

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

February 18, 2014

Herbalife Ltd.

(Exact name of registrant as specified in its charter)

Cayman Islands

(State or other jurisdiction
of incorporation)

1-32381

(Commission File
Number)

98-0377871

(I.R.S. Employer
Identification No.)

P.O. Box 309GT, Uglan House,
South Church Street, Grand Cayman,
Cayman Islands

(Address of principal executive offices)

KY1-1106

(Zip Code)

Registrant's telephone number, including area code:

c/o (213) 745-0500

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

The following information is furnished pursuant to Item 2.02, Results of Operations and Financial Condition.

On February 18, 2014, Herbalife Ltd. ("the Company") issued a press release announcing its financial results for its fiscal fourth quarter and year ended December 31, 2013. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

The information contained in this Item 2.02 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

On February 18, 2014, the Company issued a press release announcing that its Board of Directors had declared a \$0.30 per share cash dividend, payable on March 18, 2014, to shareholders of record on March 4, 2014.

A copy of the press release is attached hereto as Exhibit 99.1 and the portions thereof with respect to the issuance of the dividend described above are incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release issued by Herbalife Ltd. on February 18, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Herbalife Ltd.

February 18, 2014

By: /s/ Jim Berklas

Name: Jim Berklas

Title: Authorized Person

Exhibit Index

| Exhibit | Description |
|----------------|---|
| 99.1 | Press Release issued by Herbalife Ltd. on February 18, 2014 |

Herbalife Ltd. Announces Record Fourth Quarter 2013 and Record Full Year Results, and Raises 2014 Earnings Guidance

- **Fourth quarter worldwide volume growth of 13 percent compared to the prior year period.**
- **Fourth quarter EPS of \$1.15 increased 15 percent, and adjusted¹ EPS of \$1.28 increased 28 percent, both as compared to the prior year period.**
- **Raises FY'14 adjusted² diluted EPS guidance to a range of \$5.85 to \$6.05, reflecting the impact of the recent financial transactions and subsequent share repurchase.**
- **Annual sales leader retention of approximately 51.8 percent.**
- **Generated \$773 million in operating cash flow in fiscal 2013.**
- **Board of Directors approved a \$0.30 per share quarterly dividend.**

LOS ANGELES--(BUSINESS WIRE)--February 18, 2014--Herbalife Ltd. (NYSE: HLF) today reported fourth quarter net sales of \$1.3 billion, reflecting an increase of 20 percent compared to the same period in 2012, on volume point growth of 13 percent. Net income for the quarter was \$123.5 million, or \$1.15 per diluted share. On an adjusted basis, adjusted¹ net income for the quarter was \$137.2 million, or \$1.28 per diluted share, as compared to 2012 fourth quarter net income³ of \$112.2 million and EPS of \$1.00.

For the twelve months ended December 31, 2013, the company reported record net sales of \$4.8 billion, an 18 percent increase, on 13 percent growth in volume compared to 2012. For the same period, the company reported net income of \$527.5 million, or \$4.91 per diluted share. On an adjusted basis, adjusted¹ net income of \$577.4 million, or \$5.37 per diluted share, reflected increases of 24 percent and 36 percent respectively, over 2012 net income³ of \$464.0 million and EPS of \$3.94.

"Herbalife delivered another year of record financial performance achieved through the consistent execution of key strategies to expand daily consumption of our products," said Michael O. Johnson, Herbalife's chairman and CEO. "The global obesity epidemic continues to expand around the world, having an adverse impact on community health. Our independent Members are uniquely positioned, with education, coaching, and nutritious, industry-leading products to help their customers live healthier lives."

For the year ended December 31, 2013, Herbalife generated cash flow from operations of \$772.9 million, an increase of 36 percent compared to 2012; paid dividends of \$123.1 million; invested \$162.5 million in capital expenditures; and repurchased \$297.4 million in common shares outstanding under our previous share repurchase program.

Herbalife recently announced that the Board of Directors approved an increase in its share repurchase authorization to \$1.5 billion. Following repurchases made in connection with the company's recent financing transaction on February 7, 2014, the remaining authorized capacity under the repurchase program is \$814 million.

