



Nu Skin Enterprises, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Our first question comes from the line of Olivia Tong of Merrill Lynch. Please proceed

Olivia Tong - Merrill Lynch

Just want to talk a little bit about the personal care business because despite the fact that you are now coming upon, tough comps is still growing that business pretty strong. So, is that just continued Galvanic Spa benefits from launches as you go to other countries?

Truman Hunt

Galvanic Spa is definitely the driver right now Olivia of our personal care business and continues to enjoy just a huge amount of enthusiasm among our sales forces as well as among consumers who are using it. But the ageLOC story and the ageLOC augmentation to the Galvanic Spa mechanism is also now contributing meaningfully to enthusiasm for the category and we'll continue to do so as we prepare product launches for the fourth quarter. You'll recall from our investor day last fall, that we talked about launching a daily use skincare system as well as a very compelling what we call mother of all serums at our convention in October. Those launches are lining up well and the story associated with these products is going to be very, very compelling.

So, we continue to expect the comparative focus between personal care and nutrition to remain on personal care for the time being.

Olivia Tong - Merrill Lynch

Got it and then also want to talk a little bit about Korea, because the won currency trend is still growing, but it's a huge deceleration versus Q4. So, may be you could go a little bit into what's going on there and just excluding the currency?

Truman Hunt

Yes Korea for Q1 was actually up against tough comp in Q1 of '08. Last year, the market launched our nutrition product line called as Estera very successfully. And they didn't have a comparable launch of the same magnitude in Q1 of this year.

So there is a little deceleration there. Our management team is concerned about economic influences slowing down business growth there, but it was a tough comparable year-over-year. Korea has some

solid products to launch for the remainder of this year in the new hair care line, as well as the launch of LifePak nano later in the year.

So, this market over the last decade has been a solid and as steady growth market as we've had anywhere in the year, anywhere in the world. And we think we will be able to continue to grow the business there inline with first quarter results.

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