

Alticor's 2007 global sales top \$7 billion

China sales rebound; Europe, Southeast Asia markets strong

ADA, Mich., February 6, 2008—Alticor Inc. and its subsidiaries reported record sales of more than \$7.1 billion for the year ended Dec. 31, 2007, a 12-percent increase over the \$6.3 billion recorded in 2006.

Company officials attributed the increase to continued growth of strong Amway markets in Europe, Southeast Asia and Latin America, a rebound in China following the long-awaited establishment of direct selling regulations, and the continuing appeal of the company's consumer product lines. They acknowledged that the increased sales resulted in stronger profits, but the privately held company did not disclose further details.

"Our global business has shown real strength and resiliency this year," said Alticor Chairman Steve Van Andel. "We've challenged our people around the world to focus on understanding and supporting the needs of consumers, and this year is a good first step toward that goal."

"Strong sales in 2007 mean more investment in innovation and performance in 2008," Alticor President Doug DeVos added. "We are determined to be more creative and responsive to the needs of the marketplace, and to gain ground in a very competitive direct selling industry."

Alticor operates primarily through Amway Corp., a global leader in direct selling founded in 1959; Quixtar Inc., a North American Web-based business opportunity launched in 1999; and Access Business Group LLC, a product development, manufacturing and logistics services provider to Amway, Quixtar, and other companies. In addition, Alticor is the parent of Alticor Corporate Enterprises, which develops and manages Alticor's non-direct-selling investments, including Amway Hotels Corp., Gurwitch Products, Interleukin Genetics and Fulton Innovation.

In 2007, Alticor announced that the Quixtar business in North America will gradually transition to the Amway name. The company expects the transition will take place before the end of 2009, which marks the company's 50th anniversary.

Alticor and its companies employ more than 13,000 worldwide and offer more than 3 million people an opportunity to become entrepreneurs in more than 80 countries and territories. Over 450 products are sold through Amway and Quixtar, primarily focused on health, wellness and beauty categories, led by flagship brands Nutrilite and Artistry.

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Amway

Seventy percent of Amway's affiliate markets—39 out of 55—posted sales increases last year, demonstrating that the company's growth is coming from established markets as well as newer ones.

Particularly robust sales were recorded in Asia, especially China, where Amway now sells through its some 180 retail shops, and regulatory uncertainty ended. As in the past, Asia is still Amway's largest market, accounting for about two-thirds of Amway's sales in 2007. South and East Asian markets were strong in general, with particular growth shown in Thailand, Indonesia, the Philippines and India. In Japan, sales were down slightly, but interest has been high in new premium skin care offering Artistry Crème LX, launched in December. Celebrity A-lister Sandra Bullock is the face of Crème LX, which will roll out to several markets in Asia and Europe later this year.

The largest regional gain overall was registered in Europe, where sales rose 33 percent, thanks in significant part to the buoyant newer Russian and Ukrainian markets, but also to very strong gains in much of Eastern Europe, including Poland, Slovakia, Turkey, the Czech Republic and Romania.

"We're proud to see so many of our established markets doing well and growing, and our newest markets growing at a strong, sustainable pace," said Van Andel. "That kind of balance provides an excellent base for a company like ours to take measured risks, and act from a position of financial strength."

The company also noted that currency exchanges had a positive impact on sales this year.

Quixtar

The transformation effort announced at Quixtar last year is well under way. The online direct selling company began a personal dialogue with consumers in early 2007 with the launch of the Opportunity Zone, which is a collection of blogs authored by Quixtar staff at all levels. Topics range from cooking to Team Nutrilite events, beauty tips to Web coding, to volunteer events and senior management messages.

New product lines – Simply Nutrilite supplements, nutrition bars and juices, as well as Artistry Essentials skin care – emerged this fall with a print advertising campaign targeted toward the consumers likeliest to buy these products – busy moms. Celebrity endorsement by Gabrielle Reece added visibility to Simply Nutrilite, consistent with the growing list of well-known athletes and events now sponsored by Team Nutrilite.

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The Quixtar.com site also was substantially revised in 2007, allowing easier and simpler navigation and offering more product information to curious consumers. Training and support to Independent Business Owners (IBOs) is bolstered by the launch of Quixtar University, which will provide IBOs with Web-based sales and brand training.

Quixtar.com was again ranked No.1 in online health and beauty sales – the fourth consecutive year – by *Internet Retailer's* "Top 500 Guide."

Said DeVos, "This year we have already made significant strides toward making this a better business opportunity for more people. We are working with our sales force toward a stronger and more competitive future. In 2007, we have made unprecedented investments in the business to help people become more profitable sooner, and we are willing to take measured risks to bring about the business we know we can become."

