered for resale, resold and otherwise transferred by holders thereof (other than a broker-dealer who purchased Outstanding Notes exchanged for such New Notes directly from Issuers to resell pursuant to Rule 144A or any other available exemption under the Securities Act), without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such New Notes are acquired in the ordinary course of such holders' business and such holders are not participating in, and have no arrangement with any person to participate in, the distribution of such New Notes. The undersigned specifically represent(s) to Issuers that:

- any New Notes acquired in exchange for Outstanding Notes tendered hereby are being acquired in the ordinary course of business of the person receiving such New Notes, whether or not the undersigned;

- the undersigned is not participating in, and has no arrangement with any person to participate in, the distribution of New Notes;

- the undersigned has full power and authority to transfer the Outstanding Notes for New Notes and the Issuers will acquire good and unencumbered title to the Outstanding Notes free and

clear of any liens, restrictions, charges or encumbrances and not subject to any adverse claims; and

- neither the undersigned nor any such other person is an "affiliate" (as defined in Rule 405 under the Securities Act) of Issuers or a broker-dealer tendering Outstanding Notes acquired directly from Issuers.

If the undersigned is a broker-dealer that will receive New Notes for its own account in exchange for Outstanding Notes that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such New Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. The undersigned acknowledges that if the undersigned is participating in the exchange offer for the purpose of distributing the New Notes:

- the undersigned cannot rely on the position of the staff of the SEC in the Morgan Stanley Letter and similar SEC no-action letters, and, in the absence of an exemption therefrom, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction of the New Notes, in which case the registration statement must contain the selling security holder information required by Item 507 or Item 508, as applicable, of Regulation S-K of the SEC; and

- a broker-dealer that delivers such a prospectus to purchasers in connection with such resales will be subject to certain of the civil liability provisions under the Securities Act and will be bound by the provisions of the registration agreement (including certain indemnification rights and obligations).

The undersigned will, upon request, execute and deliver any additional documents deemed by the exchange agent or Issuers to be necessary or desirable to complete the exchange, assignment and transfer of the Outstanding Notes tendered hereby, including the transfer of such Outstanding Notes on the account books maintained by the book-entry transfer facility.

For purposes of the exchange offer, Issuers shall be deemed to have accepted for exchange validly tendered Outstanding Notes when, as and if Issuers gives oral or written notice thereof to the exchange agent. Any tendered Outstanding Notes that are not accepted for exchange pursuant to the exchange offer for any reason will be returned, without expense, to the undersigned at the address shown below or at a different address as may be indicated herein under "Special Delivery Instructions" as promptly as practicable after the expiration date.

All authority conferred or agreed to be conferred by this Letter of Transmittal shall survive the death, incapacity or dissolution of the undersigned, and every obligation of the undersigned under this Letter of Transmittal shall be binding upon the undersigned's heirs, personal representatives, successors and assigns.

The undersigned acknowledges that the acceptance of properly tendered Outstanding Notes by Issuers pursuant to the procedures described under the caption "The Exchange Offer—Procedures for Tendering Outstanding Notes" in the prospectus and in the instructions hereto will constitute a binding agreement between the undersigned and Issuers upon the terms and subject to the conditions of the exchange offer.

Unless otherwise indicated under "Special Issuance Instructions," please issue the New Notes issued in exchange for the Outstanding Notes accepted for exchange, and return any Outstanding Notes not tendered or not exchanged, in the name(s) of the undersigned. Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail or deliver the New Notes issued in exchange for the Outstanding Notes accepted for exchange and any Outstanding Notes not tendered or not exchanged

(and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned's signature(s). In the event that both "Special Issuance Instructions" and "Special Delivery Instructions" are completed, please issue the New Notes issued in exchange for the Outstanding Notes accepted for exchange in the name(s) of, and return any Outstanding Notes not tendered or not exchanged to, the person(s) so indicated. The undersigned recognizes that Issuers have no obligation pursuant to the "Special Issuance Instructions" and "Special Delivery Instructions" to transfer any Outstanding Notes from the name of the registered holder(s) thereof if Issuers do not accept for exchange any of the Outstanding Notes so tendered for exchange.

SPECIAL ISSUANCE INSTRUCTIONS
(SEE INSTRUCTIONS 5 AND 6)

To be completed ONLY (i) if Outstanding Notes in a principal amount not tendered, or New Notes issued in exchange for Outstanding Notes accepted for exchange, are to be issued in the name of someone other than the undersigned, or (ii) if Outstanding Notes tendered by book-entry transfer that are not exchanged are to be returned by credit to an account maintained at the book-entry transfer facility other than the account indicated above.

Issue New Notes and/or Outstanding Notes to:

Name: _____

(PLEASE PRINT OR TYPE)

Address: _____

(INCLUDE ZIP CODE)

(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)

☐ Credit unexchanged Outstanding Notes delivered by book-entry transfer to the book-entry transfer facility set forth below:

_____

Book-entry transfer facility account number

(COMPLETE SUBSTITUTE FORM W-9)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 5 AND 6)

To be completed ONLY if Outstanding Notes in a principal amount not tendered, or New Notes issued in exchange for Outstanding Notes accepted for exchange, are to be mailed or delivered to someone other than the undersigned, or to the undersigned at an address other than that shown below the undersigned's signature.

Mail or deliver New Notes and/or Outstanding Notes to:

Name: _____

(PLEASE PRINT OR TYPE)

Address: _____

(INCLUDE ZIP CODE)

(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)

IMPORTANT
PLEASE SIGN HERE WHETHER OR NOT OUTSTANDING NOTES
ARE BEING PHYSICALLY TENDERED HEREBY
(COMPLETE ACCOMPANYING SUBSTITUTE FORM W-9 ON REVERSE SIDE)

X

X

(SIGNATURE(S) OF REGISTERED HOLDER(S) OF OUTSTANDING NOTES)

Date: , 2004

(The above lines must be signed by the registered holder(s) of Outstanding Notes as name(s) appear(s) on the Outstanding Notes or on a security position listing, or by person(s) authorized to become registered holder(s) by a properly completed bond power from the registered holder(s), a copy of which must be transmitted with this Letter of Transmittal. If Outstanding Notes to which this Letter of Transmittal relate are held of record by two or more joint holders, then all such holders must sign this Letter of Transmittal. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, then such person must set forth his or her full title below and, unless waived by Issuers, submit evidence satisfactory to Issuers of such person's authority so to act. See Instruction 5 regarding the completion of this Letter of Transmittal, printed below.)

Name:

(PLEASE PRINT OR TYPE)

Capacity:

Address:

(INCLUDE ZIP CODE)

Area Code and Telephone Number:

SIGNATURE GUARANTEE (IF REQUIRED BY INSTRUCTION 5)

Certain signatures must be guaranteed by an eligible institution.

