

Mannatech

OPTIMAL HEALTH SYSTEM

A D V A N C E D

Ambrotose™

complex powder

IMMUNE SUPPORT FORMULA™

New & Improved

Mannatech

Optimal

SKIN CARE SYSTEM

Mannatech

OPTIMAL HEALTH SYSTEM

PhytoMatrix™

MULTIVITAMIN/MINERAL SUPPLEMENT

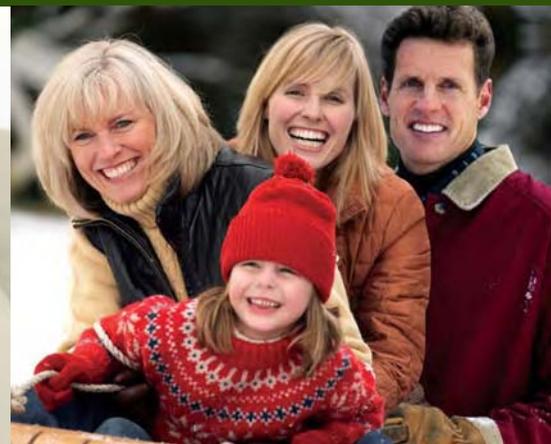
2006 SHAREHOLDERS' ANNUAL REPORT

Mannatech



WELLNESS

SHAPING THE WELLNESS INDUSTRY



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## SELECTED FINANCIAL DATA

For the year ended December 31,

	2004	2005	2006
	<i>(in millions, except per share information and ratios)</i>		
<b>Results of Operations:</b>			
Net sales	\$295	\$389	\$410
Gross profit	\$117	\$159	\$169
Income before income taxes	\$27	\$46	\$48
Net income	\$20	\$29	\$32
<b>Earnings Per Share:</b>			
Basic	\$0.74	\$1.06	\$1.22
Diluted	\$0.71	\$1.03	\$1.19
<b>Weighted-average common shares outstanding:</b>			
<i>(in thousands)</i>			
Basic	26,436	26,990	26,598
Diluted	27,491	27,771	27,219
<b>Financial Condition:</b>			
Total cash and investments	\$61	\$73	\$71
Total working capital	\$28	\$38	\$29
Total assets	\$98	\$123	\$152
Total shareholders' equity	\$56	\$70	\$89
Cash flows from operations	\$30	\$43	\$40
<b>Statistics:</b>			
Current ratio	1.7	1.8	1.6
Inventory turnover ratio	4.3	3.5	2.7
Debt to equity ratio	0.8	0.8	0.7
Dividends paid per share	\$0.20	\$0.28	\$0.32

**We believe our strategy has provided us with the proven ability to discover, create, and deliver a synergistic line of high-quality, proprietary products that are heavily focused on consumers who desire to achieve and maintain optimal health and wellness.**



**It has been predicted that by the year 2010, consumers will purchase \$1 trillion of products and services that focus on health and wellness. The implications of the population shift towards a more proactive wellness lifestyle are far-reaching, from health and beauty to diet and exercise.**



## Dear Shareholders,

2006 was a pivotal year for Mannatech as the Company put in place new products, new initiatives, and new systems to sustain growth in the years ahead. We once again achieved record sales and earnings despite challenges. Sales reached \$410 million with diluted earnings per share of \$1.19. Our commitment to return value to our shareholders resulted in over a 15% increase in earnings per share combined with the continuation of our dividend and share buyback programs. In 2006, we announced the second dividend increase in two years and used \$7 million in cash to repurchase almost 541,000 of our shares.

Our senior management staff was strengthened with the addition of four

seasoned executives and the establishment of a proactive Investor Relations program which generated increased investor awareness. This was evidenced by the Company being named #5 by Forbes in its list of “Best 200 Small Companies” list, and the addition of MTEX stock to both the Russell Small Cap 2000 trading index and the S&P SmallCap 600 index.

