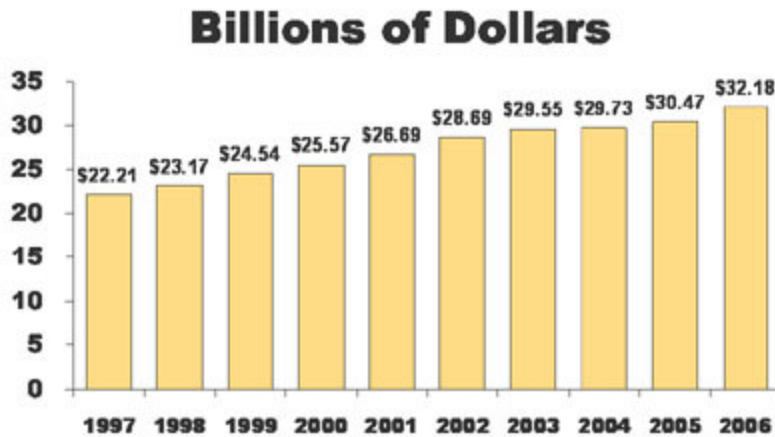


# *The Network Marketing & Direct Sales Industry*

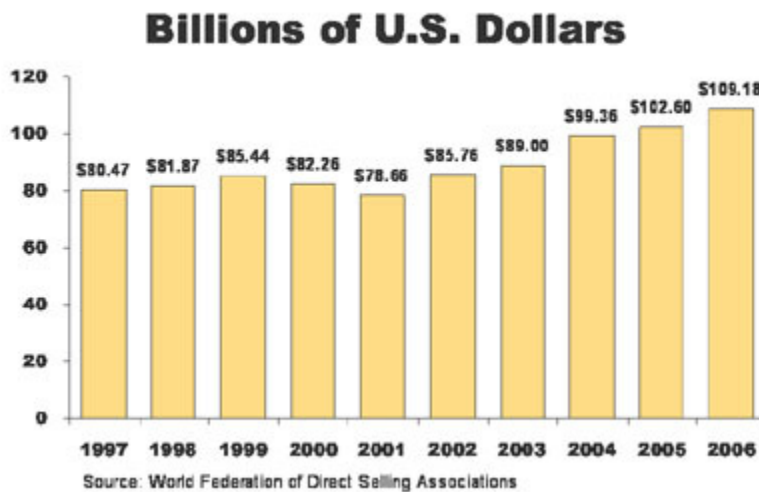
Below you will see several very interesting charts and numbers about our industry. It is important to not only learn about our product, but also to learn about our company and industry. I have added a few comments after each of these charts. Feel free to utilize this to increase your knowledge on our industry, and to share with your team. Enjoy!

**Estimated 2006 U.S. Direct Sales: \$32.18 Billion**



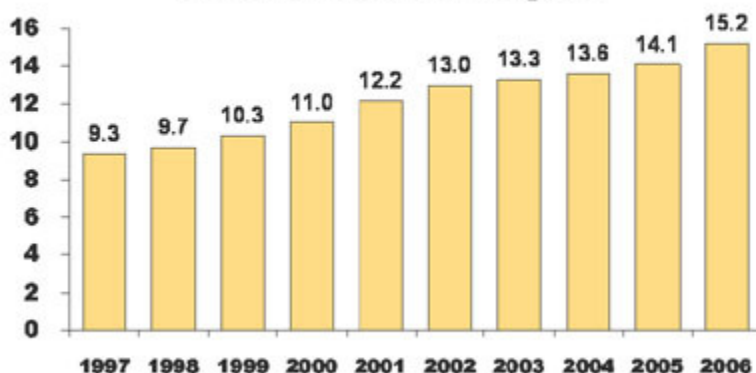
Our industry has grown by 45% in the last 10 years, doing over 32 Billion dollars in 2006. In 2006 our industry grew by 5.6% and has increased every year for the last decade.

**Estimated 2006 Worldwide Sales: \$109.18 Billion**



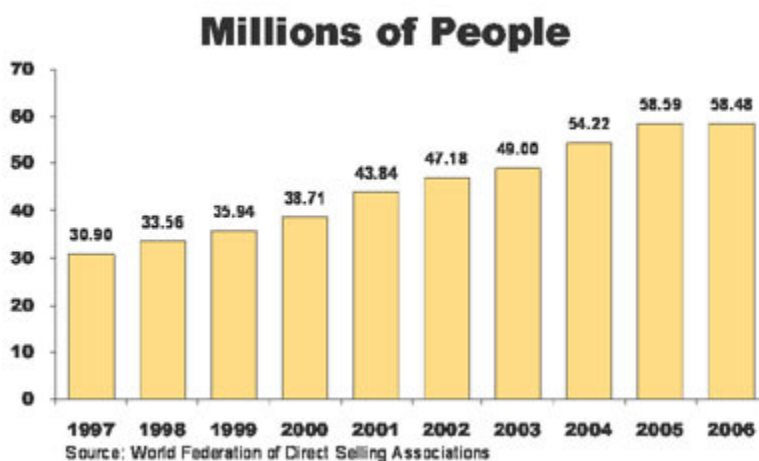
## Estimated 2006 U.S. Salespeople 15.2 Million

