

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number: **001-12421**



NU SKIN ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

**75 WEST CENTER STREET
PROVO, UT 84601**

(Address of principal executive offices, including zip code)

87-0565309

(IRS Employer Identification No.)

(801) 345-1000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 31, 2013, 58,663,286 shares of the registrant's Class A common stock, \$.001 par value per share, were outstanding.

NU SKIN ENTERPRISES, INC.

2013 FORM 10-Q QUARTERLY REPORT – SECOND QUARTER

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In this Quarterly Report on Form 10-Q, references to "dollars" and "\$" are to United States dollars.

Nu Skin, Pharmanex and ageLOC are trademarks of Nu Skin Enterprises, Inc. or its subsidiaries. The italicized product names used in this Quarterly Report on Form 10-Q are product names, and also, in certain cases, our trademarks.

All references to our "distributors" in this Quarterly Report on Form 10-Q include our independent distributors, and our sales employees, contractual sales promoters and direct sellers in Mainland China. "Actives" are persons who have purchased products directly from the company during the previous three months. "Sales Leaders" include our independent distributors who have completed and who maintain specified sales requirements, and our sales employees and contractual sales promoters in Mainland China, who have completed certain qualification requirements.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NU SKIN ENTERPRISES, INC.
Consolidated Balance Sheets (Unaudited)
(U.S. dollars in thousands)

	June 30,	December
	2013	31,
	<u>2012</u>	<u>2012</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 402,678	\$ 320,025
Current investments	8,754	13,378
Accounts receivable	59,043	36,850
Inventories, net	178,183	135,874
Prepaid expenses and other	117,138	93,276
	<u>765,796</u>	<u>599,403</u>
Property and equipment, net	304,619	229,787
Goodwill	112,446	112,446
Other intangible assets, net	87,644	92,518
Other assets	122,202	118,753
Total assets	<u>\$ 1,392,707</u>	<u>\$ 1,152,907</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 48,954	\$ 47,882
Accrued expenses	355,215	233,202
Current portion of long-term debt	69,461	39,019
	<u>473,630</u>	<u>320,103</u>
Long-term debt	128,664	154,963
Other liabilities	98,326	87,229
Total liabilities	<u>700,620</u>	<u>562,295</u>
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Class A common stock – 500 million shares authorized, \$.001 par value, 90.6 million shares issued	91	91
Additional paid-in capital	332,588	317,293
Treasury stock, at cost – 31.7 million and 32.2 million shares	(718,800)	(714,853)
Accumulated other comprehensive loss	(55,272)	(51,822)
Retained earnings	1,133,480	1,039,903
	<u>692,087</u>	<u>590,612</u>
Total liabilities and stockholders' equity	<u>\$ 1,392,707</u>	<u>\$ 1,152,907</u>

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.**Consolidated Statements of Income (Unaudited)**

(U.S. dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenue	\$ 682,927	\$ 593,235	\$ 1,233,021	\$ 1,055,237
Cost of sales	111,273	95,584	201,318	171,340
Gross profit	571,654	497,651	1,031,703	883,897
Operating expenses:				
Selling expenses	308,769	267,363	550,652	469,898
General and administrative expenses	148,302	132,376	283,809	244,424
Total operating expenses	457,071	399,739	834,461	714,322
Operating income	114,583	97,912	197,242	169,575
Other income (expense), net	(1,187)	(3,369)	(1,075)	266
Income before provision for income taxes	113,396	94,543	196,167	169,841
Provision for income taxes	38,961	34,136	67,450	61,605
Net income	\$ 74,435	\$ 60,407	\$ 128,717	\$ 108,236
Net income per share (Note 2):				
Basic	\$ 1.27	\$ 0.98	\$ 2.20	\$ 1.75
Diluted	\$ 1.22	\$ 0.94	\$ 2.11	\$ 1.67
Weighted-average common shares outstanding (000s):				
Basic	58,620	61,706	58,487	62,016
Diluted	61,121	64,230	60,882	64,773

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.**Consolidated Statements of Comprehensive Earnings (Unaudited)**

(U.S. dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net income	<u>\$ 74,435</u>	<u>\$ 60,407</u>	<u>\$ 128,717</u>	<u>\$ 108,236</u>
Other comprehensive income, net of tax:				
Foreign currency translation adjustment	426	(3,108)	(2,947)	1,268
Net unrealized gains/(losses) on foreign currency cash flow hedges	575	(1,461)	1,561	1,960
Less: Reclassification adjustment for realized losses (gains) in current earnings	(901)	(87)	(2,064)	130
	<u>100</u>	<u>(4,656)</u>	<u>(3,450)</u>	<u>3,358</u>
Comprehensive income	<u>\$ 74,535</u>	<u>\$ 55,751</u>	<u>\$ 125,267</u>	<u>\$ 111,594</u>

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.
Consolidated Statements of Cash Flows (Unaudited)
(U.S. dollars in thousands)

	Six Months Ended June 30,	
	2013	2012
Cash flows from operating activities:		
Net income	\$ 128,717	\$ 108,236
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	15,527	16,938
Foreign currency (gains)/losses	863	(938)
Stock-based compensation	11,411	11,131
Deferred taxes	(2,901)	3,508
Changes in operating assets and liabilities:		
Accounts receivable	(24,647)	(13,447)
Inventories, net	(45,228)	(12,912)
Prepaid expenses and other	(25,515)	(7,441)
Other assets	(10,987)	(12,479)
Accounts payable	3,593	12,152
Accrued expenses	132,787	56,860
Other liabilities	5,237	6,746
Net cash provided by operating activities	<u>188,857</u>	<u>168,354</u>
Cash flows from investing activities:		
Purchases of property and equipment	(82,515)	(30,142)
Proceeds of investment sales	9,701	13,944
Purchases of investments	<u>(5,077)</u>	<u>(9,855)</u>
Net cash used in investing activities	<u>(77,891)</u>	<u>(26,053)</u>
Cash flows from financing activities:		
Exercise of employee stock options	7,359	1,951
Payment of debt	(13,890)	(15,398)
Payment of cash dividends	(35,140)	(24,741)
Income tax benefit of options exercised	7,309	6,316
Proceeds from debt	35,000	100,006
Repurchases of shares of common stock	<u>(14,615)</u>	<u>(113,314)</u>
Net cash used in financing activities	<u>(13,977)</u>	<u>(45,180)</u>
Effect of exchange rate changes on cash	<u>(14,336)</u>	<u>1,706</u>
Net increase in cash and cash equivalents	82,653	98,827
Cash and cash equivalents, beginning of period	<u>320,025</u>	<u>272,974</u>
Cash and cash equivalents, end of period	<u>\$ 402,678</u>	<u>\$ 371,801</u>

The accompanying notes are an integral part of these consolidated financial statements.

1. THE COMPANY

Nu Skin Enterprises, Inc. (the "Company") is a leading, global direct selling company that develops and distributes premium-quality, innovative personal care products and nutritional supplements that are sold worldwide under the Nu Skin and Pharmanex brands and a small number of other products and services. The Company reports revenue from five geographic regions: North Asia, which consists of Japan and South Korea; Greater China, which consists of Mainland China, Hong Kong, Macau and Taiwan; South Asia/Pacific, which consists of Australia, Brunei, French Polynesia, Indonesia, Malaysia, New Caledonia, New Zealand, the Philippines, Singapore, Thailand and Vietnam; Americas, which consists of the United States, Canada and Latin America; and EMEA, which consists of several markets in Europe as well as Israel, Russia and South Africa (the Company's subsidiaries operating in these countries are collectively referred to as the "Subsidiaries").

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. The unaudited consolidated financial statements include the accounts of the Company and its Subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments, consisting of normal recurring adjustments, considered necessary for a fair statement of the Company's financial information as of June 30, 2013, and for the three- and six month periods ended June 30, 2013 and 2012. The results of operations of any interim period are not necessarily indicative of the results of operations to be expected for the fiscal year. For further information, refer to the consolidated financial statements and accompanying footnotes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

2. NET INCOME PER SHARE

Net income per share is computed based on the weighted-average number of common shares outstanding during the periods presented. Additionally, diluted earnings per share data gives effect to all potentially dilutive common shares that were outstanding during the periods presented. For the three-month periods ended June 30, 2013 and 2012, other stock options totaling 0.1 million and 0.1 million, respectively, and for the six-month periods ended June 30, 2013 and 2012, other stock options totaling 0.2 million and 0.1 million, respectively, were excluded from the calculation of diluted earnings per share because they were anti-dilutive.

3. DIVIDENDS PER SHARE

In February and May 2013, the Company's board of directors declared a quarterly cash dividend of \$0.30 per share. These quarterly cash dividends totaling \$17.5 million and \$17.6 million were paid on March 13, 2013 and June 12, 2013, to stockholders of record on February 22, 2013 and May 24, 2013. In July 2013, the Company's board of directors declared a quarterly cash dividend of \$0.30 per share to be paid September 11, 2013 to stockholders of record on August 23, 2013.

4. DERIVATIVE FINANCIAL INSTRUMENTS

The Company held mark-to-market forward contracts designated as foreign currency cash flow hedges with notional amounts totaling 2.9 billion Japanese yen (\$29.2 million as of June 30, 2013) and 3.7 billion Japanese yen (\$46.3 million as of June 30, 2012) to hedge forecasted foreign-currency-denominated intercompany transactions.

The contracts held at June 30, 2013 have maturities through June 30, 2014 and accordingly, all unrealized gains and losses on foreign currency cash flow hedges included in accumulated other comprehensive income will be recognized in current earnings over the next 12 months. The pre-tax net losses/gains on foreign currency cash flow hedges reclassified from accumulated other comprehensive income to revenue were \$1.4 million and \$3.2 million for the three- and six-month periods ended June 30, 2013 and were immaterial for the three- and six-month periods ended June 30, 2012. The corresponding tax effects of these transactions were recorded in provision for income tax expense. As of June 30, 2013 and December 31, 2012, there were \$2.2 million and \$1.9 million of unrealized gains included in accumulated other comprehensive income related to foreign currency cash flow hedges. The remaining \$53.1 million and \$49.9 million as of June 30, 2013 and December 31, 2012, respectively, in accumulated other comprehensive income are related to cumulative translation adjustments.

5. REPURCHASES OF COMMON STOCK

During the three-month period ended June 30, 2013, the Company did not repurchase shares of its Class A common stock under its open market repurchase plan. During the three-month period ended March 31, 2013, the Company repurchased approximately 0.4 million shares of its Class A common stock under its open market repurchase plan for approximately \$14.6 million. During the three- and six-month periods ended June 30, 2012, the Company repurchased approximately 2.4 million and 2.5 million shares of its Class A common stock under its open market repurchase plan for approximately \$107.8 million and \$113.3 million, respectively. At June 30, 2013, \$120.7 million was available for repurchases under the stock repurchase program. In July 2013, the Company's board of directors authorized a \$400.0 million extension of the Company's ongoing share repurchase authorization.