Key to our future growth, we embarked upon the process of repositioning the Company, moving from a single-product focus as a leader in glyconutrients to a leader in the Wellness industry with a portfolio of innovative products that combine technology and natural ingredients to support optimal health and

We worked diligently to add the final touches to our products, and programs for the next step in our future.

Mannatech

OPTIMAL HEALTH SYSTEM

A D V A N C E D

**Ambrotose™**

complex powder

IMMUNE SUPPORT FORMULA



wellness. Today, more than ever, there is heightened consumer interest in natural nutrients and alternative solutions to achieving and maintaining wellness. Since inception, Mannatech's mission has been to design products that provide the highest quality nutritional and natural product ingredients and to introduce those products that provide unique and proprietary benefits.

Beginning with the 1996 introduction of our proprietary ingredient Ambrotose® complex, Mannatech has been the acknowledged authority in glyconutritional supplementation that provides vital sugars to support optimal health and wellness. Science has established that the modern

food chain is deficient in the main nutrients needed for wellness - vitamins, minerals, glyconutrients, and antioxidants - and that the average diet compounds the problem.

Science has also shown that, just as our bodies need essential fatty and amino acids, they also require eight vital sugars to support optimal health and

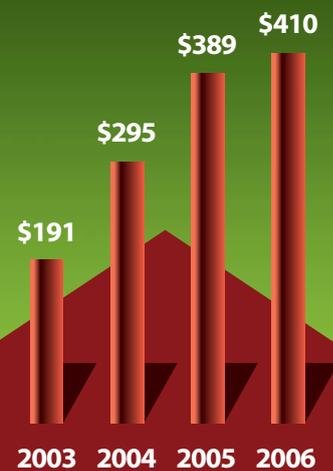
wellness. These eight sugars are found in chains formed on the surface around every cell in the body and act as a high-speed information highway for cell-to-cell communication, facilitating all sorts of processes from immune system response to tissue regeneration and cell replication.

Glycobiology, the study of how sugars affect biological structures, functions and processes, is a relatively new science.

We believe our ongoing scientific research will continue to validate what we have observed.



**NET SALES**  
(in millions)



Mannatech is conducting research attempting to validate the body's ability to utilize a dietary supply of these sugars to support proper immune system function and recently established a grant for independent research. The Health and Medical Research Center will analyze an extensive database of more than one million aging and immune-related biomarkers to determine the relationship between changes in these measurements and the consumption of glyconutrients. In the meantime, thousands of our independent Associates continue to re-order our products based on their quality of life enhancement experiences.

This past year marked our entry into two

new product segments, phytonutrients and skin care, with two industry "firsts":

PhytoMatrix™, an all-natural vitamin and mineral supplement, and Optimal Skin Care System, the first skin care regimen with no

preservatives. Unlike synthetic vitamins, PhytoMatrix™

utilizes 100% plant-sourced minerals and standardized

phytochemicals and is the only supplement of its kind available on

the market today. Our Optimal Skin Care System is water-based, preservative-free and uses a proprietary new enhanced water technology to greatly improve skin hydration and radiance while reducing skin roughness. Clinical tests demonstrated an 80% increase in skin hydration after one

Our new ERP system will help offer our independent Associates a true global opportunity for customer acquisition.

**NUMBER OF INDEPENDENT ASSOCIATES**  
*(in thousands)*



**EARNINGS PER SHARE**



**NET INCOME**  
*(in millions)*



use of this seven-product regimen.

On the global front, we began shipping products to Germany from our United Kingdom operation in March 2006, bringing the total international markets to nine including Canada. Our international management is focused on future global opportunities and we believe that we will be well-positioned to enter new markets with the new Global Enterprise Resource Planning software system in place. Full installation of the ERP system was completed in April 2007. The new system, GlobalView, will allow us to enter new markets faster and more efficiently and greatly enhance our ability to manage our business on a global scale.

We are better positioned to capture additional market share in the forecasted trillion dollar Wellness industry.

