

HERBALIFE LTD.
Form NT 10-Q
April 29, 2013

SEC FILE NUMBER

1-32381
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 12b-25

NOTIFICATION OF LATE FILING

(Check One): Form 10-K Form 20-F Form 11-K

Form 10-Q Form N-SAR Form N-CSR

For Period Ended: March 31, 2013

Transition Report on Form 10-K

Transition Report on Form 20-F

Transition Report on Form 11-K

Transition Report on Form 10-Q

Transition Report on N-SAR

For the Transition Period Ended:

Read Instruction (on back page) Before Preparing Form. Please Print or Type.

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Nothing in this form shall be construed to imply that the Commission has verified any information contained herein.
If the notification relates to a portion of the filing checked above, identify the Item(s) to which the notification relates:

Part I Financial Information, Item 1. Financial Statements; Part II Other Information, Item 6. Exhibits

PART I

REGISTRANT INFORMATION

Herbalife Ltd.
Full Name of Registrant

N/A
Former Name if Applicable

P.O. Box 309GT, Uglan House, South Church Street
Address of Principal Executive Office (*Street and Number*)

Grand Cayman, Cayman Islands KY1-1106
City, State and Zip Code

PART II

RULE 12b-25(b) AND (c)

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25 (b), the following should be completed. (Check box if appropriate.)

- (a) The reasons described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense;
- (b) The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, Form 11-K, Form N-SAR or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q or subject distribution report on Form 10-D, or portion thereof, will be filed on or before the fifth calendar day following the prescribed due date; and
- (c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

PART III

NARRATIVE

State below in reasonable detail why Forms 10-K, 20-F, 11-K, 10-Q, 10-D, N-SAR, N-CSR, or the transition report or portion thereof, could not be filed within the prescribed time period.

(Attach extra Sheets if Needed)

Herbalife Ltd. (we, our, us, Company and Herbalife) was unable, without unreasonable effort or expense, to file a complete Quarterly Report Form 10-Q for the fiscal quarter ended March 31, 2013 (the First Quarter 10-Q) with the Securities and Exchange Commission (the SEC) because of previously disclosed events. Specifically, as previously disclosed on April 8, 2013, KPMG LLP (KPMG) notified the Company that KPMG was resigning, effective immediately, as the Company's independent accountant. KPMG stated it had concluded it was not independent because of alleged insider trading in the Company's securities by one of KPMG's former partners who, until April 5, 2013, was the KPMG engagement partner on the Company's audit. KPMG advised the Company it resigned as the Company's independent accountant solely due to the impairment of KPMG's independence resulting from its now former partner's alleged unlawful activities and not for any reason related to the Company's financial statements, its accounting practices, the integrity of the Company's management or for any other reason. While the Company has not engaged a new independent accounting firm, it has begun a search process to identify KPMG's successor.

As a result of the alleged insider trading activity by its now former partner and KPMG's resulting resignation on April 8, 2013, KPMG notified the Company its independence has been impaired and had no option but to withdraw its audit reports on the Company's financial statements for the fiscal years ended December 31, 2010, 2011 and 2012 and the effectiveness of internal control over financial reporting as of December 31, 2010, 2011 and 2012 and that such reports should no longer be relied upon as a result of KPMG's lack of independence created by the circumstances described above. The Company's Audit Committee and management continue to believe that the Company's financial statements covering the referenced periods fairly present, in all material respects, the financial condition and results of operations of the Company as of the end of and for the referenced periods and may continue to be relied upon and that the Company's internal control over financial reporting was effective during these periods.

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Also, as a result of KPMG's resignation, the unaudited interim financial information presented in the First Quarter 10-Q has not been reviewed by an outside independent accounting firm as required by the rules of the SEC. As a result, the First Quarter 10-Q is considered deficient and the Company is no longer considered to be timely or current in its filings under the Securities Exchange Act of 1934, as amended (the Exchange Act). While the First Quarter 10-Q does not comply with the requirements of Regulation S-X, and should not be interpreted to be a substitute for the review that would normally occur by the Company's independent registered public accounting firm, the Company's Audit Committee and management believe that the interim financial information presented therein fairly presents, in all material respects, the financial condition and results of operations of the Company as of the end of and for the referenced periods and may be relied upon. Except for the absence of this review of the unaudited interim financial information discussed above, the First Quarter 10-Q fully complies with the requirements of the Exchange Act and the Company believes it is prudent to file the First Quarter 10-Q with the SEC in spite of the current circumstances to provide the financial and other information set forth therein to its shareholders and other interested parties. The Company plans to file an amendment to the First Quarter 10-Q as soon as practicable following the engagement of a successor independent registered public accounting firm and the firm's review of the Company's interim financial statements included therein.

