

April 17, 2007



# USANA Announces Record Q1 2007 Net Sales and Earnings Per Share

**Consolidated Net Sales up 16.3%; Direct Selling Segment Net Sales up 17.9%**

SALT LAKE CITY--(BUSINESS WIRE)--

USANA Health Sciences, Inc. (NASDAQ: USNA) today announced financial results for the fiscal first quarter of 2007, ended March 31. The first quarter of 2007 represented the 19th consecutive quarter of record sales for the Company.

## Financial Performance

Consolidated net sales in the first quarter of 2007 increased by 16.3% to \$102.6 million, compared with \$88.2 million in the first quarter of the prior year. Net sales in the Direct Selling segment increased by 17.9% to \$100.6 million, compared with \$85.3 million in the first quarter of the prior year. Net sales growth in the Direct Selling segment for the first quarter of 2007 resulted primarily from a 17.6% net increase in the number of active Associates and includes those who have purchased products directly from the Company in the preceding three months, either for personal consumption or resale.

Earnings from operations in the first quarter of 2007 grew by 23.4% to \$17.9 million, or 17.5% of net sales, compared with \$14.5 million, or 16.5% of net sales, in the first quarter of the prior year. The improvement in operating earnings as a percentage of net sales was primarily due to increased gross profit margins and was partially offset by higher selling, general, and administrative expenses. Earnings per share in the first quarter of 2007 increased by 26.0% to \$0.63 per share, compared with \$0.50 per share in the first quarter of the prior year. During the first quarter of 2007, the Company repurchased 97,400 shares for an investment of \$5.0 million. Following the end of the first quarter of 2007 until today, the Company repurchased an additional 791,579 shares for an investment of \$34.5 million.

"The first quarter of 2007 marked another record quarter for both product sales and earnings," said Dave Wentz, president of USANA. "We continue to return value to shareholders through our share buyback program, and we remain committed to improving processes and lowering our variable costs."

## Regional Results

During the first quarter of 2007, net sales in North America, the Company's most mature region, increased by 9.0% to \$64.6 million, compared with the first quarter of the prior year. This growth was driven primarily by increased sales, resulting from a 12.8% net improvement in the number of active Associates in this region. Strong sales in Mexico, which

increased by 32.1% over the first quarter of last year, aided growth in the North America region.

"As we previously noted during our conference call on April 5, 2007, we believe that our business in North America is sound; however, with the lack of marketing initiatives offered during the quarter, sales were not as strong as expected," continued Wentz. "We have taken steps to increase Associate activity, and we are committed to fostering strong growth in this important region."

During the first quarter of 2007, net sales in the Asia Pacific region increased by 38.1% to \$36.1 million, compared with the first quarter of the prior year. The growth in this region was led by double-digit, year-over-year growth in each of the markets in this region, except in Japan. The successful opening of Malaysia in January 2007 added \$3.1 million of incremental revenue in the first quarter. The number of active Associates in the Asia Pacific region increased by 26.0% to 63,000, compared with 50,000 in the first quarter of the prior year. The number of Associates in the Malaysian market reached 6,000 in its first quarter of operations.

"The opening of Malaysia and the positive impact of our second annual Asia Pacific convention held in Sydney, Australia, were key catalysts for our growth in Asia during the quarter," continued Wentz. "We will continue to work closely with our local management to further motivate and strengthen our Associate leaders in this region."

## Outlook

Today, the Company is providing financial guidance for the second quarter of 2007 and is updating its financial guidance for the full year 2007. Based on its current business circumstances, the Company believes that net sales for the second quarter of 2007 will be between \$103 million and \$105 million, a growth rate of between 11% and 14%, compared with the prior year second quarter. The Company believes that earnings per share for the second quarter of 2007 will be between \$0.63 and \$0.65, a year-over-year growth rate of between 15% and 18%. Additionally, the Company is adjusting its full-year 2007 guidance and believes that net sales will grow between 13% and 15% and that earnings per share will grow between 16% and 18%, compared with 2006.

Gilbert A. Fuller, the Company's executive vice president and chief financial officer, said, "While we remain very optimistic about the future, we feel it appropriate to adjust our estimates for 2007 slightly, partly due to distractions resulting from the misinformation about the company recently appearing in the mass media. Our business model is among the most effective and transparent in the industry, and we are taking aggressive action to address this misinformation as we stay committed to offering the finest nutritional products and home-based business in the industry."

## Conference Call

USANA will hold a conference call and webcast to discuss this announcement with investors on Wednesday, April 18, 2007 at 11:00 AM ET. Investors may listen to the call by accessing USANA's website at <http://www.usanahealthsciences.com>.

## About USANA

USANA develops and manufactures high quality nutritional, personal care, and weight management products that are sold directly to Preferred Customers and Associates throughout the United States, Canada, Australia, New Zealand, Hong Kong, Japan, Taiwan, South Korea, Singapore, Mexico, Malaysia, the Netherlands, and the United Kingdom. More information on USANA can be found at <http://www.usanahealthsciences.com>.