I believe that we are well-positioned for continued growth and I am excited about our prospects in 2007 as a product leader in shaping the Wellness Industry. I am convinced we have the products, the management, and the teamwork to drive this growth and the systems to support it, as well as the loyal and enthusiastic independent Associates necessary to maintain our leadership in the Wellness industry.

Sincerely,

Samuel L. Caster,

Chairman of the Board and Chief Executive Officer

*Shaping Opportunity in the Wellness Industry .*



.. with over half of a million independent Associates v



We offer over 30  
unique, proprietary,  
science-based  
products.



We operate in nine  
international markets  
outside of the  
United States.



**Mannatech – Sparking a Revolution**

**1983** – First biologically active polysaccharide is isolated from aloe and named acemannan.

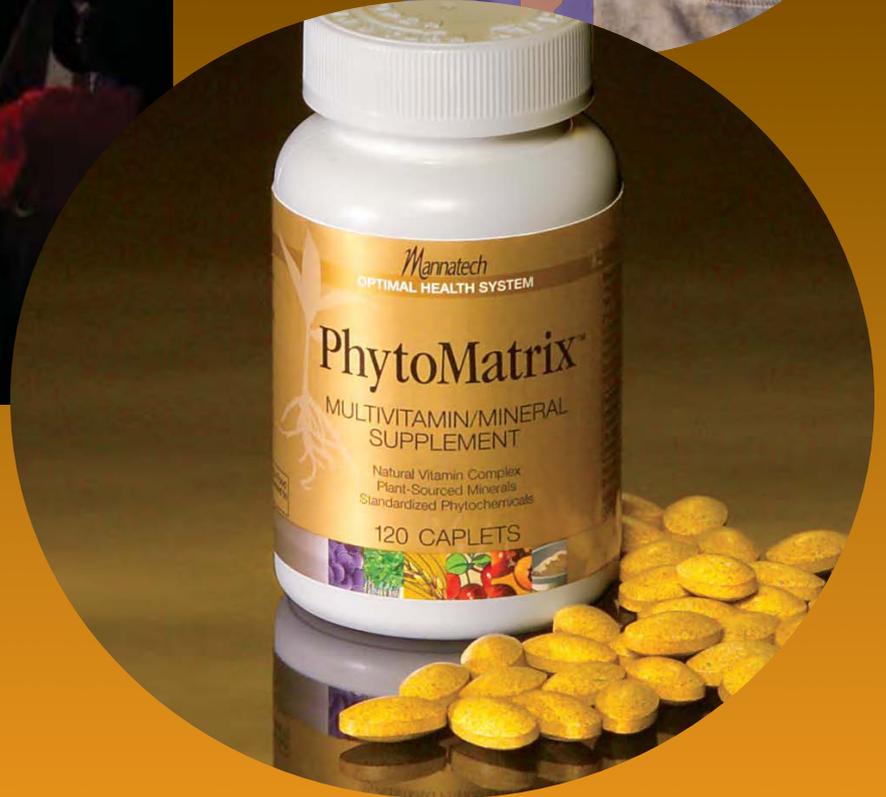
**February 1990** – Bio/Technology “Capitalizing on Carbohydrates” Carbohydrates are identified as essential for immune function.

**1990** – Journal of Glycobiology established by Oxford University. The 1990s saw the explosion of glycobiology as one of the “hottest” new fields of medical research.

**November 1993** - Company incorporates in the state of Texas.

**October 1994** – US Congress passed the Dietary Supplement Health and Education Act of 1994 (DSHEA), which allowed vendors of dietary supplements to educate consumers regarding the effects of certain component ingredients.

worldwide.



There is a

heightened awareness and  
consumer focus on optimal  
health and wellness.

**August 1996** – Reported over 100,000 active independent Associates.

**1996** – Harper's Biochemistry, Vol 24, Murray, et al. Glycoprotein chapter reviews the sugars necessary for cell-to-cell communication.