Signature(s) guaranteed by an eligible institution:

(AUTHORIZED SIGNATURE)

(TITLE)

(NAME OF FIRM)

(ADDRESS, INCLUDE ZIP CODE)
(AREA CODE AND TELEPHONE NUMBER)

Date: , 2004

INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS
OF THE EXCHANGE OFFER

1. **Delivery of this Letter of Transmittal and Outstanding Notes or Book-Entry Confirmations.** All physically delivered Outstanding Notes or any confirmation of a book-entry transfer to the exchange agent's account at the book-entry transfer facility of Outstanding Notes tendered by book-entry transfer (a "book-entry confirmation"), as well as a properly completed and duly executed copy of this Letter of Transmittal (or facsimile hereof) or agent's message (as defined in the Prospectus), and any other documents required by this Letter of Transmittal, must be received by the exchange agent at its address set forth herein prior to 5:00 p.m., New York City time, on the expiration date. The method of delivery of the tendered Outstanding Notes, this Letter of Transmittal and all other required documents to the exchange agent is at the election and risk of the holder and, except as otherwise provided below, the delivery will be deemed made only when actually received or confirmed by the exchange agent. Instead of delivery by mail, it is recommended that the holder use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure delivery to the exchange agent before the expiration date. No Letter of Transmittal or Outstanding Notes should be sent to Issuers.

2. **Guaranteed Delivery Procedures.** Holders who wish to tender their Outstanding Notes and whose Outstanding Notes are not immediately available or who cannot deliver their Outstanding Notes, this Letter of Transmittal or any other documents required hereby to the exchange agent prior to the expiration date or who cannot complete the procedure for book-entry transfer on a timely basis and deliver an agent's message (as defined in the Prospectus), must tender their Outstanding Notes according to the guaranteed delivery procedures set forth in the prospectus. Pursuant to such procedures:

- such tender must be made by or through a firm that is a member of a registered national securities exchange or of the National Association of Securities Dealers Inc., a commercial bank or a trust company having an office or correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Exchange Act (an "eligible institution");

- prior to the expiration date, the exchange agent must have received from the eligible institution a properly completed and duly executed Notice of Guaranteed Delivery (by manually signed facsimile transmission, mail or hand delivery) setting forth the name and address of the holder of the Outstanding Notes, the registered number(s) of such Outstanding Notes and the total principal amount of Outstanding Notes tendered, stating that the tender is being made thereby and guaranteeing that, within three business days after the expiration date, this Letter of Transmittal (or facsimile hereof) properly completed and validly executed, together with the Outstanding Notes in proper form for transfer (or a book-entry confirmation) and any other documents required hereby, must be deposited by the eligible institution with the exchange agent; and

- the properly completed and validly executed Letter of Transmittal (or facsimile hereof) with any required signature guarantees, together with certificates for all physically tendered shares of Outstanding Notes, in proper form for transfer (or book-entry confirmation, as the case may be) and all other documents required hereby are received by the exchange agent within three business days after the expiration date.

Any holder of Outstanding Notes who wishes to tender Outstanding Notes pursuant to the guaranteed delivery procedures described above must ensure that the exchange agent receives the Notice of Guaranteed Delivery prior to 5:00 p.m., New York City time, on the expiration date. Upon request of the exchange agent, a Notice of Guaranteed Delivery will be sent to holders who wish to tender their Outstanding Notes according to the guaranteed delivery procedures set forth above.

See "The Exchange Offer—Procedures for Tendering Outstanding Notes—Guaranteed Delivery" section of the prospectus.

3. **Tender by Holder.** Only a holder of Outstanding Notes may tender such Outstanding Notes in the exchange offer. Any beneficial holder of Outstanding Notes who is not the registered holder and who wishes to tender should arrange with the registered holder to execute and deliver this Letter of Transmittal on his behalf or must, prior to completing and executing this Letter of Transmittal and delivering his Outstanding Notes, either make appropriate arrangements to register ownership of the Outstanding Notes in such holder's name or obtain a properly completed bond power from the registered holder.

4. **Partial Tenders.** Tenders of Outstanding Notes will be accepted only in minimum denominations equal to $100,000 or integral multiples of $1,000 in excess thereof. If less than the entire principal amount of any Outstanding Notes is tendered, the tendering holder should fill in the principal amount tendered in the third column of the box entitled "Description of Outstanding Notes Tendered" above. The entire principal amount of Outstanding Notes delivered to the exchange agent will be deemed to have been tendered unless otherwise indicated. If the entire principal amount of all Outstanding Notes is not tendered, then Outstanding Notes for the principal amount of Outstanding Notes not tendered and New Notes issued in exchange for any Outstanding Notes accepted will be sent to the holder at his or her registered address, unless a different address is provided in the appropriate box on this Letter of Transmittal, promptly after the New Notes are accepted for exchange.

5. **Signatures on this Letter of Transmittal; Bond Powers and Endorsements; Guarantee of Signatures.** If this Letter of Transmittal (or facsimile hereof) is signed by the record holder(s) of the Outstanding Notes tendered hereby, the signature must correspond with the name(s) as written on the face of the Outstanding Notes without alteration, enlargement or any change whatsoever. If this Letter of Transmittal (or facsimile hereof) is signed by a participant in the book-entry transfer facility, the signature must correspond with the name as it appears on the security position listing as the holder of the Outstanding Notes.

If this Letter of Transmittal (or facsimile hereof) is signed by the registered holder or holders of Outstanding Notes listed and tendered hereby and the New Notes issued in exchange therefor are to be issued (or any untendered principal amount of Outstanding Notes is to be reissued) to the registered holder, the said holder need not and should not endorse any tendered Outstanding Notes, nor provide a separate bond power. In any other case, such holder must either properly endorse the Outstanding Notes tendered or transmit a properly completed separate bond power with this Letter of Transmittal, with the signatures on the endorsement or bond power guaranteed by an eligible institution.

If this Letter of Transmittal (or facsimile hereof) is signed by a person other than the registered holder or holders of any Outstanding Notes listed, such Outstanding Notes must be endorsed or accompanied by appropriate bond powers, in each case signed as the name of the registered holder or holders appears on the Outstanding Notes.

If this Letter of Transmittal (or facsimile hereof) or any Outstanding Notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by Issuers, evidence satisfactory to Issuers of their authority to act must be submitted with this Letter of Transmittal.

Endorsements on Outstanding Notes or signatures on bond powers required by this Instruction 5 must be guaranteed by an eligible institution.

No signature guarantee is required if:

- this Letter of Transmittal (or facsimile hereof) is signed by the registered holder(s) of the Outstanding Notes tendered herein (or by a participant in the book-entry transfer facility whose name appears on a security position listing as the owner of the tendered Outstanding Notes) and the New Notes are to be issued directly to such registered holder(s) (or, if signed by a participant in the book-entry transfer facility, deposited to such participant's account at such book-entry transfer facility) and neither the box entitled "Special Delivery Instructions" nor the box entitled "Special Issuance Instructions" has been completed; or

- such Outstanding Notes are tendered for the account of an eligible institution.

In all other cases, all signatures on this Letter of Transmittal (or facsimile hereof) must be guaranteed by an eligible institution.

6. **Special Issuance and Delivery Instructions**. Tendering holders should indicate, in the applicable box or boxes, the name and address (or account at the book-entry transfer facility) to which New Notes or substitute Outstanding Notes for principal amounts not tendered or not accepted for exchange are to be issued or sent, if different from the name and address of the person signing this Letter of Transmittal. In the case of issuance in a different name, the taxpayer identification or social security number of the person named must also be indicated.

