



2005 Shareholders'  
Annual Report

*Redefining Wellness  
and the Industry*

# TABLE OF CONTENTS



1	Selected Financial Data
2-3	Letter to Shareholders'
4-7	Rock Solid
8-11	Team Work
12-15	Industry Leader
16-19	Global Vision
20-22	Financial Strengths
23	Corporate Information
24	Board of Directors

## SELECTED FINANCIAL DATA

For the year ended December 31,

	2003	2004	2005
	<i>(in millions, except per share information and ratios)</i>		
<b>Results of Operations:</b>			
Net sales	\$191	\$295	\$389
Gross profit	\$81	\$117	\$159
Income before taxes	\$13	\$27	\$46
Net income	\$9	\$20	\$29
<b>Earnings Per Share:</b>			
Basic	\$0.34	\$0.74	\$1.06
Diluted	\$0.34	\$0.71	\$1.03
<b>Weighted-average common shares outstanding:</b>			
Basic	25,494	26,436	26,990
Diluted	26,175	27,491	27,771
<b>Financial Condition:</b>			
Total cash and investments	\$54	\$61	\$73
Total working capital	\$16	\$28	\$38
Total assets	\$60	\$98	\$123
Total shareholders' equity	\$33	\$56	\$70
Cash flows from operations	\$20	\$30	\$43
<b>Statistics:</b>			
Current ratio	1.6	1.7	1.8
Inventory turnover ratio	5.8	4.3	3.5
Debt to equity ratio	0.8	0.8	0.8
Dividends paid per share	\$0.00	\$0.20	\$0.28

A photograph of Samuel L. Caster, Chairman of the Board and Chief Executive Officer, speaking at a podium. He is wearing a black tuxedo with a white shirt and a black bow tie. He has his hands raised in a gesture of emphasis. The background is dark with a large green circle on the left and a large white graphic of the word "define" on the right. The podium is dark and has a microphone in front of it.

*"We are celebrating our position of strength and reaffirming our commitment to growth in the dynamic wellness industry."*

**Samuel L. Caster**  
Chairman of the Board and Chief Executive Officer

# Dear Shareholders,

This year, we are celebrating our position of strength and reaffirming our commitment to growth in the dynamic wellness industry. I am truly gratified by our accomplishments in 2005, which include reporting 32% growth in sales and 45% growth in earnings per share. Our sales reached \$389 million, driven in part by a 33% increase in the number of independent Associates and Members purchasing and using our products. I am proud of the recognition we've received. In 2005, Business Week ranked Mannatech #6 on its annual list of Hot Growth Companies among 2,200 small to mid-cap companies. Also, the Dallas Business Journal reported that Mannatech jumped from 100th to 79th largest among public companies in the Dallas-Ft. Worth Metroplex area and ranked 29th in sales growth. I am pleased that we continued to strengthen our global sales presence by opening operations in Taiwan in June of 2005 and expanding our market into Denmark and Germany. Finally, as our annual sales approach the half billion dollar mark and our current independent Associates and Members number more than 490,000, I am convinced that our networking model of distribution is the most effective way to penetrate the emerging wellness industry with proprietary and advanced technologies.

At the same time that we are delivering record revenues and solid earnings growth, I am confident that we are also appropriately investing in our future by developing fully integrated global information technology systems, which will service the diversified needs of our future business. I am also confident that we have strengthened and protected our intellectual rights by expanding the number of patents that we hold to 20. Our customer base continues to expand, contributing to a strengthened balance sheet of \$123 million in assets, minimal debt, and a cash position of \$73 million, up 20% from 2004.

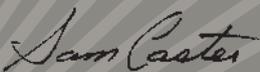
We have also strengthened both our Board of Directors and our core executive team. We successfully recruited and elected Larry A. Jobe to our Board of Directors. Larry brings a strong background in business finance, operations and management. We made two new additions to our management team to address our key growth initiatives of product innovation and international expansion. Dr. Rob Sinnott joined us as our Chief Science Officer, bringing over twelve years of biotechnology experience and a fresh perspective on innovative wellness technologies. John Price, our President of International Operations, brings an impressive international background to his job of spearheading new market entries and developing existing markets.

With a strong executive team in place, I firmly believe that we can stay the course in our core business while continuing to execute our strategic growth plan to develop international markets and expand proprietary product offerings. In the coming months, we will launch a new line of preservative-free skin care products in Japan, continuing our commitment to offer our customers the most advanced wellness technologies.

We are committed to return value to our shareholders and encourage long-term investment in Mannatech's common stock through continued higher earnings, dividends, and continuation of share repurchases. Our intent is to reward our investors who view Mannatech as we do – as a strong growth company with exceptional future potential.

As proud as I am with our overall history and recent accomplishments, I am even more gratified with the corporate culture that we have worked hard to establish. We believe that we are a Company of hope, of compassion and of generosity, and have evolved into a cutting edge wellness solution provider. I make a promise to you, our independent Associates, our customers, and our shareholders, that we will strive to deliver rock-solid results as we remain committed to our effective model of distribution and to the development of products that will meet the growing needs of a global wellness market.

