

David Sterling, Founding Executive and CEO

New and Expanding Offices

- 3 new offices in Europe
 - London
 - Vienna
 - Moscow
- Australia office doubling in size

Groundbreakings

- 2 weeks ago ground breaking for new corporate campus
- 2500 employees
 - 2000 here, 500 scattered in offices around the world
- New office building for 400 employees
 - daycare center that can handle ~100 kids
- 200,000 sq ft of new manufacturing space (200-250 employees)
- Clinic! - 40k sq ft, 5 med doctors including nutritionists, chiropractors, etc.
 - initially for dT employees and wellness advocates
- New Fulfillment Center: 300k sq ft, 250 employees
 - in July, the crossed the 1 mil orders in one month (just out of this one facility)

New Tools and Features

- Mobile enrollment
- Mobile shopping

What's Next?

- Will finish migrating everyone stateside to the new system by the end of the year
- New system will allow us to grow up to 10x current size

OUR

- Haiti: After-Care Facility
- Mexico: Transportation vehicles
- Africa

Our medical system functions on 2 models

- 3rd party payer, or insurance companies
 - natural incentives are misaligned
 - consumer is detached from actual costs
- Fee For Service
 - Medicaid and Medicare
 - *Top medical executives were asked if dōTERRA was a threat to them; their response was "if you make \$50mil in the Medicaid/Medicare industry, we will take you out"*

Is our medical system fixable

- *His wife was diagnosed with cancer several years ago; she is now healthy and cancer-free; she never had chemo or radiation treatments*
- This is what dōTERRA has been building for since the beginning
- The more of a path we can pave into the health care industry, the easier it will be for others to follow

New Essential Oils

- Conifer oils
 - Fir oils all have similar characteristics and benefits
 - Primarily mono-terpenes
 - One of the things that makes White Fir so powerful is the concentration of limonene
 - NEW OIL - SIBERIAN FIR
 - comes from twigs and branches
 - Do I need both White Fir and Siberian Fir?
 - There is no more White Fir
 - Siberian Fir is a better oil than White Fir
 - Siberian Fir has more prominent chemistry
 - it is possible to have an oil that fits the purity standards perfectly, but doesn't have the potency required
 - Siberian Fir outperforms White Fir in almost every category
 - One exception is Limonene, but the citrus oils have a vastly greater quantity of limonene than White Fir does
 - Siberian Fir uses:
 - Relaxation (to the central nervous system)
 - Cardiovascular
 - Metabolism (the efficiency with which your body uses the nutrients it receives)
 - INTERNAL USE! as well as Topical and Aromatic
 - Aromatic: for usages of relaxation, soothing to the airways
 - Topical: skin irritation
 - Internal: supports normal, healthy cellular function (can be used well with Frankincense)

- Application against environmental threats

Floral Oils

- Relaxing to body/emotions, soothing/replenishing to skin, supports proper immune activity
- Can come from pedals, roots, aerial portion (the part of the plant that is above ground)
- Chamomile Essential Oils
 - BlueTansy (from Morocco)
 - BlueChamomile
 - Their chemistry can be very different
 - Roman Chamomile: very soothing (mostly esters)
 - German Chamomile:
 - Blue Tansy:
 - NEW OIL - BLUE TANSY (gets its color from chamazulene)
 - Similar oils to blue tansy: roman chamomile, yarro
 - Great anti-oxidant capacity
 - Body has primary response of protection, healing, sustainability
 - soothing relief and skin support help the body directly through these receptors
 - Aromatically (very penetrating) and topically (both from irritation and oversensitivity)

Endocannabinoid System

- CB1 Receptor
 - Brain and CNS
- CB2 Receptor
 - Endocrine System
 - Immune System

- Sustained body responses in these areas
- 3 main cannabinoids (anything that derives or works with the CB receptors) derived from plants
 - CannaBiDiol - a cannabinoid from the cannabis plant
 - very small amounts (fraction of a percent) in the oils currently on the market
 - does not act directly on the CB receptors
 - we want direct activity so we get direct responses from the receptors
 - TetraHydroCannabinol (THC) - present in hemp oil in very high amounts
 - acts directly on the CB1 receptor
 - BetaCaroPhyllene
 - no CB1 receptors
 - same benefits as the other cannabinoids
 - CB2 direct interaction
 - present in therapeutic amounts
 - oils w/ BCP: Black Pepper, Melissa, Ylang Ylang, Clove, Helichrysum, Jumper Berry, Oregano
- NEW OIL: COPAIBA
 - Unique blend of 4 different species
 - Copaifera officinalis
 - We increase potency and the effects of potency through blending these oils
 - All of the responses work through the CB 2 receptor
 - Topically for neuronal excitability; internally for cellular support, cardiovascular health; aromatically to calm/soothe emotion
 - Immune support, inflammatory response, reduction of neuronal excitation