**October 1995** – Changed our name to Mannatech, Incorporated.

**April 1996** – Begins shipping product into Canada.

**August 1996** – Files a patent for composition and use of Ambrotose® complex.

**November 1996** – Introduces Ambrotose® complex in the United States.

*Our Independent Associates are very loyal and are attracted to the unique earning opportunity as we offer one of the direct-selling industry's highest commission rates of over 40%, as a percentage of net sales.*

At the end of 2006, total independent Associates and Members who purchased our Mannatech products numbered 544,000, an 11% increase from 2005, and a 183% increase over the past 5 years. The growth in independent Associates and Members mirrors the increasing number of health-conscious consumers seeking natural alternatives to maintain health and wellness. More than half a million independent Associates and Members around the world are attracted to Mannatech based on our unique and proprietary products, a highly competitive earning opportunity and the Company's commitment to wellness.

We have been a global wellness solutions provider since 1993 and our core proprietary ingredient, Ambrotose® complex, was introduced in 1996. Last year, we expanded our wellness portfolio to include two unique new leading-edge products which are generating excitement and sales momentum: the water-based,

preservative-free Optimal Skin Care System and PhytoMatrix™, the industry's first all-natural vitamin and mineral supplement. Both of these products will help open new doors for independent Associates and provide incremental income.

Mannatech and its independent Associates have a global business perspective. Many of our most successful independent Associates have built multi-country businesses. Our independent Associates and Members demonstrate strong loyalty to the Company and our products. This is evidenced by the high retention rate of continued independent Associates and Members. They also appreciate the proprietary science and uniqueness of our products. With our high quality standards independent Associates and Members trust Mannatech.

Further, we provide training in product knowledge, ingredients and nutrition, as well as education in industry rules and regulations. Compliance is part of our culture and we have established policies

**Taken as a group, our independent Associates are strong proponents of wellness for consumers in the marketplace today.**

and procedures to train compliance with all applicable laws.

The implementation of the new GlobalView Enterprise Resource Planning system will provide greater flexibility, depth of information and timeliness of data to independent Associates which will enhance both their ability to recruit and the ease of transactions with the Company. Our goal is to continue to provide the best services, support, products, training, and opportunity to our current and future independent Associates and Members.



*(left to right)*

**Natalie L. Logan**, Vice President of Global Business Systems, **Donald W. Herndon**, Vice President of Field Services, **Cynthia L. Tysinger**, Chief Information Officer and Senior Vice President, **Ronald D. Norman**, Vice President of International Finance, **John W. Price**, President of International Operations

*Shaping the Science of the Wellness Industry .*



.. with unique, cutting-edge, proprietary products.

Scientific validation  
of the positive impact of our  
products remains a top  
priority.

25<sup>th</sup>  
EDITION  
Harper's  
Biochemistry  
Robert K. Murray



We work diligently  
to meet the highest standard  
in each market in which  
we operate.

**April 1998** - First patent for Ambrotose® complex issued in South Africa.

**1997** - Reported over \$100 million in consolidated net sales.

**October 1998** - Opens operations in Australia.

**December 1998** - Study by Berger (Metabolism, 1998) showed that galactose and mannose were directly incorporated into human glycoproteins without first being broken down into glucose. Scientists therefore concluded that specific dietary sugars could represent a new class of nutrients.

**February 1999** - Began trading its common stock on the NASDAQ National Market.

**November 1999** - Opens operations in the United Kingdom.



**Protect**  
Antioxidants

**Nourish**  
Multivitamins,  
Minerals and  
Phytochemicals

**Communicate**  
Glyconutrients

**Regulate**  
Phytohormones

*Mannatech*

OPTIMAL HEALTH SYSTEM

D V A N C E D

**Ambrotose™**

complex powder

IMMUNE SUPPORT FORMULA™

This year we celebrated  
our 10th anniversary of introducing  
Ambrotose® complex.

