

February 6, 2007



## **USANA Announces Record Fourth Quarter 2006 Financial Results**

**-- Net sales increased by 16.5% to \$99.8 million**

**-- Earnings per share increased by 13.0% to \$0.61 (20.4% excluding equity-based compensation)**

**-- Company raises 2007 earnings per share guidance**

SALT LAKE CITY--(BUSINESS WIRE)--

USANA Health Sciences, Inc. (NASDAQ: USNA) today announced record financial results for the fiscal fourth quarter and for the full-year 2006 (ended December 30).

### **Financial Performance**

Consolidated net sales in the fourth quarter of 2006 increased by 16.5% to \$99.8 million, compared with \$85.6 million in the fourth quarter of the prior year. Excluding the positive impact of currency fluctuations, this sales increase would have been 15.0%. Net sales growth for the fourth quarter of 2006 resulted primarily from a 15.0% increase in the number of active Associates, compared with the fourth quarter of the prior year.

Earnings from operations in the fourth quarter of 2006 grew by 8.3% to \$16.7 million, or 16.8% of net sales, compared with \$15.4 million, or 18.0% of net sales, in the fourth quarter of the prior year. Earnings from operations in the fourth quarter of 2006 were reduced by \$1.3 million, due to the required expensing of equity-based compensation. Earnings per share in the fourth quarter of 2006 increased by 13.0% to \$0.61 per share, compared with \$0.54 per share in the fourth quarter of the prior year. Excluding the expense of equity-based compensation, earnings per share in the fourth quarter of 2006 would have been \$0.65, an increase of 20.4%, compared with the fourth quarter of the prior year. Earnings per share in the fourth quarter of 2006 were impacted by an expected unfavorable tax ruling, resulting in a tax rate that was higher than anticipated, and by a favorable foreign exchange gain on capital that was returned to the Company from one of its foreign subsidiaries.

"The fourth quarter marked the 18th consecutive quarter of record sales, driven by strong sales growth of 16.6% in North America and 19.9% in the Asia Pacific region," said Dave Wentz, President of USANA. "Our results demonstrate our ability to grow in both our mature markets and in our newer markets.

"The promotions that we offered during the fourth quarter, including those relating to Success from Home Magazine, were key elements of our strong performance in the quarter. We are optimistic that, as we continue to offer contests and promotions, we will consistently

generate new Associate prospects throughout 2007."

For the full-year, ended December 30, 2006, consolidated net sales increased by 15.8% to \$374.2 million, compared with \$323.1 million in the prior year. Earnings from operations for the full-year 2006 increased by 6.8% to \$62.3 million, compared with \$58.4 million for the prior year. Earnings from operations for the full-year 2006 were reduced by \$4.8 million, due to the required expensing of equity-based compensation. Earnings per share for the full-year 2006 increased by 11.1% to \$2.20, compared with \$1.98 for the prior year. Excluding the expense of equity-based compensation for the full-year 2006, earnings per share would have been \$2.37, an increase of 19.7%, compared with the prior year.

## Regional Results

During the fourth quarter of 2006, net sales in North America, the Company's most mature region, increased by 16.6% to \$65.5 million, compared with the fourth quarter of the prior year. This growth was driven primarily by a 14.6% increase in the number of active Associates in this region. The Company also generated strong sales in Mexico, which increased by 48.9%, compared with the fourth quarter of the prior year.

During the fourth quarter of 2006, net sales in the Asia Pacific region increased by 19.9% to \$32.5 million, compared with the fourth quarter of the prior year. The growth in this region was led by strong results in Hong Kong, up 62.3%, and in Singapore, up 46.7%. Additionally, the number of active Associates in the Asia Pacific region increased by 15.7% to 59,000, compared with 51,000 in the fourth quarter of the prior year.

"The number of Associate leaders continues to grow in the Asia Pacific region," continued Mr. Wentz. "We believe that the recent opening of Malaysia and the March 2007 Asia Pacific convention in Sydney, Australia, will serve as catalysts for our growth in this region."

## Outlook

Commenting on USANA's future expectations, Gilbert A. Fuller, the Company's Executive Vice President and Chief Financial Officer, said, "We expect net sales in the first quarter of 2007 to be in the range of \$103 million to \$105 million, compared with \$88.2 million in the first quarter of last year, a growth rate of between 17% and 19%. This sales guidance includes revenue from Malaysia, which opened for business on January 8, 2007. We believe that earnings per share in the first quarter of 2007 will be between \$0.61 and \$0.63, compared with \$0.50 in the first quarter of last year, a growth rate of between 22% and 26%.

"As to our guidance for the full-year 2007, we continue to expect net sales to grow by 15% to 17% over 2006. Based on our current expectations, however, we are raising our full-year 2007 earnings per share guidance and now believe that earnings per share will grow by 17% to 20% over 2006. This earnings per share estimate includes an estimated tax rate of 36.5%, which is higher than our 35.3% tax rate for 2006," Mr. Fuller concluded.

## Conference Call

USANA will hold a conference call and webcast to discuss this announcement with investors on Wednesday, February 7, 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.

The attached financial tables have been adjusted in accordance with our publicly issued press release on January 10, 2007.

