



12 SUCCESS FACTORS

WHICH ONE OF THESE 12 POINTS WOULD YOU BE WILLING TO TAKE OFF THE PAGE AND STILL THROW YOUR TIME, ENERGY & REPUTATION INTO IT?

#1: COMPANY TRACK RECORD

- * Most companies fail within 1st 5 years
- * Melaleuca is in 25th year of consistent growth
- * One Billion Dollars in Sales for the year 2011

#2: FINANCIALLY SOUND

- * Look before you leap – will it last?
- * Melaleuca is a Debt free company

#3: STRONG MANAGEMENT

- * Most other company owners are MLMers.
- * Melaleuca Corporate leaders come from Fortune 500 companies: ADT, Revlon, Schick, Ohio Bell, Gillette, Proctor & Gamble, Cox Communications, UPS
- * Principle-centered/Mission-driven Company with founder and CEO, Frank VanderSloot on Board of Ethics of the DSA, Past Regional Vice-Chairman Washington U.S. Chamber of Commerce, 1998 Idaho Business Leader of the Year, 2001 Entrepreneur of the Year

#4: UNIQUE CONSUMABLE PRODUCTS

- * Melaleuca offers superior quality, safer products protected by trade secrets, proprietary formulas and patents – can only be obtained through Melaleuca
- * Don't need to create the 'need' to buy. Products people are already buying. Monthly consumption of household basics – creates reliable, residual income

#5: COMPETITIVELY PRICED

- * Price point is supermarket price or lower



Melaleuca's got a 26+ year track record. Melaleuca is financially sound and never had a layoff. Melaleuca is environmentally friendly. Melaleuca employs 3500+ American workers; with more than 750,000 square feet of manufacturing, warehouse and distribution space; and more than 350 consumable, exceptional products made in the U.S.A. *How would you like a business partner like that?*

#6 & 7: HIGH REORDER RATE = LOW ATTRITION

- * Consumer chooses the Melaleuca brand
- * Documented 95% monthly reorder rate

#8: LOW PERSONAL PRODUCTION REQUIREMENT

- * No new money – no need for a budget change – simply switch stores

#9: LOW ENTRY FEE

- * Membership fee is \$29.00, this includes business option!

#10: TIMING

- * Still the best kept secret
- * Less than 10% of North America has even heard of Melaleuca
- * No bad news, no one gets hurt
- * Not in a hurry, not looking for shortcuts – built business brick-by-brick
- * Green: Manufacturing responsibly long before it was popular
- * Sitting squarely in the driver's seat of supply & demand

#11: NO BREAKAWAYS

- * Never penalized for bringing in someone better than you
- & Can never be taken from you

#12: NO RISK

- * Everything is fully refundable – membership & products. No one gets hurt

the@HomeTeam

Call or text Linda @ 608.314.4004 for the whole story!

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Think of Where We've Been ... And Imagine Where We're Going!

Twenty-five years ago, Melaleuca Inc. opened its doors with a mission to enhance lives, and 26 years later, it has done exactly that—over and over again. What began as a small company on the outskirts of tiny Idaho Falls, Idaho, has branched out to become a life-changing vehicle for hundreds of thousands throughout North America and millions around the world.

Along the way, Melaleuca has received dozens of awards and accolades from Inc. magazine, the American Red Cross, the U.S. Chamber of Commerce, the Better Business Bureau, etc. The

company's product line has grown from eight products to more than 300, and its employee base has expanded from only nine to more than 3,000. Melaleuca has entered 16 nations abroad and the company's infrastructure has expanded from a single small office to more than 750,000 square feet of manufacturing, warehouse and shipping facilities and thousands more in office space and product stores.

But what is more important than all of that is the difference The Wellness Company has made in the lives of thousands of Melaleuca customers. Whether by providing products for better nutrition

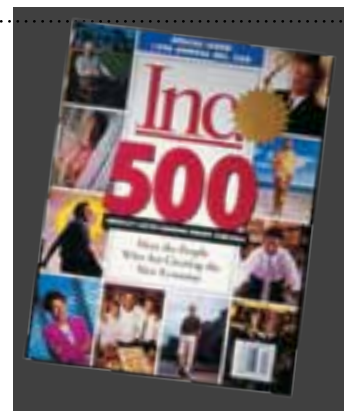
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1985 Melaleuca opens in September with 9 employees and 8 products—and then adds 3 more products by the end of the year.