**June 2000** – Opens operations in Japan.

**May 2001** – “Impact of Glycobiology on Medicine,” article published in Trends in Immunology outlines that it is becoming increasingly clear how important it is to understand changes in glycosylation patterns.

**June 2002** - Begins shipping products into New Zealand.

**July 2002** – Scientific American notes that sugars participant in such biological processes as immunity and cell-to-cell communication.

**February 2003** – MIT’s Technology Review Glycomics identified as “One of 10 Emerging Technologies That Will Change the World.”

*PhytoMatrix™ and our Optimal Skin Care System are the most recent examples of Mannatech's ongoing quest to set the standard in the Wellness Industry.*

Mannatech has been a pioneer in the field of glyconutrition as it has evolved from a new, relatively unknown nutritional supplement to one with increasing scientific validation as a contributor to maintaining optimal health and wellness. Over a decade ago, Harper's Biochemistry pointed out that eight sugars are necessary for proper cellular function. Since six of those sugars are often missing from the typical modern diet, Mannatech sought new and better sources of these nutrients.

In 1996, Mannatech's efforts culminated with the introduction of Ambrotose® complex, a glyconutritional blend technology that has thus far been granted over 20 patents worldwide. Together, Ambrotose®, Advanced Ambrotose®, and Ambrotose AO® account for over 50% of our total individual finished product sales. When combined with PhytoMatrix™ and Plus, which is included in our Optimal Health System, account for more than 75% of our total individual finished product sales.

Over the past decade, Mannatech has conducted numerous types of

research on its glyconutritional products. Recently, in conjunction with Hyperion Biotechnology, Mannatech received a first-place award for research indicating that the human digestive tract can break down complex carbohydrates in the Company's glyconutritional supplements.

During 2006, Mannatech expanded its wellness product portfolio with two new major proprietary product lines that incorporate revolutionary technology. The Company introduced the Optimal Skin Care System, the industry's first all-natural water-based, preservative-free skin care line. Recent research has shown that preservatives can have an aging affect on skin cells.

In November, 2006, we also introduced PhytoMatrix™, the nutrition industry's first supplement containing all-natural vitamin complexes combined with 100% plant-sourced minerals. This product meets the needs of wellness consumers seeking all-natural ingredients and represents a competitive advantage in the crowded nutritional supplement market. PhytoMatrix™, and our

Today we offer more than two-dozen glyconutritional products for adults and children.

Optimal Skin Care System are the most recent examples of Mannatech's ongoing quest to set the standard in the Wellness Industry.

Mannatech has an extensive Quality Assurance program and has been GMP (Good Manufacturing Practices) compliant for human consumption for many years. In addition, we have a full in-house R&D Department, in which we invested over \$6.5 million in 2006. Our Product Safety Monitoring program tracks the safe consumption of our products.

Whether providing key nutrients to the body from the inside-out, or the outside-in, Mannatech's products provide leading edge science and technology to meet the growing demand for natural alternatives to help achieve and maintain optimal health and wellness.



*(left to right)*

**Terry O'Day**, Executive Vice President Global Operations, **Betsy C. King**, Vice President - Quality Assurance, **Linda Padilla**, Vice President of Global Marketing, **Stephen Boyd, MD, PhD**, Senior Medical Director, **Robert A. Sinnott, MNS, PhD**, Senior Vice President and Chief Science Officer

*Shaping the Future of the Wellness Industry .*



... with highly-focused, quality driven, global operations

Our strategic management team is evaluating additional international markets.



We intend to broaden our value-added, proprietary product portfolio.



**September 2003** – Introduces Ambrotose AO®, which combines glyconutrients with a powerful antioxidant.

**2004** – Mannatech is the only dietary supplement company invited to present at MIT's 2nd annual Emerging Technologies Conference.

**September 2004** – Presents its research at the 7th Annual Jenner conference at Oxford University, which focuses on glybology and medicine. Mannatech opens operations in the Republic of Korea.