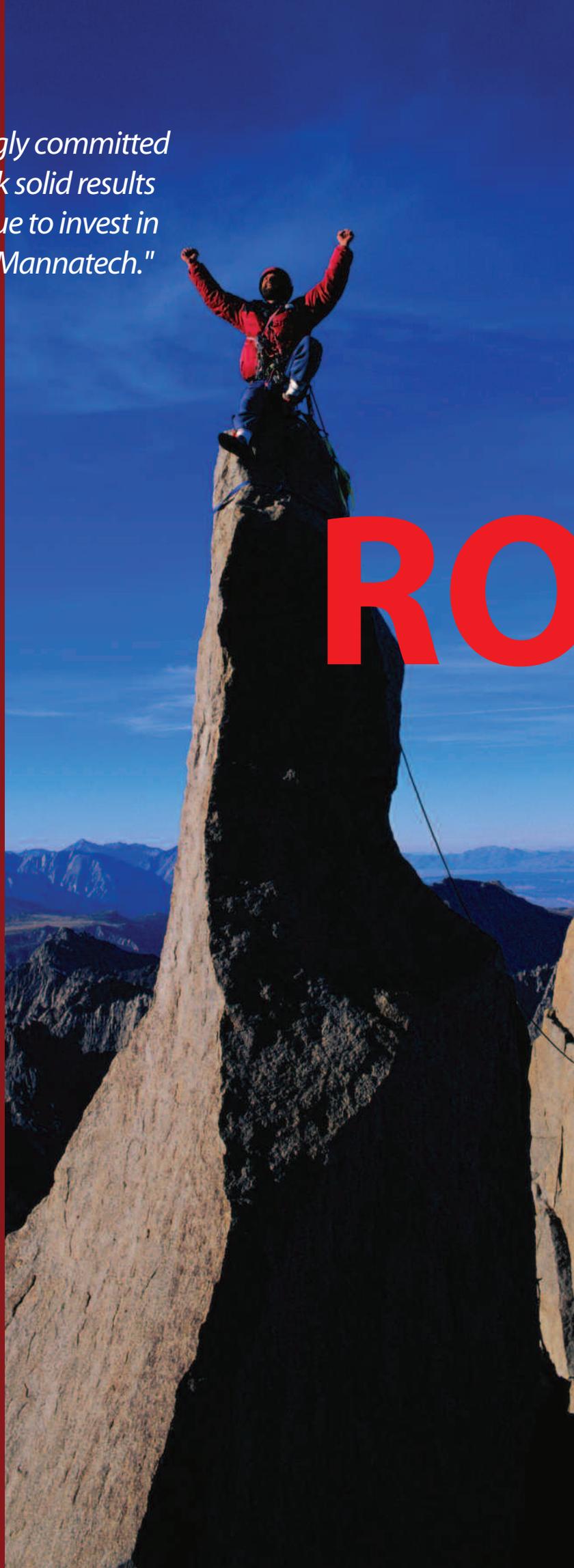
Sincerely,



Samuel L. Caster,

Chairman of the Board and Chief Executive Officer

*" We are strongly committed  
to deliver rock solid results  
as we continue to invest in  
the future of Mannatech."*



# ROCK

Mannatech



SOLID





*(left to right)*

**Stephen D. Fenstermacher**

Chief Financial Officer and Senior Vice President

**Bettina S. Simon**

Chief Legal Officer, Senior Vice President, and Corporate Secretary

**Terry L. Persinger**

President, Chief Operating Officer, and Board Member

# Solid financial strength and a solid management team

are two of our greatest strengths. We have reported for 2005 yet another year of exceptional sales and earnings growth. Our sales for the year grew by \$94 million and exceeded \$389 million, for an increase of 32% as compared to 2004. Even more impressively, net income reached more than \$28 million and grew year-over-year in excess of 47%. Earnings per share (diluted) of \$1.03 represented an increase of 45%. Our balance sheet demonstrates a solid financial foundation, including liquidity in cash and investments of \$73 million, with no long-term debt. We reported retained earnings of \$70 million, and total assets of \$123 million. The strength of our balance sheet gives the Company exceptional flexibility, as shown by the payment of quarterly dividends and funding of the share repurchase program during 2005, along with continued investment in our future growth through the GlobalView Oracle/JDE Enterprise One integrated computer system installation project. We also funded the opening of operations in Taiwan in June 2005 and initiated shipments of some of our key products to Denmark later in the year.

Our customer base of independent Associates and Members purchasing products has increased by 33% to 490,000 as of December 31, 2005 as compared to 369,000 independent Associates and Members a year earlier. This growing statistic is quite important, as approximately 74% of our regular monthly product sales are automatic, standing reorders placed by our independent Associates and Members. These automatic repeating orders represent a continuously growing group of consumers who are committed to wellness and to Mannatech products.

