

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):
October 28, 2014

USANA HEALTH SCIENCES, INC.

(Exact name of registrant as specified in its charter)

Utah
(State or other jurisdiction of incorporation)

0-21116
(Commission File No.)

87-0500306
(IRS Employer Identification
Number)

3838 West Parkway Boulevard
Salt Lake City, Utah 84120
(Address of principal executive offices, Zip Code)
Registrant's telephone number, including area code: (801) 954-7100

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 (17 CFR 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 October 28, 2014, USANA Health Sciences, Inc. issued a press release announcing its financial results for the third quarter and nine months ended September 27, 2014. The release also announced that the Company will post a document titled "Management Commentary, Results and Outlook" on the Company's website and that executives of the company would hold a conference call with investors, to be broadcast over the World Wide Web and by telephone and provided access information, date and time for the conference call. The Company noted that the call will consist of brief remarks by the Company's management team, before moving directly into questions and answers. A copy of the press release, and the Management Commentary, Results and Outlook, are furnished herewith as Exhibits to this Current Report on Form 8-K and are incorporated herein by reference. These documents will be posted on the Company's corporate website, www.usanahealthsciences.com.

The information in this Current Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended. The furnishing of the information in this Current Report is not intended to, and does not, constitute a representation that such furnishing is required by Regulation FD or that the information this Current Report contains is material investor information that is not otherwise publicly available.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99.1 Press release issued by USANA Health Sciences, Inc. dated October 28, 2014 (furnished herewith).

Exhibit 99.2 Management Commentary, Results and Outlook provided by USANA Health Sciences, Inc. dated October 28, 2014 (furnished herewith).

SIGNATURES

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.

USANA HEALTH SCIENCES, INC.

By: /s/ Paul A. Jones

Paul A. Jones, Chief Financial Officer

Date: October 28, 2014

USANA Health Sciences Announces Record Third Quarter 2014 Financial Results

- *Net sales increased by 10.5% to \$191.9 million*
- *Net earnings increased by 16.4%, while earnings per share increased by 26.7% to \$1.47*
- *Number of active Associates increased by 18.8%*
- *Company repurchased approximately 1.1 million shares during third quarter*

SALT LAKE CITY--(BUSINESS WIRE)--October 28, 2014--USANA Health Sciences, Inc. (NYSE: USNA) today announced financial results for its fiscal third quarter ended September 27, 2014. The Company also provided updated net sales and earnings guidance for 2014.

Financial Performance

For the third quarter of 2014, net sales increased by 10.5% to \$191.9 million, compared with \$173.7 million in the prior-year period. The increase in net sales was driven by overall Associate growth of 18.8%, which was generated by the Company's Asia Pacific region.

Net earnings for the third quarter increased by 16.4% to \$19.5 million, compared with \$16.8 million during the prior-year period. This increase was driven by higher net sales and lower relative Associate Incentives expense. On a relative basis, Associate Incentives expense declined due to a \$4.5 million one-time payout resulting from the pricing and compensation plan initiatives implemented by the Company in the third quarter of 2013. Earnings per share for the quarter increased by 26.7% to \$1.47, compared with \$1.16 in the third quarter of the prior year. This increase in earnings per share was attributable to higher net earnings and a lower number of diluted shares outstanding due to the Company's share repurchases during 2014. Weighted average diluted shares outstanding were 13.3 million as of the end of the third quarter of 2014, compared with 14.4 million in the prior-year period.

Top and bottom line results for the third quarter benefitted from the recognition of \$3.1 million of deferred revenue in Hong Kong. Earnings per share for the quarter benefitted by \$0.11 as a result of this revenue recognition.

During the quarter, the Company repurchased approximately 1.1 million shares under its authorized repurchase program for a total investment of \$76.6 million. Additionally, as of October 24, 2014, the Company has subsequently invested \$13.2 million to repurchase approximately 172,000 shares pursuant to a Rule 10b5-1 plan. As of October 24, 2014, there were \$61.2 million remaining under the current share repurchase authorization. The Company ended the third quarter with approximately \$87.7 million in cash and cash equivalents and \$10 million on its revolving line of credit.

“USANA generated solid operating results in the third quarter, which included double-digit sales, earnings and customer growth,” said Kevin Guest, USANA’s President. “We also continued to see impressive growth in world-wide unit volume, Auto Order sales and check earners. This growth was driven by the pricing and compensation plan enhancements we made a year ago and our management team’s continued promotion of those enhancements during 2014. While we are pleased with the growth in each of these metrics, customer growth continues to be our highest priority, as we seek to improve the overall health and nutrition of individuals and families around the world.”

Regional Results

Net sales in the Asia Pacific region increased by 21.3% to \$130.2 million, compared with \$107.4 million for the third quarter of the prior year, and increased 4.5% sequentially. The year-over-year increase was due to 29.2% sales growth in the Greater China region and 10.6% sales growth in the Southeast Asia Pacific region. Sales growth in Greater China was driven by double-digit sales and customer growth in Mainland China, while sales growth in Southeast Asia Pacific resulted from strong sales and customer growth in Australia/New Zealand, the Philippines and Thailand. The number of active Associates in the Asia Pacific region increased by 28.2% year-over-year, due primarily to double-digit Associate growth in the Greater China and Southeast Asia Pacific regions.

Net sales in the Americas/Europe region declined 6.9% to \$61.7 million, due primarily to a sales decline in the U.S., which was partially offset by net sales growth in other markets in the region. The number of active Associates in this region declined slightly compared to the prior-year period.