### Millions of People

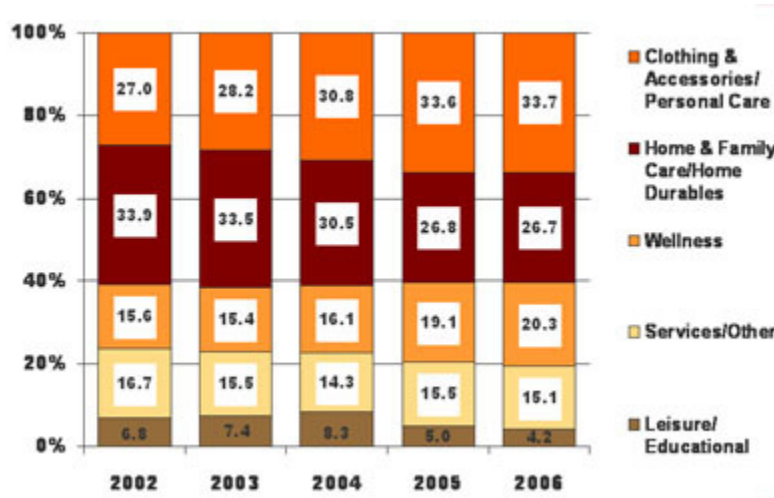


The amount of people who have gotten involved in our industry has grown by 63% in the last decade! More than two-thirds (72%) of all working adults want to resign from their jobs to start their own business, according to a study from Intuit, the maker of QuickBooks. Yet only 5% of Americans are involved in our industry, which leaves us 2/3<sup>rds</sup> of Americans out there that are OPEN to owning their own business, yet are NOT involved in our industry yet! With the U.S. population just passing over 300 Million, I would say that leaves us with a huge amount of prospects out there!

## Estimated 2006 Worldwide Sales Force 58.48 Million



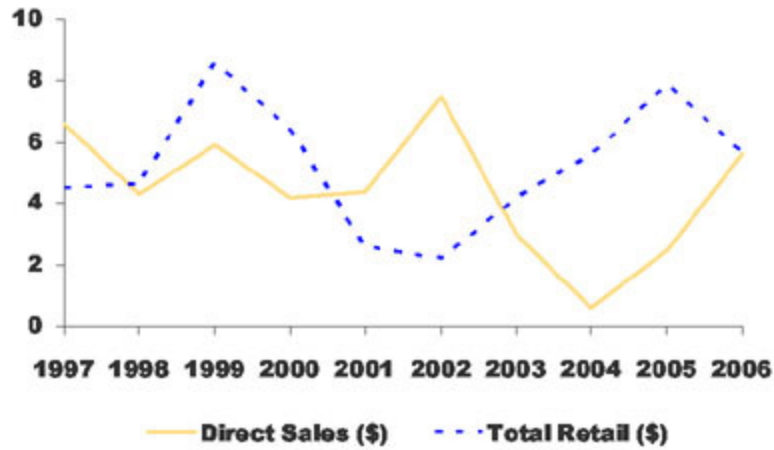
## Percent of Sales by Major Product Groups



Clothing & Accessories/personal care (cosmetics, jewelry, <b>skin care</b> , etc.)	<b>33.7%</b>
Home/family care/home durables (cleaning products, cookware, cutlery, etc.)	26.7%
Wellness ( <b>supplements, functional health beverages</b> , weight loss products, <b>vitamins</b> , etc.)	<b>20.3%</b>
Services/other	15.1%
Leisure/educational (books, videos, toys, etc.)	4.2%

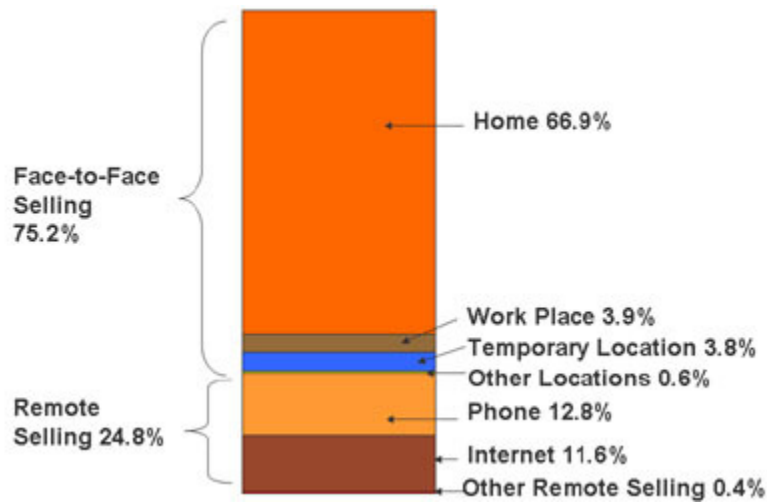
XanGo & 3SIXTY5 both fall into the Wellness category, 20.3% of all direct sales in 2006, and the fastest growing segment within the Wellness industry. Glimpse falls into the Personal Care category, the largest segment, producing 33.7% of all direct sales. Between them they account for 54% of all direct sales. Also, they are the only 2 segments within direct sales that are growing. With our Billion Dollar Launch that will be happening with Glimpse, we are opening up an addition 33.7% of the direct sales market, totaling over \$10.8 Billion in 2006!