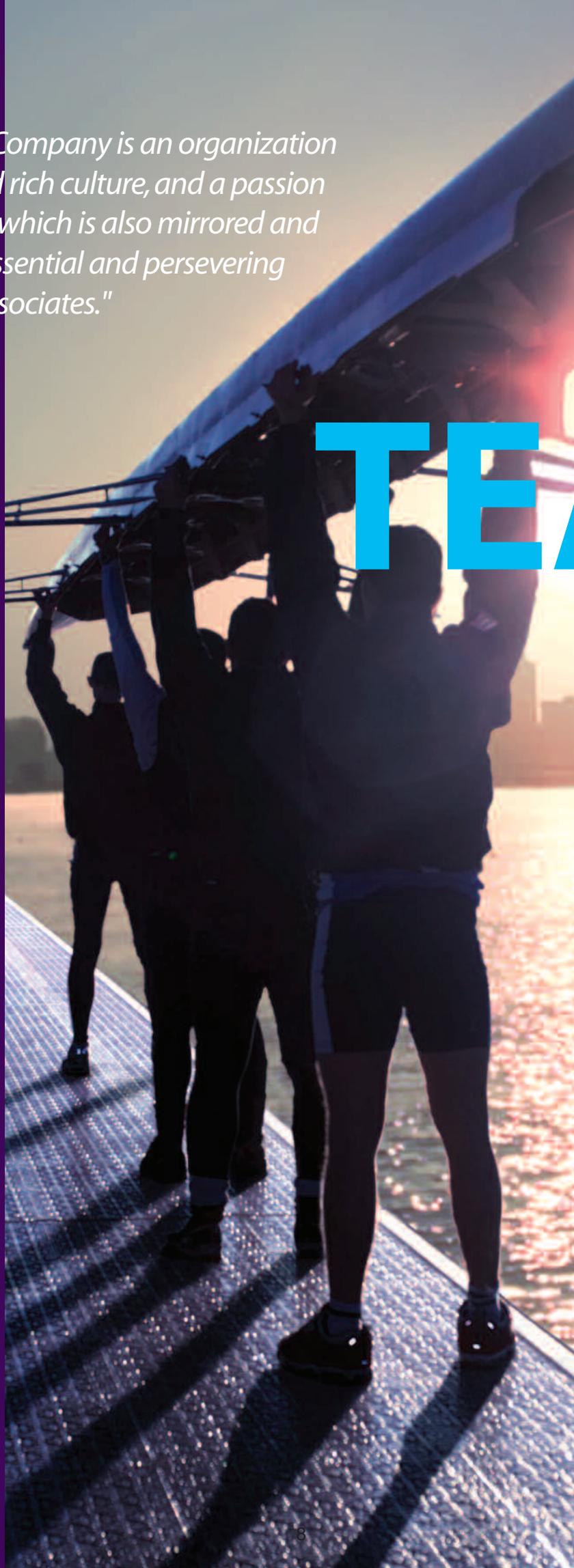
In 2005, we also paid dividends of \$0.28 per share thus returning over 27% of net earnings to our shareholders. Inclusion of the \$7 million used last year in our market stock repurchase program increased shareholders returns for 2005 to more than 50% of net earnings. In recognition of successful business trends, the Board of Directors increased quarterly dividends 14% to \$0.08 per share.

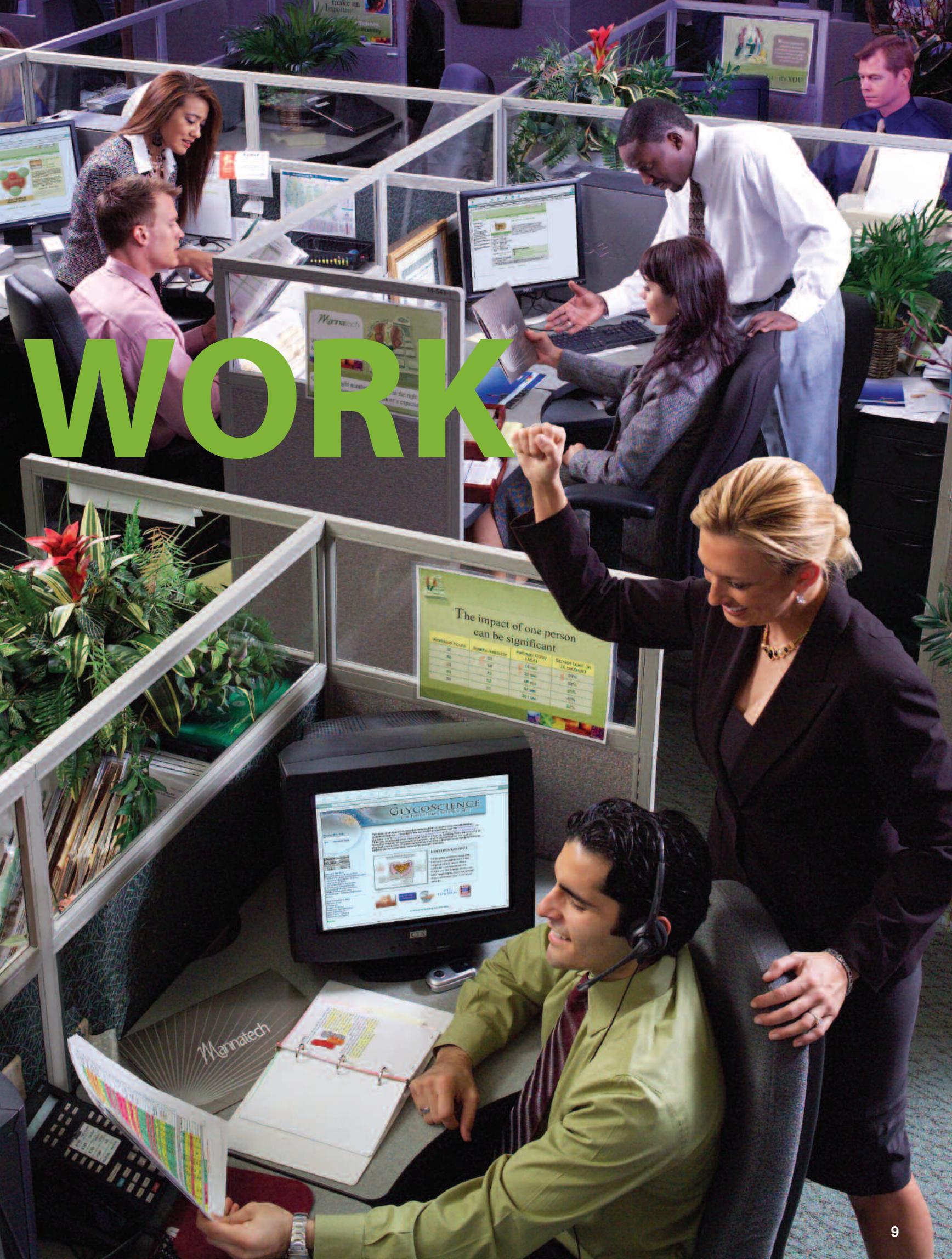
Our focus on cost containment enhanced our results in 2005. Our gross profit margin improved by \$42 million and gained 100 basis points as compared to 2004, or as a percentage of net sales, one full percentage point. We primarily attribute the increase in gross profit to realizing efficiencies in our supply-chain. Our operating costs also improved by 100 basis points. This improvement relative to sales was the result of continued careful management of overhead costs and specific project expenses, which are challenging in a rapid growth environment such as ours.

