There is no greater gift in life than caring for another human being.

Mark Hughes
Dear Herbalife Family Foundation Family,

When you think about what you’ve accomplished during a year, if you were actually able to make a positive difference in someone’s life – what a great feeling. We’ve all had that opportunity during 2008 through the work of the Herbalife Family Foundation and its worldwide Casa Herbalife program, which is helping bring good nutrition to children in need.

All children deserve healthy nutrition. How can you play and learn if you are hungry? What chance do you have in life? Herbalife Founder Mark Hughes knew this when he created the Herbalife Family Foundation in 1994, and opened the first Casa Herbalife in Rio de Janeiro in 1998.

This year, we added eight new Casa Herbalife programs in locations from Australia to Bolivia to Iceland, bringing our total to 39 programs on five continents by the end of 2008. We honored the second recipient of the HFF Humanitarian Award, Thomas Hayes, and we watched in awe as our Herbalife Independent Distributors set new fundraising records in support of our Casa Herbalife programs. We provided funds to help those affected by earthquakes in China, floods in Brazil and devastating hurricanes in North America and we had more volunteers than ever before at our Casa Herbalife programs.

More than anything, however, we marveled at the undefeatable spirit of the children around the world and the generosity of our Herbalife family and friends.

When you think of what you accomplished in 2008, be sure to count the 12,625 children in our 39 Casa Herbalife programs around the world who are having a chance at a better life because of you.
Dear Friends of HFF,

The past year has been one of great success and growth for the Herbalife Family Foundation. Thanks to the overwhelming generosity and enthusiasm of HFF supporters we were able to, despite these difficult economic times, increase our giving on a global level.

The best way to measure the success of the Herbalife Family Foundation is through the stories of the children served by our programs. We are humbled by the letters, cards and personal accounts we receive from the children who have become members of our global Casa Herbalife family. We’ve included a selection of these stories in this report.

You will find the true impact of HFF and Casa Herbalife through the words of the children we serve. We hope you find the report informative, perhaps even inspiring, and share it with your friends, families and colleagues.

With warm regards,

Robyn M. Browning, CFRE
Executive Director,
Herbalife Family Foundation
The Herbalife Family Foundation (HFF), created in 1994 by Herbalife Founder Mark Hughes, is dedicated to improving children’s lives by helping organizations provide healthy nutrition to children at risk. HFF also lends support to relief efforts, responding to natural disasters around the world.

With the generous contributions of Herbalife Independent Distributors, Herbalife employees and friends, HFF offers support to impoverished children, helping them to survive and reach their potential, despite the difficult challenges they face.

Casa Herbalife, HFF’s flagship program, was introduced in 2005 to support existing charitable organizations. The program, named after the Brazilian orphanage Mark Hughes and HFF built in 1998, helps to provide proper nutrition to children in more than 32 countries around the globe.

Casa Herbalife programs receive HFF funding as well as the support of local HFF donors through numerous fundraisers and volunteer projects.
For the past seven years, Rudy Fernando Condori has been living with his mother and three siblings in a one-room shack with brick walls, an aluminum roof and no insulation. As a single mother, Rudy’s mom works sporadically, doing laundry or cleaning in their town near La Paz, but has not been able to provide the basic necessities her children need to thrive. Rudy came to Casa Betania five years ago and is receiving an education, healthcare and thanks to Casa Herbalife, nutritious meals every day. Now 13, Rudy has a positive attitude towards life and is inspired to change difficult situations into opportunities for growth and success.

The HFF Casa Herbalife program supports two charitable organizations in Mexico: Ministerios de Amor in Mexico City and Albergue Los Pinos in Guadalajara. Through the Casa Herbalife programs at these locations thousands of at-risk children are receiving the nutrition they need every day.

In addition to providing support for nutrition programs, the Herbalife Independent Distributors and Herbalife employees in the area are heavily involved with the children served by these two wonderful organizations and regularly visit with the children, often celebrating holidays and special achievements with them.

By the age of 12, José Alfredo had already endured homelessness, neglect and abuse. He came to Ministerios de Amor in poor health, malnourished and small for his age. Two years later, after receiving counseling in a loving environment, encouragement from the staff of Ministerios de Amor, and three healthy meals a day thanks to Casa Herbalife, Jose is healthy, happy, going to school and playing rugby.