7. **Transfer Taxes.** Issuers will pay all transfer taxes, if any, applicable to the exchange of Outstanding Notes pursuant to the exchange offer. If, however, New Notes or Outstanding Notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of the Outstanding Notes tendered hereby, or if tendered Outstanding Notes are registered in the name of any person other than the person signing this Letter of Transmittal, or if a transfer tax is imposed for any reason other than the exchange of Outstanding Notes pursuant to the exchange offer, then the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder prior to the issuance of the New Notes. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with this Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

EXCEPT AS PROVIDED IN THIS INSTRUCTION 7, IT WILL NOT BE NECESSARY FOR TRANSFER TAX STAMPS TO BE AFFIXED TO THE OUTSTANDING NOTES LISTED IN THIS LETTER OF TRANSMITTAL.

8. **Tax Identification Number.**

Federal income tax law requires that a holder of any Outstanding Notes that are accepted for exchange must provide Issuers (as payor) with its correct taxpayer identification number ("TIN"). In general, if a holder is an individual, the TIN is the social security number of such individual, and if a holder is an entity, the TIN is the entity's employer identification number. If Issuers are not provided with the correct TIN, the holder may be subject to a $50 penalty imposed by the Internal Revenue Service.

Also, to prevent backup withholding of 28% (or such other rate specified by the Internal Revenue Code of 1986, as amended) of any payments made pursuant to the exchange offer each tendering holder must provide such holder's correct TIN by completing the Substitute Form W-9 set forth herein. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is furnished to the Internal Revenue Service. Certain holders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. For further information concerning backup withholding and instructions for completing the Substitute Form W-9 (including how to obtain a TIN if you do not have one and how to complete

the Substitute Form W-9 if the Outstanding Notes are held in more than one name), consult the enclosed*Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9*.

Failure to complete and return the Substitute Form W-9 may result in backup withholding. Please review the enclosed *Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9* for additional details.

Issuers reserve the right in their sole discretion to take whatever steps are necessary to comply with Issuers' obligations regarding backup withholding.

9. **Validity of Tenders.** All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of tendered Outstanding Notes will be determined by Issuers in their sole discretion, which determination will be final and binding. Issuers reserve the absolute right to reject any and all Outstanding Notes not properly tendered or any Outstanding Notes the acceptance of which would, in the opinion of Issuers or their counsel, be unlawful. Issuers also reserve the absolute right to waive any conditions of the exchange offer or defects or irregularities in tenders as to particular Outstanding Notes. The interpretation of the terms and conditions by Issuers of the exchange offer (which includes this Letter of Transmittal and the instructions hereto) shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Outstanding Notes must be cured within such time as Issuers shall determine. Neither Issuers, the exchange agent nor any other person shall be under any duty to give notification of defects or irregularities with regard to tenders of Outstanding Notes nor shall any of them incur any liability for failure to give such information.

10. **Waiver of Conditions.** Issuers reserve the absolute right to waive, in whole or in part, any of the conditions to the exchange offer set forth in the prospectus.

11. **No Conditional Tender.** No alternative, conditional, irregular or contingent tender of Outstanding Notes or transmittal of this Letter of Transmittal will be accepted.

12. **Mutilated, Lost, Stolen or Destroyed Outstanding Notes.** Any holder whose Outstanding Notes have been mutilated, lost, stolen or destroyed should contact the exchange agent at the address indicated above for further instructions.

13. **Requests for Assistance or Additional Copies.** Requests for assistance or for additional copies of the prospectus or this Letter of Transmittal may be directed to the exchange agent at the address or telephone number set forth on the cover page of this Letter of Transmittal. Holders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the exchange offer.

14. **Withdrawal.** Tenders may be withdrawn only pursuant to the withdrawal rights set forth in the prospectus under the caption "The Exchange Offer—Withdrawal of Tenders."

IMPORTANT: THIS LETTER OF TRANSMITTAL OR A MANUALLY SIGNED FACSIMILE HEREOF (TOGETHER WITH THE OUTSTANDING NOTES DELIVERED BY BOOK-ENTRY TRANSFER OR IN ORIGINAL HARD COPY FORM) MUST BE RECEIVED BY THE EXCHANGE AGENT, OR THE NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE EXCHANGE AGENT, PRIOR TO THE EXPIRATION DATE.

Payer's Name: The Bank of New York

Part I Taxpayer Identification No.—For All Accounts

SUBSTITUTE
FORM W-9
Department of the Treasury
Internal Revenue Service

Enter your taxpayer identification number in the appropriate box. For most individuals, this is your Social Security Number. If you do not have a number, see "How to Obtain a TIN" in the enclosed Guidelines.

Social security number(s)

OR

Employer identification number(s)

Part II For Payees Exempt From Backup Withholding (see enclosed *Guidelines*)

Payer's Request for Taxpayer Identification No. (TIN)

Note: If the account is in more than one name, see the chart in the enclosed Guidelines to determine what number to enter.

_____ *Awaiting TIN*

Certification—Under penalties of perjury, I certify that:
(1) The number shown on this form is my correct taxpayer identification number or I am waiting for a number to be issued to me;
(2) I am not subject to backup withholding either because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
(3) I am a U.S. person (including a U.S. resident alien).

Certification Instructions—You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because you have failed to report all interest and dividends on your tax return. For .

Signature _____ Date _____, 200

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 28% (OR SUCH OTHER RATE SPECIFIED BY THE INTERNAL REVENUE CODE OF 1986, AS AMENDED) OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE EXCHANGE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED "AWAITING TIN" IN PART 1 OF THE SUBSTITUTE FORM W-9

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate United States Internal Revenue Service Center or Social Security Administration office, or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number to the payer within 60 days, I will be subject to backup withholding tax of 28% of all reportable payments made to me thereafter until I provide a taxpayer identification number.

Signature _____ Date _____, 2004

Name (Please Print)

CERTIFICATE FOR FOREIGN RECORD HOLDERS

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Exhibit 99.2

FORM OF NOTICE OF GUARANTEED DELIVERY

WH HOLDINGS (CAYMAN ISLANDS) LTD.—WH CAPITAL CORPORATION

LETTER OF TRANSMITTAL
FOR
TENDER OF ALL
$9^1/_2$% OUTSTANDING NOTES DUE 2011
IN EXCHANGE FOR
$9^1/_2$% NEW NOTES DUE 2011
THAT HAVE BEEN REGISTERED UNDER THE
SECURITIES ACT OF 1933

This form, or one substantially equivalent hereto, must be used by a holder to accept the Exchange Offer of WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company and WH Capital Corporation, a Nevada corporation, (the "Issuers"), and to tender $9^1/_2$% Outstanding Notes Due 2011 (the "Outstanding Notes") to the Exchange Agent pursuant to the guaranteed delivery procedures described in "The Exchange Offer—Procedures for Tendering Outstanding Notes—Guaranteed Delivery" beginning on page [•] of the Prospectus of the Issuers, dated [•], 2004, and in Instruction 2 to the related Letter of Transmittal. Any holder who wishes to tender Outstanding Notes pursuant to such guaranteed delivery procedures must ensure that the Exchange Agent receives this Notice of Guaranteed Delivery prior to the Expiration Date (as defined below) of the Exchange Offer. Certain terms used but not defined herein have the meanings ascribed to them in the Prospectus or the Letter of Transmittal.