In the future, we will continue to focus financial and management resources on building our existing countries while also expanding into new markets. We will drive our core business by broadening our consumer-focused initiatives in glyconutritionals as well as skin care, and we will prepare for new global expansion with our proven business model.

*" We believe our Company is an organization with a deep and rich culture, and a passion for our mission, which is also mirrored and valued by our essential and persevering independent Associates."*

# TEAM





# WORK

The impact of one person can be significant

Without You	Agents Available	Average Copy (ACA)	Service Level (in 30 seconds)
40	80	18 sec	85%
30	60	22 sec	78%
20	40	32 sec	65%
10	20	45 sec	45%
5	10	60 sec	25%





*(left to right)*

**Robert D. Panico**

Vice President of Global Human Resources

**Donald W. Herndon**

Vice President of Field Services

**Natalie L. Logan**

Vice President of Global Business Systems

**Cynthia L. Tysinger**

Chief Information Officer and Senior Vice President

**Gary M. Spinell**

Vice President of Treasury and Investor Relations

# **Our Mannatech independent Associates make up a tremendously committed business team,** which is changing the face of network-marketing.

For over 12 years our independent Associates have helped to shape progress in the networking industry. Since 1994, we have worked hand-in-hand with our independent Associates to help ensure that our product development, training methods, and information technology standards are the finest available. Through these efforts we have developed new, inspiring promotional and educational materials to assist the endeavors of our independent Associates in bringing glyconutritionals to the world.

The number of independent Associates and Members purchasing Mannatech products has strengthened and grown to more than 490,000 around the world. The unceasing activities of our independent Associate base have allowed us to record enviable growth trends over the last several years. Our increases in sales volume and improvements in profitability and earnings over the past several years are a testament to the value of close teamwork between the independent field Associates and the Company. The commitment of our independent Associates to the growth of Mannatech has been, and continues to be, exceptional. Our reciprocal dedication to the network-marketing business model has allowed the news about glyconutritionals to spread around the world.

We believe we can continue to energize our independent Associates around the globe by opening up new avenues for their growth. Our global expansion plan has targeted new markets in Europe, Latin America, and Asia that will significantly extend our reach to new customers in the coming years. Our Mannatech name is already synonymous with the science of glyconutritionals, and we have renewed our commitment to the development of new quality-driven products that continue to focus on optimal health. Our complementary products, such as the expanded skin care line in Japan, will appeal to a broad, new spectrum of consumers. We believe that these carefully crafted plans form a powerful global business opportunity, which will increase our competitive strength and growth potential, as well as strengthen the potential opportunity for our valued independent Associates and health-conscious consumers.

In recent years the Internet has dramatically impacted many industries, including the recent surge in direct marketing. The web has strengthened our business model by enhancing our ability to attract new consumers and retain existing independent Associates. Our investment in cutting-edge internet technology has made it possible for our independent Associates to access product and business information instantly, use interactive training tools, and also simplify the ordering process. Over the past three years, our product and pack sales derived from Internet orders have grown to exceed 70% of our total volume.

Our ultimate goal is to provide the support necessary to help facilitate the success of our independent Associates succeed, and that goal forms the heart of everything we do. Our relationship is reciprocal as our independent Associates place their trust in our Company, in our products, and in our corporate mission; and we are committed to providing meaningful opportunity and state-of-the-art wellness products and support programs. We owe them our best in everything that we do. As our independent Associates continue to realize their goals and aspirations, our shareholders likewise will also benefit and we will all build on our strength as a team and on our heritage as pioneers in wellness science and technology.