Emily Wright, Founding Executive, Sales & Marketing

dōTERRA's Early Focus

- Empowerment - bring awareness about essential oils and how to use them
- CPTG - had to have a standard to hold all products to
- Lifelong Vitality Pack
- Healthcare Revolution

NEW OIL - NEROLI TOUCH

- Neroli flower from Egypt
- Neroli trees have been untouched in Egypt since 642 A.D.
- 3 oils from the orange tree
 - Petitgrain Oil from the leaves
 - Neroli Oil from the flowers
 - Bitter Orange Oil from the skin of the orange
- Linalool connects with the NMDA receptor
- Gaba binding: calming, reduces neuron activity to aid in sleep
- Helps improve hormone balance
- Protects cells from damage

Process of Emotion

- Before you even recognize the smell you breath in, your body is already producing the chemicals to tell your body how to respond
 - scent bypasses the processing portion of the brain and produce a direct response

NEW OIL - JASMINE TOUCH

- Must be picked at 3-4 in the morning because the compound is so volatile that the sun burns it off

- Jasmine is an Absolute - it is harvested in a different way than the steam distillation used for most essential oils
 - Absolutes are much more concentrated than essential oils
- Without carrier oils, essential oils are so volatile that most of the oil isn't absorbed and evaporates through a process called Flash-Off
- FCO is the recommended carrier oil - it is a small enough molecular size to be absorbed by the skin without being so large and greasy that it can't be absorbed by the skin

NEW OIL - ROSE TOUCH

- Rose has the highest concentration of alkanes in any essential oil (25-35%)
 - alkanes are odorless, but they allow for rose to stay on your skin so much longer than most oils
- Helps body naturally release its desire for pain medication
- Helps support healthy, rejuvenated nerves
- Helps support healthy brain activity in children
- Helps with feelings of happiness and support after childbirth
- Helps with immune support strength
- *Her daughter Ashlyn was playing on a blow-up slide; a few days later had a skin eruption (grew from what appeared to be a spider bite to a skin eruption the size of a quarter in one day); very serious health concern that could be terminal; Rose Oil had been shown to be more effective than all other oils against this particular issue; within 1 weeks time her skin was healthy again; same thing happened to three other children who also were playing on the same slide; they followed the same protocol of applying Mellaluca Touch and Rose Touch and were healed as well*

NEW PRODUCT - LUMO DIFFUSER

- Can run for up to 10 hours

Wild Orange

- 75% of our Wild Orange now comes from Southern Brazil

- Our oils are sourced from over 20,000 small farmers

Elena Brower, Blue Diamond

YOGA COLLECTION

- 3 NEW BLENDS
 - ANCHOR - Steadying Blend
 - ALIGN - Centering Blend
 - ARISE - Enlightening Blend

Greg Cook, Founding Executive, President, Greater China

Disease Prevention

- 80% of disease is caught through direct or indirect contact (touching the person or a contaminated surface)
- 164 million school days are missed each year due to illness

A NEW ADDITION TO THE ONGUARD FAMILY

- OnGuard Sanitizing Mist

2017 Convention Kit

- Each kit includes a 5 mil Birch for Convention attendees
- 2 per attendant
- Not an LRP kit
- Available to everyone on Oct 2nd
- LUMO Diffusers also available
 - 2 per account

Corey Lindley, Founding Executive, President, CFO

Company Growth

- “Growth” isn’t about dollars or the bottom line for us, it is about changing lives
- In 2008, 98% of sales were in the U.S., 2% in Canada
 - This year, 39% of our growth is from overseas
- Highest growth rate is still here in the U.S. & Canada