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

	Quarter Ended		Year Ended	
	31-Dec-05	30-Dec-06	31-Dec-05	30-Dec-06
	(Unaudited)	(Unaudited)		(Unaudited)
Net sales	\$85,646	\$99,781	\$323,089	\$374,190
Cost of sales	20,747	23,743	78,016	89,545
Gross profit	64,899	76,038	245,073	284,645
Operating expenses				
Associate incentives	33,414	39,226	124,045	146,251
Selling, general and administrative	15,553	19,339	60,326	72,854
Research and development	500	754	2,339	3,197
Earnings from operations	15,432	16,719	58,363	62,343
Other income	217	712	487	1,411
Earnings before income taxes	15,649	17,431	58,850	63,754
Income taxes	5,168	6,292	19,856	22,488

NET EARNINGS	\$10,481	\$11,139	\$38,994	\$41,266
	=====	=====	=====	=====
Earnings per share - diluted	\$0.54	\$0.61	\$1.98	\$2.20
	=====	=====	=====	=====
Weighted average shares outstanding - diluted	19,336	18,405	19,721	18,724
	=====	=====	=====	=====

USANA Health Sciences, Inc.  
Consolidated Balance Sheets  
(in thousands)

	As of 31-Dec- 05	As of 30-Dec-06
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		(Unaudited)
ASSETS		
Cash and cash equivalents	\$10,579	\$27,029
Inventories, net	22,223	22,483
Other current assets	9,028	11,103
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Total current assets	41,830	60,615
Property and equipment, net	23,302	29,431
Goodwill	5,690	5,690
Other assets	2,886	3,374
	-----	-----
Total assets	\$73,708	\$99,110
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable	\$4,955	\$9,349
Other current liabilities	21,601	29,564
	-----	-----
Total current liabilities	26,556	38,913
Other long-term liabilities	1,414	-
Stockholders' equity	45,738	60,197
	-----	-----
Total liabilities and stockholders' equity	\$73,708	\$99,110
	=====	=====

USANA Health Sciences, Inc.  
Sales by Segment and Region  
(in thousands)

	Quarter Ended	
	31-Dec-05	30-Dec-06
	-----	-----
	(Unaudited)	(Unaudited)
Region		
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North America		
United States	\$36,148 42.2%	\$42,234 42.3%

Canada	16,547	19.3%	18,057	18.1%
Mexico	3,479	4.1%	5,180	5.2%
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North America Total	\$56,174	65.6%	\$65,471	65.6%
Asia Pacific				
Australia-New Zealand	11,956	14.0%	12,815	12.8%
Hong Kong	3,127	3.7%	5,076	5.1%
Japan	2,605	3.0%	2,019	2.0%
Taiwan	4,860	5.7%	5,742	5.8%
South Korea	1,225	1.4%	1,940	1.9%
Singapore	3,370	3.9%	4,945	5.0%
	-----		-----	
Asia Pacific Total	27,143	31.7%	32,537	32.6%
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Segment Total	83,317	97.3%	98,008	98.2%
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Contract Manufacturing	2,329	2.7%	1,773	1.8%
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Consolidated	\$85,646	100.0%	\$99,781	100.0%
	=====		=====	

#### Active Associates by Region

Region	As of			
	31-Dec-05		30-Dec-06	
	-----		-----	
	(Unaudited)		(Unaudited)	
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North America				
United States	51,000	38.3%	59,000	38.5%
Canada	23,000	17.3%	24,000	15.7%
Mexico	8,000	6.0%	11,000	7.2%
	-----		-----	
North America Total	82,000	61.6%	94,000	61.4%
Asia Pacific				
Australia-New Zealand	17,000	12.8%	19,000	12.4%
Hong Kong	4,000	3.0%	9,000	5.9%
Japan	5,000	3.8%	4,000	2.6%
Taiwan	13,000	9.8%	14,000	9.2%
South Korea	2,000	1.5%	2,000	1.3%
Singapore	10,000	7.5%	11,000	7.2%
	-----		-----	
Asia Pacific Total	51,000	38.4%	59,000	38.6%
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Total	133,000	100.0%	153,000	100.0%
	=====		=====	

#### Active Preferred Customers by Region

Region	As of			
	31-Dec-05		30-Dec-06	
	-----		-----	
	(Unaudited)		(Unaudited)	

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North America				
United States	44,000	62.9%	50,000	64.1%
Canada	18,000	25.7%	18,000	23.1%
Mexico	1,000	1.4%	2,000	2.5%
	-----	-----	-----	-----
North America Total	63,000	90.0%	70,000	89.7%
Asia Pacific				
Australia-New Zealand	6,000	8.6%	7,000	9.0%
Hong Kong	(a)	0.0%	(a)	0.0%
Japan	1,000	1.4%	1,000	1.3%
Taiwan	(a)	0.0%	(a)	0.0%
South Korea	(a)	0.0%	(a)	0.0%
Singapore	(a)	0.0%	(a)	0.0%
	-----	-----	-----	-----
Asia Pacific Total	7,000	10.0%	8,000	10.3%
	-----	-----	-----	-----
Total	70,000	100.0%	78,000	100.0%
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(a) Count of Active Preferred Customers is less than 500.

Source: USANA Health Sciences, Inc.