Fourth Quarter and Fiscal 2013 Key Metrics^{4,5}

Regional Volume Point and Average Active Sales Leader Metrics

| Region | Volume Points (Mil) | | Average Active Sales Leaders | |
|-------------------------|---------------------|-------------|------------------------------|-------------|
| | 4Q'13 | Yr/Yr % Chg | 4Q'13 | Yr/Yr % Chg |
| North America | 287.0 | 7% | 73,511 | 8% |
| Asia Pacific | 292.4 | -4% | 73,792 | 6% |
| EMEA | 183.9 | 17% | 53,776 | 14% |
| Mexico | 218.7 | 5% | 66,535 | 8% |
| South & Central America | 278.6 | 25% | 65,690 | 29% |
| China | 102.7 | 103% | 17,416 | 39% |
| Worldwide Total | 1,363.3 | 13% | 339,744 | 13% |

| Region | Volume Points (Mil) | | Average Active Sales Leaders | |
|-------------------------|---------------------|-------------|------------------------------|-------------|
| | FY 2013 | Yr/Yr % Chg | FY 2013 | Yr/Yr % Chg |
| North America | 1,249.9 | 8% | 72,058 | 9% |
| Asia Pacific | 1,225.4 | 2% | 71,542 | 13% |
| EMEA | 698.0 | 16% | 49,650 | 13% |
| Mexico | 864.3 | 6% | 63,581 | 10% |
| South & Central America | 966.2 | 31% | 58,090 | 29% |
| China | 333.6 | 62% | 14,808 | 27% |
| Worldwide Total | 5,337.4 | 13% | 318,740 | 15% |

2013 Annual Sales Leader Requalification

By the end of January of each year, sales leaders are required to re-qualify to retain their sales leader status. A record number of sales leaders were retained in 2013. The overall pool of sales leaders needing to re-qualify increased by approximately 10% compared to the prior year and we retained 10% more of them than in the prior year. While size of the group needing to re-qualify increased for the year, our overall retention rate remained fairly constant at 51.8%.

2014 First Quarter and Full Year Guidance

Forward guidance excludes the impact of expenses (primarily for legal and advisory services) relating to the company's response to information put into the marketplace by a short seller, which information the company believes to be inaccurate and misleading, and the impact of non-cash interest costs associated with the company's Convertible Notes. Forward guidance is based on the average daily exchange rates of the first two weeks of January. Included in the guidance is the use of the GAAP rate for Venezuela of 6.3 to 1 for January results and 10 to 1 for the balance of the year and excludes the potential impact of future devaluation of the Venezuelan bolivar and any future repatriation of existing cash balances in Venezuela.

| | Three Months Ending March 31, 2014 | | Twelve Months Ending December 31, 2014 | |
|-----------------------------|---------------------------------------|--------|---|---------|
| | Low | High | Low | High |
| Volume Point Growth vs 2013 | 6.5% | 8.5% | 6.5% | 8.5% |
| Net Sales Growth vs 2013 | 8.0% | 10.0% | 7.5% | 9.5% |
| Diluted EPS as adjusted | \$1.25 | \$1.29 | \$5.85 | \$6.05 |
| Cap Ex (\$ millions) | \$35.0 | \$45.0 | \$165.0 | \$185.0 |
| Effective Tax Rate | 27.5% | 29.5% | 28.0% | 30.0% |

Announces Quarterly Dividend

Herbalife reported today that its Board of Directors has approved a dividend of \$0.30 per share to shareholders of record March 4, 2014, payable on March 18, 2014.

Fourth Quarter and Fiscal 2013 Earnings Conference Call

Herbalife senior management will host an investor conference call to discuss its recent financial results and provide an update on current business trends on Wednesday, February 19, 2013 at 8 a.m. PST (11 a.m. EST).

The dial-in number for this conference call for domestic callers is (877) 317-1296 and (706) 634-5671 for international callers (conference ID 31194371). Live audio of the conference call will be simultaneously webcast in the investor relations section of the Company's website at <http://ir.herbalife.com>.

An audio replay will be available following the completion of the conference call in MP3 format or by dialing (855) 859-2056 for domestic callers or (404) 537-3406 for international callers (conference ID 31194371). The webcast of the teleconference will be archived and available on Herbalife's website.

About Herbalife Ltd.

Herbalife Ltd. (NYSE:HLF) is a global nutrition company that sells weight-management, nutrition and personal care products intended to support a healthy lifestyle. Herbalife products are sold in more than 90 countries to and through a network of independent members. The Company supports the Herbalife Family Foundation and its Casa Herbalife program to help bring good nutrition to children. Herbalife's website contains a significant amount of financial and other information about the company at <http://ir.Herbalife.com>. The company encourages investors to visit its website from time to time, as information is updated and new information is posted.

¹ See Schedule A – “Reconciliation of Non-GAAP Financial Measures” for more detail.

² Adjusted diluted EPS excludes non-cash interest expense associated with the company's Convertible Notes.

³ There were no non-GAAP adjustments reported against the company's 2012 fourth quarter or full-year U.S. GAAP results.

