

HERBALIFE LTD.
Form 8-K
March 29, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**Current Report
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 23, 2006

HERBALIFE LTD.

(Exact name of registrant as specified in its charter)

Cayman Islands

1-32381

98-0377871

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

P.O. Box 309 GT, Uglad House, South Church Street, Grand Cayman, Cayman Islands

(Address of principal executive offices)

Registrant's telephone number, including area code: (310) 410-9600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

Herbalife Ltd. (the Company) is filing a copy of its current forms of Stock Unit Award Agreement and Stock Appreciation Right Award Agreement to be used for grants made to Michael Johnson, the Company's Chief Executive Officer, under the Herbalife Ltd. 2005 Stock Incentive Plan (the Plan).

The Compensation Committee of the Board of Directors of the Company approved the grants of Restricted Stock Units and Stock Appreciation Rights to Mr. Johnson set forth in the table below. Pursuant to the terms of the Plan, the Base Price, as defined in the Form of Stock Appreciation Right Award Agreement applicable to Mr. Johnson, for each Stock Appreciation Right is \$32.79, the fair market value of a common share of the Company on March 23, 2006, the date all requisite corporate action with respect the grants was completed.

| Name | Number of Restricted Stock Units | Number of Stock Appreciation Rights |
|-----------------|----------------------------------|-------------------------------------|
| Michael Johnson | 15,000 | 140,000 |

The grants described above were made pursuant to the forms of Stock Unit Award Agreement and Stock Appreciation Right Agreement applicable to Mr. Johnson. Copies of the Form of Stock Unit Award Agreement and Form of Stock Appreciation Right Award Agreement applicable to Mr. Johnson are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit | Description |
|---------|--|
| 99.1 | Form of Herbalife Ltd. 2005 Stock Incentive Plan Stock Unit Award Agreement applicable to Mr. Johnson. |
| 99.2 | Form of Herbalife Ltd. 2005 Stock Incentive Plan Stock Appreciation Right Award Agreement applicable to Mr. Johnson. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HERBALIFE LTD.

Date: March 29, 2006

By: /s/ Brett R. Chapman
Brett R. Chapman
General Counsel

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