

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

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 11, 2009**

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**

(Former name or former address, if change since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On March 11, 2009, Mannatech, Incorporated issued a press release announcing financial and operating results for the fourth quarter ended and year ended December 31, 2008. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

| <u>Exhibit Number</u> | <u>Exhibit</u> |
|---------------------------|---|
| 99.1* | Press release, dated March 11, 2009, entitled "Mannatech Reports Fourth Quarter Results." |

*Filed herewith.

The information disclosed under this report (including Exhibit 99.1) shall not be deemed to be "filed" for the purposes of Section 18, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

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 12, 2009

By: /s/ **Stephen D. Fenstermacher**
Stephen D. Fenstermacher
Executive Vice President and Chief Financial
Officer

EXHIBIT INDEX

Exhibit

Number

Exhibit

99.1*

Press release, dated March 11, 2009, entitled "Mannatech Reports Fourth Quarter Results."

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Mannatech Reports Fourth Quarter Results

Continued cost containment; North America sales decline

Coppell, TX, March 11, 2009 - Mannatech, Incorporated (NASDAQ – MTEX), a leading developer and provider of proprietary nutritional supplements, weight management products and skin care solutions, today reported net income for the fourth quarter ending December 31, 2008 of \$0.6 million or \$0.02 per diluted share, compared to net loss of \$3.6 million or \$0.13 loss per diluted share for the fourth quarter ending December 31, 2007. The company reported an operating profit of \$4.6 million compared to an operating loss of \$5.8 million in the fourth quarter of 2007. Operating results were favorably impacted by a partial reversal of a litigation expense accrual.

Fourth quarter net sales for 2008 were \$76.5 million, a decrease of 22.9%, compared to \$99.2 million in the fourth quarter of 2007. The sales decline was largely due to a 23.9% decrease in North America sales compared to the fourth quarter of 2007. International sales decreased 21.4% for the fourth quarter of 2008 compared to the fourth quarter of 2007 largely due to the negative impact of a strengthening U.S. dollar in the fourth quarter.

Wayne Badovinus, Mannatech's president and CEO commented, "Although sales are a challenge in this weakened economy, we increased our operating profit and generated net income in the quarter for the first time in over a year. We have maintained a consistent discipline on cost control and the results are now evident. We are confident that we can continue to effectively manage the business while maintaining strong expense control for the foreseeable future."

Mr. Badovinus continued, "Our U.S. market continued to experience a decline in net sales impacted by a significantly weaker economy and previous litigation. At the same time, our major new fat-loss product, Osolean™, was launched in the U.S., Korea, and Australia. Osolean has re-energized our Associates and led to an uptick in recruiting in the quarter. The most successful launch in company history, Osolean became available in all remaining markets in early 2009."

Total independent Associate and Member count based on a 12-month trailing period decreased to 531,000 for the fourth quarter of 2008 as compared to 575,000 for the fourth quarter of 2007. This 7.7% year over year decrease reflects a 30.4% decrease in new Associates and Members compared to the prior year. This decrease was partially offset by higher retention of continuing independent Associates and Members which were up 14,000 in the fourth quarter of 2008, a 3.6% increase.

Sales for the full year 2008 were \$332.7 million, down 19.4% from \$412.7 million for the full year 2007. The company reported a net loss for the full year 2008 of \$12.6 million, compared to the full year 2007 net income of \$6.6 million. The diluted loss per share was \$0.48 for the full year 2008, compared to earnings of \$0.25 per diluted share for the full year 2007.

Conference Call

Mannatech will hold a conference call and webcast to discuss this announcement with investors on Thursday, March 12, 2009 at 9:00 a.m. Central Daylight Time, 10:00 a.m. Eastern Daylight Time. Investors may listen to the call by accessing Mannatech's website at www.mannatech.com.

About Mannatech

Mannatech, Incorporated, is a global wellness solutions provider of innovative, high-quality, proprietary dietary supplements, weight management products and skin care solutions sold through independent

Associates and Members located in the United States and the international markets of Canada, Australia, the United Kingdom, Japan, New Zealand, the Republic of Korea, Taiwan, Denmark, Germany, South Africa, and Singapore. For more information please visit www.mannatech.com or www.allaboutmannatech.com.