Units of Inventory

- We are currently in stock 99% of the time
- Currently distribute out of two facilities - 40% Salt Lake City, UT, 60% in Atlanta, GA
- Building new state-of-the-art Distribution Facility, highly automated
- Goal is to meet then exceed Amazon Prime’s 2-day shipping
- Add new shipping facility in Dallas, TX in 2018
 - Next-day delivery in TX and nearby states
- New shipping facility in Anchorage, AK and Honolulu, HI coming in 2018
 - will also allow members to pick up orders from the shipping center that were placed that morning

Co-Impact Sourcing

- Nepal (source of Wintergreen Oil)
- Ultimately our co-impact sourcing initiative is about improving lives
- 12 major co-impact sourcing initiatives around the world

Sourcing Summit

- 14 countries, met in Bulgaria
- Focused on quality
- Focused on increasing quantity to ensure the oil supply for years to come

- Focused on continuing to improve the lives of the workers
- Esseterre Update - Bulgaria (where we get our Lavender and Melissa Oils)
 - dT has build the most technologically proficient distillery in the country of Bulgaria (first distillery overseas for dT)
 - distills Frankincense, Lavender, Melissa, etc.

Co-Impact Sourcing: Kenya

From David, the native leader of the Fair Oils Team in Kenya:

- Harvesting on 3 major mountains
- Built a lot of new infrastructure
 - building wells, gathering water
- High levels of poverty in the region
 - the farm brought jobs, but also works as an anchor to bring in farmers and establish a community in the area
- Growing to be able to support 5,000 farmers in the next few years
- People matter to dT, they have worked hard to build a strong team and a strong relationship with their growers; the Fair Oils Team is excited to have a client who shares their passions of building sustainable communities in Africa
- dT has build 2 schools that are very crowded
- They have built a new bridge across a dangerous river
- Build a new community center for events, training meetings to teach farmers how to increase their productivity

Healthcare Initiative

- Current life expectancy is declining, even though we spend ~50% more on healthcare than the next closest nation
- We have fewer doctors than most developed countries
- Countries average ~10% on healthcare; ours is 18%

- National average cost of health care of demographics similar to dT employees is 2x what dT faces for their employees
 - even though child birth rate in dT is 6x the national average
- National average spent on pharmacy costs is 3.9x what dT spent
- dT oils need to be part of our healthcare system to increase patient outcomes and lower patient costs
- Healthcare Vision
 - Patient-centric clinical healthcare model that uses essential oils
 - Publish continuing research on medical benefits of essential oils
 - Double US customer base by 2020

Clinic Expansion Model

- Partial clinic open by end of next year owned and operated by dT
- Plan to build clinics across the country with partner clinics

OMNICURA

- Trusted Partner including 2 medical doctors
- Partnering with dT to provide wholistic medicine

Healthcare the way it should be

- healthcare.doterra.com
- Will select the first few locations for dT-partnered wholistic clinics in the next months
- Plan on building a few every quarter after that

Dr. Brannick Riggs, M.D.

- US Healthcare: Where are we at?
 - Data from 2015:
 - U.S. spent 18% of their GDP on healthcare

- the next closest country spent ~11%
 - Healthcare spending: US spent \$9,541 per person
 - Germany spent \$5,267 on healthcare
 - Infant Mortality Rates: 5.8 deaths per 100
 - Life expectancy at birth: US 78.8 years for someone born in 2015
 - Overweight/obese population:
 - 70% in US
 - 1 in 3 have a risk of developing diabetes
 - 30/30 problems: we spend 30% more but receive 30% less care
 - 10/2 problem:
 - We rank #37 in the world for healthcare
-

dT is uniquely positioned to change how we deliver healthcare

- Customer centered
- Health focused

Jennifer Eddins, SM (ASCP)

Specialist in Microbiology

The Power of OnGuard

- Study done a few years ago: Effects of dōTERRA On Guard
 - Hospital Challenge: community outbreak (started in the hospital and spread to the community outside the hospital)
 - Laboratory Experiments
 - used standard methodology, adding microorganisms to disks infused with 1/6th of a drop of the respective oils, OnGuard and Melaleuca

- increased the amount of OnGuard the disk was exposed to, but wasn't comparatively more effective in the larger doses
- Study on Surface Cleaning
 - measured the survivability of organisms on a surface cleaned with OnGuard
 - a vast majority of organisms can survive on surfaces for quite a while (7-14 days) without a surface that provides food for them
 - the counter was sprayed with OnGuard, allowed to air dry, then the organisms were introduced
 - they tried every day for 7 days to get live samples of the organisms, but they were all killed by the OnGuard, could not get a single live sample from the organisms they had introduced
 - the surfaces were not wiped - they simply sat there with the oils, interacting with them, and the organisms couldn't survive
 - the majority of hand washing, surface wiping, etc. just washes the spores off and doesn't kill the germs

Nicole Stevens, MSC

Managing Scientist, Essential Oils

What do you know?