**June 2005** - Opens operations in Taiwan.

**August 2005** – Issued its first United States patent for its proprietary compound Ambrotose® complex and Mannatech begins shipping products into Denmark.

ns.



Our product ingredients are sourced all over the globe.



**2005** – Reported earnings per share over one dollar per diluted share.

**March 2006** – Begins shipping products into Germany.

**May 2006** – Introduces Optimal Skin Care products in Japan.

**November 2006** – Introduces PhytoMatrix™ in the United States and Canada.

**March 2007** – Introduces Optimal Skin Care System in the United States and has record attendance at Mannafest, its annual global corporate-sponsored event.

Many of our most successful independent Associates have built multi-country businesses and implementing GlobalView should streamline our commission payment process and enable us to manage our business even more effectively on a global scale.

Being global today means more than selling products in international markets. Although still relatively small with a market capitalization of just over \$400 million, Mannatech has established a global presence and the Company is positioning itself as a leading provider of wellness products around the world. Currently, we operate in eight international markets outside of the U.S. and Canada and have management teams on the ground in six of those countries. Our product ingredients and proprietary technology are sourced from all over the globe and our manufacturing crosses borders as well. Most importantly, the installation of our new ERP software system in April 2007, will make Mannatech one of the first companies in the Direct Sales industry, to our knowledge, to have a fully-integrated enterprise planning system. Project GlobalView utilizes Oracle/JDE Enterprise One modules across the organization for General Ledger, Accounts Receivable, Accounts

Payable, Inventory Management, Human Resources, Sales Order, and Customer Relationship Management (call center management,) and is fully-integrated with our Company website and our sales tools offered to our independent Associates. This real-time software system will greatly enhance our current capability and future global expansion as its "state-of-the-art" fully-integrated processing will allow us to enter new markets faster and more efficiently. GlobalView will also streamline our independent Associate commission payment process and enable us to manage our business even more effectively on a global scale.

As a direct marketer of nutritional supplements, we are subject to extensive product and sales regulations which differ by country and we work rigorously to meet the highest standard in each market where we have a presence. Germany represents our newest market entry, where we began selling our products in March 2006. We believe that our current product portfolio meets the needs of both

We are well positioned to successfully navigate a changing global marketplace.

domestic and international consumers and, with the growing popularity of nutritional supplements in developed countries, we believe major opportunities lie ahead for sales and profit growth. Our international management team is currently evaluating future market entries in Africa, Asia, and Europe, as well as new opportunities in Latin America and our R&D team is dedicated to searching the world for the next generation of leading-edge wellness products. Mannatech is positioned to successfully navigate a changing global marketplace.



(left to right)

**B. Keith Clark**, Senior Vice President, General Counsel & Secretary, **Robert D. Panico**, Vice President of Global Human Resources, **Stephen D. Fenstermacher**, Chief Financial Officer and Senior Vice President, **Gary M. Spinell**, Vice President of Treasury and Investor Relations, **Terry L. Persinger**, President, Chief Operating Officer, and Board Member