6. SEGMENT INFORMATION

The Company operates in a single operating segment by selling products to a global network of independent distributors that operates in a seamless manner from market to market, except for its operations in Mainland China. In Mainland China, the Company utilizes an employed sales force and contractual sales promoters to sell products through its stores, and independent direct sellers who can sell away from the Company's stores where the Company has obtained a direct sales license. Selling expenses are the Company's largest expense comprised of the commissions paid to its worldwide independent distributors as well as remuneration to its sales force in Mainland China. The Company manages its business primarily by managing its global distributors. The Company does not use profitability reports on a regional or divisional basis for making business decisions. However, the Company does report revenue in five geographic regions: Greater China, North Asia, South Asia/Pacific, Americas and EMEA.

NU SKIN ENTERPRISES, INC.
Notes to Consolidated Financial Statements

Revenue generated in each of these regions is set forth below (U.S. dollars in thousands):

Revenue:	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Greater China	\$ 269,146	\$ 199,728	\$ 444,852	\$ 292,339
North Asia	196,757	177,695	384,950	359,895
South Asia/Pacific	85,916	98,344	153,158	175,665
Americas	84,289	71,766	160,830	138,106
EMEA	46,819	45,702	89,231	89,232
Totals	<u>\$ 682,927</u>	<u>\$ 593,235</u>	<u>\$ 1,233,021</u>	<u>\$ 1,055,237</u>

Revenue generated by each of the Company's product lines is set forth below (U.S. dollars in thousands):

Revenue:	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Nu Skin	\$ 417,483	\$ 295,068	\$ 743,669	\$ 544,583
Pharmanex	264,198	296,292	486,592	506,597
Other	1,246	1,875	2,760	4,057
Totals	<u>\$ 682,927</u>	<u>\$ 593,235</u>	<u>\$ 1,233,021</u>	<u>\$ 1,055,237</u>

Additional information as to the Company's operations in its most significant geographic areas is set forth below (U.S. dollars in thousands):

Revenue:	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Mainland China	\$ 197,609	\$ 57,299	\$ 321,662	\$ 108,137
Japan	98,869	115,615	205,551	225,679
South Korea	97,888	62,080	179,399	134,216
United States	62,350	57,485	120,112	111,401
Europe	41,430	40,100	78,551	77,842

Long-lived assets:	June 30, 2013	December 31, 2012
Mainland China	\$ 49,150	\$ 30,199
Japan	7,235	8,441
South Korea	13,132	14,030
United States	222,172	163,137
Europe	2,584	2,622

7. DEFERRED TAX ASSETS AND LIABILITIES

The Company accounts for income taxes in accordance with the Income Taxes Topic of the Financial Accounting Standards Codification. These standards establish financial accounting and reporting standards for the effects of income taxes that result from an enterprise's activities during the current and preceding years. The Company takes an asset and liability approach for financial accounting and reporting of income taxes. The Company pays income taxes in many foreign jurisdictions based on the profits realized in those jurisdictions, which can be significantly impacted by terms of intercompany transactions between the Company and its foreign affiliates. Deferred tax assets and liabilities are created in this process. As of June 30, 2013 the Company had net deferred tax assets of \$34.5 million. The Company nets these deferred tax assets and deferred tax liabilities by jurisdiction. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be ultimately realized.

The Company evaluates its indefinite reinvestment assertions with respect to foreign earnings for each quarter and except for certain earnings the Company intends to reinvest indefinitely, accrues for the U.S. federal and foreign income tax applicable to the earnings. During the first half of 2013, the Company determined that \$40.0 million of its non-US subsidiaries' earnings will be indefinitely reinvested. The Company intends to utilize the offshore earnings to fund foreign investments, specifically, capital expenditures. Undistributed earnings that the Company will indefinitely reinvest, and for which no income taxes have been provided, aggregate to \$50.0 million and \$10.0 million at June 30, 2013 and December 31, 2012, respectively.

8. UNCERTAIN TAX POSITIONS

The Company files income tax returns in the U.S. federal jurisdiction, and in various state and foreign jurisdictions. In 2011, the Company entered into a closing agreement with the United States Internal Revenue Service (the "IRS") for all adjustments for the 2005 through 2008 tax years. As a result of entering into the closing agreement, the Company is no longer subject to tax examinations from the IRS for years before 2009. With a few exceptions, the Company is no longer subject to state and local income tax examination by tax authorities for the years before 2005. In 2009, the Company entered into a voluntary program with the IRS called Compliance Assurance Process ("CAP"). The objective of CAP is to contemporaneously work with the IRS to achieve federal tax compliance and resolve all or most of the issues prior to filing of the tax return. The Company has elected to participate in the CAP program for 2013 and may elect to continue participating in CAP for future tax years; the Company may withdraw from the program at any time. In major foreign jurisdictions, the Company is no longer subject to income tax examinations for years before 2006. Along with the IRS examination, the Company is currently under examination in certain foreign jurisdictions; however, the outcomes of those reviews are not yet determinable.

The Company's unrecognized tax benefits relate to multiple foreign and domestic jurisdictions. Due to potential increases in unrecognized tax benefits from the multiple jurisdictions in which the Company operates, as well as the expiration of various statutes of limitation, it is reasonably possible that the Company's gross unrecognized tax benefits, net of foreign currency adjustments, may decrease within the next 12 months by a range of approximately \$2 to \$4 million.

9. COMMITMENTS AND CONTINGENCIES

The Company is subject to governmental regulations pertaining to product formulation, labeling and packaging, product claims and advertising and to the Company's direct selling system. The Company is also subject to the jurisdiction of numerous foreign tax and customs authorities. Any assertions or determination that either the Company or the Company's distributors is not in compliance with existing statutes, laws, rules or regulations could have a material adverse effect on the Company's operations. In addition, in any country or jurisdiction, the adoption of new statutes, laws, rules or regulations or changes in the interpretation of existing statutes, laws, rules or regulations could have a material adverse effect on the Company and its operations. Although management believes that the Company is in compliance in all material respects with the statutes, laws, rules and regulations of every jurisdiction in which it operates, no assurance can be given that the Company's compliance with applicable statutes, laws, rules and regulations will not be challenged by foreign authorities or that such challenges will not have a material adverse effect on the Company's financial position or results of operations or cash flows. The Company and its Subsidiaries are defendants in litigation and proceedings involving various matters. Except as noted below, in the opinion of the Company's management, based upon advice of its counsel handling such litigation and proceedings, adverse outcomes, if any, will not likely result in a material effect on the Company's consolidated financial condition, results of operations or cash flows.

The Company is subject to regular audits by federal, state and foreign tax authorities. These audits may result in additional tax liabilities. The Company believes it has appropriately provided for income taxes for all years. Several factors drive the calculation of its tax reserves. Some of these factors include: (i) the expiration of various statutes of limitations; (ii) changes in tax law and regulations; (iii) issuance of tax rulings; and (iv) settlements with tax authorities. Changes in any of these factors may result in adjustments to the Company's reserves, which would impact its reported financial results.

The Company is currently involved in a dispute with customs authorities in Japan related to additional customs assessments on several of the Company's Pharmanex nutritional products made by Yokohama Customs for the period of October 2006 through September 2009 in connection with post-importation audits, as well as the disputed portion of the Company's import duties from October 2009 to the present, which the Company has or will hold in bond or pay under protest. This dispute is separate and distinct from the dispute related to customs assessments on certain of the Company's products imported into Japan during the period of October 2002 through July 2005. The aggregate amount of these assessments and disputed duties was approximately 4.3 billion Japanese yen as of June 30, 2013 (approximately \$44.1 million), net of any recovery of consumption taxes. Additional assessments related to any prior period would be barred by applicable statutes of limitations. The issue in this case is whether a United States entity utilizing a commissionaire agent in Japan to import its products can use the manufacturer's invoice or must use another valuation method, and, if an alternative method must be used, what the allowable deductions would be in determining the proper valuation. Following the Company's review of the assessments and after consulting with the Company's legal and customs advisors, the Company believes that the additional assessments are improper and are not supported by applicable customs laws. The Company filed letters of protest with Yokohama Customs, which were rejected. The Company then appealed the matter to the Ministry of Finance in Japan. In the second quarter of 2011, the Ministry of Finance in Japan denied the Company's administrative appeal. The Company disagrees with the Ministry of Finance's administrative decision. The Company is now pursuing the matter in Tokyo District Court, which the Company believes will provide a more independent determination of the matter. In addition, the Company is currently required to post a bond or make a deposit equal to the difference between the Company's declared duties and the amount the customs authorities have determined the Company should be paying on all current imports. Because the Company believes that the assessment of higher duties by the customs authorities is an improper application of the regulations, the Company is currently expensing the portion of the duties the Company believes is supported under applicable customs law, and recording the additional deposit or payment as a receivable within long-term assets on its consolidated financial statements. If the Company is unsuccessful in recovering the amounts assessed and paid, the Company will record a non-cash expense for the full amount of the disputed assessments. The Company anticipates that additional disputed duties will be reduced going forward as the Company now purchases a majority of the affected products in Japan from a Japanese company that purchases and imports the products from the manufacturer.

NU SKIN ENTERPRISES, INC.
Notes to Consolidated Financial Statements

10. LONG-TERM DEBT

The Company currently has debt pursuant to various credit facilities and other borrowings. The Company's book value for both the individual and consolidated debt included in the table below approximates fair value. The estimated fair value of the Company's debt is based on interest rates available for debt with similar terms and remaining maturities. The Company has classified these instruments as Level 2 in the fair value hierarchy. The following table summarizes the Company's long-term debt arrangements:

Facility or Arrangement	Original Principal Amount	Balance as of June 30, 2013⁽¹⁾	Balance as of December 31, 2012	Interest Rate	Repayment terms
Multi-currency uncommitted shelf facility:					
U.S. dollar denominated:	\$40.0 million	\$22.9 million	\$22.9 million	6.2%	Notes due July 2016 with annual principal payments that began in July 2010.
	\$20.0 million	\$11.4 million	\$14.3 million	6.2%	Notes due January 2017 with annual principal payments that began in January 2011.
Japanese yen denominated:	3.1 billion yen	0.4 billion yen (\$4.5 million as of June 30, 2013)	0.9 billion yen (\$10.2 million as of December 31, 2012)	1.7%	Notes due April 2014 with annual principal payments that began in April 2008.
	2.3 billion yen	1.6 billion yen (\$16.3 million as of June 30, 2013)	1.6 billion yen (\$18.7 million as of December 31, 2012)	2.6%	Notes due September 2017 with annual principal payments that began in September 2011.
	2.2 billion yen	1.2 billion yen (\$12.5 million as of June 30, 2013)	1.6 billion yen (\$17.9 million as of December 31, 2012)	3.3%	Notes due January 2017 with annual principal payments that began in January 2011.
	8.0 billion yen	8.0 billion yen (\$80.5 million as of June 30, 2013)	8.0 billion yen (\$92.0 million as of December 31, 2012)	1.7%	Notes due May 2022 with annual principal payments that begin in May 2016.
Committed loan⁽²⁾:					
U.S. dollar denominated:	\$30.0 million	\$15.0 million	\$18.0 million	Variable 30 day: 1.192%	Amortizes at \$0.5 million every 30 days.
Revolving credit facility⁽³⁾	\$35.0 million	\$35.0 million	N/A	Variable 30 day: 0.70%	Revolving line of credit.

