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Herbalife Sets the Record Straight Regarding Continuing Attacks From Pershing Square and Its Paid Supporters

Welcomes Opportunity to Clear Up Misinformation in the Marketplace

LOS ANGELES, July 17, 2014 (GLOBE NEWSWIRE) -- Herbalife (NYSE:HLF), a leading global nutrition company, today issued the following statement regarding the strength and integrity of its business:

Herbalife is first and foremost a company that offers world class products that people want. Founded in 1980, Herbalife researches, develops, produces and markets protein shakes, vitamins and dietary supplements, and energy and fitness drinks that, when paired with good nutrition and exercise, is a combination for a healthy, active lifestyle. There is proven demonstrated demand for Herbalife products by millions of consumers.

Herbalife has the utmost trust in the integrity of our business model and that we are in compliance with all applicable laws and regulations. We are cooperating fully with the FTC and welcome the opportunity to clear up misinformation in the marketplace.

Herbalife stands behind the quality of our products and our commitment to member satisfaction and consumer protection. Herbalife's 'Gold Standard' consumer-protection rules not only meet, but exceed the standards prescribed by the Direct Selling Association (DSA), of which the Company is a long-time member in good standing. The Company maintains a policy to buy back - for 100% of the purchase price, plus free return shipping and handling - any products purchased during the prior 12 months from any individual no longer interested in retaining their membership. In addition, all new members receive a letter immediately after joining reminding them of the buyback protection, and a similar reminder is included in every single order brochure. In fact, buyback rates in the U.S. have continued to decline over each of the past four years and is currently below one quarter of one percent.

Studies have revealed that the vast majority of Herbalife members have realistic expectations of the business opportunity and the effort required to succeed at all levels.

Herbalife member-sponsored nutrition clubs play a positive role in promoting a community-based approach to health and wellness across the United States. Nutrition clubs advance Herbalife's mission of helping people lead healthier lives. Our community-based approach to health and wellness is well recognized as an important tool in helping create and sustain changes in behavior - but don't take our word for it. Researchers at the University of Pittsburgh recruited 166 people to participate in a weight-loss program either alone or with three friends or family members. Among those who embarked on the program with friends, 95 percent completed the program compared to only 76 percent of those who dieted solo. After 10 months, 66 percent of the group dieters had maintained their weight loss compared to only 24 percent of those who were on their own. Furthermore, the American Psychology Association has confirmed that "It's easier to stick with a weight loss plan when you have support."

Herbalife continues to face an unprecedented and unrelenting attack from Pershing Square to support its \$1 billion bet to manipulate and drive Herbalife's stock price to zero to the detriment of our investors, members, customers and employees. Herbalife is confident that the facts are on its side and that it will overcome Pershing Square's campaign of misinformation about the Company as the truth about Pershing Square's increasingly desperate accusations is revealed.

Pershing Square's thesis about Herbalife's business model is simply false.

In fiscal year 2013, Herbalife reported U.S. Net Sales of approximately \$881 million. During that same period, Herbalife had 525,251 members in the United States. Under Herbalife's buyback policy, each resigning members was entitled to return all of their unsold and unconsumed products and obtain a refund. A pillar of Pershing Square's thesis is its assertion that there is no genuine consumer demand. Thus, Pershing Square's thesis is built upon the proposition that last year, roughly a half million people collectively decided to simply discard \$881 million worth of Herbalife products rather than get the refund to which they were entitled. And, according to Pershing Square, this has happened *every year for the past 34 years.*

Pershing Square's information, presentations and representations cannot be trusted. Among other things, it

has been widely reported that Pershing Square and its agents have concealed financial arrangements, misrepresented affiliations and orchestrated artificial "grassroots" events, all in an attempt to manipulate Herbalife's stock price for Pershing Square's financial gain. Pershing Square has shown that there is no line it will not cross, stating publicly it would take this attack on Herbalife "to the end of the earth."

Attacks on Herbalife have been clearly orchestrated by Pershing Square and its agents. Pershing Square's attack on the Company lacks any impartiality or accountability. Pershing Square has no duty to any member of the public and is unhindered by the disclosure obligations imposed upon publicly traded corporations. With Pershing Square's limited accountability, in light of the historical regulatory scrutiny placed on Herbalife, it has made the astonishing claim that it is a "provable certainty" Herbalife is a massive, sprawling fraud that had gone undetected for more than 30 years. Pershing Square is claiming that decades of Herbalife management, and a material number of members had all kept this secret.

Pershing Square has admittedly spent more than \$20 million and 18 months trying to find former Herbalife members from as far back as 2008 that will complain about their experience with the Company. In fact, Pershing Square has even been willing to pay multi-million dollar bounties to anyone willing to generate negative publicity against Herbalife and support Pershing Square's agenda.

During this timeframe, more than 1.6 million members have joined Herbalife in the U.S. If even 1 out of 10,000 of those members had a complaint, that would yield 1,600 complaints. The reason why Pershing Square has so few relative voices is because, as demonstrated through third party studies, the overwhelming majority of our members have been very satisfied, and we are proud of that track record. In fact, Pershing Square's own well-financed campaign to find dissatisfied customers has actually largely validated our consumer reputation.

Ultimately, Pershing Square's campaign is based on propaganda, and we look forward to demonstrating that its assumptions will crumble under serious and independent scrutiny.

Websites

Additional information about Herbalife can be found at <http://www.herbalife.com/global>.

The company has also created iamherbalife.com to highlight, in their own words, the positive impact Herbalife has had on the lives of the company's members and customers by sharing their stories.

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.

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:

- 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;
- the outcome of inquiries from regulatory authorities;
- 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.

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