

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name MANNATECH INCORPORATED		2 Issuer's employer identification number (EIN) 75-2508900	
3 Name of contact for additional information MARK NICHOLLS	4 Telephone No. of contact 972-471-7863	5 Email address of contact MNICHOLLS@MANNATECH.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 600 SOUTH ROYAL LANE, SUITE 200		7 City, town, or post office, state, and Zip code of contact COPPELL, TX 75019	
8 Date of action 1/13/2012	9 Classification and description COMMON STOCK		
10 CUSIP number 563771203	11 Serial number(s)	12 Ticker symbol MTEX	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **AMENDMENT TO ARTICLES OF INCORPORATION FOR A 1 FOR 10 REVERSE STOCK SPLIT ON JANUARY 13, 2012.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **SHAREHOLDERS WILL STILL MAINTAIN ALL OF THIER ORIGINAL VOTING RIGHTS AND PERCENTAGE OF OWNERSHIP. THE SHAREHOLDER WILL HAVE LESS SHARES OF COMMON STOCK BUT THE PAR VALUE WILL REMAIN THE SAME AT \$0.0001 PER SHARE. SHAREHOLDER TOTAL BASIS IN THIER SHARES HELD DOES NOT CHANGE, IT WILL BE ALLOCATED PRORATE TO THIER REMAINING SHARES AFTER THE SPLIT.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **NO CHANGE IN BASIS. THE PAR VALUE OF THE COMMON SHARES WILL REMAIN AT \$0.0001 PER SHARE.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ THE REVERSE STOCK SPLIT CONSTITUTES A REORGANIZATION AS DESCRIBED IN SECTION 368(a)(1)(E). NO RECOGNITION OF TAXABLE INCOME, GAIN, OR LOSS WILL BE RECOGNIZED IN CONNECTION WITH THE REVERSE STOCK SPLIT.

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ Mark Nicholls Date ▶ 1-25-2012

Paid Preparer Use Only	Print your name ▶ <u>MARK NICHOLLS</u>	Preparer's signature	Title ▶ <u>CHIEF FINANCIAL OFFICER</u>	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶		Firm's EIN ▶			
	Firm's address ▶		Phone no.			