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [•] 2004, UNLESS EXTENDED (THE "EXPIRATION DATE"). OUTSTANDING NOTES TENDERED IN THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

The Exchange Agent for the Exchange Offer is:

THE BANK OF NEW YORK

The Bank of New York
Corporate Trust Operations
Reorganization Unit
101 Barclay Street, 7 East
New York, N.Y. 10286
Attn: Ms. Carolle Montreuil

By Facsimile Transmission
(for Eligible Institutions only)
(212) 298-1915

Confirm by Telephone:
(212) 815-5920

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE IN THE BOX PROVIDED ON THE LETTER OF TRANSMITTAL FOR GUARANTEE OF SIGNATURES.

Ladies and Gentlemen:

The undersigned hereby tenders to Issuers, upon the terms and subject to the conditions set forth in the Prospectus and the related Letter of Transmittal, receipt of which is hereby acknowledged, the principal amount of Outstanding Notes set forth below pursuant to the guaranteed delivery procedures set forth in the Prospectus and in Instruction 2 of the Letter of Transmittal.

The undersigned hereby tenders the Outstanding Notes listed below:

Certificate Number(s) (if known) of Outstanding Notes or
Aggregate Principal Amount

Account Number at the Book-Entry Facility Tendered	Aggregate Principal Amount Represented

PLEASE SIGN AND COMPLETE

Name(s) of Record Holder(s):

Address(es):

Area Code and Telephone Number(s):

Signature(s):

Dated: _____, 2004

This Notice of Guaranteed Delivery must be signed by the holder(s) exactly as their name(s) appear on certificates for Outstanding Notes or on a security position listing as the owner of Outstanding Notes, or by person(s) authorized to become holder(s) by endorsements and documents transmitted with this Notice of Guaranteed Delivery. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must provide the following information.

PLEASE PRINT NAME(S) AND ADDRESS(ES)

Name(s):

Capacity:

Address(es):

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm which is a member of a registered national securities exchange or of the National Association of Securities Dealers, Inc., or is a commercial bank or trust company having an office or correspondent in the United States, or is otherwise an "eligible guarantor institution" within the meaning of Rule 17 Ad-15 under the Securities Exchange Act of 1934, guarantees deposit with the Exchange Agent of the Letter of Transmittal (or facsimile thereof), together with the Outstanding Notes tendered hereby in proper form for transfer (or confirmation of the book-entry transfer of such Outstanding Notes into the Exchange Agent's account at the book-entry transfer facility described in the Prospectus under the caption "The Exchange Offer—Procedures for Tendering Outstanding Notes—Book-Entry Transfer" and in the Letter of Transmittal) and any other required documents, all by 5:00 p.m., New York City time, within three business days following the Expiration Date.

Name of Firm:

Address:

(INCLUDE ZIP CODE)

Area Code and Telephone Number:

Name:

Title:

(PLEASE TYPE OR PRINT)

Dated:
_____, 2004

DO NOT SEND OUTSTANDING NOTES WITH THIS FORM. ACTUAL SURRENDER OF OUTSTANDING NOTES MUST BE MADE PURSUANT TO, AND BE ACCOMPANIED BY, A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS.

INSTRUCTIONS FOR NOTICE OF GUARANTEED DELIVERY

1. **Delivery of this Notice of Guaranteed Delivery.** A properly completed and duly executed copy of this Notice of Guaranteed Delivery and any other documents required by this Notice of Guaranteed Delivery must be received by the Exchange Agent at its address set forth herein prior to the Expiration Date. The method of delivery of this Notice of Guaranteed Delivery and any other required documents to the Exchange Agent is at the election and sole risk of the holder, and the delivery will be deemed made only when actually received by the Exchange Agent. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. As an alternative to delivery by mail, the holders may wish to consider using an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery. For a description of the guaranteed delivery procedures, see Instruction 2 of the Letter of Transmittal.

2. **Signatures on this Notice of Guaranteed Delivery.** If this Notice of Guaranteed Delivery is signed by the registered holder(s) of the Outstanding Notes referred to herein, the signature must correspond with the name(s) written on the face of the Outstanding Notes without alteration, enlargement, or any change whatsoever. If this Notice of Guaranteed Delivery is signed by a participant of the book-entry transfer facility whose name appears on a security position listing as the owner of the Outstanding Notes, the signature must correspond with the name shown on the security position listing as the owner of the Outstanding Notes.

If this Notice of Guaranteed Delivery is signed by a person other than the registered holder(s) of any Outstanding Notes listed or a participant of the book-entry transfer facility, this Notice of Guaranteed Delivery must be accompanied by appropriate bond powers, signed as the name of the registered holder(s) appears on the Outstanding Notes or signed as the name of the participant shown on the book-entry transfer facility's security position listing.

If this Notice of Guaranteed Delivery is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity, such person should so indicate when signing and submit with the Letter of Transmittal evidence satisfactory to the Issuers of such person's authority to so act.

3. **Requests for Assistance or Additional Copies.** Questions and requests for assistance and requests for additional copies of the Prospectus may be directed to the Exchange Agent at the address specified in the Prospectus. Holders may also contact their broker, dealer, commercial bank, trust company, or other nominee for assistance concerning the Exchange Offer.

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EXHIBIT 99.3

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

Guidelines for Determining the Proper Identification Number to Give the Payer—Social Security numbers have nine digits separated by two hyphens:*i.e.*, 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: *i.e.*, 00-0000000. The table below will help determine the number to give the payer.

		For this type of account	Give the SOCIAL SECURITY number of:
1.		An individual's account	The individual
2.		Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account[1]
3.		Custodian account of a minor (Uniform Gift to Minors Act)	The minor[2]
4.	a.	The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee[1]
	b.	So-called trust account that is not a legal or valid trust under state law	The actual owner[1]
5.		Sole proprietorship or single-owner LLC	The owner[3]

	For this type of account	Give the EMPLOYER IDENTIFICATION number of:
6.	A valid trust, estate or pension trust	Legal entity (do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title)[4]
7.	Corporate or LLC electing corporate status on Form 8832	The corporation
8.	Association, club, religious, charitable, educational or other tax-exempt organization account	The organization
9.	Partnership or multi-member LLC account	The partnership
10.	A broker or registered nominee	The broker or nominee
11.	Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district or prison) that receives agricultural program payments	The public entity

1 List first and circle the name of the person whose number you furnish. If only one person on a joint account has a social security number, that person's number must be furnished.

2 Circle the minor's name and furnish the minor's social security number.

3 You must show your individual name, but you may also enter your business or "doing business as" name. You may use either your social security number or employer identification number (if you have one).

4 List first and circle the name of the legal trust, estate or pension trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

How to Obtain a TIN

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service ("IRS") and apply for a number.

Payees Exempt from Backup Withholding

Payees exempt from backup withholding on all payments include the following:

- An organization exempt from tax under section 501(a), any IRA or a custodial account under section 403(b)(7) if the account satisfies the requirements of Section 401(f)(2).
- The United States or any of its agencies or instrumentalities.
- A state, the District of Columbia, a possession of the United States or any of their political subdivisions or instrumentalities.
- A foreign government or any of its political subdivisions, agencies or instrumentalities.
- An international organization or any of its agencies or instrumentalities.