*"The foundations of some of the greatest scientific advancements lie with those who had the vision and insight to examine the world differently."*



**INDUSTRY**



# LEADER



*(left to right)*  
**Betsy C. King**  
Vice President - Quality Assurance

**Stephen Boyd, MD, PhD**  
Senior Medical Director

**Robert A. Sinnott, MNS, PhD**  
Chief Science Officer and Vice President  
of Research and Product Development

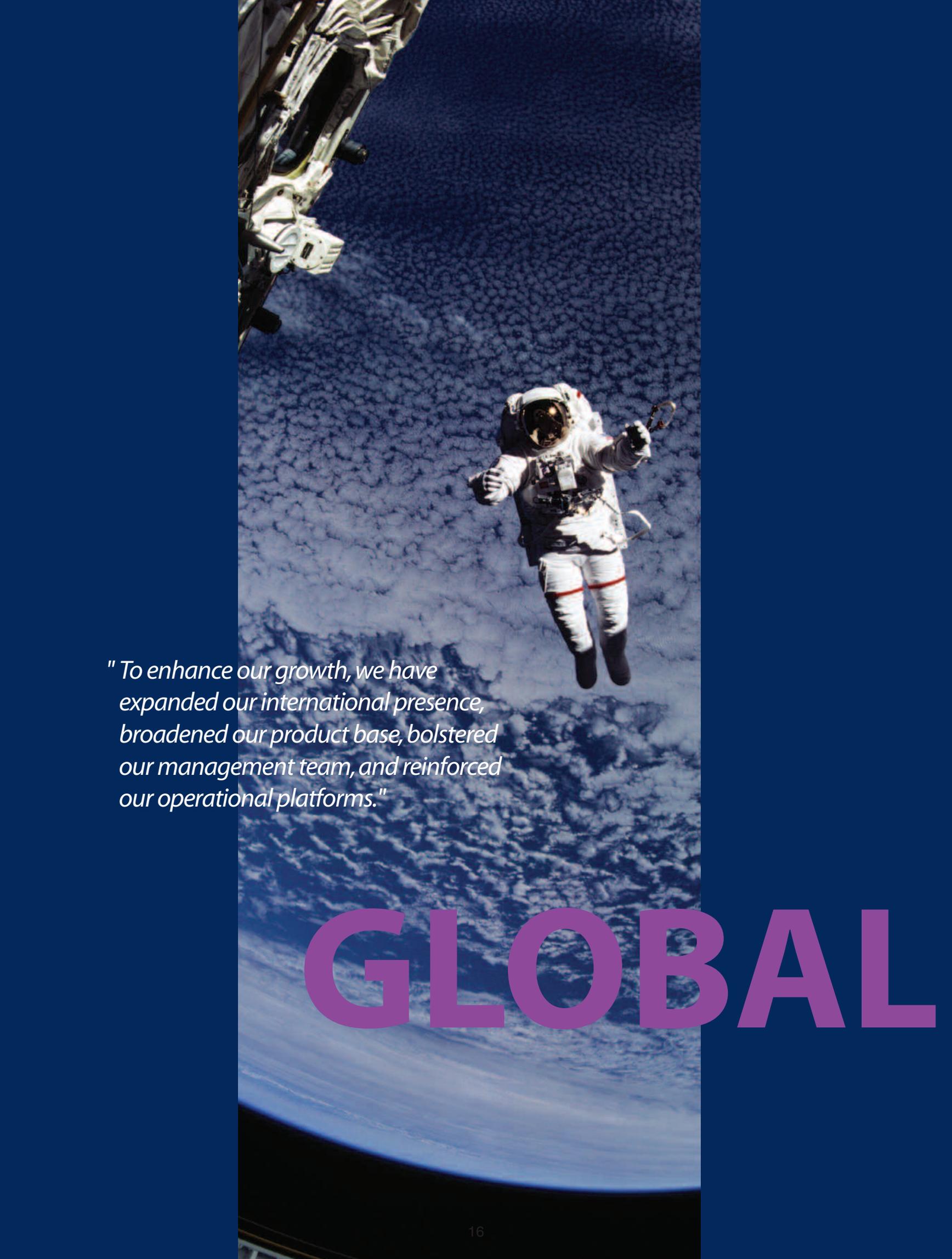
# Over the last decade, we have achieved and maintained a leadership position

in the wellness industry by developing glyconutritional products that help achieve optimal health and wellness. "Glyco" is derived from the Greek word for "sugar" or "sweet," and glyconutritionals are dietary supplements that contain natural, nutritious plant sugars, referred to as glyconutrients. Our product philosophy is to take a natural approach by developing products that supply certain sugars to help support normal cellular structure and function, leading in turn to better health and wellness. Our signature platform product, Ambrotose® complex, is designed to help effectively facilitate cell-to-cell communication to support the body's immune system. We believe that most people eat more than enough table sugar (sucrose) and high-fructose corn syrup but do not consume a sufficient amount of plant saccharides, which we believe cells need to sustain optimal health. Each of our products is designed to deliver certain benefits on a cellular level and target specific areas of health. When taken together, our products can complement each other and intensify the overall positive wellness benefits. Our outstanding products include seven general categories, which are as follows:

- General Overall Optimal Health** a variety of nutritional supplements that aid in optimizing overall health and wellness.
- Wellness Management** products that deliver specific nutrients to help keep select body systems healthy.
- Lifestyle Management** products especially designed to help maintain health in a stressful world.
- Growth Essentials** formulated for growing young people, these products supply vitamins, minerals, glyconutrients, and phytonutrients.
- Performance Nutrition** products that help improve endurance, help muscles recover quickly from exercise, and satisfy thirst and hunger nutritiously.
- Skincare Solutions** products to nourish, support and protect the skin.
- Weight Management** unique products that, along with a healthy lifestyle, can help achieve and maintain a lean and healthy body.

