

Frequently Asked Questions

1. Why has Arbonne filed for Chapter 11?

We have reached agreement with our lenders on a plan to reduce the company's debt by more than 80 percent. This will strengthen Arbonne financially so we can continue to invest in our business and ensure the company is well-positioned for the future. We have chosen to implement this plan through a "pre-packaged" Chapter 11 bankruptcy filing. We are using this court-supervised process because it is a fast, efficient and legally binding way to convert debt to equity.

2. Does this mean Arbonne is going out of business?

No—absolutely not. Arbonne is a great company with great people and great products. We are *not* going out of business. We are taking this action to reduce debt and strengthen the company's financial condition. It will not negatively impact our day-to-day business. The company has more than enough positive cash flow to continue our normal operations, and we expect there will be no disruptions to our relationships with Independent Consultants, Clients, employees and suppliers.

3. How long will this process take?

Because we have already received the approvals we need for our debt-reduction plan from our lenders, we expect to move through the Chapter 11 process very quickly—most likely within 45 to 60 days. This is known as a "pre-packaged" Chapter 11 case.

4. What is a "pre-packaged" Chapter 11 filing?

In a "pre-packaged" Chapter 11 filing, the company obtains all the necessary approvals from its creditors for its restructuring plan prior to filing for Chapter 11. Because so much of the work has been done in advance of the filing, the court-supervised portion of the process can be completed in a much shorter period of time than other Chapter 11 reorganizations, and with less disruption to the business.

5. What companies have used a "pre-packaged" Chapter 11 filing successfully?

Companies ranging from Mrs. Field's Cookies to Atkins Nutritionals have used this process successfully. Other companies that have gone in and out of Chapter 11 quickly in recent months include CIT, Generation Brands and Nortek.

6. What does this mean for Arbonne's Independent Consultants? Will they be able to continue selling products and successfully build their business?

We expect the debt-reduction process will have no impact on our day-to-day operations. The company has more than enough positive cash flow to continue our normal operations, and we expect there will be no disruptions to our relationships with Independent Consultants, Clients, employees and suppliers. Independent Consultants should be confident that compensation, from commissions and overrides, is secure.

7. Will Arbonne continue to pay employees?

Yes. All employees can expect to continue to receive their pay and benefits as usual.



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8. Will Arbonne continue to pay suppliers?

Yes. According to the terms of our pre-packaged restructuring plan, Arbonne suppliers can expect to be paid in full, according to normal terms.

9. Will there be layoffs at Arbonne as a result of the filing?

We have no plans for layoffs as a result of the filings.

10. What is the outlook for Arbonne for 2010?

Arbonne is a great company with great people and great products—and a promising future. We are confident that 2010 will be a banner year, as we continue to provide our Independent Consultants with state-of-the-art product technology, the very latest in training methods and the most advanced support tools available today.

11. How will this debt restructuring impact the company's international operations?

The restructuring involves the Arbonne entities that have operations in the U.S. and Canada, Arbonne International, LLC and Arbonne International Distribution, Inc., which are both U.S. companies.

The Arbonne entity that has operations in Australia and the United Kingdom is Arbonne Europe Sàrl, which is a Swiss entity that is not a participant in the U.S. restructuring.