⁴ Supplemental tables that include additional business metrics can be found at <http://www.ir.herbalife.com>.

⁵ Worldwide Average Active Sales Leaders may not equal the sum of the Average Active Sales Leaders in each region due to the calculation being an average of Sales Leaders active in a period, not a summation, and the fact that some sales leaders are active in more than one region but are counted only once in the worldwide amount.

FORWARD-LOOKING STATEMENTS

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

- *any collateral impact resulting from the ongoing worldwide financial environment, including the availability of liquidity to us, our customers and our suppliers or the willingness of our customers to purchase products in a difficult economic environment;*
- *our relationship with, and our ability to influence the actions of, our Members;*
- *improper action by our employees or Members in violation of applicable law;*
- *adverse publicity associated with our products or network marketing organization, including our ability to comfort the marketplace and regulators regarding our compliance with applicable laws;*
- *changing consumer preferences and demands;*
- *our reliance upon, or the loss or departure of any member of, our senior management team which could negatively impact our Member relations and operating results;*
- *the competitive nature of our business;*
- *regulatory matters governing our products, including potential governmental or regulatory actions concerning the safety or efficacy of our products and network marketing program, including the direct selling market in which we operate;*
- *legal challenges to our network marketing program;*
- *risks associated with operating internationally and the effect of economic factors, including foreign exchange, inflation, disruptions or conflicts with our third party importers, pricing and currency devaluation risks, especially in countries such as Venezuela;*
- *uncertainties relating to the application of transfer pricing, duties, value added taxes, and other tax regulations, and changes thereto;*
- *uncertainties relating to interpretation and enforcement of legislation in China governing direct selling;*
- *uncertainties relating to the interpretation, enforcement or amendment of legislation in India governing direct selling;*
- *our inability to obtain the necessary licenses to expand our direct selling business in China;*
- *adverse changes in the Chinese economy, Chinese legal system or Chinese governmental policies;*
- *our dependence on increased penetration of existing markets;*
- *contractual limitations on our ability to expand our business;*
- *our reliance on our information technology infrastructure and outside manufacturers;*
- *the sufficiency of trademarks and other intellectual property rights;*
- *product concentration;*
- *changes in tax laws, treaties or regulations, or their interpretation;*
- *taxation relating to our Members;*
- *product liability claims;*
- *whether we will purchase any of our shares in the open markets or otherwise; and*
- *share price volatility related to, among other things, speculative trading and certain traders shorting our common shares.*

We do not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

RESULTS OF OPERATIONS:

Herbalife Ltd. and Subsidiaries
Condensed Consolidated Statements of Income
(In thousands, except per share amounts)
(Unaudited)

| | Three Months Ended | | Twelve Months Ended | |
|--|--------------------|------------|---------------------|------------|
| | 12/31/2013 | 12/31/2012 | 12/31/2013 | 12/31/2012 |
| North America | \$ 210,302 | \$ 197,052 | \$ 907,999 | \$ 841,243 |
| Mexico | 142,599 | 132,070 | 562,369 | 496,101 |
| South and Central America | 290,344 | 203,252 | 973,456 | 688,799 |
| EMEA | 197,644 | 164,684 | 735,253 | 627,801 |
| Asia Pacific | 279,603 | 295,166 | 1,174,607 | 1,139,867 |
| China | 148,387 | 67,096 | 471,624 | 278,519 |
| Worldwide net sales | 1,268,879 | 1,059,320 | 4,825,308 | 4,072,330 |
| Cost of Sales | 251,807 | 211,105 | 963,423 | 812,583 |
| Gross Profit | 1,017,072 | 848,215 | 3,861,885 | 3,259,747 |
| Royalty Overrides | 380,735 | 355,658 | 1,497,556 | 1,338,633 |
| Selling, General and Administrative Expenses | 454,478 | 332,764 | 1,629,052 | 1,259,667 |
| Operating Income | 181,859 | 159,793 | 735,277 | 661,447 |
| Interest Expense - net | 2,902 | 2,453 | 18,560 | 10,541 |
| Income before income taxes | 178,957 | 157,340 | 716,717 | 650,906 |
| Income Taxes | 55,417 | 45,133 | 189,192 | 186,944 |
| Net Income | 123,540 | 112,207 | 527,525 | 463,962 |
| Basic Shares | 101,211 | 107,444 | 102,620 | 112,359 |
| Diluted Shares | 107,234 | 112,230 | 107,445 | 117,856 |
| Basic EPS | \$ 1.22 | \$ 1.04 | \$ 5.14 | \$ 4.13 |
| Diluted EPS | \$ 1.15 | \$ 1.00 | \$ 4.91 | \$ 3.94 |
| Dividends declared per share | \$ 0.30 | \$ 0.30 | \$ 1.20 | \$ 1.20 |