## Safe Harbor

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. Our actual results could differ materially from those projected in these forward-looking statements, which involve a number of risks and uncertainties, including reliance upon our network of independent Associates, the governmental regulation of our products, manufacturing and marketing risks, and risks associated with our international expansion. The contents of this release should be considered in conjunction with the risk factors, warnings, and cautionary statements that are contained in our most recent filings with the Securities and Exchange Commission.

USANA Health Sciences, Inc.  
Consolidated Statements of Earnings  
(In thousands, except per share data)

	Quarter Ended	
	1-Apr-06	31-Mar-07
	(Unaudited)	(Unaudited)
Net sales	\$88,229	\$102,567
Cost of sales	21,338	22,587
Gross profit	66,891	79,980
Operating expenses		
Associate incentives	34,006	39,549
Selling, general and administrative	17,626	21,525
Research and development	732	974
Earnings from operations	14,527	17,932
Other income	295	471
Earnings before income taxes	14,822	18,403
Income taxes	5,262	6,717
NET EARNINGS	\$9,560	\$11,686
Earnings per share - diluted	\$0.50	\$0.63
Weighted average shares outstanding - diluted	19,228	18,463

(in thousands)

	As of 30-Dec-06	As of 31-Mar-07
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		(Unaudited)
ASSETS		
Cash and cash equivalents	\$27,029	\$32,496
Inventories, net	22,483	21,900
Other current assets	11,103	9,499
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Total current assets	60,615	63,895
Property and equipment, net	30,323	37,979
Goodwill	5,690	5,690
Other assets	3,374	3,457
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Total assets	\$100,002	\$111,021
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$10,241	\$7,201
Other current liabilities	29,564	32,065
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Total current liabilities	39,805	39,266
Other long-term liabilities	-	-
Stockholders' equity	60,197	71,755
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Total liabilities and stockholders' equity	\$100,002	\$111,021
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USANA Health Sciences, Inc.  
Sales by Segment and Region  
(in thousands)

	Quarter Ended			
	1-Apr-06		31-Mar-07	
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	(Unaudited)		(Unaudited)	
Region				
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North America				
United States	\$38,468	43.6%	\$42,060	41.0%
Canada	16,701	18.9%	17,141	16.7%
Mexico	4,053	4.6%	5,352	5.2%
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North America Total	\$59,222	67.1%	\$64,553	62.9%
Asia Pacific				
Australia-New Zealand	11,100	12.6%	13,026	12.7%
Hong Kong	3,064	3.5%	5,564	5.4%
Japan	2,399	2.7%	2,003	2.0%
Taiwan	4,939	5.6%	6,252	6.1%
South Korea	1,180	1.3%	1,604	1.6%
Singapore	3,427	3.9%	4,484	4.4%
Malaysia	-	0.0%	3,123	3.0%
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Asia Pacific Total	26,109	29.6%	36,056	35.2%
Segment Total	85,331	96.7%	100,609	98.1%
Contract Manufacturing	2,898	3.3%	1,958	1.9%
Consolidated	\$88,229	100.0%	\$102,567	100.0%

#### Active Associates by Region

Region	As of			
	1-Apr-06		31-Mar-07	
	(Unaudited)		(Unaudited)	
North America				
United States	54,000	39.7%	60,000	37.5%
Canada	23,000	16.9%	25,000	15.6%
Mexico	9,000	6.6%	12,000	7.5%
North America Total	86,000	63.2%	97,000	60.6%
Asia Pacific				
Australia-New Zealand	17,000	12.5%	18,000	11.2%
Hong Kong	5,000	3.7%	9,000	5.6%
Japan	5,000	3.7%	4,000	2.5%
Taiwan	13,000	9.6%	14,000	8.7%
South Korea	1,000	0.7%	2,000	1.3%
Singapore	9,000	6.6%	10,000	6.3%
Malaysia	-	0.0%	6,000	3.8%
Asia Pacific Total	50,000	36.8%	63,000	39.4%
Total	136,000	100.0%	160,000	100.0%

#### Active Preferred Customers by Region

Region	As of			
	1-Apr-06		31-Mar-07	
	(Unaudited)		(Unaudited)	
North America				
United States	46,000	63.0%	52,000	65.0%
Canada	18,000	24.7%	18,000	22.5%
Mexico	2,000	2.7%	2,000	2.5%
North America Total	66,000	90.4%	72,000	90.0%
Asia Pacific				
Australia-New Zealand	6,000	8.2%	6,000	7.4%
Hong Kong	**	0.0%	1,000	1.3%
Japan	1,000	1.4%	1,000	1.3%

Taiwan	**	0.0%	**	0.0%	
South Korea	**	0.0%	**	0.0%	
Singapore	**	0.0%	**	0.0%	
Malaysia	-	0.0%	**	0.0%	
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Asia Pacific Total		7,000	9.6%	8,000	10.0%
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Total		73,000	100.0%	80,000	100.0%
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\*\* Count of Active Preferred Customers is less than 500.

Source: USANA Health Sciences, Inc.