The CEO and CFO believe, to the best of their knowledge, that the financial statements included in the First Quarter 10-Q accurately portray the financial condition of the Company. To that end, they have provided the certifications under Section 302 of SOX. The SOX Section 906 certification is omitted from the First Quarter 10-Q only because, as a result of KPMG's former partner's actions as described above, the financial statements accompanying the First Quarter 10-Q have not been reviewed by an independent public accountant under SAS 100. The Company believes that the First Quarter 10-Q otherwise meets all of the qualifications of the Exchange Act and the rules and regulations thereunder governing the preparation and filing of periodic reports as referenced in the certifications. Before the Company's officers can make a SOX Section 906 certification, the Company's independent public accounting firm must complete its review of the consolidated financial statements appearing in the First Quarter 10-Q under SAS 100, as required by SEC rules. Once the Company's new auditor completes its review of the Company's first quarter 2013 financial statements under SAS 100, the Company will file an amendment to the First Quarter 10-Q with the SOX Section 906 certification.

PART IV

OTHER INFORMATION

- (1) Name and telephone number of person to contact in regard to this notification

Brett R. Chapman
(Name)

(213)
(Area Code)

745-0500
(Telephone Number)

- (2) Have all other periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed? If answer is no, identify report(s). Yes No

- (3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof? Yes No

If so: attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

Please see Part 1, Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations in the First Quarter 10-Q filed on April 29, 2013 for a discussion of changes in the Company's results of operations from the corresponding period for the last fiscal year, which discussion is incorporated herein by reference.

FORWARD-LOOKING STATEMENTS

This document 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. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws, including any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words may, will, estimate, intend, continue, believe, expect or anticipate and any other similar words.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, such as those disclosed or incorporated by reference in our filings with the Securities and Exchange Commission. Important factors 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:

the resignation of our former independent registered public accounting firm, its withdrawal of its audit reports with respect to certain of our historical financial statements, and any difficulties we encounter engaging a successor accounting firm;

any collateral impact resulting from the ongoing worldwide financial environment, including the availability of liquidity to us, our customers and our suppliers or the willingness of our customers to purchase products in a difficult economic environment;

our relationship with, and our ability to influence the actions of, our distributors;

improper action by our employees or distributors in violation of applicable law;

adverse publicity associated with our products or network marketing organization, including our ability to comfort the marketplace and regulators regarding our compliance with applicable laws;

changing consumer preferences and demands;

our reliance upon, or the loss or departure of any member of, our senior management team which could negatively impact our distributor relations and operating results;

the competitive nature of our business;

regulatory matters governing our products, including potential governmental or regulatory actions concerning the safety or efficacy of our products and network marketing program, including the direct selling market in which we operate;

legal challenges to our network marketing program;

risks associated with operating internationally and the effect of economic factors, including foreign exchange, inflation, disruptions or conflicts with our third party importers, pricing and currency devaluation risks, especially in countries such as Venezuela;

uncertainties relating to the application of transfer pricing, duties, value added taxes, and other tax regulations, and changes thereto;

uncertainties relating to interpretation and enforcement of legislation in China governing direct selling;

our inability to obtain the necessary licenses to expand our direct selling business in China;

adverse changes in the Chinese economy, Chinese legal system or Chinese governmental policies;

our dependence on increased penetration of existing markets;

contractual limitations on our ability to expand our business;

our reliance on our information technology infrastructure and outside manufacturers;

the sufficiency of trademarks and other intellectual property rights;

product concentration;

changes in tax laws, treaties or regulations, or their interpretation;

taxation relating to our distributors;

product liability claims;

whether we will purchase any of our shares in the open markets or otherwise; and

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share price volatility related to, among other things, speculative trading and certain traders shorting our common shares. *Additional factors that could cause actual results to differ materially from our forward-looking statements are set forth the First Quarter 10-Q, including under the heading Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations and in our Condensed Consolidated Financial Statements and the related Notes.*

Forward-looking statements in this Notification of Late Filing on Form 12b-25 speak only as of the date hereof, and forward-looking statements in documents attached that are incorporated by reference speak only as of the date of those documents. We do not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Herbalife Ltd.

(Name of Registrant as Specified in Charter)

has caused this notification to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 29, 2013

By: /s/ Brett R. Chapman
Name: Brett R. Chapman
Title: Chief Legal Officer