Quixtar's sales fell slightly in 2007, but remained above the billion-dollar mark for the fifth consecutive year.

Access Business Group

Access Business Group (ABG) recorded yet another strong performance in 2007, despite a weaker economic environment in the U.S. Particularly encouraging was the growth of third-party product development, manufacturing and logistics to \$142.6 million, which marked a 12 percent gain over 2005. These outside sales and services are in addition to the products, packaging, printing, manufacturing and shipping ABG provides to its sibling companies Amway and Quixtar.

"Access Business Group continues to deliver the product and supply-chain innovation that is critical to the transformation underway," said Al Koop, ABG's chief operating officer. "In the mere seven years that ABG has been pursuing contract sales, our company is consistently recognized as a leader in operational excellence by our peers, competitors and, most important of all, the growing ranks of third-party partners who have come to depend on our know-how to help them succeed."

ABG's relentless pursuit of operational improvement was rewarded in 2007 by outside recognition in Alticor's headquarters community and beyond. Most recently, ABG won the "World-Class Manufacturer" award from the Grand Rapids Area Chamber of Commerce. Earlier in the year, ABG received top honors at the 2006 Supply Chain Council Conference where the company was tapped for the "Global Supply Chain Excellence Award," given to the company "that has made the greatest contribution to demonstrating or advancing the supply chain management body of knowledge within the last year."

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The 1,000-member global Supply Chain Council also presented its "Operational Excellence" Award to ABG's Strategic Procurement unit, while a Fortune 50 ABG global customer awarded the company its "Strategic Supplier Award."

Alticor Corporate Enterprises

Alticor Corporate Enterprises (ACE) achieved another milestone last August, when the \$100 million, 337-room JW Marriott Grand Rapids officially opened. The luxury 24-floor hotel, one of only 36 JW Marriotts in the world, joins its sister hotel, the newly renovated Amway Grand Plaza Hotel, in downtown Grand Rapids near the DeVos Place convention center and Van Andel Arena.

Aside from hotels, ACE is a critical component in Alticor's strategy to generate fresh thinking and ideas within the company. Only into its second year of operations, ACE acts as a holding company for Alticor's non-direct selling companies.

"With the help of Corporate Enterprises, we are building our capabilities in health and beauty, while also giving us immediate access to new technologies and products," said Jim Weaver, ACE's vice president. "It brings us closer to the marketplace, which will provide a wellspring of benefits to Alticor and Amway."

Alticor's 2006 acquisition of Gurwitch Products, a luxury cosmetics and skin-care company, is already paying dividends. Gurwitch, which develops and markets cosmetics under the brand name Laura Mercier®, which are sold by The Neiman Marcus Group and other high-end retailers, gives Alticor access to insightful marketing, research and development talent in the premium beauty industry.

Fulton Innovation unveiled its eCoupled™ Intelligent Wireless Power Technology at the 2007 Consumer Electronics Show in Las Vegas, demonstrating how electronic devices such as cell phones can be recharged wirelessly. A year later, at the 2008 CES, eCoupled demoed wireless power conversion for an even wider array of electronic devices, ranging from a wirelessly powered laptop and cell phone to an Apple iPod and a George Foreman grill. eCoupled was granted 20 new patents in 2007, bringing its total to 58 U.S. and 143 international patents granted, published or pending.

In 2007, Alticor further increased its majority interest in publicly listed Interleukin Genetics, whose expertise in functional genomics assists ACE and Alticor in developing personalized, over-the-counter nutritional and skin-care products. Alticor also markets consumer genetic tests under the Gensona brand, developed by Interleukin, that identify gene variants associated with health risks and nutritional deficiencies.

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Corporate citizenship

Now in its fifth year of operation, the company's "One by One Campaign for Children" continues to rally the resources of the entire company family – our Business Owners, employees, affiliates and customers – to make a difference in the lives of children around the world.

In each of our 55 markets One by One programs truly make a difference, whether it's the 85,000 blind children who received Braille textbooks in India, the 1,135 kids who received cleft palate surgery in Thailand, the 170,000 children in China who've been given the opportunity to attend school, or the 90,000 kids in developing countries who've received vaccines that give them a fighting chance.

About Alticor

Alticor (www.alticor.com) is the parent company of Amway Corp., Quixtar Inc., Access Business Group LLC and Alticor Corporate Enterprises. Headquartered in Ada, Michigan, USA, Alticor and its affiliates offer products, business opportunities, and product development, manufacturing and logistic services in more than 80 countries and territories worldwide. In its most recent financial year, the company reported worldwide sales of more than \$7.1 billion. For further information, please contact Alticor's media information line at 616-787-7565 or e-mail Alticor's media relations staff at mediainfo@alticor.com.

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