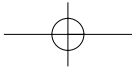


Company Spotlight... TIENS expands across Europe

President Li Jinyuan outlines his vision

“Be the Vanguard of the Global direct selling industry”





Aiming high is second nature for TIENS, whose goal is to become the first direct selling company to achieve Fortune 500 listing. As the company spearheads a new drive into Europe, Editor Paul Southworth went to Berlin to find out more.



Health, wealth and harmony ... as TIENS wins hearts and minds

AFTER six years in Europe* TIENS has 250,000 distributors in over 20 countries selling its range of nutritional supplements and other wellness products.

With 12 million distributors worldwide this is a small part of the business and activity in the region is being stepped up dramatically as the company strives to achieve its goal of Fortune 500 listing.

The potential is clear to see with 35 percent growth last year in Europe over 2006 and recruitment running at around 12,000 plus distributors a month. Russia was the first market to open in 1998 and is the largest. The most recent was Slovenia.

Underpinned by its brand core of 'one world one family' TIENS is expanding with confidence based on experience and knowledge gained from 12 years as a leading player in China, Africa and six other regions where its success has had a huge impact on the lives of distributors who previously had few aspirations and little or no hope of improving their circumstances.

It's been an impressive journey by any standards, driven by the founder President Li Jinyuan who set up the business in 1995. Renowned globally for his integrity and public spiritedness, President Li leads an international management team now applying its unique model to Europe, a strategic move to support its ambitious long-term goal.





Designed to attract and retain distributors through their first few months, the multi-level marketing model has an attractive compensation plan – cumulative by month – and an early incentive programme that offers them the chance to qualify for a free trip to the company’s annual convention. At this event they see the TIENS experience brought to life on a massive scale. In 2006 48,000 distributors attended an event in China and last year 120,000 distributors from 109 countries attended the Indonesian event... recognition gifts included yachts, planes and luxury cars and an itinerary takes in sightseeing and shopping as well as training workshops and business seminars.

“To take distributors with us along this path we have to engage them on an emotional level and encourage them to believe they too can achieve such rewards,”

‘Last year 120,000 distributors attended the Indonesian event... recognition gifts included planes, yachts and luxury cars’

TIENS is breaking new ground by moving west as many European and USA based companies look eastwards. In recent years, there has been growing awareness and interest from the west in the holistic approach of Chinese medicine – yin and yang - to cleanse and balance body, mind and spirit, and consumers are ready to try something new.

A major global re-branding last year has given the European business renewed focus and consistency of image to support expansion.

“Until now European markets pretty much worked independently which made things difficult in terms of brand building, image and consistency of message,” said Steve Morley, Regional Director of Marketing and Compliance. “Competition is fierce but we have a unique story and a business model developed in China to meet stringent local direct selling regulations which also works very well for distributors in other countries.”

said European Vice President Mr Fan Li. Based in Berlin, TIENS Europe is led by Vice Presidents Mr Fan Li and Mr Dan Andersson. “We are focused on training and development, running European-wide training systems and event schedules - getting new people on board is great; developing the talent we have recruited is even greater” said European Vice President Dan Andersson.

Another unusual element is the concept of ‘agent’ offices, of which there are currently 220 in Europe. Distributors who achieve a pre-determined level of business are allowed to open their own office/training centre used for opportunity meetings and training sessions; orders can also be placed and collected here. Between 70 and 80 percent of sales come from these offices, a concept originally developed in China to meet specific industry regulations. “It worked so well with many knock-on benefits that it has become part of the model that we have exported elsewhere,” added Steve.

A small but quickly expanding team work in the European headquarters in Berlin providing support on logistics, finance, IT, HR, sales and marketing. One of the biggest challenges has been to ensure compliance with ever-changing EU legislation. While TIENS’ range of nutritional supplements has approval in China, whose strict requirements have been the downfall of many would-be market entrants, and other government bodies including the Food and Drugs Administration (FDA) in the USA, nutrition is one



of the most highly regulated categories in Europe. Compliance has required meticulous attention to detail and complex discussions involving many parties.

“We are re-vamping the product packaging and promotions in line with the new branding and our biggest challenge at this moment is labelling,” said Steve. “We are obliged to list a lot of information and of course it has to be done in many different languages which takes time and resource.

“We have done a lot of preparatory work over the past year and received great support from local direct selling associations who have been generous with their advice in terms of ordering processes and to ensure consumer code compliance.” TIENS has been accepted as a DSA member in four European markets and is working with several more.



Tiens' network of influence and contacts extends around the globe with multi-national interests in trading, finance, tourism, retailing and e-commerce. Direct selling is an equal partner in this diverse portfolio and TIENS is the only Chinese member on the Council of the World Federation of Direct Selling Associations (WFDSA).