Herbalife Ltd. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

| | Dec 31, 2013 | Dec 31, 2012 |
|--|-----------------|-----------------|
| ASSETS | | |
| Current Assets: | | |
| Cash & cash equivalents | \$ 972,974 | \$ 333,534 |
| Receivables, net | 100,326 | 116,139 |
| Inventories | 351,201 | 339,411 |
| Prepaid expenses and other current assets | 148,774 | 145,624 |
| Deferred income taxes | 69,845 | 49,339 |
| Total Current Assets | 1,643,120 | 984,047 |
| Net Property, plant and equipment | 318,860 | 242,886 |
| Deferred compensation plan assets | 26,821 | 24,267 |
| Other assets | 63,713 | 48,805 |
| Deferred financing cost, net | 4,896 | 7,462 |
| Marketing related intangibles and other intangible assets, net | 310,801 | 311,186 |
| Goodwill | 105,490 | 105,490 |
| Total Assets | \$ 2,473,701 | \$ 1,724,143 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Accounts payable | \$ 82,665 | \$ 75,209 |
| Royalty overrides | 266,952 | 243,351 |
| Accrued compensation | 111,905 | 95,220 |
| Accrued expenses | 267,501 | 181,523 |
| Current portion of long-term debt | 81,250 | 56,302 |
| Advance sales deposits | 68,079 | 49,432 |
| Income taxes payable | 43,826 | 61,325 |
| Total Current Liabilities | 922,178 | 762,362 |
| Non-current liabilities | | |
| Long-term debt, net of current portion | 850,019 | 431,305 |
| Deferred compensation plan liability | 37,226 | 29,454 |
| Deferred income taxes | 66,026 | 62,982 |
| Other non-current liabilities | 46,806 | 42,557 |
| Total Liabilities | 1,922,255 | 1,328,660 |
| Commitments and Contingencies | | |
| Shareholders' equity: | | |
| Common shares | 101 | 107 |
| Paid-in capital in excess of par value | 323,860 | 303,975 |
| Accumulated other comprehensive loss | (19,794) | (31,695) |
| Retained earnings | 247,279 | 123,096 |
| Total Shareholders' Equity | 551,446 | 395,483 |
| Total Liabilities and Shareholders' Equity | \$ 2,473,701 | \$ 1,724,143 |

Herbalife Ltd. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

| | Twelve Months Ended | |
|--|---------------------|------------------|
| | 12/31/2013 | 12/31/2012 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 527,525 | \$ 463,962 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 84,739 | 74,384 |
| Excess tax benefits from share-based payment arrangements | (15,566) | (29,684) |
| Share based compensation expenses | 29,492 | 27,906 |
| Amortization of discount and deferred financing costs | 2,579 | 1,797 |
| Deferred income taxes | (24,910) | (7,758) |
| Unrealized foreign exchange transaction loss (gain) | 5,757 | 2,121 |
| Foreign exchange loss from Venezuela currency devaluation | 15,116 | - |
| Other | 15,410 | 532 |
| Changes in operating assets and liabilities: | | |
| Receivables | 9,224 | (28,186) |
| Inventories | (39,878) | (82,177) |
| Prepaid expenses and other current assets | (9,405) | 249 |
| Other assets | (9,408) | (5,288) |
| Accounts payable | 10,844 | 17,034 |
| Royalty overrides | 28,765 | 41,868 |
| Accrued expenses and accrued compensation | 86,039 | 39,440 |
| Advance sales deposits | 21,959 | 17,790 |
| Income taxes | 26,821 | 28,042 |
| Deferred compensation plan liability | 7,772 | 5,752 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 772,875 | 567,784 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property, plant and equipment | (146,958) | (121,524) |
| Proceeds from sale of property, plant and equipment | 186 | 280 |
| Investments in Venezuelan bonds | (4,050) | - |
| Deferred compensation plan assets | - | (3,756) |
| NET CASH USED IN INVESTING ACTIVITIES | (150,822) | (125,000) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (123,055) | (135,091) |
| Borrowings from long-term debt | 763,180 | 1,430,560 |
| Principal payments on long-term debt | (319,483) | (1,146,580) |
| Deferred financing costs | - | (4,460) |
| Share repurchases | (306,441) | (556,727) |
| Excess tax benefits from share-based payment arrangements | 15,566 | 29,684 |
| Proceeds from exercise of stock options and sale of stock under employee stock purchase plan | 975 | 11,373 |
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | 30,742 | (371,241) |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH | (13,355) | 3,216 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 639,440 | 74,759 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 333,534 | 258,775 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | 972,974 | 333,534 |
| CASH PAID DURING THE YEAR | | |
| Interest paid | \$ 23,046 | \$ 14,268 |
| Income taxes paid | \$ 197,078 | \$ 169,725 |
| NON CASH ACTIVITIES | | |
| Accrued capital expenditures | \$ 29,625 | \$ 15,310 |

