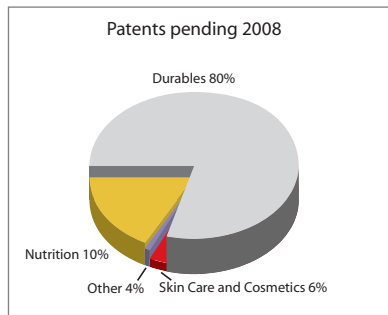
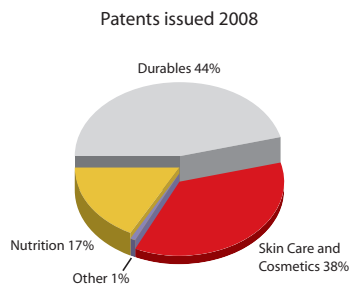


We work hard to offer innovative products by developing new products and technology. Our companies have been granted nearly 800 patents worldwide and 500 additional pending. This is one indicator of how seriously we take product development. Securing exclusive rights to our inventions through patents allows us to expand our product offerings as well as improve our products.



We receive patents in both the utility and design categories. Design patents protect the physical shape and configuration of our products, such as a product container or air treatment system. However, most of the patents we receive are considered utility, which fall under the following categories:

- 1) Composition patents incorporate our product formula in all product categories.
- 2) Machine or apparatus patents include our mechanical and electrical products in our home tech line.
- 3) Methods and processes of manufacture cover the ways our products are made or raw ingredients are processed.

We hold patents among several product types, as indicated in the charts to the left. The first chart shows the patents we currently hold, while the second chart shows the categories in which patent applications are pending for our latest innovations. Pending patent applications take an average of three years before being issued.

Our greatest increase in the number of patents are related to our eSpring® water treatment system, ARTISTRY® skin care and cosmetics for skin lightening, renewal and repair, processes for making concentrates and extracts for use in Nutrilite® nutritional supplements.