“"When I am learning, I have hope to follow my goals.”
- Rudy Bolivia

“I got a second chance. I feel like I have met my guardian angel.”
- José Alfredo Mexico

Through the Casa Herbalife program, and the hard work of our volunteers and the staffs of the charities we support, we have made great strides to improve the lives of thousands of children. Here are a few personal accounts from the children of Casa Herbalife.
HFF has supported healthy eating workshops at Hackney Young Carers Project (HYC) in London, England since 2006. Hackney Young Carers Project provides support, advice, advocacy, recreation and educational opportunities for children and young people under 18 who have to care for a member of their family or household. The person they care for may have a physical illness, physical or learning disability, mental health problem, misuse drugs or alcohol, or be frail or elderly.

Young carers may provide daily physical care and household upkeep. They may also provide emotional care through support for depression. With care that often has to be provided around the clock, many of these young carers may not have the same chances in life to lead socially and physically active lifestyles like their peers.

Hackney is one of the most deprived boroughs in London and many of the 140 young carers that attend the project live in poverty. This has often resulted in them having poor diets. Having a limited budget to buy food only complicates the fact that many do not possess a basic knowledge of nutrition and food preparation. The Casa Herbalife cookery workshops have been designed to improve the emotional and psychological well-being of vulnerable young people by helping to build self-esteem and resilience, having fun, reducing isolation and learning new skills to use back at home.

Kye, the program’s head teaching chef shared that, “They enjoy trying new and different foods now; they have learned to work as a team, everyone has a job and they like trying each other’s dishes.”

"The support you have given us over the last two years has changed lives; there is no doubt about it – without your help many do not have a chance of leading a healthy and active lifestyle."

- Vera, Hackney Young Carers program manager
Po Leung Kuk offers nutrition education, in addition to nutritious meals, as part of its Casa Herbalife program. The program offers financial assistance to the mothers served by the center so that they may purchase groceries and learn to prepare healthy dishes for their children under the guidance of a professional dietician.

Lisa, 5, was living with her parents and siblings in a public housing unit. When the family’s financial situation took a turn for the worse, Lisa’s father and mother had frequent, violent fights. After Lisa’s mother had to be admitted to the hospital from injuries inflicted by her husband, she sought temporary accommodations at Po Leung Kuk for Lisa and herself.

Lisa came to “the Kuk” with severe calcium deficiency and dental issues. Her health issues caused her interest in food to become very limited, which made getting all of the necessary nutrients almost impossible.

Thanks to the Casa Herbalife program at Po Leung Kuk, Lisa and her mother, Macy, were able to take part in two nutrition education programs that have greatly improved Lisa’s nutrition and her overall health.

When Jenny was brought to Hong Hua, she was clearly terrified. Today, Jenny is a pretty, happy girl with a beautiful smile and winning personality. Instead of a life of pain and struggle, Jenny has a promising future.

“I am so happy to see that Lisa loves my cooking and follows the health advice from the dietician. She has started to drink more water on her own and tells me that chips and soft drinks are no good for health.”

- Macy, Lisa’s mother & Po Leung Kuk participant

Po Leung Kuk

Hong Kong Casa Herbalife Thailand

“Jenny” was one of those rare children who came to Hong Hua Orphanage directly from her birth mother. Jenny’s mother was a young woman who dealt with physical abuse at the hands of a loved one and lived on the streets to survive. She even turned to prostitution to support Jenny and her younger brother. In order to provide her children with a better upbringing, she took them to Hong Hua to live in a safer environment and receive the basic necessities they needed.
Since the inception of the Casa Herbalife program at A Place Called Home in 2005, thousands of children have received nutritious meals and nutrition education thanks to the support of Herbalife Independent Distributors, the company and employees in the Los Angeles area. A Place Called Home is an after-school enrichment center that provides food, education and a safe environment for 4,000 members in South Los Angeles.