Our goal with each and every product is to consistently meet or exceed customer product expectations without compromising our quality standards. Our quality system is based on current Good Manufacturing Practices ("GMPs") established by the United States Food and Drug Administration for foods. We continuously enhance our quality system and have incorporated the unique requirements of dietary supplement GMPs for foods into our quality assurance program. Our quality assurance process is driven by a team of biologists, chemists, and technicians, thoroughly versed in current GMPs and focused on the highest quality achievable.

Our research and development team of experts supporting Dr. Sinnott strives for innovation and excellence in new products while continuously searching for opportunities to refine and upgrade existing products. In 2006, we are broadening our horizons by refining our Advanced Ambrotose™ product to include a more balanced glyconutritional profile, and introducing FiberSlim™, which contains high-viscosity glucomannan and is a water-soluble fiber product designed to curb the appetite and thereby help to control weight. We also plan to introduce two new, improved great-tasting Manna Bars™ containing Omega-3 fatty acids, as well as a line of new preservative-free skin care products in Japan.

A photograph of an astronaut in a white spacesuit floating in space. The astronaut is positioned in the center-right of the frame, with their arms slightly out. The background is a vast, deep blue space filled with a dense field of white, fluffy clouds. In the upper left corner, a portion of a white spacecraft structure is visible. The overall scene is set against a dark blue background that frames the image.

*"To enhance our growth, we have expanded our international presence, broadened our product base, bolstered our management team, and reinforced our operational platforms."*

# GLOBAL



# VISION



*(left to right)*

**Jolene Kuo**

General Manager - Mannatech Taiwan

**John W. Price**

President of International Operations

**Jiweon Jung**

General Manager - Mannatech Republic of Korea

**George Howden**

General Manager - Mannatech Australia

**Ronald D. Norman**

Vice President of International Finance

**Colin Jones**

General Manager - Mannatech United Kingdom

**Tatsuya Ogami**

General Manager - Mannatech Japan

# Our global vision is to continue to expand our international presence

to reach new customers in new geographies. We now sell our products in 5 of the 10 largest network-marketing markets in the world. Although the United States remains our single largest market and accounts for roughly two-thirds of our total sales, we believe that our biggest near-term growth opportunity lies in international expansion. Due to our proven business model, our entry into new markets is efficient owing to modest investments in both capital and human resources. In addition, our existing international base benefits by replicating our domestic strategy and successes. For example, the registration and introduction of Ambrotose AO® in our existing foreign markets during 2005 helped to fuel an increase in our total sales of \$36 million.

For the past several years, we have focused on an important company-wide project to implement GlobalView Oracle/JDE Enterprise One, our global integrated real time enterprise system, which will allow our business processes to become integrated and immediate, allowing for increased performance and productivity. This fully-integrated system provides a complete suite of business applications including financial, personnel, order processing, customer relationship management, and distribution modules. This new system was needed to support our global expansion and future business plans. As the system configuration and implementation project comes to a close during 2006, we are focusing on registering additional products in existing markets. In March 2006, we submitted applications to German authorities for some of our key core products. As with Denmark, the German market will be serviced by our existing operation in the United Kingdom.

In 2007, we expect our fully-integrated software system project will be successfully implemented, so we will then be ready to implement our international expansion efforts of opening operations in new countries in the European, Latin American, and Asian sectors.

Our international team is headed by John Price, President of International Operations, and strongly supported by Ron Norman, Vice President of International Finance. Over the past years, Mannatech's leadership has developed sound expertise in transplanting our glyconutritional business into new markets and installing the necessary local management talent to successfully guide the growth of our business. Our international team has helped us expand into Australia, the United Kingdom, Japan, the Republic of Korea, New Zealand, Taiwan, Denmark, and Germany. With this strong history, we have successfully demonstrated our ability to add to our growing portfolio of successful new market entries.

We believe that we are still in the early growth stage of our global business. Thus, we believe international expansion promises a tremendous opportunity for our sustained future expansion. We pledge to continue the execution of our successful strategy to make available our core products in all our operating countries. We also pledge to develop new high-quality glyconutritional products to be offered to consumers by highly-motivated independent Associates, which will bring our global vision to our Mannatech customers and shareholders around the world.