SUPPLEMENTAL INFORMATION

SCHEDULE A: RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(unaudited and unreviewed), (dollars in thousands, except per share data)

In addition to its reported results, the Company has included in the tables below adjusted results that the Securities and Exchange Commission defines as “non-GAAP financial measures.” Management believes that such non-GAAP financial measures, when read in conjunction with the Company’s reported results, can provide useful supplemental information for investors in analyzing period to period comparisons of the Company’s results.

The following is a reconciliation of net income, presented and reported in accordance with U.S. generally accepted accounting principles, to net income adjusted for certain items:

| | Three Months Ended | | Twelve Months Ended | |
|--|--------------------|-------------------|---------------------|-------------------|
| | 12/31/2013 | 12/31/2012 | 12/31/2013 | 12/31/2012 |
| | (in thousands) | | | |
| Net income, as reported | \$ 123,540 | \$ 112,207 | \$ 527,525 | \$ 463,962 |
| Venezuela devaluation impact (net of \$(1,442) and \$5,354 tax benefit for the three and twelve months ended December 31, 2013, respectively) ⁽¹⁾⁽²⁾ | 1,442 | - | 9,761 | - |
| Expenses incurred responding to attacks on the Company's business model (net of \$1,372 and \$4,613 tax benefit for the three and twelve months ended December 31, 2013, respectively) ⁽¹⁾ | 3,938 | - | 24,527 | - |
| Expenses incurred for the re-audit of 2010 to 2012 financial statements due to resignation of KPMG (net of \$2,524 and \$4,853 tax benefit for the three and twelve months ended December 31, 2013) ⁽¹⁾ | 8,269 | - | 15,570 | - |
| Net income, as adjusted | <u>\$ 137,189</u> | <u>\$ 112,207</u> | <u>\$ 577,383</u> | <u>\$ 463,962</u> |

The following is a reconciliation of diluted earnings per share, presented and reported in accordance with U.S. generally accepted accounting principles, to diluted earnings per share adjusted for certain items:

| | Three Months Ended | | Twelve Months Ended | |
|--|--------------------|----------------|---------------------|----------------|
| | 12/31/2013 | 12/31/2012 | 12/31/2013 | 12/31/2012 |
| Diluted earnings per share, as reported | \$ 1.15 | \$ 1.00 | \$ 4.91 | \$ 3.94 |
| Venezuela devaluation impact (net of \$(1,442) and \$5,354 tax benefit for the three and twelve months ended December 31, 2013, respectively) ⁽¹⁾⁽²⁾ | 0.01 | - | 0.09 | - |
| Expenses incurred responding to attacks on the Company's business model (net of \$1,372 and \$4,613 tax benefit for the three and twelve months ended December 31, 2013, respectively) ⁽¹⁾ | 0.04 | - | 0.23 | - |
| Expenses incurred for the re-audit of 2010 to 2012 financial statements due to resignation of KPMG (net of \$2,524 and \$4,853 tax benefit for the three and twelve months ended December 31, 2013) ⁽¹⁾ | 0.08 | - | 0.14 | - |
| Diluted earnings per share, as adjusted | <u>\$ 1.28</u> | <u>\$ 1.00</u> | <u>\$ 5.37</u> | <u>\$ 3.94</u> |

⁽¹⁾ The income tax impact of the non-GAAP adjustments is based on items affecting the Company's 2013 full year GAAP effective tax rate. Adjustments to items unrelated to these non-GAAP adjustments have had an effect on the income tax impact of the non-GAAP adjustments in periods subsequent to the underlying non-GAAP adjustments.

⁽²⁾ The amount for the three months ended December 31, 2013 relates to the change in tax benefit, as explained in note 1, for the Venezuela devaluation that was recorded in the first quarter.

The following is a reconciliation of total long-term debt to net debt:

| | <u>12/31/2013</u> | <u>12/31/2012</u> |
|--|-------------------|-------------------|
| Total long-term debt (current and long-term portion) | \$ 931,269 | \$ 487,607 |
| Less: Cash and cash equivalents | <u>972,974</u> | <u>333,534</u> |
| Net debt | \$ (41,705) | \$ 154,073 |

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