Other payees that **may be exempt** from backup withholding include:

- A corporation.
- A foreign central bank of issue.
- A dealer in securities or commodities required to register in the United States, the District of Columbia or a possession of the United States.
- A futures commission merchant registered with the Commodity Futures Trading Commission.
- A real estate investment trust.
- An entity registered at all times during the tax year under the Investment Company Act of 1940.
- A common trust fund operated by a bank under section 584(a).
- A financial institution.
- A middleman known in the investment community as a nominee or custodian.
- A trust exempt from tax under section 664 or described in section 4947.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident alien partner.
- Payments of patronage dividends where the amount received is not paid in money.
- Payments made by certain foreign organizations.

Payments of interest not generally subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals. **Note:** You may be subject to backup withholding if this interest is $600 or more and is paid in the course of the payer's trade of business and you have not provided your correct taxpayer identification number to the payer.
- Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.

Exempt payees described above should file Substitute Form W-9 to avoid possible erroneous backup withholding. FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM IN PART II, SIGN AND DATE THE FORM, AND RETURN IT TO THE PAYER.

Certain payments, other than interest, dividends and patronage dividends that are not subject to information reporting are also not subject to backup withholding. For details, see the regulations under sections 6041, 6041A(a), 6045 and 6050A.

Privacy Act Notice.—Section 6109 requires most recipients of dividend, interest or other payments to give their correct taxpayer identification numbers to payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of tax returns. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 28% (or such other rate specified by the Internal Revenue Code) of taxable interest, dividend and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

Penalties

(1) Penalty for Failure to Furnish Taxpayer Identification Number.—If you fail to furnish your correct taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) Civil Penalty for False Information With Respect to Withholding.—If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.

(3) Criminal Penalty for Falsifying Information.—Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

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GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

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Exhibit 99.4

[•], 2004

EXCHANGE AGENT AGREEMENT

The Bank of New York
101 Barclay Street, Floor 21 West
New York, New York 10286

Attention: Corporate Trust Trustee Administration

Ladies and Gentlemen:

WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability Issuers and WH Capital Corporation, a Nevada corporation (the "Issuers"), propose to make an offer (the "Exchange Offer") to exchange all of their outstanding 9 1/2% Outstanding Notes due 2011 (the "Outstanding Notes") for their 9 1/2% New Notes due 2011 (the "New Notes"). The terms and conditions of the Exchange Offer as currently contemplated are set forth in a prospectus, dated **[•]**, 2004 (the "Prospectus"), proposed to be distributed to all record holders of the Outstanding Notes. The Outstanding Notes and the New Notes are collectively referred to herein as the "Securities".

The Issuers hereby appoint The Bank of New York to act as exchange agent (the "Exchange Agent") in connection with the Exchange Offer. References hereinafter to "you" shall refer to The Bank of New York.

The Exchange Offer is expected to be commenced by the Issuers on or about**[•]**, 2004. The Letter of Transmittal accompanying the Prospectus (or in the case of book-entry securities, the Automated Tender Offer Program ("ATOP") of the Book-Entry Transfer Facility (as defined below)) is to be used by the holders of the Outstanding Notes to accept the Exchange Offer and contains instructions with respect to the delivery of certificates for Outstanding Notes tendered in connection therewith.

The Exchange Offer shall expire at 5:00 p.m., New York City time, on**[•]**, 2004 or on such subsequent date or time to which the Issuers may extend the Exchange Offer (the "Expiration Date"). Subject to the terms and conditions set forth in the Prospectus, the Issuers expressly reserve the right to extend the Exchange Offer from time to time and may extend the Exchange Offer by giving oral or written notice to you before 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date.

The Issuers expressly reserve the right to amend or terminate the Exchange Offer, and not to accept for exchange any Outstanding Notes not theretofore accepted for exchange, upon the occurrence of any of the conditions of the Exchange Offer specified in the Prospectus under the caption "The Exchange Offer—Conditions of the Exchange Offer."

In carrying out your duties as Exchange Agent, you are to act in accordance with the following instructions:

1. You will perform such duties and only such duties as are specifically set forth in the section of the Prospectus captioned "The Exchange Offer" or as specifically set forth herein; provided, however, that in no way will your general duty to act in good faith be discharged by the foregoing.

2. You will establish a book-entry account with respect to the Outstanding Notes at The Depository Trust Company (the "Book-Entry Transfer Facility") for purposes of the Exchange Offer within two business days after the date of the Prospectus, and any financial institution that is a participant in the Book-Entry Transfer Facility's systems may make book-entry delivery of the Outstanding Notes by causing the Book-Entry Transfer Facility to transfer such

Outstanding Notes into your account in accordance with the Book-Entry Transfer Facility's procedure for such transfer.

3. You are to examine each of the Letters of Transmittal and certificates for Outstanding Notes (or confirmation of book-entry transfer into your account at the Book-Entry Transfer Facility) and any other documents delivered or mailed to you by or for holders of the Outstanding Notes to ascertain whether: (i) the Letters of Transmittal and any such other documents are duly executed and properly completed in accordance with instructions set forth therein; and (ii) the Outstanding Notes have otherwise been properly tendered. In each case where the Letter of Transmittal or any other document has been improperly completed or executed or any of the certificates for Outstanding Notes are not in proper form for transfer or some other irregularity in connection with the acceptance of the Exchange Offer exists, you will endeavor to inform the presenters of the need for fulfillment of all requirements and to take any other action as may be reasonably necessary or advisable to cause such irregularity to be corrected.

4. With the approval of the President, Senior Vice President, Executive Vice President, any Vice President, Secretary or General Counsel of either of the Issuers, or both, (such approval, if given orally, to be promptly confirmed in writing) or any other party designated in writing, by such an officer, you are authorized to waive any defects, irregularities or conditions of surrender in connection with any tender of Outstanding Notes pursuant to the Exchange Offer.

5. Tenders of Outstanding Notes may be made only as set forth in the Letter of Transmittal and in the section of the Prospectus captioned "The Exchange Offer—Procedures for Tendering Outstanding Notes," and Outstanding Notes shall be considered properly tendered to you only when tendered in accordance with the procedures set forth therein.

   Notwithstanding the provisions of this Section 5, Outstanding Notes which the President, Senior Vice President, Executive Vice President, any Vice President Secretary or General Counsel of either of the Issuers, or both, shall approve as having been properly tendered shall be considered to be properly tendered (such approval, if given orally, shall be promptly confirmed in writing).

6. You shall advise the Issuers with respect to any Outstanding Notes received subsequent to the Expiration Date and accept their instructions with respect to disposition of such Outstanding Notes.

7. You shall accept tenders:

   (a) in cases where the Outstanding Notes are registered in two or more names only if signed by all named holders;

   (b) in cases where the signing person (as indicated on the Letter of Transmittal) is acting in a fiduciary or a representative capacity only when proper evidence of his or her authority so to act is submitted; and

   (c) from persons other than the registered holders of Outstanding Notes, provided that customary transfer requirements, including payment of any applicable transfer taxes, are fulfilled.

   You shall accept partial tenders of Outstanding Notes where so indicated and as permitted in the Letter of Transmittal and deliver certificates for Outstanding Notes to the registrar for split-up, and return any untendered Outstanding Notes to the holder (or such other person as may be designated in the Letter of Transmittal) as promptly as practicable after expiration or termination of the Exchange Offer.

