

Science



Improving Nutrition

Products



Adding Value

Associates



Focused on Giving

*Mannatech*TM

Advancing Wellness


2007 Shareholders' Annual Report

TABLE OF CONTENTS

<i>Letter to Shareholders'</i>	2-3
Science that Improves Nutrition	4-5
Nutritional Products that Create Value	6-7
Valued Associates Focused on Giving	8-9
A Giving Company that Advances Wellness	10-11
<i>Financial Strengths</i>	12-13
<i>Corporate Information</i>	14-15
<i>Board of Directors</i>	16

SELECTED FINANCIAL DATA

	For the year ended December 31,		
	2005	2006	2007
	<i>(in millions, except per share information and ratios)</i>		
Results of Operations:			
Net sales	\$389	\$410	\$413
Gross profit	\$159	\$169	\$164
Income before income taxes	\$46	\$48	\$11
Net income	\$29	\$32	\$7
Earnings Per Share:			
Basic	\$1.06	\$1.22	\$0.25
Diluted	\$1.03	\$1.19	\$0.25
Weighted-average common shares outstanding: (in thousands)			
Basic	26,990	26,598	26,443
Diluted	27,771	27,219	26,893
Financial Condition:			
Total cash and investments	\$73	\$71	\$60
Total working capital	\$38	\$29	\$26
Total assets	\$123	\$152	\$153
Total shareholders' equity	\$70	\$89	\$87
Cash flows from operations	\$43	\$40	\$18
Statistics:			
Current ratio	1.8	1.6	1.5
Inventory turnover ratio	3.5	2.7	2.5
Debt to equity ratio	0.8	0.7	—
Dividends paid per share	\$0.28	\$0.32	\$0.36



Dear Shareholders:

2007 was a year of great change and transformation for Mannatech. With change came challenges, which we are leveraging to re-position the company for the next level of growth and global expansion. Despite these challenges, we maintained \$413 million in sales with diluted earnings per share of \$0.25. We were proud of the continuation of our cash dividend program which underscores our commitment to rewarding shareholders and encouraging long-term investment in Mannatech's common stock.

We also continued to add seasoned senior management staff to address the future needs of Mannatech. Other major developments included the launch of our Skin Care products at MannaFest 2007. Through Mannatech's skin care offering, the company continues its tradition of offering proprietary, leading-edge products to loyal customers around the world. To support future growth and expansion, we implemented a state-of-the-art enterprise resource planning (ERP) system that links Mannatech's global operations which we believe is the most efficient and effective way to manage future growth.

Embracing Change

It has been said that managing change is one of the most challenging yet rewarding tasks for a growing company. During the year, key events caused us to revisit how we market and sell Mannatech products. Most notably, we announced enhanced sales and marketing compliance guidelines that clarify the parameters for marketing and selling Mannatech products, followed by a money-back satisfaction guarantee announcement that underscores the company's confidence in its products.

During this transition period, we have been able to count on a level of customer loyalty that few companies enjoy. Compliance remains a priority for our company, requiring focus and resources as regulations and guidelines continue to evolve.

A New Era of Opportunity for Mannatech

While this annual report is a review of the past year, it also serves a preview to reinforce where the company is going. Our goal of becoming a \$1 billion company is very much alive and well. While Mannatech has a rich tradition of innovation and success, is not the same company it was a year ago.

Looking ahead we know that the global nutrition market will continue to grow and expand as more people around the globe continue to seek health and wellness alternatives. Mannatech remains committed to the research and development of cutting-edge science in these categories. In March we will launch our new Ready-Set-Go-Give sales and marketing programs to drive sales and compliance for our independent sales force. Through these initiatives, we look forward to a new era of growth and success.

Terry L. Persinger

President and Chief Executive Officer



Terry L. Persinger

President and Chief Executive Officer

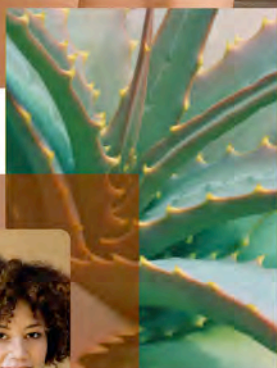


At the end of 2006, total independent Associates and Members who purchased our Mannatech products numbered 544,000, an 11% increase from 2005, and a 183% increase over the past 5 years. The growth in independent Associates and Members mirrors the increasing number of health-conscious consumers seeking 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 indepen-

Improves Nutrition



Mannatech stays on the leading edge of communication technology, allowing its customers to order and receive products all over the globe.



dent 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 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.

Text goes here



Top:

Robert A. Sinnott, MNS, PhD
Senior Vice President and Chief Science Officer

Bottom:

Stephen Boyd, MD, PhD
Medical Director Health Sciences

Nutritional Products



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 indepen-

that Create Value



Mannatech stays on the leading edge of communication technology, allowing its customers to order and receive products all over the globe.

dent 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 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.

Text goes here



Top:

Terence L. O'Day

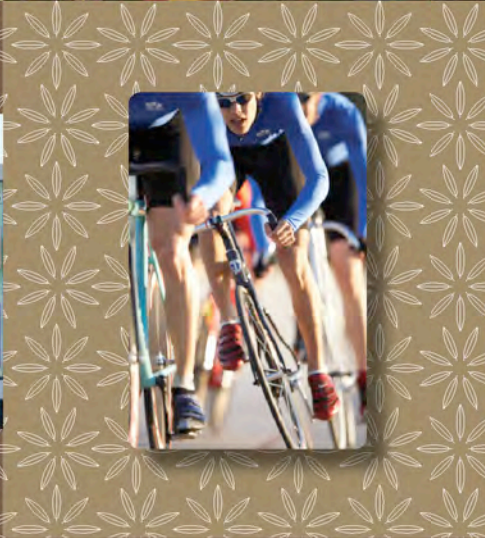
Executive Vice President and Chief Operating Officer

Bottom:

Marika G. Berkley

Vice President Quality Assurance and Regulatory Affairs

Valued Associates



At the end of 2007, total independent Associates and Members who purchased our products numbered 575,000, an increase of 5.7% from 2006. The growth mirrors the increasing number of health-conscious consumers seeking natural alternatives to maintain health and wellness. Significant growth in recruiting worldwide has occurred as Mannatech has grown internationally.

Associates around the world are attracted to Mannatech due to our unique and proprietary products, a highly competitive earning opportunity, excellent safety monitoring systems, quality assurance standards, good manufacturing practices for foods, and Mannatech's commitment to finding leading edge technology and science.

Our Associates are also our customers who order directly from Mannatech; they do not purchase product directly from another Associate. Hence, no Associate works as a distributor.

Associates have access to an abundance of training materials to stay current on product information and how to expand their business. We provide training in product knowledge, ingredients and nutrition, as well as education in industry rules, regulations and compliance. Mannatech is focused on ensuring Associates have current product and compliance information in order to help potential new Associates understand the value and quality of our products.

Mannatech Associates have always been focused on giving and sharing knowledge about the highest quality, proprietary health and wellness products available. A giving approach will take center stage in months to come as Associates launch our Ready-Set-Go-Give initiative. Providing free samples to new customers creates a great