- OnGuard
 - pleasant aroma
 - powerful internal benefits: healthy skin, respiratory system
 - phenomenal topical benefits: non-toxic cleaner
- dōTERRA OnGuard is our largest line - because it works
 - University of Oklahoma: dōTERRA On Guard Research, BMC Complementary and Alternative Medicine
 - OnGuard has a special ability to help defeat cells that live within host cells, adding their information to host cells and growing within them

- may have inhibitory effects upon the replication process of these microorganisms
- In another scientific study, OnGuard was shown to promote healthy cellular process and protect against outside threats

Juli Reynolds, BSN, RN

Vanderbilt University Medical center

A Genesis Story

- Their work was evaluated by the IRV
- Study on workplace stress (will be published within the next year)
 - significant decrease in workplace stress
 - significant increase in perceived ability to handle stress
 - baseline stress of staff was well above national average - after diffusing essential oils it was significantly lower, below the national average
 - significant improvement in patient outcomes from reduces stress among the staff

Dr. Rena Szabo, PsyD, CAADC, MA, MEd

Psychology Director of the Psychology Department in an Inpatient Oncology Clinic

- dōTERRA Emotional Aromatherapy Blends
 - 37-44% of providers struggle with compassion fatigue
 - 32-78% of oncology care providers experience symptoms of burnout
 - Started using and diffusing dōTERRA's Aromatherapy Blends for her colleagues in the clinic
- The neuroscience of smell
 - 10,000 times more sensitive than the other senses of our body

- the sense of smell is immediate - the only place in our central nervous system that is exposed to our external environment
- the sense of smell travels to two parts of the brain: the Neocortex and the Limbic System
 - Limbic System controls emotions, behaviors, social attachment, autonomic function, hormones, memory retrieval, circadian rhythms, hunger, etc.
- Ran a test in her clinic: for the first 6 months no oils were diffused
- For the next 6 months they diffused a different emotion oil each month
- Every employee was surveyed weekly
- Stress levels before oils were 69% - after diffusing oils, the rate dropped to 49%
- 61% of the team felt overwhelmed before oils - after diffusing oils it dropped to 32%
- Significantly increase in positive feelings and significant decrease in negative feelings (75% down to 58%)
- Positive feelings by blend
 - 4 significantly increased: Forgive (100%), Cher, Passion, Motivate
- Negative feelings by blend
 - forgive decreased negative feelings by 68%
- Happiness: Cheer and Forgive
- Positivity: Cheer, Passion, Forgive
- Relaxed: Motivate, Forgive, Cheer
- Frustrated: Forgive, Cheer, Console, Peace
- Anger: Cheer, Forgive, Console, Peace
- Anxiety: Cheer, Motivate
- Forgive: significant decreases in anxiousness, apathy, gloom, anger
- Motivate: reduced feelings of bitterness, disinterest, discouragement

Dr. Brian M. Lawrence, PH.D, Scientific Advisor

How to Define Quality

- Quality Control: making sure each batch is pure
- Quality Assurance: making sure each batch is as pure as the ones before

Essential Oils

- 17,500 plants have essential oils glands, but only 350-400 are currently harvested for their essential oils

Rob Young, Founding Executive

Lifelong Vitality Pack

- Compression of Morbidity:
 - We live longer as a whole, but we see an earlier onset of chronic disease - our goal with the lifelong vitality pack is to compress that onset and push it back to as far into our future as possible
 - Discomfort is a response to a stimulus our cells receive and respond to
 - an increase in stress increases the discomfort experienced by the cells
 - free radicals cause oxidative stress on our cells
 - antioxidants have free electrons that neutralize free radicals, removing those extra stressors on our cells
 - one of the best ways to get antioxidants in our body is through eating fruits and vegetables
 - LLV Pack contains Silymarin extracted from Milk Thistle
 - Boswellia Serrata and OMEGA-3 fatty acids help mediate overactive response from the cell membrane
- As we age, our mitochondria produce less ATP per cell and put off more free radicals

