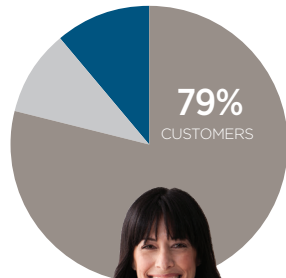


# ANNUAL INCOME STATISTICS

September 2016–August 2017

## Customers

The majority (**79%**) of those who buy Melaleuca products each month are strictly customers. They're not interested in pursuing the Melaleuca financial opportunity. They just love Melaleuca products. Only a few of them will ever decide to build a Melaleuca business.



PRODUCT ADVOCATES

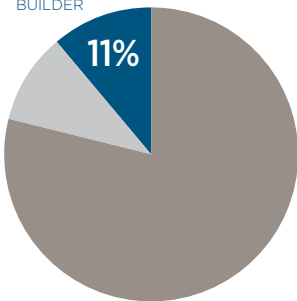


## Product Advocates

**10%** of all Melaleuca customers have referred at least one customer but fewer than eight customers. As those customers purchase products directly from Melaleuca, those who referred them receive a small commission. These households are not necessarily interested in the financial opportunity. Their relationship with Melaleuca is primarily because they love Melaleuca products. Their "status" is determined by how many customers they have referred. A Product Advocate has at least one customer. A Product Advocate 2 has referred at least two customers and a Product Advocate 3 has referred at least four customers. While these individuals may not be considered serious business builders, their customers (like the vast majority of Melaleuca customers) come from word-of-mouth referrals. Therefore, the overall contribution of these individuals is significant.

	ANNUAL INCOME			PERSONAL CUSTOMERS		TOTAL ACTIVE CUSTOMERS		TIME TO ACHIEVE STATUS	
	HIGH	LOW	AVERAGE	MINIMUM	AVERAGE	MINIMUM	AVERAGE	SHORTEST	LONGEST
PRODUCT ADVOCATE	\$2,065	\$16	\$93	0	0	1	3	1 Mo.	314 Mo.
PRODUCT ADVOCATE 2	\$4,809	\$32	\$246	2	3	2	9	1 Mo.	320 Mo.
PRODUCT ADVOCATE 3	\$15,792	\$65	\$555	4	5	4	20	1 Mo.	301 Mo.

BUSINESS BUILDER



## Beginning a Business

About one out of nine customers (**11%**) decide to start their own Melaleuca business and eventually achieve Director status, which is considered the first step to becoming a business builder. Directors have made a significant effort (probably spent 50 hours or more) in developing at least eight Melaleuca customers. Those estimated 50 hours could have been spent in a single week or could have been spent over several years. But at some point in their lives, Directors have invested enough time to develop (and maintain) at least eight Melaleuca customers.

	ANNUAL INCOME			PERSONAL CUSTOMERS		TOTAL ACTIVE CUSTOMERS		TIME TO ACHIEVE STATUS	
	HIGH	LOW	AVERAGE	MINIMUM	AVERAGE	MINIMUM	AVERAGE	SHORTEST	LONGEST
DIRECTOR/DIRECTOR 2 (90.2%)	\$41,456	\$314	\$2,093	8	16	8	75	1 Mo.	301 Mo.



## Initial Leadership Status

Leaders at these statuses have made a more serious effort to build a Melaleuca business. Those who have reached these leadership statuses have not only invested enough time to refer several customers, but they have also helped some of those customers start a business and become Marketing Executives. Those Marketing Executives have, in turn, referred additional customers who purchase Melaleuca products each month. Commissions are paid based on the development of customers and the development of leaders who help others reach their goals.



- DIRECTOR 3 (2.9%)
- DIRECTOR 4/5 (1.9%)
- DIRECTOR 6/7 (0.9%)
- DIRECTOR 8/9 (0.6%)

	ANNUAL INCOME			PERSONAL CUSTOMERS		TOTAL ACTIVE CUSTOMERS		TIME TO ACHIEVE STATUS	
	HIGH	LOW	AVERAGE	MINIMUM	AVERAGE	MINIMUM	AVERAGE	SHORTEST	LONGEST
DIRECTOR 3 (2.9%)	\$44,080	\$2,943	\$9,079	11	35	49	183	1 Mo.	304 Mo.
DIRECTOR 4/5 (1.9%)	\$53,263	\$5,406	\$14,274	12	46	99	289	1 Mo.	285 Mo.
DIRECTOR 6/7 (0.9%)	\$86,359	\$9,591	\$24,971	14	59	209	521	1 Mo.	300 Mo.
DIRECTOR 8/9 (0.6%)	\$107,728	\$16,623	\$35,650	16	70	342	641	1 Mo.	264 Mo.

## Advanced Leadership Status

Those Marketing Executives who reach Senior Director or above have shown substantial interest and dedication in building a Melaleuca business. While they may not work their businesses full time, it is essential that they invest some time each month nurturing, training, and helping those in their marketing organizations. Melaleuca advocates that Marketing Executives keep their full-time jobs and work their Melaleuca businesses in their spare time. However, some Executive Directors at the higher income statuses do work their businesses close to full time. Melaleuca strongly advocates that Marketing Executives do not quit their full-time jobs until their Melaleuca incomes far surpass the incomes they receive from their full-time employers. Rather, they should add their Melaleuca incomes to their regular incomes, thereby making a substantial difference in their family finances.

- SENIOR DIRECTOR 1-9 (2.0%)
- EXECUTIVE DIRECTOR 1-9 (1.3%)
- NATIONAL DIRECTOR 1-9 (0.2%)
- CORPORATE DIRECTOR 1-9 (LESS THAN 0.1%)

	ANNUAL INCOME			PERSONAL CUSTOMERS		TOTAL ACTIVE CUSTOMERS		TIME TO ACHIEVE STATUS	
	HIGH	LOW	AVERAGE	MINIMUM	AVERAGE	MINIMUM	AVERAGE	SHORTEST	LONGEST
SENIOR DIRECTOR 1-9 (2.0%)	\$295,539	\$27,633	\$63,060	20	83	380	1,055	1 Mo.	267 Mo.
EXECUTIVE DIRECTOR 1-9 (1.3%)	\$708,640	\$54,657	\$163,947	20	116	1,031	2,634	2 Mo.	353 Mo.
NATIONAL DIRECTOR 1-9 (0.2%)	\$1,231,083	\$141,761	\$317,993	20	136	3,125	5,737	11 Mo.	277 Mo.
CORPORATE DIRECTOR 1-9 (LESS THAN 0.1%)	\$2,619,464	\$377,612	\$1,185,073	20	270	7,293	13,187	29 Mo.	251 Mo.

The above annual income statistics include all North American Melaleuca Marketing Executives who were active during all 12 months of the period ending August 2017 and performed the minimum activity required at each status. The incomes stated include all commissions and bonuses actually paid during the period.

For the purpose of these statistics, a Marketing Executive's leadership or developmental status was calculated by taking the highest status achieved and maintained for at least eight consecutive months. The information on this page is not necessarily representative of what any individual Marketing Executive will earn with this program. Any representation or guarantee of specific earnings would be misleading. Success with any business takes hard work, diligence, perseverance, and leadership. Success with Melaleuca will depend on how effectively a Marketing Executive exercises those qualities.