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

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**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 10, 2004

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**MANNATECH, INCORPORATED**

(Exact Name of Registrant as Specified in its Charter)

Texas  
(State or other Jurisdiction of  
Incorporation or Organization)

000-24657  
(Commission File Number)

75-2508900  
(I.R.S. Employer Identification No.)

600 S. Royal Lane, Suite 200  
Coppell, Texas 75019  
(Address of Principal Executive Offices, including Zip Code)

Registrant's Telephone Number, including Area Code: (972) 471-7400

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**Item 12. Results of Operations and Financial Condition**

On March 10, 2004, Mannatech, Incorporated, a Texas corporation, issued a press release announcing its financial and operating results for the fourth quarter and year ended December 31, 2003. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

**SIGNATURE**

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.

MANNATECH, INCORPORATED

Dated: March 11, 2004

**/s/ Stephen D. Fenstermacher**

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Name: Stephen D. Fenstermacher  
Title: Chief Financial Officer

**EXHIBIT INDEX**

**Exhibit  
Number**

**Exhibit**

99.1\*                      Press release dated March 10, 2004 entitled "Mannatech Reports Record Breaking Year."

\* Filed herewith.

## Mannatech Reports Record Breaking Year

The Company's best financial performance in its ten-year history.

**Coppell, Texas – March 10, 2004** – Mannatech, Incorporated (NASDAQ – MTEX) an international developer of nutritional supplements, topical products and weight management products, today announced that its consolidated net sales for the year ended 2003 were \$191.0 million, which was an increase of more than \$50 million, or 35.6%, as compared to 2002. This increase was the highest level in Mannatech's ten-year history and was largely attributed to gains in year-over-year sales in all countries where Mannatech presently operates. Net sales by country as of December 31, in millions, were as follows:

|      | United States |       | Canada |       | Australia |      | United Kingdom |      | Japan  |      | New Zealand |      | Total   |
|------|---------------|-------|--------|-------|-----------|------|----------------|------|--------|------|-------------|------|---------|
| 2003 | \$127.8       | 67.0% | \$16.7 | 8.7%  | \$15.6    | 8.2% | \$5.0          | 2.6% | \$18.6 | 9.7% | \$ 7.3      | 3.8% | \$191.0 |
| 2002 | \$105.0       | 74.5% | \$16.4 | 11.6% | \$ 6.6    | 4.7% | \$1.6          | 1.1% | \$ 9.0 | 6.4% | \$ 2.3      | 1.7% | \$140.9 |
| 2001 | \$ 99.3       | 77.1% | \$18.1 | 14.1% | \$ 4.4    | 3.4% | \$1.2          | 1.0% | \$ 5.7 | 4.4% | \$ —        | — %  | \$128.7 |

Mannatech also announced that its consolidated net income for the year ended December 31, 2003 was \$8.8 million, which was an increase of \$6.9 million, or 365.5%, over 2002. In addition, fully-diluted earnings per share for 2003 was \$0.34 per share, which compared favorably to \$0.07 for 2002. Mannatech attributes its improved financial performance to a variety of factors including an increase of approximately 64,000 additional associates and members purchasing its products; continued containment of operating expenses; completing its second annual travel incentive; revamping its global associate career and compensation plan in September 2002; and launching its premiere antioxidant product in the United States, called Ambrotose AO™.

Mannatech also reported another quarterly record for net sales in the fourth quarter of 2003 of \$54.3 million. This was an increase of \$4.6 million, or 9.2%, from its previous record quarter, which was set in the third quarter of 2003. Net sales for the fourth quarter of 2003 increased by \$16.2 million, or 42.5%, as compared to the fourth quarter of 2002. Net sales by country for each of the four quarters in 2003, in millions, were as follows:

|                | United States |       | Canada |      | Australia |       | United Kingdom |      | Japan |      | New Zealand |      | Total  |
|----------------|---------------|-------|--------|------|-----------|-------|----------------|------|-------|------|-------------|------|--------|
| First Quarter  | \$28.0        | 69.1% | \$3.9  | 9.6% | \$2.6     | 6.4%  | \$0.6          | 1.5% | \$4.0 | 9.9% | \$1.4       | 3.5% | \$40.5 |
| Second Quarter | \$31.6        | 68.0% | \$4.2  | 9.0% | \$3.4     | 7.3%  | \$1.0          | 2.2% | \$4.6 | 9.9% | \$1.7       | 3.6% | \$46.5 |
| Third Quarter  | \$33.4        | 67.2% | \$4.1  | 8.2% | \$4.1     | 8.3%  | \$1.3          | 2.6% | \$4.9 | 9.9% | \$1.9       | 3.8% | \$49.7 |
| Fourth Quarter | \$34.8        | 64.1% | \$4.5  | 8.3% | \$5.5     | 10.1% | \$2.1          | 3.9% | \$5.1 | 9.4% | \$2.3       | 4.2% | \$54.3 |

Samuel L. Caster, Mannatech's Chairman and Chief Executive Officer stated, "For the first time in our Company's history, we have reported quarterly sales that surpass the \$50 million mark. We believe our Company's hard work and perseverance have paid off in helping to achieve steady growth and profitability. We look forward to growth in the future as we continue with our planned launch into South Korea in the second half of 2004 and into Taiwan in the first quarter of 2005. Our current achievements are testaments to the renewed passion of our associates and the dedication of our employees. We believe we have only begun to realize the great potential of our products."

Mr. Caster also addressed the significant growth of the number of associates and members in 2003 by saying "We are tremendously proud of the efforts of our associates, whose activity brought 134,000 new people to Mannatech as compared to 2002. We pledge to support our associates as strongly as possible so that they may build their organizations with the greatest efficiency."

The number of new and continuing Mannatech independent associates and members who purchased Mannatech's products within the last 12 months is as follows:

### For the year ended December 31,

|            | 2001    |         | 2002    |        | 2003    |        |
|------------|---------|---------|---------|--------|---------|--------|
| New        | 66,000  | 34.4%   | 91,000  | 45.6%  | 134,000 | 50.8%  |
| Continuing | 126,000 | 65.6%   | 109,000 | 54.4%  | 130,000 | 49.2%  |
| Total      | 192,000 | 100.00% | 200,000 | 100.0% | 264,000 | 100.0% |

## About Mannatech, Incorporated

Mannatech, based in Coppell, Texas, is a wellness solution provider that sells its products through a global network-marketing system throughout the United States and the international markets of Canada, Australia, the United Kingdom, Japan and New Zealand. For additional information about Mannatech, please visit the corporate website: [www.mannatech.com](http://www.mannatech.com).

**Note:** This release 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 believes this release should be read in conjunction with all of its filings with the SEC and cautions its readers that these forward-looking statements are subject to certain events, risks, uncertainties, and other factors. Some of these factors include, among others, Mannatech’s inability to attract and retain 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 release, as well as those set forth in its latest Annual Report on Form 10-K, and other filings filed with the SEC, including its current reports on Form 8-K. All of the forward-looking statements contained herein speak only as of the date of this release.

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**MANNATECH, INCORPORATED**  
**CONSOLIDATED BALANCE SHEETS—UNAUDITED**  
(in thousands, except share and per share information)