# MANNATECH, INCORPORATED, CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share information)

	<i>December 31,</i>	
	<b>2005</b>	<b>2006</b>
<b>ASSETS</b>		
Cash and cash equivalents	<b>\$56,207</b>	<b>\$45,701</b>
Short-term investments	1,974	—
Restricted cash	2,777	2,251
Accounts receivable, net of allowance of \$0.2 million in 2006	701	999
Income tax receivable	—	2,155
Inventories, net	19,811	23,923
Prepaid expenses and other current assets	3,471	4,323
Deferred tax assets	671	1,478
<b>Total current assets</b>	<b>85,612</b>	<b>80,830</b>
Long-term investments	15,375	25,375
Property and equipment, net	10,951	16,523
Construction in progress	8,157	24,725
Long-term restricted cash	1,476	3,132
Other assets	1,121	1,372
Long-term deferred tax assets	103	278
<b>Total assets</b>	<b>\$122,795</b>	<b>\$152,235</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current portion of capital leases	\$23	\$92
Accounts payable	5,476	3,339
Accrued expenses	16,941	26,841
Commissions and incentives payable	15,588	15,511
Taxes payable	5,773	3,556
Deferred revenue	3,712	2,697
<b>Total current liabilities</b>	<b>47,513</b>	<b>52,036</b>
Capital leases, excluding current portion	—	349
Long-term royalties due to an affiliate	3,341	2,879
Long-term deferred tax liabilities	1,086	7,444
Other long-term liabilities	537	730
<b>Total liabilities</b>	<b>52,477</b>	<b>63,438</b>
Commitments and contingencies		
<b>Shareholders' equity:</b>		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.0001 par value, 99,000,000 shares authorized, 27,404,513 shares issued and 26,738,364 outstanding in 2005, and 27,617,081 shares issued and 26,409,987 outstanding in 2006	3	3
Additional paid-in capital	36,699	38,941
Retained earnings	42,505	66,393
Accumulated other comprehensive loss	(1,098)	(1,749)
	<b>78,109</b>	<b>103,588</b>
Less treasury stock, at cost, 666,149 shares in 2005 and 1,207,094 shares in 2006	(7,791)	(14,791)
<b>Total shareholders' equity</b>	<b>70,318</b>	<b>88,797</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$122,795</b>	<b>\$152,235</b>

(The contents of this report should be considered in conjunction with the risks and cautionary statements contained in our 2006 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.)

# MANNATECH, INCORPORATED, CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share information)

	<i>For the year ended December 31,</i>		
	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Net sales</b>	<b>\$294,508</b>	<b>\$389,383</b>	<b>\$410,069</b>
Cost of sales	44,847	58,028	58,461
Commissions and incentives	132,231	172,151	182,215
	<hr/> 177,078	<hr/> 230,179	<hr/> 240,676
<b>Gross profit</b>	<b>117,430</b>	<b>159,204</b>	<b>169,393</b>
Operating expenses:			
Selling and administrative expenses	50,006	65,923	71,892
Depreciation and amortization	3,101	3,905	4,960
Other operating costs	34,739	43,766	48,467
Non-cash charge related to an affiliate stock sale	3,047	—	—
Total operating expenses	<hr/> 90,893	<hr/> 113,594	<hr/> 125,319
<b>Income from operations</b>	<b>26,537</b>	<b>45,610</b>	<b>44,074</b>
Interest income	735	1,778	2,513
Other income (expense), net	(274)	(1,940)	1,101
<b>Income before income taxes</b>	<b>26,998</b>	<b>45,448</b>	<b>47,688</b>
Provisions for income taxes	(7,446)	(16,801)	(15,298)
<b>Net income</b>	<b>\$19,552</b>	<b>\$28,647</b>	<b>\$32,390</b>
<b>Earnings per common share:</b>			
Basic	<b>\$0.74</b>	<b>\$1.06</b>	<b>\$1.22</b>
Diluted	<b>\$0.71</b>	<b>\$1.03</b>	<b>\$1.19</b>
<b>Weighted-average common shares outstanding:</b>			
Basic	26,436	26,990	26,598
Diluted	<hr/> 27,491	<hr/> 27,771	<hr/> 27,219

(The contents of this report should be considered in conjunction with the risks and cautionary statements contained in our 2006 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.)