1988 Rob and Sheri Dias become Melaleuca's first Executive Directors



1990 Inc. magazine names Melaleuca to its list of the 500 fastest-growing privately owned companies.



1986 Growing at the astounding rate of 336 percent, Melaleuca now has Marketing Executives in 35 states.

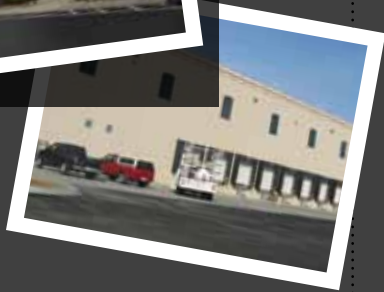


1989 Melaleuca introduces the Vitality "pak" supplements with Mela-Cal and Mel-Vita.



=100,000,000

1991 Melaleuca's sales break \$100 million, and the company receives the Blue Chip Enterprise Award from the U.S. Chamber of Commerce.



1992 The new 172,000-square-foot Distribution Center opens in Knoxville, Tennessee.

1994 Canada becomes Melaleuca's first international market.

1997 Melaleuca opens business in Taiwan.



1996 Russell Paley becomes Melaleuca's first Corporate Director at the age of 26!



1993 Melaleuca launches Dr. Larry Wang's fat-burning invention, the Access® Bar. Tammy Van Wisse and her brother John swim the English Channel with the aid of the Access Bar.



1998 Melaleuca opens business in Japan, and Frank L. VanderSloot is named Idaho Business leader of the Year.

a safer home, or by sharing an independent business opportunity that provides real financial freedom, Melaleuca has become a source of hope and an opportunity for renewed dreams and goals.

“Melaleuca began its mission of enhancing lives almost 25 years ago,” wrote CEO Frank L. VanderSloot in 2010. “We wrote it down prior to opening our doors so that we would never forget it. That mission has become part of the fabric of every piece of our business model. For 25 years, we have strived to make people’s lives better by helping them achieve their dreams.”

What will you do to make the years ahead another incredible adventure? How will you make a difference with your Melaleuca business?



1999 Access Bar®-eating swimmer Tammy Van Wisse sets a record for the fastest swim across the length of Loch Ness in Scotland.



2000 Melaleuca is inducted into the *Inc.* 500 Hall of Fame after five appearances on the *Inc.* 500.



2002 Ed Bestoso and Alan Pariser advance to Corporate Director V status in the same month.



2004 Melaleuca’s sales top \$620 million!

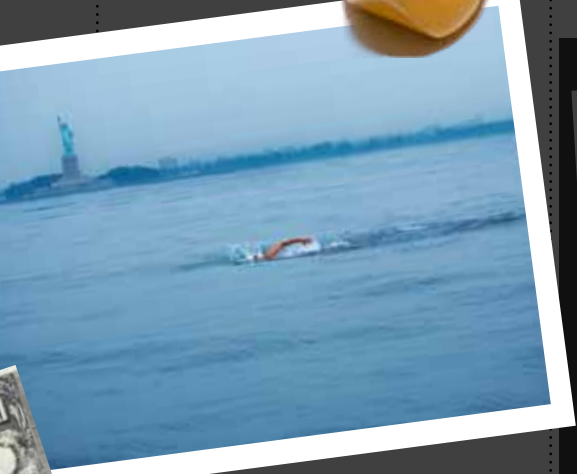


2001 Ernst & Young, CNN and *USA Today* name Frank L. VanderSloot “Entrepreneur of the Year.” Melaleuca’s sales top \$400 million, and The Wellness Company enters Australia.

2003 Melaleuca’s sales top \$540 million, its product line expands to include 300 products (such as Phytomega®), and The Wellness Company enters the United Kingdom and New Zealand!



2005 Melaleuca sends relief to thousands in the aftermath of Hurricane Katrina.



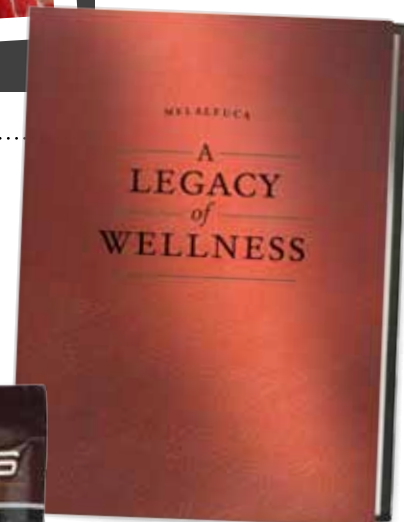
2006 Tammy Van Wisse uses the Access Bar to break the record for swimming from Battery Park in New York, N.Y., to Sandy Hook, N.J. Melaleuca enters Holland.



