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Altacor sales rise for sixth consecutive year

Direct-selling leader reaches \$6.4 billion on renewed growth in Japan, Europe; China market remains strong

NEWS RELEASE

Altacor Inc. and its family of companies reported sales of \$6.4 billion for the performance year ending August 31, 2005. Sales rose 3.6% in 2005, marking the company's sixth straight year of growth.

More than half of Altacor's global affiliates showed a strong increase in sales, offsetting slower growth in the China market and a slight decrease in North American sales. A portion of Altacor's overall sales increase was due to the positive impact of the strengthening foreign currencies.

European markets posted 18% growth, while Japan continued its turnaround with a second straight year of increased sales.

Altacor Chairman Steve Van Andel said: "This was a strong, solid year. Our long-term goal is to find growth in our mature markets and our newer ones. We achieved that this year, which is a sign of the hard work taking place in all of our global markets."

Altacor President Doug DeVos said: "Our strength reflects the continuing worldwide appeal of owning your own business. We're grateful for our outstanding employees, and for hardworking, motivated people who sell our products and services around the world. They are the ones who have made us leaders in direct selling for 46 years."

Altacor operates primarily through Amway Corp., a global leader in direct selling; Quixtar Inc., a North American Web-based business opportunity; and Access Business Group LLC, a product development, manufacturing and logistics provider to Amway, Quixtar and other companies. Altacor employs more than 13,000 worldwide.

Highlights

The company saw Amway posting regional increases in Latin America, Europe, Japan, Southeast Asia and Greater China.

In North America, Quixtar, established in 1999, introduced new products and reported its third straight year of sales surpassing the billion-dollar mark.

Product sales were paced by NUTRILITE® nutrition supplements, ARTISTRY® cosmetics and the introduction of the new Atmosphere™ Air Purifier. Together, health and beauty products accounted for 60% of sales.

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Amway

Amway strengthened its position as a global leader in the \$92 billion direct-selling industry with 43 of 57 markets posting sales increases over last year.

The company again noted strong performances from its Asian markets, led by 27 percent sales growth in Taiwan, and 4.2 percent sales growth in the larger Japan market. Sales for Amway China Co. Ltd. (ACCL) remained above the \$2 billion mark for the second consecutive year. ACCL remains Amway's top market, followed by Japan, South Korea and Thailand.

ACCL's accomplishment in 2005 is significant, given year-long uncertainty over the status of proposed regulations that formally legalize direct selling in the country. New direct selling regulations were formally published by the Chinese government in August. ACCL has flourished during the years since 1998, when China first banned direct sales but allowed ACCL and a few selected direct sellers to operate through both retail outlets and salesmen. The affiliate uses a network of over 180,000 sales representatives who introduce its products to customers. It operates more than 170 retail shops nationwide.

"Despite the uncertainty, ACCL performed admirably," said Van Andel. "We continue to examine our future options in China in light of the new rules, which have yet to go in effect. We are very optimistic that China will continue to be our strongest performing market."

European results were boosted by Russia's strong debut last March. Strong performances were recorded in Eastern Europe, driven by the 2003 launch of Ukraine, along with high growth in Turkey, Poland and Romania. High growth also was recorded in Scandinavia, Greece, the United Kingdom and Italy.

The Latin American region also experienced a sales growth of eight percent from the previous year. The region was led by strong performances in Mexico and Central America.

"Amway entered into new and exciting territory with the opening of Russia in 2005, and our established markets showed promising gains," said DeVos. "Amway continues to be a potent global force for providing consumers with outstanding products, and it is attractive for aspiring entrepreneurs seeking a solid business opportunity."

Quixtar

With sales still over \$1 billion despite a three-percent sales decrease, the North American business unit had numerous highlights. Among them were the launch of the NAO never accept ordinaryTM color cosmetics brand which targets a new generation of creative, progressive women. Quixtar's continuing success in health and beauty is reflected in its #1 ranking in online Health & Beauty sales by Internet Retailer, and #14 overall for e-commerce sales.