(1) The current portion of the Company's long-term debt (i.e. becoming due in the next 12 months) includes \$10.9 million of the balance of its Japanese yen-denominated debt under the multi-currency uncommitted shelf facility, \$8.6 million of the balance on its U.S. dollar denominated debt under the multi-currency uncommitted shelf facility, \$15.0 million of the Company's committed loan and \$35.0 million of its revolving loan.

(2) The committed loan is secured by deeds of trust with respect to the Company's corporate headquarters and distribution center in Provo, Utah.

(3) On February 5, 2013, the Company entered into a second amendment of the amended and restated credit agreement. The amendment increased the commitment amount from \$25.0 million to \$100.0 million from February 2013 to February 2014, after which the commitment amount returns to the current level over a three-month period.

11. ACCOUNTING PRONOUNCEMENTS

In July 2012, the FASB issued ASU No. 2012-02, *Intangibles-Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment*. The standard gives companies the option to perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired rather than calculating the fair value of the indefinite-lived intangible asset. It is effective prospectively for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. The Company does not expect to apply the qualitative assessment provisions of ASU 2012-02.

In February 2013, the FASB issued ASU No. 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*. This pronouncement was issued to improve the reporting of reclassifications out of accumulated other comprehensive income. The amendments in this update seek to attain that objective by requiring an entity to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. GAAP to be reclassified in its entirety to net income. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income in the same reporting period, an entity is required to cross-reference other disclosures required under U.S. GAAP that provide additional detail about those amounts. This would be the case when a portion of the amount reclassified out of accumulated other comprehensive income is reclassified to a balance sheet account (i.e. inventory) instead of directly to income or expense in the same reporting period. This pronouncement is effective prospectively for reporting periods beginning after December 15, 2012. The adoption of ASU 2013-02 did not have a material impact to the consolidated financial position, results of operations or cash flows. See Note 4 for disclosures regarding ASU 2013-02.

In July 2013, the FASB issued ASU No. 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (a consensus of the Emerging Issues Task Force)*. This ASU addresses when unrecognized tax benefits should be presented as reductions to deferred tax assets for net operating loss carryforwards in the financial statements. This ASU is effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2013. Early adoption and retrospective application is permitted. The Company does not anticipate the adoption of ASU 2013-11 to have a material impact to the consolidated financial position, results of operations or cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis should be read in conjunction with Management's Discussion and Analysis included in our Annual Report on Form 10-K for the year ended December 31, 2012 filed with the Securities and Exchange Commission ("SEC") on February 27, 2013, and our other filings, including Current Reports on Form 8-K, filed with the SEC through the date of this report.

Overview

Our revenue for the three- and six-month periods ended June 30, 2013 increased 15% and 17% to \$682.9 million and \$1.2 billion, when compared to the same periods in 2012, with foreign currency fluctuations negatively impacting revenue 3% for both periods. This increase was driven by significant growth in our Greater China region and continued growth in our North Asia and Americas regions. Sustained interest in our innovative product portfolio, including our ageLOC anti-aging products, and our business opportunity continued to drive robust year-over-year growth in our Sales Leaders and Actives, with increases of 23% and 32%, respectively. Earnings per share for the second quarter of 2013 were \$1.22, compared to \$0.94 in the prior year. Earnings per share for the first half of 2013 were \$2.11 compared to \$1.67 in the prior-year period. Earnings per share were positively impacted by our repurchase of outstanding shares over the past year. We currently plan to introduce our *ageLOC TR90* weight management system through limited-time offerings in each of our regions in the second half of 2013. *TR90* is a proprietary weight management system that includes four products and a comprehensive diet and lifestyle plan designed to promote healthy weight loss.

Revenue

Greater China. The following table sets forth revenue for the three- and six-month periods ended June 30, 2013 and 2012 for the Greater China region and its principal markets (U.S. dollars in millions):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	Change	2013	2012	Change
Mainland China	\$ 197.6	\$ 57.3	245%	\$ 321.7	\$ 108.1	198%
Taiwan	38.1	40.5	(6%)	70.6	65.4	8%
Hong Kong	33.4	101.9	(67%)	52.6	118.8	(56%)
Greater China total	<u>\$ 269.1</u>	<u>\$ 199.7</u>	35%	<u>\$ 444.9</u>	<u>\$ 292.3</u>	52%

Foreign currency exchange rate fluctuations positively impacted revenue in this region by 3% and 2% during the three- and six-month periods ended June 30, 2013. Strong revenue growth in the Greater China region reflects significant growth in our Actives and Sales Leaders and continued interest in our product portfolio, including our ageLOC products. Quarterly product expos continued to positively impact sales in the region. Revenue for the second quarter of 2012 included approximately \$100 million from the regional limited-time offers of our *ageLOC R2* and *ageLOC Galvanic Body Spa* and related products, with most of the sales recorded in Hong Kong in connection with our Greater China regional convention. Actives and Sales Leaders in Mainland China increased 199% and 88%, respectively, compared to the prior-year period. Sales Leaders in Taiwan were down 19% and Actives increased 23%, compared to the prior year. Sales Leaders and Actives in Hong Kong were up 7% and 46%, respectively, compared to the prior year. The number of Sales Leaders in the region in the prior year was positively impacted by limited-time offer related qualifications.

Our rapid growth in Greater China has put significant pressure on our supply chain and other systems and resources in this region. This has caused us to take some measures to help alleviate this pressure, including staging the limited-time offering of *ageLOC TR90* in the Greater China region over the third and fourth quarters of this year, rather than limiting the offering to September as originally planned. We, along with our management team in the Greater China region, who have extensive experience with our business, continue to focus resources to successfully manage the necessary expansion of our management team, labor force, manufacturing operations, systems, government relations efforts, stores and sales support centers, including plans to triple our number of stores and sales support centers by 2015 and expand our manufacturing capabilities. In July 2013, China's Ministry of Commerce granted us authorization to expand our direct selling activities into additional provinces and districts in Mainland China.

North Asia. The following table sets forth revenue for the three- and six-month periods ended June 30, 2013 and 2012 for the North Asia region and its principal markets (U.S. dollars in millions):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	Change	2013	2012	Change
Japan	\$ 98.9	\$ 115.6	(14%)	\$ 205.6	\$ 225.7	(9%)
South Korea	97.9	62.1	58%	179.4	134.2	34%
North Asia total	<u>\$ 196.8</u>	<u>\$ 177.7</u>	11%	<u>\$ 385.0</u>	<u>\$ 359.9</u>	7%

Revenue in the region for the three- and six-month periods ended June 30, 2013 was negatively impacted approximately 12% and 10% by foreign currency exchange rate fluctuations.

During the second quarter and first half of 2013, the Japanese yen weakened against the U.S. dollar, negatively impacting our revenue in this market by 20% and 18%, respectively, compared to the same periods in 2012. Local-currency revenue in Japan in the second quarter and first half of 2013 increased 5% and 9%, respectively, year-over-year. This growth reflects continued interest in our strong product portfolio, including our ageLOC anti-aging products. Our Sales Leaders and Actives in Japan were up 9% and down 5%, respectively, compared to the prior year. The environment for direct selling in Japan has been challenging for several years. We expect media and regulatory scrutiny of direct selling to continue. We recently received a warning from a regional regulatory authority requesting that we take additional actions to address its concerns regarding the activities of our distributors. As a result of this warning, we have implemented additional steps to further reinforce our distributor education, training and compliance efforts. These issues also lead us to be cautious in our promotional activities. For more information regarding this matter, see "Note Regarding Forward-Looking Statements" below.

Local-currency revenue in South Korea increased 54% and 29% for the three- and six-month periods ended June 30, 2013, compared to the same period in 2012. This growth reflects a 38% increase in both Sales Leaders and Actives, driven by distributor initiatives and continued interest in our strong product portfolio.

South Asia/Pacific. The following table sets forth revenue for the three- and six-month periods ended June 30, 2013 and 2012 for the South Asia/Pacific region (U.S. dollars in millions):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	Change	2013	2012	Change
South Asia/Pacific	\$ 85.9	\$ 98.3	(13%)	\$ 153.2	\$ 175.7	(13%)

Foreign currency exchange rate fluctuations in South Asia/Pacific did not materially impact revenue in the three- and six-month periods ended June 30, 2013, when compared to the same prior-year periods. Revenue in the region declined year-over-year due primarily to a difficult prior-year comparison, with revenue for the second quarter of 2012 including approximately \$40 million from regional limited-time offers of our ageLOC R² and ageLOC Galvanic Body Spa and related products. Actives in the region increased 16%, compared to the prior year, while Sales Leaders decreased 20%, compared to a large number of Sales Leaders in the prior year driven by limited-time offer related qualifications.

Americas. The following table sets forth revenue for the three- and six-month periods ended June 30, 2013 and 2012 for the Americas region (U.S. dollars in millions):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	Change	2013	2012	Change
Americas	\$ 84.3	\$ 71.8	17%	\$ 160.8	\$ 138.1	16%

Revenue in the Americas region for both the three- and six-month periods ended June 30, 2013 were negatively impacted approximately 5% by foreign currency exchange rate fluctuations. Year-over-year revenue growth in the region was positively impacted by strong growth in our Latin American markets, with revenue up 65% and 76% in these markets for the three- and six-month periods ended June 30, 2013, respectively. In the United States, revenue was up 8% for both the second quarter and first half of 2013 when compared to the same prior-year periods. Our Sales Leaders and Actives in this region increased 16% and 3%, respectively, compared to the prior year.

EMEA. The following table sets forth revenue for the three- and six-month periods ended June 30, 2013 and 2012 for the Europe, Middle East and Africa ("EMEA") region (U.S. dollars in millions):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	Change	2013	2012	Change
EMEA	\$ 46.8	\$ 45.7	2%	\$ 89.2	\$ 89.2	*

*Less than 1%

Foreign currency exchange rate fluctuations in the EMEA region positively impacted revenue for the three- and six-month periods ended June 30, 2013 by 1% in both periods when compared to the prior year. Our Sales Leaders and Actives in the EMEA region decreased by 3% and increased by 4%, respectively, when compared to the prior year.