Verena Smith has been a member of A Place Called Home for eight years. In 2008, she was selected as one of five lucky APCH members to receive scholarships from Herbalife Chairman’s Club member Leslie Stanford to attend the 2008 PeaceJam event held at Loyola Marymount University. “I have been able to experience almost every program A Place Called Home has to offer. But one experience I will never forget is the 2008 PeaceJam event. Thanks to Herbalife, I had the honor of meeting Nobel Peace Prize winners, including Archbishop Desmond Tutu.” Verena also shared her thoughts on the annual APCH and HFF beach outing that is organized by Herbalife employees and volunteers. “I am thankful for the Herbalife beach party, that was super fun. I do not really like sand or ocean water but the Herbalife staff members that were there made my time on the beach really fun. We played games, ate delicious and nutritious snacks and had a great time. I really feel blessed because A Place Called Home has done so much for me and my family. A Place Called Home has changed me for the better. I am more focused in school and on my future. Herbalife and the PeaceJam event have greatly contributed to my determination because PeaceJam inspired me to want to become a future Nobel Peace Prize winner. THANKS HERBALIFE!”

“Herbalife and the PeaceJam event have greatly contributed to my determination because PeaceJam inspired me to want to become a future Nobel Peace Prize winner. THANKS HERBALIFE!”

- Verena Smith
United States

A Place Called Home’s director, Thyonne Gordon, and members enjoy Herbalife shakes at the grand opening of the Casa Herbalife kitchen in Los Angeles.
On May 12, 2008 an 8.0 magnitude earthquake struck southwest China. On the days following, more than 10,000 aftershocks rocked the same area. As of June 12, the death toll reached almost 70,000, with about 374,000 injured and almost 20,000 people missing. Hundreds of children lost their lives in collapsed schools — countless parents lost their beloved children forever.

The Herbalife Family Foundation along with Herbalife China quickly joined the rescue and relief efforts donating US$300,000 (RMB 2 million) to the China Sichuan Province Red Cross. HFF and Herbalife staff around the globe have continued to raise additional funds totaling more than US$200,000 for the recovery efforts.

In addition to fundraising efforts around the globe, Herbalife employees and Independent Distributors in China rushed to volunteer in the quake zone, assisting local Red Cross workers in evacuating survivors and delivering food, water and medication to refugee camps erected in the quake-damaged area. Herbalife China also mobilized donation trucks to travel over 450 miles to deliver Herbalife products to rescue workers.

As the first to respond to the disaster, China armed forces rescue workers experienced days of non-stop activity and found themselves without enough food supplies. Fortunately, after days of traveling through difficult terrain, the Herbalife China trucks reached the rescue workers and provided them with much-needed nutrition, compliments of Herbalife.

SOS Children’s Village Chengdu, China

Once again, our global family came together to take care of those in need when it mattered most. With millions of children affected by natural disasters every year, HFF is committed to raising funds and providing assistance to like-minded organizations helping at the scene of the disaster. Such efforts have helped provide food, clothing, clean drinking water and shelter to thousands of children.
The 2008 Humanitarian Award was presented to Thomas Hayes during the annual Mark Hughes Bonus Awards ceremony in Singapore on March 16, 2008.

Tom is a U.S.-based President’s Team member who lives with his wife Kaitlyn in Connecticut. He was selected as the 2008 honoree because of his selfless dedication to providing both financial and volunteer support to worthy organizations.

Every weekend, Tom and Kaitlyn commute to Harlem, N.Y. to volunteer at the Terrence Cardinal Cooke Health Care Center (TCCHCC) and brighten the days of patients who are too ill or disabled to leave the center. The only facility of its kind in New York state, the TCCHCC is particularly close to Tom’s heart, as it provides a home and dignified lifestyle for those living with chronic illnesses – including the elderly, severely disabled, children, and people with AIDS, Alzheimer’s disease, Huntington’s disease or kidney failure.

As the 2008 HFF Humanitarian Award honoree, Tom selected the Terrence Cardinal Cooke Health Care Center as the recipient organization for a $10,000 grant from HFF.

The Herbalife Family Foundation established the HFF Humanitarian Award to recognize Herbalife Independent Distributors who exemplify the foundation’s mission and, through their outstanding involvement and dedication, have made a significant contribution to changing lives though community service.
2008 Financial Report
Reporte Financiero del 2008

Grantmaking by Region/Otorgaciones efectuadas por región

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<th>Region</th>
<th>Amount</th>
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<tbody>
<tr>
<td>South America/Suramérica</td>
<td>$422,804</td>
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<tr>
<td>Europe/Europa</td>
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<td>Asia Pacific/Asia Pacífico</td>
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<td>Mexico/México</td>
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Profit and Loss/Ganancias y Pérdidas

