

July 17, 2007



USANA Announces Record Q2 2007 Net Sales and Earnings Per Share

Direct Selling Segment Net Sales up 19.8% 20th Consecutive Quarter of Record Sales Company Raises Annual Guidance

SALT LAKE CITY--(BUSINESS WIRE)--

USANA Health Sciences, Inc. (NASDAQ: USNA) today announced financial results for the fiscal second quarter of 2007, ended June 30. The second quarter of 2007 represented the 20th consecutive quarter of record sales for the Company.

Financial Performance

Consolidated net sales in the second quarter of 2007 increased by 18.3% to \$109.4 million, compared with \$92.5 million in the second quarter of the prior year. Net sales in the Direct Selling segment increased by 19.8% to \$107.4 million, compared with \$89.6 million in the second quarter of the prior year. Net sales growth in the Direct Selling segment for the second quarter of 2007 resulted primarily from a 25.4% net increase in the number of active Associates, which 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 second quarter of 2007 grew by 18.8% to \$18.2 million, or 16.7% of net sales, compared with \$15.3 million, or 16.6% of net sales, in the second quarter of the prior year. Earnings per share in the second quarter of 2007 increased by 19.7% to \$0.66 per share, compared with \$0.55 per share in the second quarter of the prior year. A higher-than-anticipated effective tax rate of 37.9% for the second quarter of 2007, reduced earnings per share by approximately \$0.02.

For the six-month period ended June 30, 2007, consolidated net sales were \$212.0 million, an increase of 17.3%, compared with \$180.7 million in the first six months of 2006. Earnings per share increased 23.3% in the first six months of 2007 to \$1.29, compared with \$1.05 in the first six months of 2006.

During the second quarter of 2007, the Company repurchased approximately 1.6 million shares for an investment of \$67.9 million. Due to this aggressive buyback, the total number of shares outstanding was reduced by approximately 9.0% from the first quarter of 2007 to 16.3 million shares, and the Company ended the second quarter of 2007 with a balance of \$34.5 million on its line of credit.

"The strength of our network marketing business model was evident again this quarter as we witnessed the 20th consecutive quarter of record sales and strong operating results driven by the improvement in gross margins," said Dave Wentz, president of USANA. "USANA's

continued repurchases of shares during the quarter are a strong indication that management and the Board believe in the long-term prospects and health of the Company."

Regional Results

During the second quarter of 2007, net sales in North America, the Company's most mature region, increased by 11.2% to \$68.2 million, compared with the second quarter of the prior year. This growth was driven primarily by a 15.6% net improvement in the number of active Associates in this region to 104,000. Along with double-digit growth in the U.S., sales in Mexico increased by 33.2% over the second quarter of last year to bolster the results in the North America region.

"Our efforts to increase Associate activity in North America are working," continued Wentz. "We are pleased to have achieved double-digit growth in the number of active Associates in this region and will continue to give extra attention to ensure that our Associate leaders have all of the tools and resources necessary to sell our outstanding products and share in the success of our home-based business."

During the second quarter of 2007, net sales in the Asia Pacific region increased by 38.5% to \$39.3 million, compared with the second quarter of the prior year. The growth in this region was led by double-digit, year-over-year growth in nearly all markets. Malaysia continues to show steady growth as a new market, contributing \$4.5 million of incremental revenue in the second quarter, a 45.4% increase, compared with the first quarter. The number of active Associates in the Asia Pacific region increased by 42.3% to 74,000, compared with 52,000 in the second quarter of the prior year. The number of Associates in our newest market, Malaysia, grew to 11,000 in just its second quarter of operations.

"We are pleased with our early success in Malaysia," continued Wentz. "The rollout of this new market has been the smoothest in our history and we will continue to work closely with our local management to ensure Malaysia's ongoing contribution to our consistent growth in the Asia Pacific region."

Outlook

Today, the Company is providing financial guidance for the third 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 third quarter of 2007 will be between \$105 million and \$107 million, a growth rate of 12% to 14%, compared with the prior year third quarter. Notably, this guidance includes an even smaller portion of sales from third-party contract manufacturing, due to the expected sale of that business sometime during the third quarter. The Company believes that earnings per share for the third quarter of 2007 will be \$0.65 to \$0.67, a growth rate of 18% to 22%, compared with 2006. Additionally, the Company is adjusting its full-year 2007 guidance and believes that net sales will be \$425 million to \$430 million, a growth rate of 14% to 15% year-over-year. This annual sales guidance includes the estimated reduction of revenue due to the expected sale of the third-party contract manufacturing business. According to these estimates, the Company anticipates annual earnings per share to be \$2.60 to \$2.64, a growth rate of 18% to 20%, compared with 2006. These earnings per share estimates assume an effective tax rate of 37.0% for 2007.

