

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

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported): May 4, 2007**

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**MANNATECH, INCORPORATED**

(Exact Name of Registrant as Specified in its Charter)

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**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.)

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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 May 4, 2007, Mannatech, Incorporated issued a press release announcing its consolidated net sales for the three months ended March 31, 2007. A copy of this press release is attached hereto as Exhibit 99.1.

The information disclosed under this Item 2.02 (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, (“the Exchange Act”), or otherwise subject to the liabilities of that section.

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits.*

| <u>Exhibit Number</u> | <u>Exhibit</u>  |
|-----------------------|---|
| 99.1*                 | Press release dated May 4, 2007 entitled “Mannatech, Inc. Reports First Quarter 2007 EPS Increase of 18.2%, Net Sales Up 5.9%.” |

\* Filed herewith.

**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.

Dated: May 7, 2007

**MANNATECH, INCORPORATED**

By: /s/ Stephen D. Fenstermacher

Name: Stephen D. Fenstermacher

Title: Senior Vice President and Chief Financial Officer

**EXHIBIT INDEX**

| <u>Exhibit<br/>Number</u> | <u>Exhibit</u>  |
|---------------------------|---|
| 99.1*                     | Press release dated May 4, 2007 entitled "Mannatech, Inc. Reports First Quarter 2007 EPS Increase of 18.2%, Net Sales Up 5.9%." |

\* Filed herewith.

**MANNATECH, INC. REPORTS FIRST QUARTER 2007 EPS INCREASE OF 18.2%, NET SALES UP 5.9%**

**Coppell, TX May 4, 2007** - - **Mannatech, Inc. (NASDAQ – MTEX)** today reported record first quarter earnings of \$0.26 cents per diluted share for the three months ended March 31, 2007, up 18.2% from the first quarter, 2006, earnings per diluted share of \$0.22. Net income for the first quarter, 2007, reached \$6.9 million, an increase of 16.6% compared to \$5.9 million in the first quarter of 2006. Pretax profit was \$10.4 million, an increase of 12.0% compared to \$9.3 million in the same period last year.

First quarter net sales for 2007 were \$104.8 million, an increase of 5.9% compared to \$99.0 million in the first quarter of 2006. Sales growth for the quarter was slightly impacted by the transition to the new ERP system at the end of March.

Total independent Associate and Member count based on a 12 month trailing period increased to 553,000 for the first quarter 2007 as compared to 510,000 for the first quarter of 2006. The 8.4% growth resulted from higher retention of continuing independent Associates and Members which were up 73,000, a 25.9% increase compared to the same period last year. This increase was partially offset by a 13.2% decline in new independent Associates and Members on a 12 month trailing basis.

Sam Caster, Chairman of the Board and CEO said, “We are highly encouraged with our progress at the start of the year. The sales momentum that began in late 2006 continued in the first quarter and we were able to deliver solid sales and earnings while transitioning to our new ERP system.”

Mr. Caster continued, “A number of important initiatives continued to energize our independent Associates in the first quarter of 2007, among them: the launch of our Optimal Skin Care System in the U.S. and Canada; increasing Associate awareness of the benefits of Phytomatrix’s all natural vitamin formula; the kick off of our annual travel incentive in January; and record attendance at MannaFest, our annual international corporate-sponsored convention for our independent Associates.”

Net sales by location for the three months ended March 31, in millions, are as follows:

|                   | <u>March 31, 2007</u> |             | <u>March 31, 2006</u> |             |
|-------------------|-----------------------|-------------|-----------------------|-------------|
| United States     | \$ 68.5               | 65.4%       | \$ 67.1               | 67.8%       |
| Canada            | 6.7                   | 6.4%        | 7.3                   | 7.4%        |
| Australia         | 7.3                   | 7.0%        | 7.9                   | 8.0%        |
| United Kingdom    | 1.7                   | 1.6%        | 2.0                   | 2.0%        |
| Japan             | 9.7                   | 9.3%        | 9.2                   | 9.3%        |
| New Zealand       | 1.9                   | 1.8%        | 2.5                   | 2.5%        |
| Republic of Korea | 6.3                   | 6.0%        | 1.6                   | 1.6%        |
| Taiwan            | 1.1                   | 1.0%        | 0.8                   | 0.8%        |
| Denmark           | 0.5                   | 0.5%        | 0.6                   | 0.6%        |
| Germany*          | 1.1                   | 1.0%        | —                     | — %         |
| <b>Total</b>      | <b>\$104.8</b>        | <b>100%</b> | <b>\$ 99.0</b>        | <b>100%</b> |

\* United Kingdom began selling products in Germany in March 2006.

The number of independent associates and members who purchased our products and packs within the last 12 months is as follows:

| Current Independent Associates and Members | For the twelve months ended March 31, |               |                |               |
|--|---------------------------------------|---------------|----------------|---------------|
|  | 2007                                  |               | 2006           |               |
| New  | 198,000                               | 35.8%         | 228,000        | 45.0%         |
| Continuing                                 | 355,000                               | 64.2%         | 282,000        | 55.0%         |
| Total                                      | <u>553,000</u>                        | <u>100.0%</u> | <u>510,000</u> | <u>100.0%</u> |

### Conference Call

Mannatech will hold a quarterly conference call and webcast to discuss this announcement with investors on Monday, May 7, 2007 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](http://www.mannatech.com).

### About Mannatech

Mannatech, Incorporated is a global wellness solutions provider of innovative, high-quality, proprietary nutritional supplements, topical and skin care products, and weight management products 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, and Germany.