	<b>December 31,</b>	
	<b>2004</b>	<b>2005</b>
<b>ASSETS</b>		
Cash and cash equivalents	<b>\$44,198</b>	<b>\$56,207</b>
Short-term investments	—	1,974
Restricted cash	393	2,777
Income tax receivable	4,161	—
Accounts receivable	392	548
Inventories, net	13,157	19,811
Prepaid expenses and other current assets	3,188	3,471
Deferred tax assets	1,850	671
Note receivable due from an affiliate	144	153
<b>Total current assets</b>	<b>67,483</b>	<b>85,612</b>
Property and equipment, net	6,469	10,951
Construction in progress	3,544	8,157
Long-term restricted cash	1,571	1,476
Long-term investments	17,073	15,375
Other assets	1,203	1,121
Long-term deferred tax assets	1,003	103
<b>Total assets</b>	<b>\$98,346</b>	<b>\$122,795</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current portion of capital lease	\$8	\$23
Accounts payable	2,227	5,476
Accrued expenses	20,389	16,800
Commissions and incentives payable	12,718	15,588
Taxes payable	1,930	5,773
Deferred revenue	2,256	3,712
Accrued severance related to former executives	375	141
<b>Total current liabilities</b>	<b>39,903</b>	<b>47,513</b>
Capital lease, excluding current portion	26	—
Long-term liabilities	530	537
Long-term royalties due to an affiliate	1,658	3,341
Long-term deferred tax liabilities	4	1,086
<b>Total liabilities</b>	<b>42,121</b>	<b>52,477</b>
Commitments and contingencies		
<b>Shareholders' equity:</b>		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.0001 par value, 99,000,000 shares authorized, 27,115,440 shares issued and 27,041,125 outstanding in 2004, and 27,404,513 shares issued and 26,738,364 outstanding in 2005	3	3
Additional paid-in capital	34,917	36,699
Retained earnings	21,672	42,505
Accumulated other comprehensive income (loss)	195	(1,098)
	<b>56,787</b>	<b>78,109</b>
Less treasury stock, at cost, 74,315 shares in 2004 and 666,149 shares in 2005	(562)	(7,791)
<b>Total shareholders' equity</b>	<b>56,225</b>	<b>70,318</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$98,346</b>	<b>\$122,795</b>

(The contents of this report should be considered in conjunction with the risks and cautionary statements contained in our 2005 annual report filed on Form 10-K, as filed with the United States Securities and Exchange Commission, which includes a complete set of Consolidated Financial Statements and Footnotes.)

	<i>For the year ended December 31,</i>		
	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Net sales</b>	<b>\$191,019</b>	<b>\$294,508</b>	<b>\$389,383</b>
Cost of sales	30,884	44,847	58,028
Commissions and incentives	79,577	132,231	172,151
	110,461	177,078	230,179
<b>Gross profit</b>	<b>80,558</b>	<b>117,430</b>	<b>159,204</b>
Operating expenses:			
Selling and administrative expenses	39,993	50,006	65,923
Other operating costs	26,956	37,840	47,671
Severance expenses related to former executives	2,017	—	—
Non-cash charge related to affiliate stock sale	—	3,047	—
Total operating expenses	68,966	90,893	113,594
<b>Income from operations</b>	<b>11,592</b>	<b>26,537</b>	<b>45,610</b>
Interest income	348	735	1,778
Interest expense	(44)	(17)	—
Other income (expense), net	842	(257)	(1,940)
<b>Income before income taxes</b>	<b>12,738</b>	<b>26,998</b>	<b>45,448</b>
Provisions for income taxes	(3,948)	(7,446)	(16,801)
<b>Net income</b>	<b>\$8,790</b>	<b>\$19,552</b>	<b>\$28,647</b>
<b>Earnings per share:</b>			
Basic	<b>\$0.34</b>	<b>\$0.74</b>	<b>\$1.06</b>
Diluted	<b>\$0.34</b>	<b>\$0.71</b>	<b>\$1.03</b>
<b>Weighted-average common shares outstanding:</b>			
Basic	25,494	26,436	26,990
Diluted	26,175	27,491	27,771

*(The contents of this report should be considered in conjunction with the risks and cautionary statements contained in our 2005 annual report filed on Form 10-K, as filed with the United States Securities and Exchange Commission, which includes a complete set of Consolidated Financial Statements and Footnotes.)*

GEOGRAPHICAL

Net Sales and Net Sales as a Percentage of Consolidated Net Sales

	2003		2004		2005	
			<i>(in millions)</i>			
United States	\$128	67.0%	\$193	65.4%	\$259	66.6%
Canada	17	8.7%	22	7.5%	28	7.2%
Australia	16	8.2%	31	10.4%	36	9.2%
United Kingdom	5	2.6%	10	3.6%	9	2.3%
Japan	18	9.7%	25	8.3%	35	9.1%
New Zealand	7	3.8%	13	4.4%	15	3.7%
Republic of Korea	—	—%	1	0.4%	4	1.2%
Taiwan*	—	—%	—	—%	2	0.6%
Denmark**	—	—%	—	—%	1	0.1%
<b>Total</b>	<b>\$191</b>	<b>100%</b>	<b>\$295</b>	<b>100%</b>	<b>\$389</b>	<b>100%</b>

\* Taiwan began operations in June 2005.

\*\* United Kingdom began selling products in Denmark in August 2005.

RECAP OF NET SALES

	For the year ended December 31,			Percentage change	
	2003	2004	2005	2004 over 2003	2005 over 2004
	<i>(in millions)</i>				
Product sales	\$144	\$209	\$285	45%	36%
Pack sales	39	71	87	81%	25%
Other, including freight	8	15	17	91%	14%
<b>Total net sales</b>	<b>\$191</b>	<b>\$295</b>	<b>\$389</b>	<b>54%</b>	<b>32%</b>

CURRENT INDEPENDENT ASSOCIATES AND MEMBERS\*

Current independent Associates and Members	For the year ended December 31,					
	2003		2004		2005	
New	134,000	51%	178,000	48%	230,000	47%
Continuing	130,000	49%	191,000	52%	260,000	53%
<b>Total</b>	<b>264,000</b>	<b>100%</b>	<b>369,000</b>	<b>100%</b>	<b>490,000</b>	<b>100%</b>

\*Current is defined as purchasing a product within the last twelve months.

