



## 2009 Annual Income Statistics

### Customers

The majority (61%) of those who buy Melaleuca products each month are strictly customers. They are 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.

### Customer Referrals Status

27% 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 Marketing Executive has at least one customer. A Marketing Executive II has referred at least two customers and a Marketing Executive III has referred at least four customers at some time in their life. 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.

Active Executive Status	Percent at This Status	Annual Income			Minimum Personal Customers	Average Personal Customers	Minimum Total Active Customers	Average Total Active Customers	Time to Achieve Status <sup>1</sup>		
		High	Low	Average					Shortest Time	Longest Time	Average Time
Mkt. Exec.	73.7%	\$1,543	\$24	\$85	0	1	0	4	1 Mo.	120 Mo.	3 Mo.
Mkt. Exec. II	15.6%	\$2,169	\$24	\$219	2	2	2	10	1 Mo.	120 Mo.	6 Mo.
Mkt. Exec. III	10.7%	\$5,582	\$63	\$576	4	5	4	22	1 Mo.	120 Mo.	6 Mo.

### Developmental Status

Only 1 out of 9 customers (12%) will decide to start their own Melaleuca business and eventually achieve Director status or above. Directors have made a substantial effort (probably spent at least 50 hours) 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.

Active Executive Status	Percent of Business Builders with This Status	Annual Income			Minimum Personal Customers	Average Personal Customers	Minimum Total Active Customers	Average Total Active Customers	Time to Achieve Status <sup>1</sup>		
		High	Low	Average					Shortest Time	Longest Time	Average Time
Director I / II	84.4%	\$15,737	\$150	\$2,172	10	14	10	62	1 Mo.	120 Mo.	8 Mo.



## Initial Leadership Status

Leaders at these statuses have made a more serious effort at building a Melaleuca business. Those who have reached these leadership statuses have not only invested enough time to develop 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.

Active Executive Status	Percent of Business Builders with This Status	Annual Income			Minimum Personal Customers	Average Personal Customers	Minimum Total Active Customers	Average Total Active Customers	Time to Achieve Status <sup>1</sup>		
		High	Low	Average					Shortest Time	Longest Time	Average Time
Director III	6.1%	\$23,300	\$2,073	\$6,549	11	27	37	174	1 Mo.	120 Mo.	14 Mo.
Dir. IV / V	3.1%	\$30,397	\$4,147	\$11,194	13	36	90	272	1 Mo.	120 Mo.	21 Mo.
Dir. VI / VII	1.5%	\$42,601	\$9,294	\$18,040	15	42	167	418	1 Mo.	120 Mo.	22 Mo.
Dir. VIII / IX	0.9%	\$60,777	\$10,836	\$26,599	18	51	248	554	1 Mo.	120 Mo.	23 Mo.

## Advanced Leadership Status

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

Active Executive Status	Percent of Business Builders with This Status	Annual Income			Minimum Personal Customers	Average Personal Customers	Minimum Total Active Customers	Average Total Active Customers	Time to Achieve Status <sup>1</sup>		
		High	Low	Average					Shortest Time	Longest Time	Average Time
Senior Dir. <sup>2</sup>	2.8%	\$213,927	\$22,410	\$54,090	20	64	385	974	1 Mo.	120 Mo.	22 Mo.
Executive Dir. <sup>3</sup>	1.5%	\$639,386	\$61,452	\$149,655	20	89	967	2,641	4 Mo.	120 Mo.	23 Mo.
Corporate Dir. <sup>4</sup>	Less than 0.1%	\$2,180,120	\$719,051	\$1,302,727	20	109	8,005	14,026	29 Mo.	120 Mo.	39 Mo.

The above annual income statistics include all Melaleuca North American Marketing Executives who were active during all 12 months of the period ending December 2009 and performed the minimum activity required at each status level. 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 level was calculated by taking the highest status achieved and maintained for at least five 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.

<sup>1</sup> Includes all active Marketing Executives joining Melaleuca within the past 10 years.

<sup>2</sup> Includes statistics for Senior Director through Senior Director IX.

<sup>3</sup> Includes statistics for Executive Director through Executive Director IX.

<sup>4</sup> Includes statistics for Corporate Director and higher.