### Comparison with Retail Growth Rate



The retail sales growth rate is declining, while the direct sales rate is increasing.

### Location of Sales (reported as a percent of sales dollars)

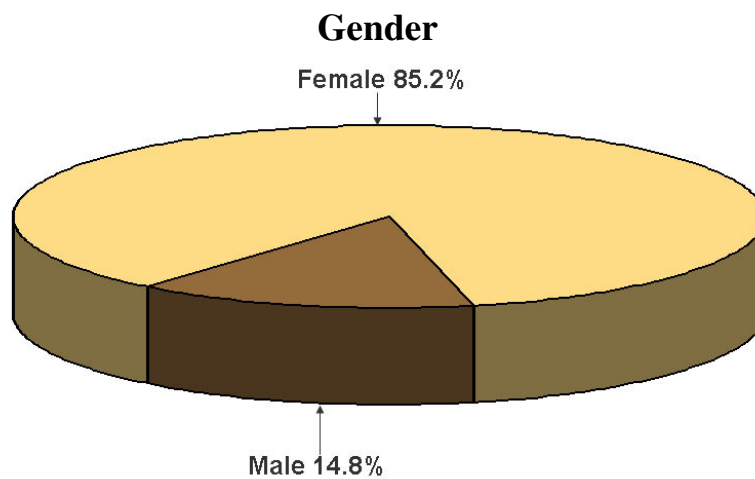


Over  $\frac{3}{4}$  of direct sales are face to face opposed to over the phone and internet.

## Compensation Structure (multilevel vs. single level)

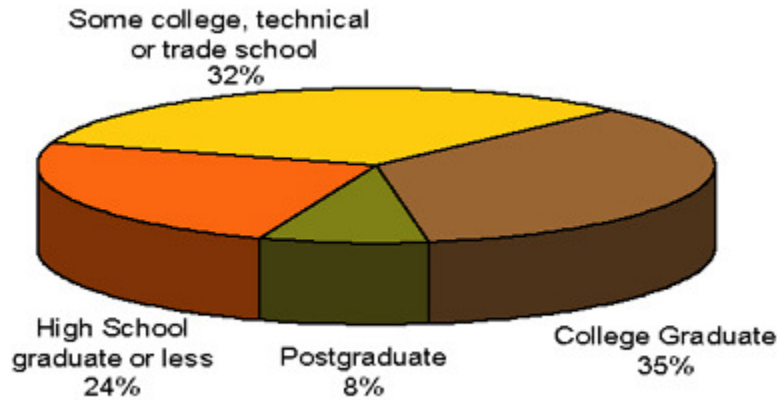


This shows the prevalence and acceptance of multi-level marketing, also known as network marketing.

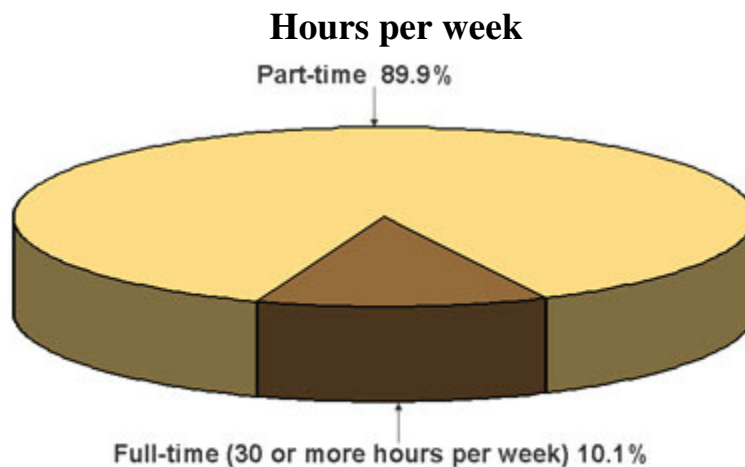


Wow, as a man this surprised me. Men, we are outnumbered 6 to 1. This just shows another reason I am excited about the launch of Glimpse. It will provide us another opportunity to attract more women into our organization.

## Education (from 2002 National Salesforce Survey)



Just goes to show that we attract people with all backgrounds.



What a great illustration of the power of our industry. It allows people to build substantial extra income part-time, while working full time on their jobs, sound familiar?

## Main Reason for Becoming A Direct Sales Representative

Additional income	36%
It's your business and making money through direct sales is important to you	31%
Discount/wholesale/free products	29%
Other	4%

Never underestimate the importance of sharing the dream. 2 out of 3 people who get involved in our industry do so for 1) more money and 2) to own their own business. The product is obviously important, it brings in 1/3<sup>rd</sup> of people into our industry, but the business brings in 2/3<sup>rd</sup>s.

\* Statistics are from the Direct Selling Association

**Troy Ashworth**