2010 Melaleuca enters Malaysia. Melaleuca celebrates 25 years of enhancing lives!



2008 Melaleuca revolutionizes the nutritional supplement marketplace with Oligo™. The Better Business Bureau presents Melaleuca with the Torch Award. Shalane Flanagan wins an Olympic bronze medal while using Melaleuca products.



2007 Ed Bestoso becomes Melaleuca's first Corporate Director VI, and Rafael and Monica Rojas become Melaleuca's first Hispanic Corporate Directors. The Salvation Army and the American Red Cross recognize Melaleuca for its Katrina relief efforts. Melaleuca opens in China.



2009 Melaleuca introduces the Delivering Wellness presentation.



2011 The Wellness Company® publishes Melaleuca: A Legacy of Wellness. Melaleuca introduces Affinia™ and Sei Bella™ hair care, and the Access Bar is enhanced with body-fat-burning CLA..

Melaleuca: A Different Kind of Company



McKay Christensen,
President, Melaleuca Inc.

“Whether you’re a long-term customer with Melaleuca or a new Marketing Executive, I would invite you to build a Melaleuca business and discover for yourself how we are different. You won’t find a better opportunity and I’m certain that working together we can build a business that will last a lifetime!”

I hope you enjoy reading this Special Edition issue of the *Leadership in Action*. As you read, I also hope you’ll get a greater vision of how Melaleuca is making a big difference in the lives of many households across North America. Please read the stories; examine the advancement pages; look at the monthly earnings of moms, retirees, business people, people from all walks of life; and see how they’ve changed their future for the better. You’ll see that we’re making a difference for families in today’s economy.

Melaleuca is a different kind of company. No other company in the world does business like we do. We are not multi-level marketing. Once in a while I’ll read an internet blog or article in which the author will list us among MLM companies as they talk about that industry. They don’t understand the simple differences between Melaleuca and MLM

companies. And there are important differences.

Perhaps you’ve wondered about those differences or you’ve been asked what makes us different from MLM companies. So, I thought it might be helpful to re-visit the differences and clarify what sets Melaleuca apart from MLM, Direct Sales or any other industry.

1 MLM companies often require or encourage their people to buy inventory, or to at least purchase large quantities of product each month to qualify for bonuses. Melaleuca on the other hand, requires no extra purchases and actually encourages customers to only purchase the products they need in their homes that month. This is a significant difference! MLM companies impose a significant risk and burden. With Melaleuca, there is no risk.

A Different Kind of Company

Comparative Analysis

Melaleuca	Typical MLM Companies
1 Simply switch stores and buy only what you need each month; no risk	1 Require large inventory purchases to earn a bonus
2 Customers shop direct with Melaleuca	2 Distributors purchase and resell products
3 Exceptional products at reasonable prices	3 Prices are often 3 to 4 times the actual product’s value
4 Real products you really use; simply re-direct what you’re already spending at the local store	4 Rely on the sensational such as juice, magnets and other products
5 Products developed by world-class scientists	5 Often use unfounded gurus or celebrities to hype the products
6 Everyone can win—anytime	6 “First in” wins; “Last in” loses
7 Proven track record	7 Companies often come and go
8 High customer retention and repeat purchase	8 Low customer retention and repeat purchase
9 Anyone can build a business with time and effort	9 Rely on prior MLM experience and networking contacts to succeed
10 Mission of helping others	10 Focused almost exclusively on money

2 An MLM company usually requires that you resell their products. Melaleuca does not require any reselling—all customers shop direct from the catalog or website. Real people buy real product they really want. This means as you build a Melaleuca business, you don't have to pressure others to buy what they don't need, you have no repeat sales presentations and you don't have to peddle inventory to your friends or neighbors. You simply refer customers to Melaleuca, help them set up their accounts, and each time they shop direct with the company, you make a commission.

3 Most MLM companies charge several times what their products are worth, such as \$40 for a bottle of juice that could be purchased at the store for significantly less. At Melaleuca, products are competitively priced so you can actually save money versus the national brands. Customers just switch from the grocery or department store to Melaleuca. They use the same "old" money they were already using to purchase shampoo, laundry soap and other household items. And the exceptional products they buy keep them coming back month after month.