Gross profit

Gross profit as a percentage of revenue was 83.7% for the second quarter of 2013, compared to 83.9% for the same prior-year period. Gross profit as a percentage of revenue was 83.7% for the first half of 2013, compared to 83.8% for the same prior-year period.

Selling expenses

Selling expenses as a percentage of revenue increased to 45.2% and 44.7% for the three- and six-month periods ended June 30, 2013 from 45.1% and 44.5% for the same periods in 2012. Selling expenses as a percentage of revenue remained elevated due to growth in our sales force, with a higher number of Sales Leaders achieving sales incentive trips, and to the accrual of expenses associated with the anticipated achievement of a special incentive in Greater China.

General and administrative expenses

As a percentage of revenue, general and administrative expenses decreased to 21.7% and 23.0% for the three- and six-month periods ended June 30, 2013 from 22.3% and 23.2% for the same periods in 2012. This improvement was due primarily to our revenue growing at a faster rate than our general and administrative expenses.

Other income (expense), net

Other income (expense), net for the three- and six-month periods ended June 30, 2013 was \$1.2 million and \$1.1 million of expense compared to \$3.4 million of expense and \$0.3 million of income for the same periods in 2012. The fluctuations in other income (expense) are largely due to the impact of changes in foreign currency exchange rates.

Provision for income taxes

Provision for income taxes for the three- and six-month periods ended June 30, 2013 was \$39.0 million and \$67.5 million compared to \$34.1 million and \$61.6 million for the same periods in 2012. The effective tax rate was 34.4% of pre-tax income during both the three- and six-month periods ended June 30, 2013, compared to 36.1% and 36.3% in the same prior-year periods. The decrease in the effective tax rate is primarily due to a portion of our non-U.S. earnings being indefinitely reinvested outside the U.S.

Net income

As a result of the foregoing factors, net income for the second quarter and first half of 2013 was \$74.4 million and \$128.7 million compared to \$60.4 million and \$108.2 million for the same periods in 2012.

Liquidity and Capital Resources

Historically, our principal uses of cash have included operating expenses, particularly selling expenses, and working capital (principally inventory purchases), as well as capital expenditures, stock repurchases, dividends, debt repayment and the development of operations in new markets. We have generally relied on cash flow from operations to fund operating activities, and we have at times incurred long-term debt in order to fund strategic transactions and stock repurchases.

We typically generate positive cash flow from operations due to favorable margins. We generated \$188.9 million in cash from operations during the first half of 2013, compared to \$168.4 million during the same period in 2012. This increase is attributed to significant growth in revenue and net income.

As of June 30, 2013, working capital was \$292.2 million, compared to \$279.3 million as of December 31, 2012. Cash and cash equivalents, including current investments at June 30, 2013 and December 31, 2012 were \$411.4 million and \$333.4 million, respectively.

Capital expenditures in the first half of 2013 totaled approximately \$82.5 million, and we anticipate additional capital expenditures of approximately \$80 million for the remainder of 2013. Our 2013 capital expenditures are primarily related to:

- construction of an innovation center and related development projects on our Provo campus and a new Greater China regional headquarters in Shanghai, China;
- expansion of manufacturing facilities in Mainland China;
- the build-out and upgrade of leasehold improvements in our various markets, including stores and support centers in Mainland China; and
- purchases of computer systems and software, including equipment and development costs.

We currently have debt pursuant to various credit facilities and other borrowings. Our book value for both the individual and consolidated debt included in the table below approximates fair value. The estimated fair value of our debt is based on interest rates available for debt with similar terms and remaining maturities. We have classified these instruments as Level 2 in the fair value hierarchy. The following table summarizes our long-term debt arrangements:

<u>Facility or Arrangement</u>	<u>Original Principal Amount</u>	<u>Balance as of June 30, 2013⁽¹⁾</u>	<u>Interest Rate</u>	<u>Repayment terms</u>
Multi-currency uncommitted shelf facility:				
U.S. dollar denominated:	\$40.0 million	\$22.9 million	6.2%	Notes due July 2016 with annual principal payments that began in July 2010.
	\$20.0 million	\$11.4 million	6.2%	Notes due January 2017 with annual principal payments that began in January 2011.
Japanese yen denominated:	3.1 billion yen	0.4 billion yen (\$4.5 million as of June 30, 2013)	1.7%	Notes due April 2014 with annual principal payments that began in April 2008.
	2.3 billion yen	1.6 billion yen (\$16.3 million as of June 30, 2012)	2.6%	Notes due September 2017 with annual principal payments that began in September 2011.
	2.2 billion yen	1.2 billion yen (\$12.5 million as of June 30, 2013)	3.3%	Notes due January 2017 with annual principal payments that began in January 2011.
	8.0 billion yen	8.0 billion yen (\$80.5 million as of June 30, 2013)	1.7%	Notes due May 2022 with annual principal payments that began in May 2016.
Committed loan⁽²⁾:				
U.S. dollar denominated:	\$30.0 million	\$15.0 million	Variable 30 day: 1.192%	Amortizes at \$0.5 million every 30 days.
Revolving credit facility⁽³⁾	\$35.0 million	\$35.0 million	Variable 30 day: 0.70%	Revolving line of credit.

- (1) The current portion of our long-term debt (i.e. becoming due in the next 12 months) includes \$10.9 million of the balance of our Japanese yen-denominated debt under the multi-currency uncommitted shelf facility, \$8.6 million of the balance on our U.S. dollar denominated debt under the multi-currency uncommitted shelf facility, \$15.0 million of our committed loan and \$35.0 million of our revolving loan.
- (2) The committed loan is secured by deeds of trust with respect to our corporate headquarters and distribution center in Provo, Utah.
- (3) On February 5, 2013, we entered into a second amendment of the amended and restated credit agreement. The amendment increased the commitment amount from \$25.0 million to \$100.0 million from February 2013 to February 2014, after which the commitment amount returns to the current level over a three-month period.

Our board of directors has approved a stock repurchase program authorizing us to repurchase our outstanding shares of Class A common stock on the open market or in private transactions. The repurchases are used primarily to offset dilution from our equity incentive plans and for strategic initiatives. During the first half of 2013, we repurchased 0.4 million shares of Class A common stock under this program for \$14.6 million. At June 30, 2013, \$120.7 million was available for repurchases under the stock repurchase program. In July 2013 our board of directors authorized a \$400.0 million extension of our ongoing share repurchase authorization.

In February and May 2013, our board of directors declared a quarterly cash dividend of \$0.30 per share. These quarterly cash dividends totaling \$17.5 million and \$17.6 million were paid on March 13, 2013 and June 12, 2013, to stockholders of record on February 22, 2013 and May 24, 2013, respectively. In July 2013, our board of directors declared a quarterly cash dividend of \$0.30 per share to be paid September 11, 2013 to stockholders of record on August 23, 2013. Currently, we anticipate that our board of directors will continue to declare quarterly cash dividends and that the cash flows from operations will be sufficient to fund our future dividend payments. However, the continued declaration of dividends is subject to the discretion of our board of directors and will depend upon various factors, including our net earnings, financial condition, cash requirements, future prospects and other factors deemed relevant by our board of directors.

As of June 30, 2013 and December 31, 2012, we held \$402.7 million and \$320.0 million, respectively, in cash and cash equivalents, including \$337.7 million and \$248.7 million, respectively, held in our operations outside of the U.S. Substantially all of our non-U.S. cash and cash equivalents are readily convertible into U.S. dollars or other currencies. We typically fund the cash requirements of our operations in the U.S. through intercompany charges for products, license fees and corporate services. We currently plan to repatriate undistributed earnings from our foreign operations as necessary, considering the cash needs of our foreign operations and the cash needs of our U.S. operations for dividends, stock repurchases, capital investments, debt repayment and strategic transactions. In all but two jurisdictions, we have not designated our investments as indefinitely reinvested, but rather have these funds available for our operations in the U.S. as needed. Our cash and cash equivalents balance at June 30, 2013 includes \$50.0 million in offshore jurisdictions associated with our indefinite reinvestment strategy. We do not believe that the indefinite reinvestment of these funds offshore impairs our ability to meet our domestic debt or working capital obligations. Any repatriation of non-U.S. earnings requires payment of U.S. taxes in accordance with applicable U.S. tax rules and regulations. Accordingly, we have accrued the necessary U.S. taxes related to the funds that are not indefinitely reinvested.

We believe we have sufficient liquidity to be able to meet our obligations on both a short- and long-term basis. We currently believe that existing cash balances, future cash flows from operations and existing lines of credit will be adequate to fund our cash needs on both a short- and long-term basis. The majority of our historical expenses have been variable in nature and as such, a potential reduction in the level of revenue would reduce our cash flow needs. In the event that our current cash balances, future cash flow from operations and current lines of credit are not sufficient to meet our obligations or strategic needs, we would consider raising additional funds in the debt or equity markets or restructuring our current debt obligations. Additionally, we would consider realigning our strategic plans, including a reduction in capital spending, stock repurchases or dividend payments.

Contingent Liabilities

We are currently involved in a dispute with customs authorities in Japan related to additional customs assessments on several of our Pharmanex nutritional products made by Yokohama Customs for the period of October 2006 through September 2009 in connection with post-importation audits, as well as the disputed portion of the Company's import duties from October 2009 to the present, which the Company has or will hold in bond or pay under protest. This dispute is separate and distinct from the dispute related to customs assessments on certain of the Company's products imported into Japan during the period of October 2002 through July 2005. The aggregate amount of these assessments and disputed duties was 4.3 billion Japanese yen as of June 30, 2013 (approximately \$44.1 million), net of any recovery of consumption taxes. Additional assessments related to any prior period would be barred by applicable statutes of limitations. The issue in this case is whether a United States entity utilizing a commissionaire agent in Japan to import its products can use the manufacturer's invoice or must use another valuation method, and, if an alternative method must be used, what the allowable deductions would be in determining the proper valuation. Following our review of the assessments and after consulting with our legal and customs advisors, we believe that the additional assessments are improper and are not supported by applicable customs laws. We filed letters of protest with Yokohama Customs, which were rejected. We then appealed the matter to the Ministry of Finance in Japan. In the second quarter of 2011, the Ministry of Finance in Japan denied our administrative appeal. We disagree with the Ministry of Finance's administrative decision. We are now pursuing the matter in Tokyo District Court, which we believe will provide a more independent determination of the matter. In addition, we are currently required to post a bond or make a deposit equal to the difference between our declared duties and the amount the customs authorities have determined we should be paying on all current imports. Because we believe that the assessment of higher duties by the customs authorities is an improper application of the regulations, we are currently expensing the portion of the duties we believe is supported under applicable customs law, and recording the additional deposit or payment as a receivable within long-term assets on our consolidated financial statements. If we are unsuccessful in recovering the amounts assessed and paid, we will record a non-cash expense for the full amount of the disputed assessments. We anticipate that additional disputed duties will be reduced going forward as we now purchase a majority of the affected products in Japan from a Japanese company that purchases and imports the products from the manufacturer.