*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 "highly encouraged" 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 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.*

### Contact Information:

Gary Spinell, Vice President

Investor Relations

972-471-6512

[ir@mannatech.com](mailto:ir@mannatech.com)

Corporate website: [www.mannatech.com](http://www.mannatech.com)

*(Complete quarterly report filed on its Form 10-Q, which is expected to be filed with the United States Securities & Exchange Commission and published on its corporate website [www.mannatech.com](http://www.mannatech.com) on or about May 10, 2007.*

*Unaudited Consolidated Financial Statements to follow)*

**MANNATECH, INCORPORATED**  
**CONSOLIDATED BALANCE SHEETS**

(in thousands, except share and per share amounts)

|   | <u>December 31,</u><br><u>2006</u> | <u>March 31,</u><br><u>2007</u><br><i>(unaudited)</i> |
|---|------------------------------------|---|
| <b>ASSETS</b>   |                                    |   |
| Cash and cash equivalents   | \$ 45,701                          | \$ 39,718   |
| Short-term investments  | —                                  | —   |
| Restricted cash   | 2,251                              | 2,267   |
| Accounts receivable, net of allowance of \$0.2 million in 2006 and 2007   | 999                                | 119   |
| Income tax receivable   | 2,155                              | 1,759   |
| Inventories, net  | 23,923                             | 25,057  |
| Prepaid expenses and other current assets   | 4,323                              | 5,654   |
| Deferred tax assets   | 1,478                              | 951   |
| <b>Total current assets</b>   | <b>80,830</b>                      | <b>75,525</b>   |
| Long-term investments   | 25,375                             | 25,375  |
| Property and equipment, net   | 16,523                             | 16,839  |
| Construction in progress  | 24,725                             | 29,469  |
| Long-term restricted cash   | 3,132                              | 3,771   |
| Other assets  | 1,372                              | 1,511   |
| Long-term deferred tax assets   | 278                                | 304   |
| <b>Total assets</b>   | <b>\$ 152,235</b>                  | <b>\$ 152,794</b>                                     |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                                    |   |
| Current portion of capital lease  | \$ 92                              | \$ 94   |
| Accounts payable  | 3,339                              | 7,956   |
| Accrued expenses  | 26,841                             | 17,306  |
| Commissions and incentives payable  | 15,511                             | 18,298  |
| Taxes payable   | 3,556                              | 2,435   |
| Deferred revenue  | 2,697                              | 275   |
| <b>Total current liabilities</b>  | <b>52,036</b>                      | <b>46,364</b>   |
| Capital lease, excluding current portion  | 349                                | 314   |
| Long-term royalties due to an affiliate   | 2,879                              | 2,768   |
| Long-term deferred tax liabilities  | 7,444                              | 7,986   |
| Other long-term liabilities   | 730                                | 2,413   |
| <b>Total liabilities</b>  | <b>63,438</b>                      | <b>59,845</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,<br>27,507,048 shares issued and 26,840,899 shares outstanding in 2006 and<br>27,628,581 shares issued and 26,421,487 shares outstanding in 2007 | 3                                  | 3   |
| Additional paid-in capital  | 38,941                             | 39,292  |
| Retained earnings   | 66,393                             | 70,059  |
| Accumulated other comprehensive loss  | (1,749)                            | (1,614)   |
|   | 103,588                            | 107,740   |
| Less treasury stock, at cost, 1,207,094 shares in 2006 and 2007   | (14,791)                           | (14,791)  |
| <b>Total shareholders' equity</b>   | <b>88,797</b>                      | <b>92,949</b>   |
| <b>Total liabilities and shareholders' equity</b>   | <b>\$ 152,235</b>                  | <b>\$ 152,794</b>                                     |

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

|  | Three months<br>ended March 31, |                  |
|--|---------------------------------|------------------|
|  | 2006                            | 2007             |
| <b>Net sales</b>                                   | <b>\$98,971</b>                 | <b>\$104,799</b> |
| Cost of sales                                      | 14,561                          | 14,693           |
| Commissions and incentives                         | 45,374                          | 46,953           |
|  | 59,935                          | 61,646           |
| <b>Gross profit</b>                                | <b>39,036</b>                   | <b>43,153</b>    |
| Operating expenses:                                |                                 |                  |
| Selling and administrative expenses                | 17,777                          | 19,719           |
| Depreciation and amortization                      | 998                             | 1,465            |
| Other operating costs                              | 11,006                          | 12,148           |
| Total operating expenses                           | 29,781                          | 33,332           |
| <b>Income from operations</b>                      | <b>9,255</b>                    | <b>9,821</b>     |
| Interest income                                    | 572                             | 647              |
| Other expense, net                                 | (514)                           | (36)             |
| <b>Income before income taxes</b>                  | <b>9,313</b>                    | <b>10,432</b>    |
| Provision for income taxes                         | (3,405)                         | (3,543)          |
| <b>Net income</b>                                  | <b>\$ 5,908</b>                 | <b>\$ 6,889</b>  |
| <b>Earnings per share:</b>                         |                                 |                  |
| Basic  | \$ 0.22                         | \$ 0.26          |
| Diluted  | \$ 0.22                         | \$ 0.26          |
| <b>Weighted-average common shares outstanding:</b> |                                 |                  |
| Basic  | 26,764                          | 26,418           |
| Diluted  | 27,392                          | 26,979           |