8. Upon satisfaction or waiver of all of the conditions to the Exchange Offer, the Issuers will notify you (such notice, if given orally, to be promptly confirmed in writing) of their acceptance, promptly after the Expiration Date, of all Outstanding Notes properly tendered and you, on behalf of the Issuers, will exchange such Outstanding Notes for New Notes and cause such Outstanding Notes to be cancelled. Delivery of New Notes will be made on behalf of the Issuers by you at the rate of $1,000 principal amount of New Notes for each $1,000 principal amount of the corresponding series of Outstanding Notes tendered promptly after notice (such notice if given orally, to be promptly confirmed in writing) of acceptance of said Outstanding Notes by the Issuers; provided, however, that in all cases, Outstanding Notes tendered pursuant to the Exchange Offer will be exchanged only after timely receipt by you of certificates for such Outstanding Notes (or confirmation of book-entry transfer into your account at the Book-Entry Transfer Facility), a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) with any required signature guarantees and any other required documents. You shall issue New Notes only in denominations of $1,000 or any integral multiple thereof.

9. Tenders pursuant to the Exchange Offer are irrevocable, except that, subject to the terms and upon the conditions set forth in the Prospectus and the Letter of Transmittal, Outstanding Notes tendered pursuant to the Exchange Offer may be withdrawn at any time prior to the Expiration Date.

10. The Issuers shall not be required to exchange any Outstanding Notes tendered if any of the conditions set forth in the Exchange Offer are not met. Notice of any decision by the Issuers not to exchange any Outstanding Notes tendered shall be given (if given orally, to be promptly confirmed in writing) by the Issuers to you.

11. If, pursuant to the Exchange Offer, the Issuers do not accept for exchange all or part of the Outstanding Notes tendered because of an invalid tender, the occurrence of certain other events set forth in the Prospectus under the caption "The Exchange Offer—Conditions of the Exchange Offer" or otherwise, you shall as soon as practicable after the expiration or termination of the Exchange Offer return those certificates for unaccepted Outstanding Notes (or effect appropriate book-entry transfer), together with any related required documents and the Letters of Transmittal relating thereto that are in your possession, to the holder (or such other person as may be designated in the Letter of Transmittal).

12. All certificates for reissued Outstanding Notes, unaccepted Outstanding Notes or for New Notes shall be forwarded by first-class mail.

13. You are not authorized to pay or offer to pay any concessions, commissions or solicitation fees to any broker, dealer, bank or other persons or to engage or utilize any person to solicit tenders.

14. As Exchange Agent hereunder you:

(a) shall not be liable for any action or omission to act unless the same constitutes your own gross negligence, willful misconduct or bad faith, and in no event shall you be liable to a Security holder, the Issuers or any third party for special, indirect or consequential damages, or lost profits, arising in connection with this Agreement;

(b) shall have no duties or obligations other than those specifically set forth herein or as may be subsequently agreed to in writing between you and the Issuers;

(c) will be regarded as making no representations and having no responsibilities as to the validity, sufficiency, value or genuineness of any of the certificates or the Outstanding Notes represented thereby deposited with you pursuant to the Exchange Offer, and will

not be required to and will make no representation as to the validity, value or genuineness of the Exchange Offer;

(d) shall not be obligated to take any legal action hereunder which might in your judgment involve any material expense or liability, unless you shall have been furnished with indemnity satisfactory to you;

(e) may conclusively rely on and shall be protected in acting in reliance upon any certificate, instrument, opinion, notice, letter, telegram or other document or security delivered to you and believed by you in good faith to be genuine and to have been signed or presented by the proper person or persons;

(f) may act upon any tender, statement, request, document, agreement, certificate or other instrument whatsoever not only as to its due execution and validity and effectiveness of its provisions, but also as to the truth and accuracy of any information contained therein, which you shall in good faith believe to be genuine or to have been signed or presented by the proper person or persons;

(g) may conclusively rely on and shall be protected in acting upon written or oral instructions from any authorized senior officer of the Issuers;

(h) may consult with counsel of your selection with respect to any questions relating to your duties and responsibilities and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by you hereunder in good faith and in accordance with the advice or opinion of such counsel; and

(i) shall not advise any person tendering Outstanding Notes pursuant to the Exchange Offer as to the wisdom of making such tender or as to the market value or decline or appreciation in market value of any Outstanding Notes.

15. You shall take such action as may from time to time be requested by the Issuers (and such other action as you may deem appropriate) to furnish copies of the Prospectus, Letter of Transmittal and the Notice of Guaranteed Delivery (as defined in the Prospectus) or such other forms as may be approved from time to time by the Issuers, to all persons requesting such documents and to accept and comply with telephone requests for information relating to the Exchange Offer, provided that such information shall relate only to the procedures for accepting (or withdrawing from) the Exchange Offer. The Issuers will furnish you with copies of such documents on your request. All other requests for information relating to the Exchange Offer shall be directed to the Issuers, Attention: Brett R. Chapman.

16. You shall advise by facsimile transmission Brett R. Chapman, the General Counsel of the Issuers (at the facsimile number (310) 203-7747), and such other person or persons as the Issuers may request, daily (and more frequently during the week immediately preceding the Expiration Date if requested) up to and including the Expiration Date, as to the number of Outstanding Notes which have been tendered pursuant to the Exchange Offer and the items received by you pursuant to this Agreement, separately reporting and giving cumulative totals as to items properly received and items improperly received. In addition, you will also inform, and cooperate in making available to, the Issuers or any such other person or persons upon oral request made from time to time prior to the Expiration Date of such other information as they may reasonably request. Such cooperation shall include, without limitation, the granting by you to the Issuers and such person or persons as the Issuers may request of access to those persons on your staff who are responsible for receiving tenders, in order to ensure that immediately prior to the Expiration Date the Issuers shall have received information in sufficient detail to enable them to decide whether to extend the Exchange Offer. You shall

prepare a final list of all persons whose tenders were accepted, the aggregate principal amount of Outstanding Notes tendered, the aggregate principal amount of Outstanding Notes accepted and deliver said list to the Issuers.

17. Letters of Transmittal and Notices of Guaranteed Delivery shall be stamped by you as to the date and, after the expiration of the Exchange Offer, the time, of receipt thereof and shall be preserved by you for a period of time at least equal to the period of time you preserve other records pertaining to the transfer of securities. You shall dispose of unused Letters of Transmittal and other surplus materials by returning them to the Issuers.

18. For services rendered as Exchange Agent hereunder, you shall be entitled to such compensation as set forth on Schedule I attached hereto. The provisions of this section shall survive the termination of this Agreement.

19. You hereby acknowledge receipt of the Prospectus and the Letter of Transmittal. Any inconsistency between this Agreement, on the one hand, and the Prospectus and the Letter of Transmittal (as they may be amended from time to time), on the other hand, shall be resolved in favor of the latter two documents, except with respect to your duties, liabilities and indemnification as Exchange Agent.