Gilbert A. Fuller, the Company's executive vice president and chief financial officer, said, "We are optimistic that our persistent and strategic focus on our Associates will continue to return strong results, as it did during the second quarter. Operationally, our business model is very strong, and we will continue to look for opportunities to return value to our shareholders. Also, we will continue to take aggressive action to address the misinformation concerning our company that has appeared recently in the media. We remain 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, July 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, adverse publicity 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-Jul-06	30-Jun-07
	(Unaudited)	(Unaudited)
Net sales	\$ 92,482	\$ 109,407
Cost of sales	22,276	24,347
	70,206	85,060
Operating expenses		
Associate incentives	36,025	43,280
Selling, general and administrative	17,991	22,571
Research and development	830	961

Earnings from operations	15,360	18,248
Other income	336	(16)
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Earnings before income taxes	15,696	18,232
Income taxes	5,352	6,913
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NET EARNINGS	\$ 10,344	\$ 11,319
	=====	=====
Earnings per share - diluted	\$ 0.55	\$ 0.66
	=====	=====
Weighted average shares outstanding - diluted	18,777	17,163
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USANA Health Sciences, Inc.
Consolidated Balance Sheets
(in thousands)

	As of 30-Dec-06	As of 30-Jun-07
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		(Unaudited)
ASSETS		
Cash and cash equivalents	\$ 27,029	\$ 9,876
Inventories, net	22,483	22,302
Other current assets	11,103	11,074
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Total current assets	60,615	43,252
Property and equipment, net	30,323	42,983
Goodwill	5,690	5,690
Other assets	3,374	4,052
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Total assets	\$ 100,002	\$ 95,977
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 10,241	\$ 9,337
Other current liabilities	29,564	35,169
Line of Credit	-	34,515
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Total current liabilities	39,805	79,021
Stockholders' equity	60,197	16,956
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Total liabilities and stockholders' equity	\$ 100,002	\$ 95,977
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USANA Health Sciences, Inc.
Sales by Segment and Region
(in thousands)

	Quarter Ended	
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	1-Jul-06	30-Jun-07
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Region	(Unaudited)		(Unaudited)	

North America				
United States	\$ 39,250	42.4%	\$ 43,433	39.7%
Canada	17,721	19.2%	18,965	17.3%
Mexico	4,323	4.7%	5,758	5.3%
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North America Total	\$ 61,294	66.3%	\$ 68,156	62.3%
Asia Pacific				
Australia-New Zealand	12,104	13.1%	14,630	13.4%
Hong Kong	3,376	3.7%	6,097	5.6%
Japan	2,379	2.6%	2,310	2.1%
Taiwan	4,978	5.4%	5,411	4.9%
South Korea	1,704	1.8%	1,875	1.7%
Singapore	3,813	4.1%	4,399	4.0%
Malaysia	-	0.0%	4,541	4.2%
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Asia Pacific Total	28,354	30.7%	39,263	35.9%
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Segment Total	89,648	96.9%	107,419	98.2%
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Contract Manufacturing	2,834	3.1%	1,988	1.8%
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Consolidated	\$ 92,482	100.0%	\$ 109,407	100.0%
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Active Associates by Region

Region	As of			
	1-Jul-06		30-Jun-07	
	(Unaudited)		(Unaudited)	

North America				
United States	57,000	40.1%	63,000	35.4%
Canada	23,000	16.2%	27,000	15.2%
Mexico	10,000	7.0%	14,000	7.9%
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North America Total	90,000	63.4%	104,000	58.5%
Asia Pacific				
Australia-New Zealand	18,000	12.7%	21,000	11.8%
Hong Kong	6,000	4.2%	13,000	7.3%
Japan	4,000	2.8%	4,000	2.2%
Taiwan	13,000	9.2%	15,000	8.4%
South Korea	2,000	1.4%	2,000	1.1%
Singapore	9,000	6.3%	8,000	4.5%
Malaysia	-	0.0%	11,000	6.2%
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Asia Pacific Total	52,000	36.6%	74,000	41.5%
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Total	142,000	100.0%	178,000	100.0%
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Active Preferred Customers by Region

Region	As of			
	1-Jul-06		30-Jun-07	
	(Unaudited)		(Unaudited)	
North America				
United States	48,000	64.0%	51,000	64.6%
Canada	18,000	24.0%	18,000	22.8%
Mexico	2,000	2.7%	2,000	2.5%
North America Total	68,000	90.7%	71,000	89.9%
Asia Pacific				
Australia-New Zealand	6,000	8.0%	6,000	7.5%
Hong Kong	**	0.0%	1,000	1.3%
Japan	1,000	1.3%	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%
Asia Pacific Total	7,000	9.3%	8,000	10.1%
Total	75,000	100.0%	79,000	100.0%

**Count of Active Preferred Customers is less than 500.

Source: USANA Health Sciences, Inc.