**Corporate Headquarters:**

600 S. Royal Lane, Suite 200  
Coppell, TX. 75019  
(972) 471-7400  
[www.mannatech.com](http://www.mannatech.com)

**Investor Relations:**

For investor information, inquiries, reports  
and filings with the SEC email request to  
[IR@mannatech.com](mailto:IR@mannatech.com) or call (972) 471-6512.

**Registrar and Transfer Agent:**

COMPUTERSHARE  
(877) 498-8861  
[www.computershare.com](http://www.computershare.com)

**Annual Shareholders' Meeting:**

Mannatech's annual shareholder' meeting will be  
held at 9:00 a.m. Central Daylight Time on June 12,  
2006, for shareholders of record on May 4, 2006.

**Stock Listing:**

Mannatech's stock is listed on the  
NASDAQ *National Market* under  
the symbol "MTEX".

**COMMON STOCK PRICE**

	<i>Low</i>	<i>High</i>
<b>2004:</b>		
First Quarter	\$ 8.52	\$15.08
Second Quarter	\$ 9.26	\$12.76
Third Quarter	\$ 8.75	\$14.92
Fourth Quarter	\$13.75	\$23.99
<b>2005:</b>		
First Quarter	\$17.31	\$26.10
Second Quarter	\$11.64	\$21.10
Third Quarter	\$ 9.87	\$19.50
Fourth Quarter	\$ 8.17	\$15.45

As of March 6, 2006, there were approximately 4,000 shareholders of record who held approximately 30% of our common stock directly and approximately 160 security brokers and dealers who held approximately 70% of our common stock on behalf of approximately 13,000 shareholders. We declared a total of \$0.29 per share in cash dividends during the 2005 year.

***Special Note Regarding Forward-Looking Statements***

This report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by use of phrases or terminology such as "may," "believes," and "plans," or other similar words or the negative of such terminology. Similarly, descriptions of Mannatech's objectives, strategies, plans, goals, or targets contained herein are also considered forward-looking statements. Mannatech cautions its readers that these forward-looking statements speak only of the date of this report and are subject to certain known and unknown events, risks, uncertainties, and other factors. Some of these factors include, among others, Mannatech's inability to attract and retain independent Associates and Members, increases in competition, litigation, regulatory changes, and its planned growth into new international markets. Although Mannatech believes that its expectations, statements, and assumptions reflected in these forward-looking statements are reasonable, it cautions its readers to always consider all of the risk factors and any other cautionary statements carefully in evaluating each forward-looking statement in this report. For further discussion of these and other factors that could affect Mannatech's future results, readers of this report should refer to the various reports and documents filed with the United States Securities and Exchange Commission ("SEC").

## BOARD OF DIRECTORS



*(standing, left to right)*

**John Stewart Axford\*** DSc, MD, FRCP  
Member of the Faculty at St. George's Hospital  
and Medical School, University of London

**Patricia A. Wier\***  
Owner of Patricia Wier, Inc.

**Gerald E. Gilbert\***  
Of Counsel, Hogan and Hartson, L.L.P.

**Alan D. Kennedy\***  
Retired, President Worldwide for Tupperware  
Corporation

**Larry A. Jobe\***  
President and Founder of P 1 Resources, LLC, and  
Founder and Chairman of the Board of Legal  
Network, Ltd.

*\*Independent Director*

*(seated, left to right)*

**J. Stanley Fredrick**  
Lead Director, Owner of Fredrick Consulting Services

**Marlin Ray Robbins**  
Independent Associate, Mannatech, Incorporated

**Terry L. Persinger**  
President and Chief Operating Officer

**Samuel L. Caster (Chairman)**  
Chairman of the Board and Chief Executive Officer

## COMMITTEE MEMBERS



Patricia A. Wier (Chairman)

### **Audit Committee -**

**Patricia A. Wier (Chairman), Gerald E. Gilbert, Larry A. Jobe, and Alan D. Kennedy**

### **Compensation and Stock Option Plan Committee -**

**Alan D. Kennedy (Chairman), Gerald E. Gilbert, Larry A. Jobe, and Patricia A. Wier**



Alan D. Kennedy (Chairman)



John Stewart Axford (Chairman)

### **Science Committee -**

**John Stewart Axford, DSc, MD, FRCP (Chairman), Samuel L. Caster, Gerald E. Gilbert, Alan D. Kennedy, Terry L. Persinger, and Marlin Ray Robbins**

### **Qualified Legal Compliance Committee -**

**Gerald E. Gilbert (Chairman), Alan D. Kennedy, and Patricia A. Wier**

### **Special Litigation Committee -**

**Gerald E. Gilbert (Chairman), Larry A. Jobe, Alan D. Kennedy, and Patricia A. Wier**

### **Nominating and Governance Committee -**

**Gerald E. Gilbert (Chairman), Alan D. Kennedy, and Patricia A. Wier**



Gerald E. Gilbert (Chairman)

*Mannatech*

600 S. Royal Lane, Suite 200  
Coppell, Texas 75019 (972) 471-7400  
[www.mannatech.com](http://www.mannatech.com)