# FINANCIAL INFORMATION

## GEOGRAPHICAL

### NET SALES IN DOLLARS AND AS A PERCENTAGE OF CONSOLIDATED NET SALES

	For the year ended December 31,					
	2004		2005		2006	
	(in millions)					
United States	\$192.5	65.4%	\$259.4	66.6%	\$271.4	66.2%
Canada	22.2	7.5%	28.0	7.2%	28.6	7.0%
Australia	30.6	10.4%	35.7	9.2%	30.5	7.4%
United Kingdom	10.5	3.6%	8.9	2.3%	7.5	1.8%
Japan	24.5	8.3%	35.4	9.1%	41.4	10.1%
New Zealand	12.9	4.4%	14.6	3.7%	8.9	2.2%
Republic of Korea*	1.3	0.4%	4.6	1.2%	12.4	3.0%
Taiwan**	—	—%	2.3	0.6%	3.7	0.9%
Denmark***	—	—%	0.5	0.1%	3.4	0.8%
Germany****	—	—%	—	—%	2.3	0.6%
<b>Totals</b>	<b>\$294.5</b>	<b>100%</b>	<b>\$389.4</b>	<b>100%</b>	<b>\$410.1</b>	<b>100%</b>

\* Republic of Korea began operations in September 2004.

\*\* Taiwan began operations in June 2005.

\*\*\* United Kingdom began shipping products to Denmark in August 2005.

\*\*\*\* United Kingdom began shipping products to Germany in March 2006.

## RECAP OF NET SALES

	For the year ended December 31,			Percentage change	
	2004	2005	2006	2005 over 2004	2006 over 2005
	(in millions)				
Consolidated product sales	\$209.3	\$284.8	\$309.1	36.1%	8.5%
Consolidated pack sales	70	87	80.7	24.5%	(8.1%)
Consolidated other, including freight	14	16	20.3	14.3%	20.8%
<b>Total</b>	<b>\$294.5</b>	<b>\$389.4</b>	<b>\$410.1</b>	<b>32.2%</b>	<b>5.3%</b>

## CURRENT INDEPENDENT ASSOCIATES AND MEMBERS\*

	For the year ended December 31,					
	2004		2005		2006	
New	178,000	48.2%	230,000	47.0%	203,000	37.4%
Continuing	191,000	51.8%	260,000	53.0%	341,000	62.6%
<b>Total</b>	<b>369,000</b>	<b>100%</b>	<b>490,000</b>	<b>100%</b>	<b>544,000</b>	<b>100%</b>

\* The number of independent Associates and Members who have purchased our packs or products during the last 12 months.



## CORPORATE INFORMATION

### 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 14,  
2007, for shareholders of record on May 2, 2007.

### Stock Listing:

Mannatech's stock is listed on the  
NASDAQ Global Select Market  
under the symbol "MTEX".

## COMMON STOCK PRICE

	<i>Low</i>	<i>High</i>
<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
<b>2006:</b>		
First Quarter	\$11.45	\$17.38
Second Quarter	\$11.05	\$20.06
Third Quarter	\$11.76	\$18.04
Fourth Quarter	\$13.46	\$19.26

As of April 9, 2007, there were approximately 5,000 shareholders of record who held approximately 31% of our common stock directly and approximately 160 security brokers and dealers who held approximately 69% of our common stock on behalf of approximately 18,000 shareholders. We declared a total of \$0.32 per share in cash dividends during the 2006 year.

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

Statements contained in this report may be 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. Opinions, estimates, targets, expectations, beliefs, forecasts, projections, trends, future plans, guidance, strategies and certain other statements other than statements of historical facts are considered forward-looking statements. When we make forward-looking statements, we are basing them on our management's beliefs and assumptions, using information currently available to us. Matters discussed in these statements involve risks and uncertainties that may cause results to differ materially from those set forth in these statements. These risks and uncertainties include descriptions of our objectives, strategies, plans, goals, targets, or other statements and other such risks and uncertainties as identified in the Risk Factors section of our Annual Report on Form 10-K, as well as other SEC filings. We have no intention, and disclaims any obligation, to update or revise any forward-looking statements, whether as a result of new information, future results, or otherwise.

## 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



Larry A. Jobe (Chairman)

### Audit Committee -

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



Alan D. Kennedy (Chairman)

### Compensation and Stock Option Plan Committee -

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



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



Patricia A. Wier (Chairman)

### Governance Committee -

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



Gerald E. Gilbert (Chairman)

### Compliance Committee -

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

### Special Litigation Committee -

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



*Mannatech*

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