Critical Accounting Policies

There were no significant changes in our critical accounting policies during the quarter ended June 30, 2013.

Seasonality and Cyclicity

In addition to general economic factors, we are impacted by seasonal factors and trends such as major cultural events and vacation patterns. For example, most Asian markets celebrate their respective local New Year in the first quarter, which generally has a negative impact on that quarter. We believe that direct selling in Japan, the United States and Europe is also generally negatively impacted during the third quarter, when many individuals, including our distributors, traditionally take vacations.

We have experienced rapid revenue growth in certain new markets following commencement of operations. This initial rapid growth has often been followed by a short period of stable or declining revenue, followed by renewed growth fueled by product introductions and an increase in the number of Actives and increased distributor productivity. The contraction following initial rapid growth has been more pronounced in certain new markets, due to other factors such as business or economic conditions or distributor distractions outside the market.

Although our product launch process may vary by market, we generally introduce new products to our distributors and consumers in all markets where the products are registered, through limited-time offers in connection with global and regional distributor events. The limited-time offers typically generate significant distributor activity and a high level of purchasing, which may result in a higher than normal increase in revenue during the quarter of the limited-time offer and skew year-over-year and sequential comparisons.

Distributor Information

The following table provides information concerning the number of Actives and Sales Leaders as of the dates indicated. "Actives" are persons who have purchased products directly from the company during the three months ended as of the date indicated. "Sales Leaders" include our independent distributors who have completed and who maintain specified sales requirements, and our sales employees and contractual sales promoters in Mainland China, who have completed certain qualification requirements.

Region:	As of June 30, 2013		As of June 30, 2012	
	Actives	Sales Leaders	Actives	Sales Leaders
Greater China	376,000	30,455	170,000	20,182
North Asia	389,000	17,372	337,000	14,370
South Asia/Pacific	114,000	7,120	99,000	8,856
Americas	176,000	6,954	170,000	5,994
EMEA	124,000	4,484	119,000	4,626
Total	<u>1,179,000</u>	<u>66,385</u>	<u>895,000</u>	<u>54,028</u>

Currency Risk and Exchange Rate Information

A majority of our revenue and many of our expenses are recognized outside of the United States, except for inventory purchases, which are primarily transacted in U.S. dollars from vendors in the United States. The local currency of each of our subsidiaries' primary markets is considered the functional currency. All revenue and expenses are translated at weighted-average exchange rates for the periods reported.

Therefore, our reported revenue and earnings will be positively impacted by a weakening of the U.S. dollar and will be negatively impacted by a strengthening of the U.S. dollar. Given the large portion of our business derived from Japan, South Korea and Mainland China, any weakening of these currencies negatively impacts reported revenue and profits, whereas a strengthening of these currencies positively impacts our reported revenue and profits. Given the uncertainty of exchange rate fluctuations, it is difficult to predict the effect of these fluctuations on our future business, product pricing and results of operations or financial condition.

Foreign exchange risk is managed in certain jurisdictions through the use of foreign currency debt. Portions of our Japanese yen borrowings have been designated, and are effective as, economic hedges of the net investment in a foreign operation. Accordingly, foreign currency transaction gains or losses due to spot rate fluctuations on these debt instruments are included in foreign currency translation adjustment within other comprehensive income. Included in the cumulative translation adjustment are \$2.8 million and \$7.9 million of pretax net gains for the three- and six-month periods ended June 30, 2013 and \$0.7 million and \$1.7 million of pretax net gains for the three- and six-month periods ended June 30, 2012, respectively from Japanese yen borrowings.

Additionally, we may seek to reduce our exposure to fluctuations in foreign currency exchange rates through the use of foreign currency exchange contracts and through intercompany loans of foreign currency. We do not use derivative financial instruments for trading or speculative purposes. We regularly monitor our foreign currency risks and periodically take measures to reduce the impact of foreign exchange fluctuations on our operating results. At June 30, 2013 and 2012, we held forward contracts designated as foreign currency cash flow hedges with notional amounts totaling approximately 2.9 billion Japanese yen (\$29.2 million as of June 30, 2013) and approximately 3.7 billion Japanese yen (\$46.3 million as of June 30, 2012), respectively, to hedge forecasted foreign-currency-denominated intercompany transactions. Because of our foreign exchange contracts at June 30, 2013, the impact of a 10% appreciation or 10% depreciation of the U.S. dollar against the Japanese yen would not represent a material potential loss in fair value, earnings or cash flows against these contracts. This potential loss does not consider the underlying foreign currency transaction or translation exposures to which we are subject.

Note Regarding Forward-Looking Statements

This quarterly report on Form 10-Q, in particular "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended that represent the company's current expectations and beliefs. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws and include, but are not limited to, statements of management's expectations regarding our performance, initiatives, strategies, new products, opportunities and risks; statements of projections regarding future operating results and other financial items; statements of belief; and statements of assumptions underlying any of the foregoing. In some cases, you can identify these statements by forward-looking words such as "believe," "expect," "project," "anticipate," "estimate," "intend," "plan," "targets," "likely," "will," "would," "could," "may," "might," the negative of these words and other similar words. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. We caution and advise readers that these statements are based on certain assumptions that may not be realized and involve risks and uncertainties that could cause actual results to differ materially from the expectations and beliefs contained herein. In addition to the risks and uncertainties disclosed or incorporated by reference in our filings with the Securities and Exchange Commission, some of the risks and uncertainties that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in our forward-looking statements include, among others, the following:

(a) Our operating results could be adversely affected if our business opportunities and incentives, products and other initiatives do not generate sufficient enthusiasm and economic incentive to retain our existing Actives and Sales Leaders or to attract new Actives and Sales Leaders on a sustained basis. In addition, in our more mature markets, one of the challenges we face is keeping Sales Leaders with established businesses and high income levels motivated and actively engaged in business building activities and in developing new Sales Leaders. There can be no assurance that our initiatives will continue to generate excitement among our Actives and Sales Leaders in the long-term or that planned initiatives will be successful in maintaining distributor activity and productivity or in motivating Sales Leaders to remain engaged in business building and developing new Sales Leaders. Some initiatives may have unanticipated negative impacts on our distributors, particularly changes to our sales compensation plan. The introduction of a new product or key initiative can also negatively impact other product lines to the extent our Sales Leaders focus their efforts on the new product or initiative. In addition, if any of our products fail to gain distributor acceptance, we could see an increase in returns.

(b) Distributor activities that violate applicable laws or regulations could result in government or third party actions against us. We continue to experience general inquiries and complaints to consumer centers in Japan regarding the activities of our distributors. Over the last few years, we have received warnings from local consumer centers raising concerns about the number of these general inquiries and complaints. We recently received a warning from a regional regulatory authority requesting that we take action to further reduce the level of complaints. Although we are implementing additional steps to reinforce our distributor education, training and compliance efforts in Japan, we cannot be sure that such efforts will be successful. If the current level of inquiries or complaints does not improve, there is an increased likelihood that the government could take action against us, including sanctions and/or suspensions, or that we could receive negative media attention, all of which could harm our business. In addition, our distributor education, training and compliance efforts in Japan may negatively impact sales.

(c) If direct selling regulations in Mainland China are modified, interpreted or enforced in a manner that results in negative changes to our business model or the imposition of a range of potential penalties, our business would be significantly negatively impacted. The nature of the political, regulatory and legal systems in Mainland China gives regulatory agencies at both the local and central levels of government broad discretion to interpret and enforce regulations as they deem appropriate to promote social order. We face a risk that regulators may change the way in which they currently interpret and enforce the direct selling regulations. If our business practices are found to be in violation of applicable regulations as they may be interpreted or enforced in the future, in particular our use of the sales productivity of a Sales Leader and the sales promoters and employees that such Sales Leader leads and supervises in setting his/her quarterly compensation level, then we could be sanctioned and/or required to change our business model, either of which could significantly harm our business.

(d) Our operations in Mainland China are subject to significant government scrutiny, and we could be subject to fines or other penalties if our sales force engages in activities that violate applicable laws and regulations. The legal system in Mainland China provides governmental authorities with broad latitude to conduct investigations. We anticipate that our business will continue to attract significant governmental scrutiny, particularly as our business grows and the number of sales employees and contractual sales promoters continues to increase. We face a risk that future investigations may result in fines or other more significant sanctions. In addition, our ability to expand our business in Mainland China could be negatively impacted if we are unable to obtain additional necessary national and local government approvals in Mainland China.

(e) If we are unable to effectively manage our rapid growth in Greater China, our operations could be harmed. Our rapid growth in Greater China has put significant pressure on our supply chain and other systems and resources in this region. This has caused us to take some measures to help alleviate this pressure, including staging the limited-time offering of *ageLOC TR90* in the Greater China region over the third and fourth quarters of this year, rather than limiting the offering to September as originally planned. Our results could be negatively impacted by the extended timing of the limited-time offering if it reduces demand for *ageLOC TR90* or increases cannibalization of our other products. We, along with our management team in the Greater China region, who have extensive experience with our business, continue to focus resources to successfully manage the necessary expansion of our management team, labor force, manufacturing operations, government relations efforts, and stores and service centers, including plans to triple our number of stores and sales support centers by 2015, and expand our manufacturing capabilities. Insufficient management of such growth could result in, among other things, product delays or shortages, operating mistakes and errors, inadequate customer service, inappropriate claims or promotions by our sales force, and governmental inquiries and investigations, all of which could harm our revenue and ability to generate sustained growth and result in unanticipated expenses. In addition, we will need to continue to attract and develop qualified management personnel to sustain growth in this market. If we are not able to successfully retain existing personnel and identify, hire and integrate new personnel, our business and growth prospects could be harmed.

(f) Global economic conditions continue to be challenging. Even with continued growth in many of our markets, difficult economic conditions could adversely affect our business in the future by causing a decline in demand for our products, particularly if the economic conditions are prolonged or worsen. In addition, such economic conditions may adversely impact access to capital for us and our suppliers, may decrease the ability of our distributors and consumers to obtain or maintain credit cards, and may otherwise adversely impact our operations and overall financial condition.

(g) Due to the international nature of our business, we are exposed to the fluctuations of numerous currencies. We purchase inventory primarily in U.S. dollars. In preparing our financial statements, we translate revenue and expenses in our markets outside the United States from their local currencies into U.S. dollars using weighted average exchange rates. Our results could be negatively impacted if the U.S. dollar strengthens relative to these currencies. In addition, our business may be negatively impacted by inflation, currency exchange restrictions, pricing controls and currency devaluation, especially in countries such as Venezuela.