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<tr>
<th>Year</th>
<th>Total Income</th>
<th>Grants/Otorgaciones</th>
<th>Fundraising Expenses</th>
<th>Administrative Expenses</th>
<th>Total Expenses</th>
<th>Net Income</th>
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<td>2008</td>
<td>$4,630,661</td>
<td>$1,107,288</td>
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<td>$362,325</td>
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Total Assets¹/Total Activo

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<tr>
<th>Year</th>
<th>Total Assets</th>
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<tr>
<td>2008</td>
<td>$4,957,264</td>
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<tr>
<td>2007</td>
<td>$2,355,226</td>
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¹2008 Asset and Income Statements include $1.4 million in pledge receivables.

HFF continues to grow the foundation in support of Mark Hughes’ vision.

This is an unaudited financial picture. HFF does undergo an annual audit by an independent CPA according to GAAP standards. For more information please contact the HFF office. Esta es una ilustración financiera sin auditoría. HFF experimenta una auditoria anual de un Contador Público Certificado independiente según las normas de GAAP. Para más información, favor de contactar a la oficina de HFF.
Through the support of many, the Herbalife Family Foundation is improving the lives of children all over the world. We would like to recognize the following donors for their inspired support in HFF in 2008. At the apicio de muchos, la Fundación Familia Herbalife está mejorando las vidas de niñas y niños de todo el mundo. Nos gustaría reconocer a los siguientes donantes por su apoyo inspirado por HFF en 2008.
*Please forgive us if your name was omitted in error and contact us if an edit to the spelling of your name is required.

*Favor de disculparnos si su nombre fue omitido y hagan favor de contactarnos si es necesario el hacer correccion en la ortografia de su nombre.
North America
1. A Place Called Home
   Los Angeles, California USA   Mar 2005
2. Atlanta Children’s Shelter
   Atlanta, Georgia USA   Apr 2005
3. Wayne Barton Study Center
   Boca Raton, Florida USA   Mar 2006
4. Walker’s Place of Safety
   Kingston, Jamaica   Dec 2007

South America
5. Casa do Menor Sao Miguel Arcanjo
   Rio de Janeiro, Brazil   1998
6. Associacao Casa Da Crianca Do Santos
   Santos, Brazil   July 2005
7. Casa do Menor Sao Miguel Arcanjo
   Fortaleza, Brazil   Feb 2007
8. MAMÁ
   Buenos Aires, Argentina   Sept 2008
9. Nuestra Ayuda Inspirada en Maria (NAIM)
   Santiago, Chile   Jan 2006
10. Asociacion Probienestar Infantil (APROBi)
    Bogotá, Colombia   Feb 2007
11. Jardin de Infancia Luisa Caceres de Arismendi
    Caracas, Venezuela   May 2007

Mexico/Central America
12. Fundación Arco Iris, Casa Betania
    La Paz, Bolivia   May 2008
13. Asociación La Buena Esperanza
    Lima, Peru   Sept 2008
14. Albergue Infantil Los Pinos
    Guadalajara, Mexico   Apr 2006
15. Ministerios de Amor, A.C.
    Mexico City, Mexico   Sept 2006

Europe, Middle East, Africa (EMEA)
16. Action For Children
    (Hackney Young Carers)
    London, UK   Sept 2006
17. SOS Children’s Village
    Athens-Vari, Greece   July 2006
18. Aga Children’s Home
    Budapest, Hungary   Nov 2005
19. SOS Children’s Village
    Rome, Italy   Oct 2006
20. Van Hart Resto
    Den Haag, Netherlands   Apr 2007
21. Obra Do Frei Gil
    Oporto, Portugal   Nov 2006
22. Udelnaya Boarding School
    Moscow, Russia   May 2007
23. SOS Children’s Village
    Madrid, Spain   Nov 2006
24. Acres of Love
    Johannesburg, S. Africa   Sept 2006
25. Sara Rose Children Foundation
    Kitwe, Zambia   Sept 2007
26. ACIL IHTIYÄÇ PROJESI VAKFI
    (AIP - Urgent Need Project Foundation)
    Istanbul, Turkey   June 2008
27. The Children’s Home at Falbogi
    Warsaw, Poland   Sept 2008
28. Götusmiðjan ehf
    Reykjavik, Iceland   Nov 2008
29. Garmoniya
    Kharkov, Ukraine   Dec 2008