20. The Issuers covenant and agree to fully indemnify and hold you harmless against any and all loss, liability, cost or expense, including reasonable attorneys' fees and expenses, incurred without gross negligence, bad faith or willful misconduct on your part, arising out of or in connection with any act, omission, delay or refusal made by you in reliance upon any signature, endorsement, assignment, certificate, order, request, notice, instruction or other instrument or document believed by you to be valid, genuine and sufficient and in accepting any tender or effecting any transfer of Outstanding Notes believed by you in good faith to be authorized, and in delaying or refusing in good faith to accept any tenders or effect any transfer of Outstanding Notes. In each case, the Issuers shall be notified by you, by letter or facsimile transmission, of the written assertion of a claim against you or of any other action commenced against you, promptly after you shall have received any such written assertion or shall have been served with a summons in connection therewith. The Issuers shall be entitled to participate at their own expense in the defense of any such claim or other action and, if the Issuers so elect, the Issuers shall assume the defense of any suit brought to enforce any such claim. In the event that the Issuers shall assume the defense of any such suit, the Issuers shall not be liable for the fees and expenses of any additional counsel thereafter retained by you, so long as the Issuers shall retain counsel satisfactory to you to defend such suit, and so long as you have not determined, in your reasonable judgment, that a conflict of interest exists between you and the Issuers. The provisions of this section shall survive the termination of this Agreement.

21. You shall arrange to comply with all requirements under the tax laws of the United States, including those relating to missing Tax Identification Numbers, and shall file any appropriate reports with the Internal Revenue Service.

22. You shall deliver or cause to be delivered, in a timely manner to each governmental authority to which any transfer taxes are payable in respect of the exchange of Outstanding Notes, the Issuers' check in the amount of all transfer taxes so payable; provided, however, that you shall reimburse the Issuers for amounts refunded to you in respect of your payment of any such transfer taxes, at such time as such refund is received by you.

23. This Agreement and your appointment as Exchange Agent hereunder shall be construed and enforced in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within such state, and without regard to conflicts of law

principles, and shall inure to the benefit of, and the obligations created hereby shall be binding upon, the successors and assigns of each of the parties hereto.

24. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement.

25. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

26. This Agreement shall not be deemed or construed to be modified, amended, rescinded, cancelled or waived, in whole or in part, except by a written instrument signed by a duly authorized representative of the party to be charged. This Agreement may not be modified orally.

27. Unless otherwise provided herein, all notices, requests and other communications to any party hereunder shall be in writing (including facsimile or similar writing) and shall be given to such party, addressed to it, at its address or telecopy number set forth below:

If to the Issuers:

WH Holdings (Cayman Islands) Ltd./WH Capital Corporation
c/o Herbalife International, Inc.
1800 Century Park East
Los Angeles, CA 90067
Facsimile: (310) 203-7747
Attention: General Counsel

with a copy to:

Gibson Dunn & Crutcher LLP
2029 Century Park East
Suite 4000
Los Angeles, CA 90067
Facsimile: (310) 552-7030
Attention: Michael B. Mayes, Esq.

If to the Exchange Agent:

The Bank of New York
101 Barclay Street
Floor 21 West
New York, New York 10286
Facsimile: (212) 815.5802
Attention: Corporate Trust Trustee Administration

28. Unless terminated earlier by the parties hereto, this Agreement shall terminate 90 days following the Expiration Date. Notwithstanding the foregoing, Sections 18 and 20 shall survive the termination of this Agreement. Upon any termination of this Agreement, you shall promptly deliver to the Issuers any certificates for Securities, funds or property then held by you as Exchange Agent under this Agreement.

29. This Agreement shall be binding and effective as of the date hereof.

Please acknowledge receipt of this Agreement and confirm the arrangements herein provided by signing and returning the enclosed copy.

By: _____

Name: Brett R. Chapman
Title: General Counsel

Accepted as of the date first above written:

THE BANK OF NEW YORK, as Exchange Agent

By: _____

Name:
Title:

SCHEDULE I

COMPENSATION OF EXCHANGE AGENT:

[•]

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EXCHANGE AGENT AGREEMENT

EXHIBIT 99.5

FORM OF LETTER TO HOLDERS

WH HOLDINGS (CAYMAN ISLANDS) LTD.
WH CAPITAL CORPORATION
c/o 1800 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
(310) 410-9600

[•] , 2004

To the Holders of WH Holdings (Cayman Islands) Ltd./WH Capital Corporation 9 1/2% Outstanding Notes due 2011:

WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company and WH Capital Corporation, a Nevada corporation, are offering to exchange all of their outstanding 9 1/2% Outstanding Notes due 2011 ("Outstanding Notes") for their 9 1/2% New Notes due 2011 that have been registered under the Securities Act of 1933 (the "New Notes") upon the terms and subject to the conditions set forth in the enclosed prospectus dated [•], 2004 (the "Prospectus") and the related letter of transmittal (the "Letter of Transmittal" and, together with the Prospectus, the "Exchange Offer"). The Exchange Offer is conditioned upon a number of factors set out in the Prospectus under "The Exchange Offer—Conditions of the Exchange Offer" beginning on page [•].

The Outstanding Notes were issued on March 8, 2004 in an original aggregate principal amount of $275,000,000, the full principal amount of which remains outstanding. The maximum amount of New Notes that will be issued in exchange for Outstanding Notes is $275,000,000.

Please read carefully the Prospectus and the other enclosed materials relating to the Exchange Offer. If you require assistance, you should consult your financial, tax or other professional advisors. Holders who wish to participate in the Exchange Offer are asked to respond promptly by completing and returning the enclosed Letter of Transmittal, and all other required documentation, to The Bank of New York, the exchange agent (the "Exchange Agent") for the Exchange Offer.

If you have questions regarding the terms of the Exchange Offer, please direct your questions to [•].

Thank you for your time and effort in reviewing this request.

Very truly yours,

WH HOLDINGS (CAYMAN ISLANDS) LTD.

WH CAPITAL CORPORATION

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FORM OF LETTER TO HOLDERS

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Exhibit 99.6

FORM OF LETTER TO CLIENTS

WH HOLDINGS (CAYMAN ISLANDS) LTD.—WH CAPITAL CORPORATION

LETTER TO CLIENTS

FOR

TENDER OF ALL OUTSTANDING
9 1/2% OUTSTANDING NOTES DUE 2011

IN EXCHANGE FOR

9 1/2% NEW NOTES DUE 2011
THAT HAVE BEEN REGISTERED UNDER THE
SECURITIES ACT OF 1933

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [•], 2004, UNLESS EXTENDED (THE "EXPIRATION DATE"). TENDERS IN THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

To Our Clients:

We are enclosing a prospectus, dated [•], 2004, of WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company and WH Capital Corporation, a Nevada corporation (the "Issuers"), and a related Letter of Transmittal (which together constitute the "exchange offer") relating to the offer by the Issuers to exchange their 9 1/2% Outstanding Notes due 2011 (the "Outstanding Notes") for a like principal amount of Issuers' issued and outstanding 9 1/2% New Notes due 2011 (the "New Notes") which have been registered under the Securities Act of 1933, as amended, upon the terms and subject to the conditions set forth in the exchange offer.

The exchange offer is not conditioned upon any minimum number of Outstanding Notes being tendered.