(h) Our business could be negatively impacted if we fail to execute our product launch process due to increased pressure on our supply chain, information systems and management. Although our product launch process may vary by market, we generally introduce new products to our distributors and consumers in all markets where the products are registered, through limited-time offers in connection with global and regional distributor events. The limited-time offers typically generate significant distributor activity and a high level of purchasing, which may result in a higher than normal increase in revenue during the quarter of the limited-time offer and skew year-over-year and sequential comparisons. We typically make a new product generally available within a year following the regional limited-time offers. We currently anticipate that the size of these limited-time offers may increase as our Actives grow and the percentage of Actives participating in these limited-time offers increases. However, we cannot be sure whether these limited-time offers will continue to generate distributor interest and participation, or what the short- and long-term impact will be on our business. We may experience difficulty effectively managing growth associated with these limited-time offers. In addition, the size and condensed schedule of these global product launches increases pressure on our supply chain. If we are unable to accurately forecast sales levels in each market, obtain sufficient ingredients or produce a sufficient supply to meet global demand, we may incur higher expedited shipping costs and we may experience stockouts, which could negatively impact the enthusiasm of our distributors and consumers. Conversely, if we over forecast demand for a global product launch, we could incur increased inventory write-offs. Our order processing systems could have difficulties handling the high volume of orders generated by limited-time offers. Although our previous limited-time offers have not materially affected our product return rate, these events may increase our product return rate in the future.

(i) There have been a series of third party actions and governmental actions involving some of our competitors in the direct selling industry. These actions have generated negative publicity for the industry and likely have resulted in increased regulatory scrutiny of other companies in the industry. Adverse rulings in any of these cases could harm our business if they create adverse publicity or interpret laws in a manner inconsistent with our current business practices.

(j) The network marketing, nutritional supplement and personal care industries are subject to various laws and regulations throughout our markets, many of which involve a high level of subjectivity and are inherently fact-based and subject to interpretation. In addition, negative publicity concerning supplements with controversial ingredients has spurred efforts to change existing regulations or adopt new regulations in order to impose further restrictions and regulatory control over the nutritional supplement industry. If our existing business practices or products, or any new initiatives or products, are challenged or found to contravene any of these laws by any governmental agency or other third party, or if there are any new regulations applicable to our business that limit our ability to market such products or impose additional requirements on us, our revenue and profitability may be harmed. For example, the FDA recently issued warning letters to several cosmetic companies alleging improper structure/function claims regarding their cosmetic products, including, for example, product claims regarding gene activity, cellular rejuvenation, and rebuilding collagen. In addition, plaintiffs' lawyers have filed class action lawsuits against some of our competitors following the warning letters. There can be no assurance that we will not be subject to similar governmental actions or class action lawsuits, which could harm our business.

(k) While we have not been required to register our *Galvanic Spa* facial unit, *ageLOC Body Spa* or *Pharmanex BioPhotonic Scanner* as medical devices in most of our markets, we were required to register our *Galvanic Spa* facial unit as a medical device in Indonesia, Thailand and Colombia. Any determination by regulatory authorities in our markets that these products must be registered as medical devices could restrict our ability to import or sell the product in such market until registration is obtained. The United States Food and Drug Administration (the "FDA") has refused admission of shipments of our *Galvanic Spa* facial units because the FDA believes it may require clearance as a medical device. While we disagree with the FDA, we have elected to suspend distribution of *Galvanic Spa* facial units in the United States. In September 2012, we filed an application for clearance of an alternative facial spa unit as a low-level medical device. We currently anticipate that this process could take a year or longer. If we face delays or challenges in getting clearance or resolving the matter with the FDA, our results in the United States could be negatively impacted.

(l) Production difficulties and quality control problems could harm our business, in particular our reliance on third party suppliers to deliver quality products in a timely manner. Occasionally, we have experienced production difficulties with respect to our products, including the delivery of products that do not meet our quality control standards. These quality problems have resulted in the past, and could result in the future, in stock outages or shortages in our markets with respect to such products, harming our sales and creating inventory write-offs for unusable products.

(m) Historically, most of our products have been imported from the United States into the countries in which they are ultimately sold. These countries impose various legal restrictions on imports and typically impose duties on our products. We may be subject to prospective or retrospective increases in duties on our products imported into our markets outside of the United States, which could adversely impact our results. As discussed above under the heading "Contingent Liabilities," we are currently appealing certain assessments of duties in Japan. In addition, we are currently required to post a bond or make a deposit for duties in excess of what we believe are supported by applicable customs law, and we record the additional deposit or payment as a receivable within long-term assets on our consolidated financial statements. If we are unsuccessful in recovering the amounts assessed and paid or held in bond, we will record a non-cash expense for the full amount of the disputed assessments.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by Item 3 of Part I of Form 10-Q is incorporated herein by reference from the section entitled "Currency Risk and Exchange Rate Information" in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation" of Part I and also in Note 4 to the Financial Statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

As of the end of the period covered by this report, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")).

Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2013.

Changes in Internal Controls Over Financial Reporting.

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the most recent fiscal quarter covered by this report, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

No updates to report. Please refer to our recent SEC filings, including our Annual Report on Form 10-K for the 2012 fiscal year and subsequent Quarterly Reports on Form 10-Q for information regarding the status of certain legal proceedings that have been previously disclosed.

ITEM 1A. RISK FACTORS

No updates to report. Please refer to our recent SEC filings, including our Annual Report on Form 10-K for the 2012 fiscal year and subsequent Quarterly Reports on Form 10-Q for a detailed discussion of risks associated with our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS**Exhibits
Regulation S-K
Number****Description**

10.1	Amended and Restated Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 7, 2013).
10.2	Amendment to the Second Amended and Restated Nu Skin Enterprises, Inc. 1996 Stock Incentive Plan.
10.3	Amendment to the Nu Skin Enterprises, Inc. 2006 Stock Incentive Plan.
10.4	Form of Amended & Restated 2010 Plan Director Stock Option Grant Agreement.
10.5	Form of Amended & Restated 2010 Plan Director Restricted Stock Unit Grant Agreement.
31.1	Certification by M. Truman Hunt, President and Chief Executive Officer, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by Ritch N. Wood, Chief Financial Officer, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by M. Truman Hunt, President and Chief Executive Officer, pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by Ritch N. Wood, Chief Financial Officer, pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

August 2, 2013

NU SKIN ENTERPRISES, INC.

By: /s/ Ritch N. Wood
Ritch N. Wood
Its: Chief Financial Officer
(Duly Authorized Officer and Principal Financial and
Accounting Officer)

**Amendment to the Second Amended and Restated
Nu Skin Enterprises, Inc. 1996 Stock Incentive Plan**

Pursuant to Section 18.1 of the Second Amended and Restated Nu Skin Enterprises, Inc. 1996 Stock Incentive Plan (the "1996 Plan"), effective June 7, 2013, the 1996 Plan is hereby amended by adding the following Section 7.2(g):

"7.2(g) Notwithstanding the foregoing, unless otherwise set forth in an Award Agreement, if on the last day of the term of an Option the Fair Market Value of one Share exceeds the Option Price, the Grantee has not exercised the Option (or a tandem SAR, if applicable) and the Option has not expired, the Option shall be deemed to have been exercised by the Grantee on such day with payment made by withholding Shares otherwise issuable in connection with the exercise of the Option. In such event, the Company shall deliver to the Grantee the number of Shares for which the Option was deemed exercised, less the number of Shares required to be withheld for the payment of the total purchase price and required withholding taxes; provided, however, any fractional Share shall be settled in cash."

Amendment to the Nu Skin Enterprises, Inc. 2006 Stock Incentive Plan

Pursuant to Section 14.1 of the Nu Skin Enterprises, Inc. 2006 Stock Incentive Plan (the "2006 Plan"), effective June 7, 2013, the 2006 Plan is hereby amended by adding the following Section 6.13:

"6.13 Automatic Exercise of Options. Notwithstanding the foregoing, unless otherwise set forth in an Option Agreement, if on the last day of the term of an Option the Fair Market Value of one share of Common Stock exceeds the option exercise price per Option, the Optionholder has not exercised the Option (or a tandem Stock Appreciation Right, if applicable) and the Option has not expired, the Option shall be deemed to have been exercised by the Optionholder on such day with payment made by withholding shares of Common Stock otherwise issuable in connection with the exercise of the Option. In such event, the Company shall deliver to the Optionholder the number of shares of Common Stock for which the Option was deemed exercised, less the number of shares of Common Stock required to be withheld for the payment of the total purchase price and required withholding taxes; provided, however, any fractional share of Common Stock shall be settled in cash."

**NU SKIN ENTERPRISES, INC.
AMENDED AND RESTATED 2010 OMNIBUS INCENTIVE PLAN
STOCK OPTION AGREEMENT**

This Stock Option Agreement and Participant's award summary (the "Award Summary"), which can be accessed in Participant's My Awards on the Morgan Stanley Benefit Access Website at www.benefitaccess.com (or the website of any other stock plan administrator selected by the Company in the future) (collectively, the "Agreement") sets forth the terms and conditions of the Options granted to Participant under the Amended and Restated Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (the "Plan"). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail. Unless otherwise defined herein, the capitalized terms in this Agreement shall have the same defined meaning assigned to them in the Plan.

1. Grant of Options.

1.1 Grant of Options. Effective as of the date of grant specified in the Award Summary, the Company grants to Participant Options to purchase up to the number of shares of the Company's Class A common stock ("Shares") specified in the Award Summary. Such Options are granted as an incentive to work to increase the value of the Company for its stockholders.

1.2 Nature of Options. The Award Summary shall designate whether the Options are a Nonqualified Stock Option or Incentive Stock Option. Options awarded under this Agreement may not be exercised at any time until such Options are vested as provided in the Award Summary governing such Options. Except as otherwise provided in the Award Summary or this Agreement, the Options granted hereunder shall terminate on the earlier of (i) the seventh anniversary of the Date of Grant, or (ii) the date such Options are fully exercised, unless earlier terminated under Section 4 or 5 of this Agreement.

1.3 Vesting of Options. The Options shall vest on the dates (the "Vesting Dates") and in the amounts determined by the Committee and set forth in the Award Summary, provided that Participant remains in the Continuous Service of the Company (as defined in Section 4 below) during the period commencing on the date of grant and ending on each of the respective Vesting Dates (the "Vesting Period") except as otherwise provided in Section 4.