Please 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 “intend” 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 United States Securities and Exchange Commission 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 the expectations, statements, and assumptions reflected in these forward-looking statements are reasonable, it cautions 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 Quarterly Report on Form 10-Q, and other filings filed with the United States Securities and Exchange Commission, 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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Net Sales in Dollars and as a Percentage of Consolidated Net Sales
(In millions, except percentages)

| | For the three months ended December 31, | | | | | |
|-------------------|---|--------------|----------------|--------------|------------------|-------------------|
| | 2008 | | 2007 | | Dollar change | Percentage change |
| United States | \$ 39.5 | 51.7% | \$ 52.8 | 53.2% | \$ (13.3) | (25.2)% |
| Canada | 5.8 | 7.6% | 6.7 | 6.8% | (0.9) | (13.4)% |
| Australia | 5.3 | 6.9% | 7.4 | 7.5% | (2.1) | (28.4)% |
| United Kingdom | 0.9 | 1.2% | 1.7 | 1.7% | (0.8) | (47.1)% |
| Japan | 10.9 | 14.2% | 10.9 | 11.0% | 0.0 | 0.0% |
| New Zealand | 1.1 | 1.4% | 1.5 | 1.5% | (0.4) | (26.7)% |
| Republic of Korea | 8.2 | 10.7% | 15.3 | 15.4% | (7.1) | (46.4)% |
| Taiwan | 1.5 | 2.0% | 1.4 | 1.4% | 0.1 | 7.1% |
| Denmark | 0.3 | 0.4% | 0.3 | 0.3% | 0.0 | 0.0% |
| Germany | 0.8 | 1.0% | 1.2 | 1.2% | (0.4) | (33.3)% |
| South Africa | 2.2 | 2.9% | — | — | 2.2 | — |
| Totals | \$ 76.5 | 100 % | \$ 99.2 | 100 % | \$ (22.7) | (22.9)% |

| | For the year ended December 31, | | | | | |
|-------------------|---------------------------------|--------------|-----------------|--------------|------------------|-------------------|
| | 2008 | | 2007 | | Dollar change | Percentage change |
| United States | \$ 176.9 | 53.1% | \$ 244.5 | 59.2% | \$ (67.6) | (27.7)% |
| Canada | 23.6 | 7.1% | 27.4 | 6.6% | (3.8) | (13.9)% |
| Australia | 26.1 | 7.8% | 29.4 | 7.1% | (3.3) | (11.2)% |
| United Kingdom | 4.7 | 1.4% | 6.7 | 1.6% | (2.0) | (30.0)% |
| Japan | 44.8 | 13.5% | 42.3 | 10.3% | 2.5 | 5.9% |
| New Zealand | 5.2 | 1.6% | 6.9 | 1.7% | (1.7) | (24.6)% |
| Republic of Korea | 35.7 | 10.7% | 44.0 | 10.7% | (8.3) | (18.9)% |
| Taiwan | 5.2 | 1.6% | 5.4 | 1.3% | (0.2) | (3.7)% |
| Denmark | 1.2 | 0.4% | 1.5 | 0.4% | (0.3) | (20.0)% |
| Germany | 3.8 | 1.1% | 4.6 | 1.1% | (0.8) | (17.4)% |
| South Africa | 5.5 | 1.7% | — | — | 5.5 | — |
| Totals | \$ 332.7 | 100 % | \$ 412.7 | 100 % | \$ (80.0) | (19.4)% |

The number of new and continuing independent associates and members, who purchased our packs during the years ended December 31, were as follows:

| | 2008 | | 2007 | |
|--------------|----------------|--------------|----------------|--------------|
| New | 133,000 | 25 % | 191,000 | 33.2% |
| Continuing | 398,000 | 75 % | 384,000 | 66.8% |
| Total | 531,000 | 100 % | 575,000 | 100 % |