The company's growth and success in just 12 years reflects the President's reputation as a world-class entrepreneur with an innovative business mission and remarkable social vision... see separate panel.

* TIENS' definition of Europe sees the region split into two... Euro-Asia includes Russia, Ukraine (headquarters in Kiev), Lithuania, Kazakhstan, Romania, Poland and Turkey while Europe includes Germany, UK, Italy, Bulgaria, France, Spain, Hungary, Sweden, Finland, Cyprus, Greece, Slovakia, Slovenia, Croatia and Czech Republic

Brand Values

The TIENS' brand reflects the company's mission to provide high quality products, education and cause for our customers globally, improving quality of life and contributing to a harmonious international society. The company's vision is to be the Vanguard of the global direct selling industry.

APROTIE COSMETICS: Modern, innovative and easy to use.

It is an ethos that has its roots in ancient Chinese culture and the challenge is to create a European business while retaining the intrinsic values of the parent company:

Extraordinary innovation...

in operation, business model, products, management and culture

Paramount Responsibility...

to work in partnership with employees and distributors and to support the welfare of society to assist the underprivileged through education and other basic needs

Excellent Team...

success comes from people networks and a common interest; once you are member of TIENS you are part of one family which brings strength and solidarity

Brand Slogan...

Together We Share

Message from TIENS President

Ready to make history

TIENS offers success through empowerment and education, and continued growth by championing a healthy, balanced lifestyle that draws on thousands of years of traditional Chinese medicine and philosophy.

Driven by its founder, President Li Jinyuan, its philanthropic activities embrace a variety of charitable initiatives around the world, which have benefited from approximately \$200 million of aid.

His motivation comes from a desire to give something back to society based in part on his own experiences. In the early days of the business he sold his own car to pay distributors their earnings and he knows first hand how the direct selling opportunity can overcome hardship and make dreams come true. In this way he has created an organisation where the 'extraordinary is commonplace' and every employee understands that teamwork really does matter if the business is to continue to grow and succeed.

He takes a personal interest in every aspect of the business overseeing major projects such as a new international university for 30,000 students which represents an investment of \$600 million and its new international health industrial park which will have a staggering manufacturing output of \$4 billion annually.

He sees the direct selling operation as another valuable way of helping improve the quality of life for people and their families. While President Li had faith from the start in the potential of TIENS to impact people's lives, he was surprised by the scale of response in such a short time.



President Li Jinyuan

"I always knew there was huge potential for nutritional supplements; combining today's technology with a traditional Chinese approach would have the capacity to inspire many," he said. "In particular we found that millions of people felt confident both to recommend our products and also to build a business with us.

"Our philosophy is based within a different cultural framework, our perspective is Chinese but our outlook is global and I think people recognise that in everything we do. Our plan is different, without some of the negatives that many take for granted in our industry. The choices we make are always aligned with building a long-term business rather than short-term gain and our vision is very clear. We believe our greatest resource is our distributor partners. They are more important than anything — the treasure of TIENS, if you like.

"If you do something true, something strong, if you persevere, think innovation and hold true to a natural philosophy, then people will always respond and be attracted to and want to be part of what you are doing. The impact we have had on so many people and their families is a powerful testament to that principle."



President Li describes Europe as an important strategic target for TIENS. “We have been active in the market since 2001 with relatively modest results, but our commitment has never wavered. We recognise that in order to be a Fortune 500 company, we have to be successful in Europe. Our background is Chinese, but to be successful in this region we would have to get closer to the market and so we created a global project called ‘localisation’.

“This means in every single market we employ local people and, in particular for the leadership positions, managers with direct selling industry experience. For the last two years we have been focused on building a management team — it is not complete yet but I am very confident we now have a team with which TIENS will be able to create history.

“By many measures, Europe is the strongest single market in the world and from our experience we see that people are extremely receptive to TIENS, our philosophy and our products. In the European direct selling industry, we stand out with clear marketing differential. The world today is interested in China and when our distributors mention they are partners in a Chinese company, then half of the battle is won immediately — to get

people’s interest. In a business that is fundamentally built through word-of-mouth, that is our true advantage.

“The other half of the battle is having something compelling to say, and the TIENS story is something of which I am very proud. We have grown faster than any other company in the industry in the last 12 years, we have awarded thousands of cars, aeroplanes, yachts and villas to our distributors, contributed to charities, are market leaders in many countries, and have built a distributor base of 12 million families in over 190 countries and regions.

“We see the enormous potential in Europe and we are 100 percent confident that TIENS will replicate the success it has achieved around the world.”

**‘We are 100 per cent confident
TIENS can replicate its success...
Europe is ready for TIENS and
TIENS is ready for Europe.’**

President Li Jinyuan



TIENS European regional team