1.4 Exercise of Options. Options shall become exercisable at such time, as may be provided herein and shall be exercisable as provided on the Morgan Stanley Benefit Access Website at www.benefitaccess.com (or the website of any other stock plan administrator selected by the Company in the future) or by written notice of such exercise, in the form prescribed by the Committee, to the person designated by the Committee at the corporate offices of Nu Skin Enterprises. The notice shall specify the number of Options that are being exercised. The Option Price shall be payable on the exercise of the Options and shall be paid in cash, in shares of Class A common stock, including shares of Class A common stock acquired pursuant to the Plan, part in cash and part in shares, or such other manner as may be approved by the Committee consistent with the terms of the Plan as it may be amended from time to time. Shares of Class A common stock transferred in payment of the Option Price shall be valued as of the date of transfer based on the Fair Market Value of the Company's Class A common stock, which, for purposes hereof, shall be considered to be the average closing price of the Company's Class A common stock as reported on the New York Stock Exchange for the ten (10) trading days just prior to the date of exercise. Only shares of the Company's Class A common stock which have been held for at least six (6) months may be used to exercise the Option.

1.5 Stockholder Rights. Unless and until the Shares are issued by the Company upon exercise of the Options, Participant shall have none of the rights or privileges of a shareholder of the Company (including voting, dividend and liquidation rights) with respect to the Shares covered by the Options.

2. Securities Law Compliance. Participant represents that Participant has received and carefully read a copy of the Prospectus for the Plan, together with the Company's most recent Annual Report to Stockholders. Participant hereby acknowledges that Participant is aware of the risks associated with the Shares and that there can be no assurance the price of the Shares will not decrease in the future. Participant hereby acknowledges no representations or statements have been made to Participant concerning the value or potential value of the Shares. Participant acknowledges that Participant has relied only on information contained in the Prospectus and has received no representations, written or oral, from the Company or its employees, attorneys or agents, other than those contained in the Prospectus or this Agreement. Participant acknowledges that the Company has made no representations or recommendations, and is not providing any tax, legal or financial advice, regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

3. Transfer Restrictions. Participant shall not transfer, assign, sell, encumber, pledge, grant a security interest in or otherwise dispose of the Options subject to this Agreement in any manner other than by the laws of descent or distribution, and shall be exercised, during the lifetime of the Participant, only by the Participant. Any such transfer, assignment, sale, encumbrance, pledge, security interest or disposition shall be void and shall result in the automatic termination of the Options and this Agreement.

4. Termination of Continuous Service. In the event Participant's Continuous Service (as defined below) is terminated for any reason prior to the full vesting of the Options, the Options granted hereunder shall terminate to the extent they are not vested as of the termination of Participant's Continuous Service, as determined in accordance with Section 10(f) below, and Participant shall not have any right to exercise such unvested Options. In the event Participant's Continuous Service is terminated for any reason, all Options granted hereunder that are vested but unexercised at the time of termination of Continuous Service shall terminate upon the earliest of the following: (i) the full exercise of the Options, (ii) the expiration of the Options by their terms, or (iii) three years following the date of termination of Continuous Service. "Continuous Service" means that Participant's service as a member of the Board of Directors of the Company is not interrupted or terminated. Subject to the requirements of applicable law, the Committee, in its sole discretion, shall determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by the Company or a Subsidiary, including sick leave, military leave or any other personal leave.

5. Forfeiture. If at any time during Participant's Continuous Service or at any time during the 12-month period following termination of Participant's Continuous Service, a Forfeiture Event (as defined below) occurs, then at the election of the Committee, (a) this Agreement and all Options granted hereunder shall terminate, and (b) Participant shall return to the Company for cancellation all Shares held by Participant plus pay the Company the amount of any proceeds received from the sale of any Shares to the extent such Shares were issued pursuant to Options granted under this Agreement that were exercised (i) during the 12-month period immediately preceding the Forfeiture Event, or (ii) on the date of or at any time after such Forfeiture Event.

"Forfeiture Event" means the following:

- (a) an act of fraud or intentional misrepresentation related to Participant's services;
- (b) disclosure or use of confidential information in a manner detrimental to the Company;
- (c) competing with the Company; or
- (d) any other willful misconduct by Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company. The Committee, in its sole discretion, may waive at any time in writing this forfeiture provision and release Participant from liability hereunder.

6. Governing Plan Document. This Agreement incorporates by reference all of the terms and conditions of the Plan, as presently existing and as hereafter amended. Participant expressly acknowledges and agrees that the terms and provisions of this Agreement are subject in all respects to the provisions of the Plan. Participant also expressly:

- (a) Acknowledges receipt of the Plan and represents that Participant is familiar with the provisions of the Plan, and that Participant enters into this Agreement subject to all of the provisions of the Plan;
- (b) Recognizes that the Committee has been granted complete authority to administer the Plan in its sole discretion, and agrees to accept all decisions related to the Plan and all interpretations of the Plan made by the Committee as final and conclusive upon Participant and upon all persons at any time claiming any interest through Participant in the Options or the Shares subject to this Agreement; and
- (c) Acknowledges and understands that the establishment of the Plan and the existence of this Agreement are not sufficient, in and of themselves, to exempt Participant from the requirements of Section 16(b) of the Exchange Act, as amended and any rules or regulations promulgated thereunder, and that Participant (to the extent Section 16(b) applies to Participant) shall not be exempt from such requirements pursuant to Rule 16b-3 unless and until Participant shall comply with all applicable requirements of Rule 16b-3, including without limitation, the possible requirement that Participant must not sell or otherwise dispose of any Share acquired hereby unless and until a period of at least six months shall have elapsed between the date upon which such Options was granted to Participant and the date upon which Participant desires to sell or otherwise dispose of any Share acquired under such Options.

7. Representations and Warranties. As a condition to the receipt of any Shares upon exercise of the Options, the Company may require Participant to make any representations and warranties to the Company that legal counsel to the Company may determine to be required or advisable under any applicable law or regulation, including without limitation, representations and warranties that the Shares are being acquired only for investment and without any present intention or view to sell or distribute any such shares.

8. Compliance With Law and Regulations. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any shares issuable upon exercise of the Options prior to the completion of any registration or qualification of the shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, Participant agrees that the Company shall have unilateral authority to amend the Plan and the Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

9. Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company in its discretion to be an appropriate charge to Participant even if legally applicable to the Company ("Tax-Related Items"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Options, including, but not limited to, the grant, vesting or exercise of the Options, the subsequent sale of any Shares acquired at exercise and the receipt of any dividends; and (b) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Options to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction between the date of grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Prior to any relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items.

In this regard, Participant authorizes the Company, or the Company's respective agents, at the Company's discretion, to satisfy the obligations with respect to all Tax-Related Items by one or a combination of the following:

- (a) withholding from proceeds of the sale of Shares acquired upon exercise of the Options either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization); or
- (b) withholding from Participant's wages or other cash compensation paid to Participant by the Company; or
- (c) withholding in Shares to be issued upon exercise of the Options.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Options, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, Participant agrees to pay to the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

10. Nature of Grant. In accepting the Options, Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of Options is voluntary and occasional and does not create any contractual or other right to receive future awards of Options, or benefits in lieu of Options even if Options have been awarded in the past;
- (c) nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in the service of the Company as a Director or in any other capacity;
- (d) all decisions with respect to future grants of Options or other grants, if any, will be at the sole discretion of the Company;
- (e) Participant's participation in the Plan is voluntary; and
- (f) in the event of the termination of Participant's Continuous Service, and unless otherwise expressly provided in this Agreement or determined by the Company, Participant's right to vest in the Options under the Plan, if any, will terminate as of the date Participant's Continuous Service terminated, as determined by the Committee in its sole discretion; similarly, any right to exercise Options after termination of Participant's Continuous Service will be measured from the date Participant is no longer providing Continuous Service, as determined by the Committee in its sole discretion.

11. Miscellaneous Provisions.

11.1 Notices. Any notice required to be given under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the sender's local mail, registered or certified, postage prepaid and properly addressed to the party entitled to such notice at the latest address on file or at such other address as such party may designate by ten days advance written notice under this Section to all other parties to this Agreement.

11.2 Waiver. The failure of the Company in any instance to exercise any rights under this Agreement, including the forfeiture rights under Section 5, shall not constitute a waiver of any other rights that may subsequently arise under the provisions of this Agreement or any other agreement between the Company and Participant. Participant acknowledges that no waiver by the Company of any breach of any provision of this Agreement shall operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other Participant, whether of like or different nature.

11.3 Imposition of Other Requirements & Participant Undertaking. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Options and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons. Participant hereby agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out the foregoing or one or more of the obligations or restrictions imposed on either Participant or the Shares pursuant to the provisions of this Agreement.

11.4 Entire Contract. This Agreement and the Plan constitute the entire understanding and agreement of the parties with respect to the subject matter contained herein. This Agreement is made pursuant to, and incorporates by reference, the provisions of the Plan and shall in all respects be construed in conformity with the terms of the Plan.

11.5 Language. If Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise prescribed by local law.

11.6 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

11.7 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon Participant, Participant's permitted assigns and the legal representatives, heirs and legatees of Participant's estate, whether or not any such person shall have become a party to this Agreement and have agreed in writing to join herein and be bound by the terms hereof. Participant may not assign this Agreement other than by the laws of descent and distribution.

11.8 Severability. In the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

11.9 Governing Law and Choice of Venue. The Options and the provisions of this Agreement shall be governed by, and subject to, the laws of the State of Utah, United States, without regard to the conflict of law provisions, as provided in the Plan. For purposes of litigating any dispute that arises under the Agreement or this grant of Options, the parties hereby submit to and consent to the jurisdiction of the State of Utah, agree that such litigation shall be conducted in the courts of Utah County, Utah, or the federal courts of the United States for the District of Utah, where this grant is made and/or to be performed.

By electronically accepting the Agreement and participating in the Plan, Participant agrees to be bound by the terms and conditions in the Plan and this Agreement. Within six months of the date of grant, if Participant has not electronically accepted this Agreement on Morgan Stanley Smith Barney's website, or the website of any other stock plan service provider appointed by the Company, then this award shall automatically be deemed accepted, and Participant shall be bound by the terms and conditions in the Plan and this Agreement.

**NU SKIN ENTERPRISES, INC.
AMENDED AND RESTATED 2010 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT**

This Restricted Stock Unit Agreement and Participant's award summary (the "Award Summary"), which can be accessed in Participant's My Awards on the Morgan Stanley Benefit Access Website at www.benefitaccess.com (or the website of any other stock plan administrator selected by the Company in the future) (collectively, the "Agreement") sets forth the terms and conditions of the Restricted Stock Units granted to Participant under the Amended and Restated Nu Skin Enterprises, Inc. 2010 Omnibus Incentive Plan (the "Plan"). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail. Unless otherwise defined herein, the capitalized terms in this Agreement shall have the same defined meaning assigned to them in the Plan.

1. Grant of Restricted Stock Units.

1.1 Grant of Restricted Stock Units. Effective as of the date of grant specified in the Award Summary, the Company grants to Participant an award of the number of Restricted Stock Units as set forth in the Award Summary. Each Restricted Stock Unit is a bookkeeping entry representing the Company's unfunded promise to deliver one share of the Company's Class A common stock (a "Share") on the terms provided herein and in the Plan.