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Quixtar also rolled out new products in the health category, including XS® Sports Nutrition drinks, and reformulated the flagship health product Nutrilite® Double X Multivitamin to deliver more plant concentrates and antioxidant protection. It also announced new Partner Store affiliations with Barnes & Noble and eToys.com.

"Excellent new products in the health and beauty categories continue to drive Quixtar's leadership on the Internet," said DeVos. "We expect that new products coupled with reenergized IBOs will drive renewed growth in the U.S. and Canadian markets going forward."

Core sales force

Alticor's sales force of independent business owners (IBOs) and sales representatives remained at more than 3 million worldwide. IBOs are individuals whose primary focus is to build a business of their own through Alticor's Amway and Quixtar business opportunities. In China, Amway's sales representatives promote products to customers with the support of more than 170 shops.

To provide support and guidance for IBOs, new training materials and best practices workshops have been implemented in key markets and will soon be expanded worldwide.

Access Business Group

Access Business Group enjoyed another solid year in 2005. Its third-party product development, manufacturing and logistics sales for the year exceeded \$125 million in revenues, an increase of more than nine percent over 2004.

Al Koop, chief operating officer for Access Business Group, said: "We continue to aggressively make our operations at home more efficient and valuable through contract work. And in the past few years, more companies are starting to hear about our high-quality manufacturing and logistic services, and our highly skilled and experienced workforce. As a result, we're getting more third-party contracts. Plus, our sibling companies Quixtar and Amway are doing a great job with launching new and innovative products that we are able to manufacture."

Alticor companies had more than 70 patents issued last year, bringing their total to more than 600.

Access' inter-company sales to Amway and Quixtar are not included in Alticor's global reported sales.

Other company developments

Alticor employees, IBOs and sales representatives, friends and industry colleagues were deeply saddened by the death of co-founder Jay Van Andel. Van Andel, who died in December 2004 at age 80, founded Amway in 1959 with long-time friend and business partner Rich DeVos. Van Andel's oldest son, Steve, is chairman of Alticor and the family continues to be well represented on Alticor's board of directors.

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Alticor's "One by One Campaign for Children" recorded greater accomplishments in its third year of operation. Amway, Quixtar and Alticor employees have volunteered 303,000 hours to improve the lives of young people worldwide. To date, more than \$26 million have been spent globally on a wide range of initiatives benefiting more than 4.6 million disabled, orphaned and disadvantaged children.

One by One's success has been recognized by the United States Chamber of Commerce, whose Center for Corporate Citizenship selected Alticor as a finalist for a Corporate Citizenship Award in the category of International Community Service. The award acknowledges businesses and chambers of commerce that have demonstrated ethical leadership and corporate stewardship and have made a difference in their communities. Winners for the award are to be announced on November 8, 2005, at the National Building Museum in Washington, D.C.

In October 2005, Alticor officially broke ground on its 340-room JW Marriott Hotel in downtown Grand Rapids. The upscale hotel is being built across from The Amway Grand Plaza Hotel. The JW Marriott – Grand Rapids is expected to welcome its first guests in fall 2007.

The Amway Grand boasted two award-winning restaurants in 2005. For the third consecutive year, the Hotel's flagship restaurant, The 1913 Room, received the exclusive five-diamond designation from Triple-A. The 1913 Room remains Michigan's first and only five-diamond restaurant. The automobile club also awarded the Hotel's Cygnus restaurant with a prestigious four-diamond designation.

About Alticor

Alticor (www.alticor.com) is the parent company of Amway Corp., Quixtar Inc., and Access Business Group LLC. Headquartered in Ada, Michigan, USA, Alticor and its affiliates offer products, business opportunities, and product development, manufacturing and logistics services in more than 80 countries and territories worldwide. In its most recent fiscal year, the company reported worldwide sales of \$6.4 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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