

HERBALIFE LTD.
Form 8-K
January 20, 2017

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): January 20, 2017

Herbalife Ltd.
(Exact Name of Registrant as Specified in Charter)

Cayman Islands
(State or Other Jurisdiction)

1-32381
(Commission)

98-0377871
(IRS Employer)

of Incorporation)

File Number)

Identification No.)

P.O. Box 309GT, Ugland House,

South Church Street, Grand Cayman

Cayman Islands

KY1-1106

(Address of Principal Executive Offices)

(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.

In connection with Herbalife Ltd. (the Company) exploring a possible refinancing of certain existing indebtedness and entering into additional financing arrangements, the Company intends to disclose to prospective lenders certain preliminary information regarding the Company's fourth quarter 2016 financial results and updated information regarding the Company's 2017 guidance (collectively, the New Financial Information). The New Financial Information will be included in a confidential information memorandum the Company intends to provide to prospective lenders. Selected portions of the confidential information memorandum are attached as Exhibit 99.1 to this Current Report on Form 8-K (the CIM Materials), and the portions of the CIM Materials providing the New Financial Information included in the Recent Developments section under the headings Fourth quarter 2016 update and Updated 2017 Guidance (excludes impact of this potential financing transaction) are incorporated in this Item 2.02 by reference.

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

Item 7.01. Regulation FD Disclosure.

In connection with the discussions with prospective lenders referenced above, the Company intends to disclose certain updated business information that is included in the CIM Materials. The CIM Materials, other than those portions specifically incorporated by reference in Item 2.02 above, are incorporated in this Item 7.01 by reference.

The CIM Materials contain proposed debt terms, which have not been negotiated and remain subject to change.

By furnishing this Current Report on Form 8-K and furnishing the information set forth or incorporated by reference herein, the Company makes no admission as to the materiality of any such information that is required to be disclosed solely by reason of Regulation FD.

The information contained or incorporated by reference in this Item 7.01 is being furnished and shall not be deemed filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of such section, or incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Non-GAAP Financial Information

In addition to its reported results and guidance calculated in accordance with GAAP, the CIM Materials include performance measures that the Securities and Exchange Commission (the SEC) defines as non-GAAP financial measures. Management believes that such non-GAAP financial measures, when read in conjunction with the Company's reported or forecasted results, in each case calculated in accordance with GAAP, can provide useful supplemental information for investors because they facilitate a period to period comparative assessment of the Company's operating performance relative to its performance based on reported or forecasted results under GAAP, while isolating the effects of some items that vary from period to period without any correlation to core operating performance and eliminate certain charges that management believes do not reflect the Company's operations and underlying operational performance. The Company's definition of these measures or the calculation thereof pursuant to the Company's existing credit agreement may not be comparable to similarly titled measures of other companies because other companies may not calculate them in the same manner and should not be viewed in isolation from nor as alternatives to the most directly comparable measure calculated in accordance with GAAP. A reconciliation of

these non-GAAP measures to the most directly-comparable GAAP measures is set forth in the CIM Materials.

Forward-Looking Statements

This Current Report on Form 8-K, including the exhibit hereto, contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of 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 operations; 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 any 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 herein or incorporated by reference in our filings with the SEC. 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;

changing consumer preferences and demands;

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;

the consent order entered into with the FTC, the effects thereof and any failure to comply therewith;

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 interpretation and enforcement of legislation in China governing direct selling;

our inability to obtain the necessary licenses to expand our direct selling business in China;

adverse changes in the Chinese economy;

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;

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;

U.S. and foreign laws and regulations applicable to our international operations;

restrictions imposed by covenants in our credit facility;

uncertainties relating to the application of transfer pricing, duties, value added taxes, and other tax regulations, and changes thereto;

changes in tax laws, treaties or regulations, or their interpretation;

taxation relating to our Members;

product liability claims;

our incorporation under the laws of the Cayman Islands;

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.

Additional factors that could cause actual results to differ materially from our forward-looking statements are set forth herein and in our filings with the SEC, including under the heading Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations and in our Consolidated Financial Statements and the related Notes.

Forward-looking statements in this Current Report on Form 8-K, including the exhibit hereto, speak only as of the date hereof, and forward-looking statements in documents attached that are incorporated by reference speak only as of the date of those documents. 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.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Selected information contained in a confidential information memorandum

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.

January 20, 2017

By: /s/ Mark J. Friedman
Name: Mark J. Friedman
Title: General Counsel

EXHIBIT INDEX

Exhibit	Description of Exhibit
99.1	Selected information contained in a confidential information memorandum