1.2 Vesting of Restricted Stock Units. The Restricted Stock Units shall vest on the dates (the "Vesting Dates") and in the amounts determined by the Committee and set forth in the Award Summary, provided that Participant remains in the Continuous Service of the Company (as defined in Section 4 below) during the period commencing on the date of grant and ending on each of the respective Vesting Dates (the "Vesting Period") except as otherwise provided in Section 4.

1.3 Settlement of Restricted Stock Units. Subject to the terms of the Plan and this Agreement, Restricted Stock Units shall be settled in Shares, provided that Participant has satisfied any Tax-Related Items pursuant to Section 9 below. Shares will be issued to Participant within a reasonable time following each Vesting Date, but in no event shall the Shares be issued after the period ending on the later to occur of the date that is 2 1/2 months from the end of (i) Director's tax year that includes the applicable Vesting Date, or (ii) the Company's tax year that includes the applicable Vesting Date.

1.4 Stockholder Rights. Unless and until the Shares are issued by the Company after the Vesting Date, Participant shall have none of the rights or privileges of a shareholder of the Company (including voting, dividend and liquidation rights) with respect to the Shares covered by the Restricted Stock Units.

2. Securities Law Compliance. Participant represents that Participant has received and carefully read a copy of the Prospectus for the Plan, together with the Company's most recent Annual Report to Stockholders. Participant hereby acknowledges that Participant is aware of the risks associated with the Shares and that there can be no assurance the price of the Shares will not decrease in the future. Participant hereby acknowledges no representations or statements have been made to Participant concerning the value or potential value of the Shares. Participant acknowledges that Participant has relied only on information contained in the Prospectus and has received no representations, written or oral, from the Company or its employees, attorneys or agents, other than those contained in the Prospectus or this Agreement. Participant acknowledges that the Company has made no representations or recommendations, and is not providing any tax, legal or financial advice, regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

3. Transfer Restrictions. Participant shall not transfer, assign, sell, encumber, pledge, grant a security interest in or otherwise dispose of the Restricted Stock Units subject to this Agreement in any manner other than by the laws of descent or distribution. Any such transfer, assignment, sale, encumbrance, pledge, security interest or disposition shall be void and shall result in the automatic termination of the Restricted Stock Units and this Agreement.

4. Termination of Continuous Service. In the event Participant's Continuous Service (as defined below) is terminated for any reason prior to the full vesting of the Restricted Stock Units, the Restricted Stock Units granted hereunder shall terminate to the extent they are not vested as of the termination of Participant's Continuous Service, as determined in accordance with Section 10(f) below, and Participant shall not have any right to receive any Shares subject to such unvested Restricted Stock Units. "Continuous Service" means that Participant's service as a member of the Board of Directors of the Company is not interrupted or terminated. Subject to the requirements of applicable law, the Committee, in its sole discretion, shall determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by the Company, including sick leave, military leave or any other personal leave.

5. Forfeiture. If at any time during Participant's Continuous Service or at any time during the 12-month period following termination of Participant's Continuous Service, a Forfeiture Event (as defined below) occurs, then at the election of the Committee, (a) this Agreement and all unvested Restricted Stock Units granted hereunder shall terminate, and (b) Participant shall return to the Company for cancellation all Shares held by Participant plus pay the Company the amount of any proceeds received from the sale of any Shares to the extent such Shares were issued pursuant to Restricted Stock Units granted under this Agreement that vested (i) during the 12-month period immediately preceding the Forfeiture Event, or (ii) on the date of or at any time after such Forfeiture Event.

"Forfeiture Event" means the following:

- (a) an act of fraud or intentional misrepresentation related to Participant's services;
 - (b) disclosure or use of confidential information in a manner detrimental to the Company;
 - (c) competing with the Company; or
 - (d) any other willful misconduct by Participant that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company. The Committee, in its sole discretion, may waive at any time in writing this forfeiture provision and release Participant from liability hereunder.
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6. Governing Plan Document. This Agreement incorporates by reference all of the terms and conditions of the Plan, as presently existing and as hereafter amended. Participant expressly acknowledges and agrees that the terms and provisions of this Agreement are subject in all respects to the provisions of the Plan. Participant also expressly:

- (a) Acknowledges receipt of the Plan and represents that Participant is familiar with the provisions of the Plan, and that Participant enters into this Agreement subject to all of the provisions of the Plan;
- (b) Recognizes that the Committee has been granted complete authority to administer the Plan in its sole discretion, and agrees to accept all decisions related to the Plan and all interpretations of the Plan made by the Committee as final and conclusive upon Participant and upon all persons at any time claiming any interest through Participant in the Restricted Stock Units or the Shares subject to this Agreement; and
- (c) Acknowledges and understands that the establishment of the Plan and the existence of this Agreement are not sufficient, in and of themselves, to exempt Participant from the requirements of Section 16(b) of the Exchange Act and any rules or regulations promulgated thereunder, and that Participant (to the extent Section 16(b) applies to Participant) shall not be exempt from such requirements pursuant to Rule 16b-3 unless and until Participant shall comply with all applicable requirements of Rule 16b-3, including without limitation, the possible requirement that Participant must not sell or otherwise dispose of any Share acquired hereby unless and until a period of at least six months shall have elapsed between the date upon which such Restricted Stock Unit was granted to Participant and the date upon which Participant desires to sell or otherwise dispose of any Share acquired under such Restricted Stock Unit.

7. Representations and Warranties. As a condition to the receipt of any Shares upon vesting, the Company may require Participant to make any representations and warranties to the Company that legal counsel to the Company may determine to be required or advisable under any applicable law or regulation, including without limitation, representations and warranties that the Shares are being acquired only for investment and without any present intention or view to sell or distribute any such shares.

8. Compliance With Law and Regulations. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any shares issuable upon settlement of the Restricted Stock Units prior to the completion of any registration or qualification of the shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, Participant agrees that the Company shall have unilateral authority to amend the Plan and the Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

9. Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company in its discretion to be an appropriate charge to Participant even if legally applicable to the Company ("Tax-Related Items"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of any Shares acquired at settlement and the receipt of any dividends and/or any dividend equivalents; and (b) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction between the date of grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items.

In this regard, Participant authorizes the Company, or the Company's agents, at the Company's discretion, to satisfy the obligations with respect to all Tax-Related Items by one or a combination of the following:

- (a) withholding from proceeds of the sale of Shares acquired upon settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization); or
- (b) withholding from Participant's wages or other cash compensation paid to Participant by the Company; or
- (c) withholding in Shares to be issued upon settlement of the Restricted Stock Units.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to the vested Restricted Stock Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, Participant agrees to pay to the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if Participant fails to comply with Participant's obligations in connection with the Tax-Related Items.

10. Nature of Grant. In accepting the Restricted Stock Units, Participant acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
 - (b) the grant of Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Stock Units, or benefits in lieu of Restricted Stock Units even if Restricted Stock Units have been awarded in the past;
 - (c) nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in the service of the Company as a Director or in any other capacity;
 - (d) all decisions with respect to future grants of Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;
 - (e) Participant's participation in the Plan is voluntary; and
 - (f) in the event of the termination of Participant's Continuous Service, and unless otherwise expressly provided in this Agreement or determined by the Company, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of the date Participant's Continuous Service terminated, as determined by the Committee in its sole discretion.
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11. Miscellaneous Provisions.

11.1 Notices. Any notice required to be given under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the sender's local mail, registered or certified, postage prepaid and properly addressed to the party entitled to such notice at the latest address on file or at such other address as such party may designate by ten days advance written notice under this Section to all other parties to this Agreement.

11.2 Waiver. The failure of the Company in any instance to exercise any rights under this Agreement, including the forfeiture rights under Section 5, shall not constitute a waiver of any other rights that may subsequently arise under the provisions of this Agreement or any other agreement between the Company and Participant. Participant acknowledges that no waiver by the Company of any breach of any provision of this Agreement shall operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other Participant, whether of like or different nature.

11.3 Imposition of Other Requirements & Participant Undertaking. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Restricted Stock Unit and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons. Participant hereby agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out the foregoing or one or more of the obligations or restrictions imposed on either Participant or the Shares pursuant to the provisions of this Agreement.

11.4 Entire Contract. This Agreement and the Plan constitute the entire understanding and agreement of the parties with respect to the subject matter contained herein. This Agreement is made pursuant to, and incorporates by reference, the provisions of the Plan and shall in all respects be construed in conformity with the terms of the Plan.

11.5 Language. If Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise prescribed by local law.

11.6 Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

11.7 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon Participant, Participant's permitted assigns and the legal representatives, heirs and legatees of Participant's estate, whether or not any such person shall have become a party to this Agreement and have agreed in writing to join herein and be bound by the terms hereof. Participant may not assign this Agreement other than by the laws of decent and distribution.

11.8 Severability. In the event that any provision in this Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Agreement.

11.9 Governing Law and Choice of Venue. The Restricted Stock Units and the provisions of this Agreement shall be governed by, and subject to, the laws of the State of Utah, United States, without regard to the conflict of law provisions, as provided in the Plan. For purposes of litigating any dispute that arises under the Agreement or this grant of Restricted Stock Units, the parties hereby submit to and consent to the jurisdiction of the State of Utah, agree that such litigation shall be conducted in the courts of Utah County, Utah, or the federal courts of the United States for the District of Utah, where this grant is made and/or to be performed.

By electronically accepting the Agreement and participating in the Plan, Participant agrees to be bound by the terms and conditions in the Plan and this Agreement. Within six months of the date of grant, if Participant has not electronically accepted this Agreement on Morgan Stanley Smith Barney's website, or the website of any other stock plan service provider appointed by the Company, then this award shall automatically be deemed accepted, and Participant shall be bound by the terms and conditions in the Plan and this Agreement.

EXHIBIT 31.1
SECTION 302 – CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, M. Truman Hunt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nu Skin Enterprises, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2013

/s/ M. Truman Hunt
M. Truman Hunt
Chief Executive Officer

EXHIBIT 31.2
SECTION 302 – CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Ritch N. Wood, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nu Skin Enterprises, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2013

/s/ Ritch N. Wood
Ritch N. Wood
Chief Financial Officer

EXHIBIT 32.1
SECTION 1350 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Nu Skin Enterprises, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, M. Truman Hunt, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 2, 2013

/s/ M. Truman Hunt
M. Truman Hunt
Chief Executive Officer

EXHIBIT 32.2
SECTION 1350 CERTIFICATION OF CHIEF FINANCIAL OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Nu Skin Enterprises, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ritch N. Wood, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 2, 2013

/s/ Ritch N. Wood
Ritch N. Wood
Chief Financial Officer