|   | December 31,  |               |
|---|---------------|---------------|
|   | 2002          | 2003          |
| <b>ASSETS</b>   |               |               |
| Cash and cash equivalents   | \$ 17,693     | \$ 28,291     |
| Restricted cash   | —             | 2,140         |
| Accounts receivable   | 632           | 134           |
| Income tax receivable   | 307           | —             |
| Current portion of notes receivable from shareholders   | 143           | 55            |
| Inventories   | 5,515         | 7,861         |
| Prepaid expenses and other current assets   | 759           | 2,084         |
| Deferred tax assets   | 1,013         | 2,363         |
|   | <b>26,062</b> | <b>42,928</b> |
| Property and equipment, net   | 7,467         | 5,514         |
| Long-term investments   | —             | 9,994         |
| Notes receivable from shareholders, excluding current portion   | 247           | 150           |
| Deferred tax assets   | —             | 631           |
| Other assets  | 1,040         | 806           |
|   | <b>34,816</b> | <b>60,023</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |               |               |
| Current portion of capital leases and notes payable   | \$ 136        | \$ 16         |
| Accounts payable  | 1,846         | 2,687         |
| Accrued expenses  | 12,659        | 19,940        |
| Deferred revenue  | 1,080         | 3,142         |
| Current portion of accrued severance related to former executives   | 810           | 953           |
|   | <b>16,531</b> | <b>26,738</b> |
| Capital leases and notes payable, excluding current portion   | 8             | 32            |
| Accrued severance related to former executives, excluding current portion   | 150           | 359           |
| Long-term liabilities   | —             | 106           |
| Deferred tax liabilities  | 77            | —             |
|   | <b>16,766</b> | <b>27,235</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, 25,162,541 shares issued and 25,134,840 outstanding in 2002 and 26,227,171 shares issued and 26,183,422 outstanding in 2003 | 3             | 3             |
| Additional paid-in capital  | 18,168        | 24,175        |
| Retained earnings   | 481           | 9,271         |
| Accumulated other comprehensive loss  | (502)         | (422)         |
|   | 18,150        | 33,027        |
| Less treasury stock, at cost, 27,701 shares in 2002 and 43,749 shares in 2003   | (100)         | (239)         |
|   | <b>18,050</b> | <b>32,788</b> |
|   | <b>34,816</b> | <b>60,023</b> |

**MANNATECH, INCORPORATED**  
**CONSOLIDATED STATEMENTS OF OPERATIONS—UNAUDITED**  
(in thousands, except for per share information)

|  | For the Year Ended December 31, |                   |                   |
|--|---------------------------------|-------------------|-------------------|
|  | 2001                            | 2002              | 2003              |
| <b>Net sales</b>                                   | <b>\$ 128,736</b>               | <b>\$ 140,948</b> | <b>\$ 191,019</b> |
| Cost of sales                                      | 23,523                          | 24,419            | 30,884            |
| Commissions and incentives                         | 51,995                          | 59,357            | 79,577            |
|  | 75,518                          | 83,776            | 110,461           |
| <b>Gross profit</b>                                | <b>53,218</b>                   | <b>57,172</b>     | <b>80,558</b>     |
| Operating expenses:                                |                                 |                   |                   |
| Selling and administrative expenses                | 30,816                          | 32,777            | 39,993            |
| Other operating costs                              | 22,906                          | 21,417            | 26,956            |
| Severance expenses related to former executives    | 3,420                           | —                 | 2,017             |
| Total operating expenses                           | 57,142                          | 54,194            | 68,966            |
| <b>Income (loss) from operations</b>               | <b>(3,924)</b>                  | <b>2,978</b>      | <b>11,592</b>     |
| Interest income                                    | 275                             | 285               | 348               |
| Interest expense                                   | (32)                            | (19)              | (44)              |
| Other income (expense), net                        | (83)                            | 98                | 842               |
| <b>Income (loss) before income taxes</b>           | <b>(3,764)</b>                  | <b>3,342</b>      | <b>12,738</b>     |
| Income tax (expense) benefit                       | 104                             | (1,454)           | (3,948)           |
| <b>Net income (loss)</b>                           | <b>\$ (3,660)</b>               | <b>\$ 1,888</b>   | <b>\$ 8,790</b>   |
| <b>Earnings (loss) per common share:</b>           |                                 |                   |                   |
| Basic  | \$ (0.15)                       | \$ 0.08           | \$ 0.34           |
| Diluted  | \$ (0.15)                       | \$ 0.07           | \$ 0.34           |
| <b>Weighted-average common shares outstanding:</b> |                                 |                   |                   |
| Basic  | 24,730                          | 25,135            | 25,494            |
| Diluted  | 24,730                          | 25,265            | 26,175            |