We are the holder of record of Outstanding Notes held by us for your account. A tender of such Outstanding Notes can be made only by us as the record holder and pursuant to your instructions. The Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender Outstanding Notes held by us for your account.

We request instructions as to whether you wish to tender any or all of the Outstanding Notes held by us for your account pursuant to the terms and conditions of the exchange offer. We also request that you confirm that we may on your behalf make the representations and warranties contained in the Letter of Transmittal.

PLEASE RETURN YOUR INSTRUCTIONS TO US IN THE ENCLOSED ENVELOPE WITHIN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF PRIOR TO THE EXPIRATION DATE.

INSTRUCTIONS TO REGISTERED HOLDER AND/OR BOOK ENTRY TRANSFER PARTICIPANT

To Registered Holder and/or Participant of the Book-Entry Transfer Facility:

The undersigned hereby acknowledges receipt of the prospectus dated [•], 2004 of WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company and WH Capital Corporation, a Nevada corporation (the "Issuers"), and the accompanying Letter of Transmittal, that together constitute the offer of the Issuers (the "exchange offer") to exchange Issuers' 9 1/2% Outstanding Notes due 2011 (the "Outstanding Notes") for a like principal amount of Issuers' issued and outstanding 9 1/2% New Notes due 2011 (the "New Notes") which have been registered under the Securities Act of 1933, as amended. Certain terms used but not defined herein have the meanings ascribed to them in the prospectus.

This will instruct you, the registered holder and/or book-entry transfer facility participant, as to the action to be taken by you relating to the exchange offer with respect to the Outstanding Notes held by you for the account of the undersigned.

The aggregate face amount of Outstanding Notes held by you for the account of the undersigned is (fill in amount):

$_____ of the 9 1/2% Outstanding Notes due 2011.

With respect to the exchange offer, the undersigned hereby instructs you (check appropriate box):

☐ To tender the following Outstanding Notes held by you for the account of the undersigned (insert principal amount of Outstanding Notes to be tendered) (if any): $_____.

☐ not to tender any Outstanding Notes held by you for the account of the undersigned.

If the undersigned instructs you to tender the Outstanding Notes held by you for the account of the undersigned, it is understood that you are authorized to make, on behalf of the undersigned (and the undersigned by its signature below, hereby makes to you), the representations and warranties contained in the Letter of Transmittal that are to be made with respect to the undersigned as a beneficial owner, including but not limited to the representations that:

- the New Notes acquired in exchange for Outstanding Notes pursuant to the exchange offer are being acquired in the ordinary course of business of the person receiving such New Notes, whether or not the undersigned;
- the undersigned is not participating in, and has no arrangement with any person to participate in, the distribution of New Notes within the meaning of the Securities Act;
- neither the undersigned nor any such other person is an "affiliate" (within the meaning of Rule 405 under the Securities Act) of the Issuers or a broker-dealer tendering Outstanding Notes acquired directly from the Issuers; and
- the undersigned has full power and authority to transfer the Outstanding Notes for New Notes and the Issuers will acquire good and unencumbered title thereto free and clear of any liens, restrictions, charges or encumbrances and not subject to any adverse claims.

If the undersigned is a broker-dealer that will receive New Notes for its own account in exchange for Outstanding Notes, it acknowledges that it will deliver a prospectus in connection with any resale of such New Notes.

SIGN HERE

Name(s) of beneficial owner(s):

Signature(s):

Name(s):

(PLEASE PRINT)

Address(es):

Telephone Number(s):

Taxpayer Identification or Social Security Number(s):

Date:

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FORM OF LETTER TO CLIENTS

Exhibit 99.7

FORM OF LETTER TO REGISTERED HOLDERS &
DEPOSITARY TRUST COMPANY PARTICIPANTS

WH HOLDINGS (CAYMAN ISLANDS) LTD.—WH CAPITAL CORPORATION

LETTER TO REGISTERED HOLDERS AND
DEPOSITORY TRUST COMPANY PARTICIPANTS
FOR
TENDER OF ALL OUTSTANDING
9 1/2% OUTSTANDING NOTES DUE 2011

IN EXCHANGE FOR

9 1/2% NEW NOTES DUE 2011
THAT HAVE BEEN REGISTERED UNDER THE
SECURITIES ACT OF 1933

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON [•], 2004, UNLESS EXTENDED (THE "EXPIRATION DATE"). TENDERS IN THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

To Registered Holders and Depository Trust Company Participants:

We are enclosing herewith the material listed below relating to the offer by WH Holdings (Cayman Islands) Ltd., a Cayman Islands exempted limited liability company and WH Capital Corporation, a Nevada corporation (the "Issuers"), to exchange their 9 1/2% Outstanding Notes due 2011 (the "Outstanding Notes") for a like principal amount of Issuers' issued and outstanding 9 1/2% New Notes due 2011 (the "New Notes") which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), upon the terms and subject to the conditions set forth in the prospectus, dated [•], 2004, and the related Letter of Transmittal (which together constitute the "exchange offer").

Enclosed herewith are copies of the following documents:

1. Prospectus dated [•], 2004;
2. Letter of Transmittal (together with accompanying Substitute Form W-9 Guidelines);
3. Notice of Guaranteed Delivery;
4. Letter that may be sent to your clients for whose account you hold Outstanding Notes in your name or in the name of your nominee;
5. Letter that may be sent from your clients to you with such clients' instruction with regard to the exchange offer (included in item 4. above); and
6. Letter to the holders of Outstanding Notes.

We urge you to contact your clients promptly. Please note that the exchange offer will expire on the Expiration Date unless extended. The exchange offer is not conditioned upon any minimum number of Outstanding Notes being tendered.

Pursuant to the Letter of Transmittal, each holder of Outstanding Notes will represent to the Issuers that:

- the New Notes acquired in exchange for Outstanding Notes pursuant to the exchange offer are being acquired in the ordinary course of business of the person receiving such New Notes, whether or not the holder;

- the holder is not participating in, and has no arrangement with any person to participate in, the distribution of New Notes within the meaning of the Securities Act;

- neither the holder nor any such other person is an "affiliate" (within the meaning of Rule 405 under the Securities Act) of the Issuers or a broker-dealer tendering Outstanding Notes acquired directly from the Issuers; and

- the holder has full power and authority to transfer its Outstanding Notes for New Notes and the Issuers will acquire good and unencumbered title to the Outstanding Notes free and clear of any liens, restrictions, charges or encumbrances and not subject to any adverse claims.

If the holder is a broker-dealer that will receive New Notes for its own account in exchange for Outstanding Notes, it acknowledges that it will deliver a prospectus in connection with any resale of such New Notes.

The enclosed Letter to Clients contains an authorization by the beneficial owners of the Outstanding Notes for you to make the foregoing representations.

The Issuers will not pay any fee or commission to any broker or dealer or to any other persons (other than the exchange agent) in connection with the solicitation of tenders of Outstanding Notes pursuant to the exchange offer. The Issuers will pay or cause to be paid any transfer taxes payable on the transfer of Outstanding Notes to it, except as otherwise provided in Instruction 7 of the enclosed Letter of Transmittal.

Additional copies of the enclosed materials may be obtained from the exchange agent by calling [•].

Very truly yours,

WH HOLDINGS (CAYMAN ISLANDS) LTD.
WH CAPITAL CORPORATION

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