MANNATECH, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share information)

| | December 31, | |
|---|---------------------|-------------------|
| | 2008 | 2007 |
| ASSETS | | |
| Cash and cash equivalents | \$ 30,945 | \$ 47,103 |
| Restricted cash | 1,864 | 340 |
| Accounts receivable, net of allowance of \$23 and \$877 in 2008 and 2007, respectively | 291 | 618 |
| Income tax receivable | 3,531 | 2,136 |
| Inventories, net | 31,313 | 23,706 |
| Prepaid expenses and other current assets | 3,946 | 6,053 |
| Deferred tax assets | 5,632 | 1,789 |
| Total current assets | 77,522 | 81,745 |
| Long-term investments | — | 12,950 |
| Property and equipment, net | 36,202 | 42,818 |
| Construction in progress | 840 | 1,594 |
| Long-term restricted cash | 7,579 | 11,726 |
| Other assets | 1,456 | 1,470 |
| Long-term deferred tax assets | 459 | 151 |
| Total assets | \$ 124,058 | \$ 152,454 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current portion of capital leases | \$ 131 | \$ 110 |
| Accounts payable | 5,067 | 3,637 |
| Accrued expenses | 24,324 | 30,315 |
| Commissions and incentives payable | 11,453 | 11,139 |
| Taxes payable | 873 | 6,198 |
| Current deferred tax liability | 192 | — |
| Deferred revenue | 3,476 | 4,769 |
| Total current liabilities | 45,516 | 56,168 |
| Capital leases, excluding current portion | 155 | 261 |
| Long-term royalties due to an affiliate | 2,024 | 2,440 |
| Long-term deferred tax liabilities | 6,075 | 5,165 |
| Other long-term liabilities | 1,559 | 1,565 |
| Total liabilities | 55,329 | 65,599 |
| Commitments and contingencies | — | — |
| Shareholders' equity: | | |
| 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, 27,667,882 shares issued and 26,460,788 shares outstanding in 2008 and 27,667,882 shares issued and 26,460,788 shares outstanding in 2007 | 3 | 3 |
| Additional paid-in capital | 40,753 | 40,146 |
| Retained earnings | 44,170 | 62,620 |
| Accumulated other comprehensive loss | (1,406) | (1,123) |
| | 83,520 | 101,646 |
| Less treasury stock, at cost, 1,207,094 shares in 2008 and 2007 | (14,791) | (14,791) |
| Total shareholders' equity | 68,729 | 86,855 |
| Total liabilities and shareholders' equity | \$ 124,058 | \$ 152,454 |

MANNATECH, INCORPORATED
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share information)

| | Three months ended December 31, | | Years ended December 31, | |
|--|------------------------------------|-------------------|-----------------------------|-------------------|
| | 2008 | 2007 | 2008 | 2007 |
| Net sales | \$ 76,479 | \$ 99,225 | \$ 332,703 | \$ 412,678 |
| Cost of sales | 11,551 | 14,201 | 48,564 | 59,765 |
| Commissions and incentives | 33,338 | 46,611 | 149,595 | 189,067 |
| | <u>44,889</u> | <u>60,812</u> | <u>198,159</u> | <u>248,832</u> |
| Gross profit | 31,590 | 38,413 | 134,544 | 163,846 |
| Operating expenses: | | | | |
| Selling and administrative expenses | 17,728 | 20,967 | 81,077 | 84,298 |
| Depreciation and amortization | 3,084 | 2,953 | 12,310 | 10,236 |
| Other operating cost | 6,126 | 20,271 | 55,656 | 61,703 |
| Total operating expenses | <u>26,938</u> | <u>44,191</u> | <u>149,043</u> | <u>156,237</u> |
| Income (loss) from operations | 4,652 | (5,778) | (14,499) | 7,609 |
| Interest income | 385 | 797 | 1,604 | 2,700 |
| Other income, net | (2,853) | 271 | (5,303) | 180 |
| Income (loss) before income taxes | 2,184 | (4,710) | (18,198) | 10,489 |
| (Provision) benefit from income taxes | (1,564) | 1,142 | 5,570 | (3,895) |
| Net income (loss) | \$ 620 | \$ (3,568) | \$ (12,628) | \$ 6,594 |
| Earnings (loss) per share: | | | | |
| Basic | <u>\$ 0.02</u> | <u>\$ (0.13)</u> | <u>\$ (0.48)</u> | <u>\$ 0.25</u> |
| Diluted | <u>\$ 0.02</u> | <u>\$ (0.13)</u> | <u>\$ (0.48)</u> | <u>\$ 0.25</u> |
| Weighted-average common shares outstanding: | | | | |
| Basic | <u>26,461</u> | <u>26,461</u> | <u>26,461</u> | <u>26,443</u> |
| Diluted | <u>26,516</u> | <u>26,461</u> | <u>26,461</u> | <u>26,893</u> |