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# NU SKIN ENTERPRISES REPORTS FIRST-QUARTER 2015 RESULTS

## Company Receives New Direct Selling Licenses in China

PROVO, Utah — May 6, 2015 — Nu Skin Enterprises, Inc. (NYSE: NUS) today announced first-quarter results with revenue of \$543.3 million, within the company's guided range, compared to \$671.1 million in the prior-year period. Revenue in the quarter was negatively impacted 7 percent by foreign currency fluctuations. Earnings per share for the quarter were \$0.60, or \$0.72 when excluding a \$0.12 per-share charge related to a new currency exchange mechanism adopted by Venezuela in the first quarter. Earnings per share in the prior-year period were \$0.90, which included a \$0.15 per-share charge related to Venezuela currency.

“Our business continues to make good progress as we prepare to introduce a number of new products in the second half of the year,” said Truman Hunt, president and chief executive officer. “We are encouraged by growing enthusiasm among our sales force in advance of launching our new ageLOC skin care and nutritional products. While currency headwinds proved to be slightly more challenging than expected, we continue to believe we are well positioned for growth in the back half of the year.”

“We are also pleased to have been approved to commence direct selling activities in two new cities in Guangdong province,” continued Hunt. “We believe in the potential of China's large and growing market and look forward to expanding our footprint in the country.”

## Regional Results

The company's regional revenue results are presented in the following table.

	<u>2015</u>	<u>2014</u>	<u>% Change</u>	<u>Constant Currency % Change</u>
Greater China	\$ 187,367	\$ 278,929	(33%)	(31%)
North Asia	172,066	195,461	(12%)	(5%)
Americas	79,872	79,909	—	19%
South Asia/Pacific	70,817	71,194	(1%)	6%
EMEA	<u>33,210</u>	<u>45,568</u>	(27%)	(10%)
Total	<u>\$ 543,332</u>	<u>\$ 671,061</u>	(19%)	(12%)

The company's regional Actives and Sales Leaders statistics are presented in the following table.

### Actives/Sales Leaders Statistics

	<u>As of March 31, 2015</u>		<u>As of March 31, 2014</u>		<u>% Increase (Decrease)</u>	
	<u>Sales Leaders</u>		<u>Sales Leaders</u>		<u>Sales Leaders</u>	
	<u>Actives</u>		<u>Actives</u>		<u>Actives</u>	
Greater China	235,000	22,533	305,000	31,118	(23.0%)	(27.6%)
North Asia	386,000	16,984	400,000	17,794	(3.5%)	(4.6%)
Americas	177,000	7,164	180,000	7,339	(1.7%)	(2.4%)
South Asia/Pacific	120,000	7,060	115,000	6,787	4.3%	4.0%
EMEA	<u>110,000</u>	<u>3,811</u>	<u>122,000</u>	<u>4,326</u>	(9.8%)	(11.9%)
Total	<u>1,028,000</u>	<u>57,552</u>	<u>1,122,000</u>	<u>67,364</u>	(8.4%)	(14.6%)

“**Actives**” are persons who purchased products directly from the company during the previous three months.

“**Sales Leaders**” are independent distributors, and sales employees and independent marketers in China, who achieve certain qualification requirements.

## Operational Performance

The company's operating margin for the quarter was 12.6 percent, compared to 15.1 percent in the first quarter of 2014. Gross margin during the quarter was 80.7 percent, versus 84.1 percent in the prior-year period. Selling expenses were 43.1 percent of sales in the first quarter, compared to 46.7 percent in the prior-year period. General and administrative expenses were 25.0 percent of sales compared to 22.4 percent in the prior-year period. Other income/expense reflected an expense of \$12.3 million compared to \$17.5 million in the prior year. Both years included charges related to the devaluation of the Venezuelan bolivar. The company's effective income tax rate for the quarter was 35.7 percent, compared to 34.5 percent in the prior year. Cash and current investments at the end of the quarter were \$316.3 million and

debt was \$265.1 million. Dividend payments during the quarter were \$20.7 million. Cash flow from operations for the quarter was \$74.2 million, and the company repurchased \$26.3 million of its outstanding shares.

### Outlook

“We look forward to launching new ageLOC products in the second half of the year, and continue to believe we are on course for constant-currency revenue growth in 2015,” said Hunt. “Enthusiasm is building for our upcoming product launches that include ageLOC Youth, our most advanced anti-aging supplement, as well as ageLOC Me, an innovative anti-aging skin care system that enables consumers to personalize a daily regimen based on individual preferences and skin care needs.

“In April, we introduced a line of essential oils under our Epoch trademark in the United States and Canada through a limited offering, and look forward to selling the oils in the region on a full-time basis in July. We are also introducing ageLOC Essentials, a line of cosmetic oils in Mainland China to be used in conjunction with our top-selling ageLOC Galvanic Spa. We believe our commitment to scientific rigor will position us well to compete in this growing product category,” concluded Hunt.

“While foreign currency continues to negatively impact our results, our first-quarter revenue was in line with our forecast and we expect the fundamentals of the business to improve going forward,” said Ritch Wood, chief financial officer. “Looking forward, we anticipate second-quarter revenue of \$540 to \$560 million with earnings per share of \$0.72 to \$0.75. For the year, we anticipate revenue of \$2.45 to \$2.50 billion, reflecting a negative impact from foreign currency of approximately 7 percent, with earnings per share of approximately \$3.65 to \$3.75.”

The Nu Skin management team will host a conference call with the investment community on May 6, 2015, at 5 p.m. (EDT). Those wishing to access the webcast, as well as the financial information presented during the call, can visit the Investor Relations page on the company’s website at [ir.nuskin.com](http://ir.nuskin.com). A replay of the webcast will be available at the same URL through May 22, 2015.