- Ginkgo biloba extract to support memory & focus; it is anti-stress and neuroprotective
- All of the nutrients in the LLV Pack are standardized and bioavailable (can be metabolized easily by your body)

Dr. Daniel Leverenz, Board-certified Emergency Physician

Omega Fatty Acids

- When our omega acids are out of balance, from a 3-1 to 4-1 ratio, we start to see some health consequences; the normal diet is 15-1 omega-6 to omega-3
 - this invariably and obligatorily leads to dramatically increased expression of pro-inflammatory cytokines
 - cytokines are signalers that send distress signals through the body for help causing inflammation
 - this chronic inflammation is exhausting, beleaguering, and confusing to your body
 - leads to malfunctions in the Metabolic System that sparks and perpetuates diabetes, HTN, HLD, etc
 - your inflammatory and immunologic systems are interrelated so chronic inflammation leads to overwork and overuse of the immune system
 - you are functionally immunocompromised
 - Benefits of balanced Omegas
 - reduced triglyceride levels
 - “tuning down”; improved mental, behavioral, and cardiovascular health
- Vitamins & minerals
 - they are essential ingredients for the multitude of biochemical reactions
 - supreme example of attending to your cellular health
 - again, the right ratios are important
 - the importance of “presentation” (how the vitamins are presented to your body)

- when you eat fruit, you are taking in more than just the vitamins within
 - you consume a CLOUD of various nutrients that are critical in helping your body recognize and utilize the various components within the fruit
- Alpha CRS
 - targets the cell in an all-out effort to optimize cellular health
 - 2 main objectives: 1) enhance cellular energy production and 2) defend the cell against oxidative damage/stress
 - Cellular energy production
 - Exogenous provision: relies on stimulate doses
 - ex. caffeine
 - Endogenous production: relies on body's own well-equipped machinery for production
 - Mitochondria - first-line bioreactors
 - the series of complex biochemical reactions here are called mitochondrial respiration
 - Cellular energy support:
 - Coenzyme Q10:
 - embedded on inner membrane of mitochondria
 - plays an essential role in mitochondrial respiration
 - Alpha-lipoic acid (ALA)
 - vital cofactor for mitochondrial respiratory enzyme complexes (the molecules that actually do the work [like the robots in a car factory])
 - supplementation has been demonstrated to improve mitochondrial function by a variety of different measurements
 - you can actually measure the health of that mitochondrial membrane, and ALA supplementation directly improves the health not only of the membrane, but the output of the whole process
 - preliminary data suggests that ALA supplementation may enhance mitochondrial biogenesis

- exercise is one undisputed way to increase the output of the mitochondrial respiration process
- Acetyl-L-carnitine (ALCAR)
 - sits on mitochondrial membrane
 - supplementation has been demonstrated to increase mitochondrial mass and structure
 - may increase mitochondrial biogenesis
 - attenuates the natural process of decline in mitochondrial function and number
- CoQ10 + ALA + ALCAR
 - goal is to enhance output, preserve longevity, and attenuate decay
 - *like composting the soil, adding in vital nutrients to restore health*
- Cellular Defense
 - main defense system is antioxidants
 - antioxidants = molecular disruption machines
 - damage to genetic material is the main concern
 - genetic material exists in the DNA and the mitochondria
 - Oxidative stress
 - carries out a constant cellular assault
 - is a main target of Alpha CRS
 - sources of oxidative stress: toxin exposure through air, illness, poor diet, and even the perfectly normal cellular process and metabolic pathways, including mitochondrial respiration (if you smoke, you breathe in 1 quadrillion toxins with every breath
 - your body has normal ways of handling this, but if the toxicity levels become too high, your body can't handle it
 - CoQ10 + ALA + ALCAR are powerful antioxidants
 - they not only clean up extra toxins, but power the cells as well

- Polyphenol antioxidants
 - baicalin
 - resveratrol
- Fundamentally different approach targeted to optimize cellular health
- Short term benefits
 - more energy
- Long term benefits
 - “compression of morbidity” - delaying the point at which you experience the onset of chronic disease