4 MLM companies often market products that rely on the sensational, such as juice, magnets, diet pills, or green algae. These aren't products that are used by the average consumer. Can you imagine, in today's economy, trying to convince someone to spend hundreds of dollars on cases of juice each month? Melaleuca sells products with real value and benefits superior to those found on the grocery store shelf. Take Sol-U-Guard Botanical® for example: it's an EPA-registered disinfectant that does not use chlorine bleach. Instead, it uses the spice thyme and is two times concentrated. So, it does not contain chlorine bleach, saves you money, and because it's concentrated, it is better for the environment. Unlike products sold at many MLM companies, Melaleuca products don't rely on the sensational but instead offer true value and benefits.

5 Many MLM companies rely on an icon or public figure to champion their products. In some cases, MLM companies have used doctors with Ph.D. degrees from obscure and little known internet-based universities to tout their juice or products. Melaleuca, on the other hand, develops and sells products based on sound

science and rigorous development. We have a strong Research and Development staff with scientists and Ph.D.'s from reputable universities and strong professional experience. In fact, we have some of the best product development scientists in the world.

6 With the MLM high-risk, high-inventory model, the guy on top or the one who gets in first wins and the guy who gets in last loses. Melaleuca has a true and proven business model that rewards Marketing Executives when they team up and help each other. It doesn't matter when you start your Melaleuca business; you can be as successful today as you could the day the company started.

7 MLM companies often come and go because they rely on large purchases and sensational products to generate sales. They are unwilling to reward their distributors for helping others succeed. These companies often grow rapidly and then decline rapidly. Melaleuca, on the other hand, has a 23-year proven track record. In my opinion, this is the defining difference between Melaleuca and MLM: our track record. We continue to grow and prosper because we've based our company on sound business principles, and our Compensation Plan rewards those who help others.

8 At most MLM companies, the customer attrition rate is high. Recently, we closely examined a number of MLM companies and their performance. We asked the companies what their customer attrition was from month to month. First, no company would publicly disclose that figure. Second, when we spoke with the distributors from those companies, their retention rates ranged from 40 percent down to 6 percent in any given month. That means that they lost the majority of their customers each month. So, at MLM companies, each month your first task is to replace the customers you lost before you can even think about growing. Melaleuca has a 94 percent retention rate. That means 94 percent of customers who ordered last month will order again this month. If you look at our retention rate over several years, that average is 95 percent. That is a terrific retention rate and we disclose it! I don't know of any MLM company that would dare disclose their customer repeat purchase rate. Why do we? Because we're not multi-level marketing.

9 Anyone can build a Melaleuca business. All it takes is time and effort. Unlike MLM companies, you don't need a large investment or years of experience. You don't have to have an extensive network of contacts. At many MLM companies, you succeed if you can find an MLM guy with lots of contacts who you can recruit rapidly to earn big bonuses and then move on to the next deal. At Melaleuca, the average person can begin by referring friends and neighbors and then expand their organization by helping others do the same. If you want to see a difference between Melaleuca and MLM companies, look at our ranks of customers and Marketing Executives. They are often ordinary folks just like you and me.

10 Melaleuca is committed to its mission of helping others. To be honest, I don't know the mission of many MLM companies. But it seems to me that their mission is to make money at all costs. I have that impression because it seems thousands of people leave these companies having invested thousands of dollars in hopes of success only to be left with unsold inventory, lots of motivational books and tapes, and unmet dreams of wealth. I'm proud to be associated with a company that helps others get out of debt, stands behind a satisfaction guarantee, and leaves people better than they found them.

So, when someone asks me if we're an MLM company, here's how I respond: "No, we're nothing like MLM companies. We don't require you purchase or resell inventory. We don't rely on hype or sensational claims or products. At Melaleuca, you refer customers to Melaleuca and they shop direct from Melaleuca. Each time they shop, you earn a commission. We sell products that you are already using like cleaning and personal care products. Not only will you find our products are a better value; they're also safer for your home. We are the world's leading referral marketing company. When you shop with us, you'll see that we are also the world's best store for wellness products you're going to love."

Whether you're a long-term customer with Melaleuca or a new Marketing Executive, I would invite you to build a Melaleuca business and discover for yourself how we are different. You won't find a better opportunity and I'm certain that working together we can build a business that will last a lifetime!