

## Statement of Independent Coach Earnings For the Year ending 12/26/2012<sup>1</sup>

Team Beachbody rewards our independent Coaches for retail sales of our proven fitness videos and nutritional supplements via a 15-50% retail commission program. Many of our Coaches have chosen not to build a business, but rather join for the opportunity to purchase our programs at wholesale and to be able to earn extra income by helping their friends and family purchase our programs. For this period, 33% of our Coaches decided to take advantage of the bonuses available for those who help the company recruit and enroll other Coaches and retail Beachbody® products to customers<sup>2</sup>. This activity is rewarded through a binary compensation plan which pays bonuses at the Development and Leadership Ranks of Emerald Coach and above. The flexibility and earning potential of the Team Beachbody opportunity allows its Coaches to choose whether they want to take advantage of the personal fitness and health benefits of the Beachbody products, earn supplemental income by participating in the Team Beachbody opportunity on a part-time basis, or focus their full-time attention on the opportunity to try to maximize their income potential.

The Team Beachbody compensation plan pays commissions and bonuses weekly based upon the prior week's sales activity. Team Beachbody Coach Development ranks include Emerald and Ruby, and Leadership Ranks include Diamond and Star Diamonds (one through fifteen), all of which are eligible to earn several types of bonuses. Additional leadership bonuses are available to Coaches who achieve certain Star Diamond qualifications.

December 29, 2011 - December 26, 2012<sup>3</sup>

Coach Rank <sup>4</sup>	% of Development & Leadership Ranks	% of All Coaches	Low Earnings	Average Earnings	High Earnings
<u>Development Ranks</u>					
Emerald	75.2%	21.5%	\$ 14	\$ 3,353	\$ 261,621
Ruby	4.1%	1.2%	\$ 1,869	\$ 11,011	\$ 62,840
<u>Leadership Ranks</u>					
Diamond	12.5%	3.6%	\$ 212	\$ 18,175	\$ 136,818
Star Diamond	8.1%	2.3%	\$ 1,299	\$ 90,746	\$ 1,645,484
	<u>100.0%</u>	<u>28.6%</u>			
Coach (Retail Sellers)	-	71.4%	\$ -	\$ 467	\$ 26,951
All Ranks	-	100.0%	\$ -	\$ 3,948	\$ 1,645,484

All Figures in U.S. Dollars

The above amounts include only those sales made through the company-provided Web sites or via the company's call-center and are in addition to and do not include retail profits earned on offline resale of products to consumers. The figures stated above are not a guarantee and are not a projection of a typical Coach's earnings through participation in the Team Beachbody compensation plan. Any representation or guarantee of earnings would be misleading. As in any independent business, the level of success or achievement of each Team Beachbody Coach is dependent upon the commitment, skill level, drive, and desire to succeed of the individual Coach. With the Team Beachbody opportunity, every Coach has an equal potential to continue to earn more compensation.

<sup>1</sup> Information based on Coaches enrolled for the entire period

<sup>2</sup> 13% of total active Coaches as of 12/26/2012 took advantage of the bonuses available for those who help the company recruit and enroll other Coaches and retail Beachbody® products to customers

<sup>3</sup> Of the Coaches who were enrolled during the entire period, 45.9% received a bonus or commission check from Team Beachbody

<sup>4</sup> Coach ranks are determined based on rank achieved as of 12/26/2012