Outlook

The Company provided the following updated consolidated net sales and earnings per share outlook for 2014:

- Consolidated net sales between \$780 million and \$790 million, versus the previous outlook of between \$770 and \$790 million
- Earnings per share between \$5.85 and \$5.95, versus the previous outlook of between \$5.50 and \$5.65

Chief Financial Officer, Paul Jones, commented, "As we head into the final quarter of 2014, we are tightening our guidance range for the topline and raising the outlook for EPS. The increase in our EPS outlook is the result of another quarter of share repurchases and lower than expected promotional costs. We are confident in the strategies that we have in place and expect USANA to deliver another year of record results."

Conference Call

Shortly following the issuance of this earnings release, the Company will post a new document titled "Management Commentary, Results and Outlook" on the Company's website (www.usanahealthsciences.com) under the "Investor Relations" section of the site. USANA will hold a conference call and webcast to discuss this announcement with investors on Wednesday, October 29, 2014 at 11:00 AM Eastern Time. **Investors may listen to the call by accessing USANA's website at <http://www.usanahealthsciences.com>.** The call will consist of brief remarks by the Company's management team, before moving directly into questions and answers.

About USANA

USANA develops and manufactures high-quality nutritional, personal care, and weight-management products that are sold directly to Associates and Preferred Customers throughout the United States, Canada, Australia, New Zealand, Hong Kong, China, Japan, Taiwan, South Korea, Singapore, Mexico, Malaysia, the Philippines, the Netherlands, the United Kingdom, Thailand, France, Belgium and Colombia. 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 global economic conditions generally, 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)
(Unaudited)

	Quarter Ended		Nine Months Ended	
	28-Sep-13	27-Sep-14	28-Sep-13	27-Sep-14
Net sales	\$ 173,691	\$ 191,944	\$ 531,909	\$ 562,601
Cost of sales	31,491	34,585	93,657	103,278
Gross profit	142,200	157,359	438,252	459,323
Operating expenses				
Associate incentives	76,361	82,605	224,017	242,577
Selling, general and administrative	41,145	45,499	126,527	133,282
Earnings from operations	24,694	29,255	87,708	83,464
Other income (expense)	76	(297)	(33)	125
Earnings before income taxes	24,770	28,958	87,675	83,589
Income taxes	8,017	9,460	28,933	28,253
NET EARNINGS	\$ 16,753	\$ 19,498	\$ 58,742	\$ 55,336
Earnings per share - diluted	\$ 1.16	\$ 1.47	\$ 4.16	\$ 3.96
Weighted average shares outstanding - diluted	14,393	13,263	14,132	13,964

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

	As of	As of
	28-Dec-13	27-Sep-14
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 137,343	\$ 87,738
Securities held-to-maturity, net	8,642	-
Inventories	47,242	42,584
Prepaid Expenses and Other current assets	35,818	32,190
Total current assets	229,045	162,512
Property and equipment, net	59,180	66,310
Goodwill	18,243	18,092
Intangible assets, net	42,329	41,482
Deferred income taxes	5,519	5,597
Other assets	14,154	22,937
Total assets	\$ 368,470	\$ 316,930
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 9,502	\$ 6,551
Other current liabilities	86,369	88,912
Line of Credit- short term	-	10,000
Total current liabilities	95,871	105,463
Other long-term liabilities	1,211	1,256
Deferred income taxes	10,866	10,763
Stockholders' equity	260,522	199,448
Total liabilities and stockholders' equity	\$ 368,470	\$ 316,930

USANA Health Sciences, Inc.

Sales by Region

(Unaudited)

(In thousands)

<u>Region</u>	Quarter Ended			
	28-Sep-13		27-Sep-14	
Americas and Europe	\$ 66,294	38.2%	\$ 61,723	32.2%
Asia Pacific				
Southeast Asia Pacific	40,230	23.2%	44,488	23.2%
Greater China	59,768	34.4%	77,206	40.2%
North Asia	7,399	4.2%	8,527	4.4%
Asia Pacific Total	107,397	61.8%	130,221	67.8%
Total	\$ 173,691	100.0%	\$ 191,944	100.0%

Active Associates by Region ⁽¹⁾

(Unaudited)

<u>Region</u>	As of			
	28-Sep-13		27-Sep-14	
Americas and Europe	82,000	33.5%	82,000	28.2%
Asia Pacific				
Southeast Asia Pacific	60,000	24.4%	70,000	24.1%
Greater China	94,000	38.4%	129,000	44.3%
North Asia	9,000	3.7%	10,000	3.4%
Asia Pacific Total	163,000	66.5%	209,000	71.8%
Total	245,000	100.0%	291,000	100.0%

(1) Associates are independent distributors of our products who also purchase our products for their personal use. We only count as active those Associates who have purchased from us any time during the most recent three-month period, either for personal use or for resale.

Active Preferred Customers by Region ⁽²⁾

(Unaudited)

<u>Region</u>	As of			
	28-Sep-13		27-Sep-14	
Americas and Europe	58,000	81.7%	57,000	74.0%
Asia Pacific				
Southeast Asia Pacific	8,000	11.3%	11,000	14.3%
Greater China	3,000	4.2%	3,000	3.9%
North Asia	2,000	2.8%	6,000	7.8%
Asia Pacific Total	13,000	18.3%	20,000	26.0%

Total	<u>71,000</u>	<u>100.0%</u>	<u>77,000</u>	<u>100.0%</u>
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(2) Preferred Customers purchase our products strictly for their personal use and are not permitted to resell or to distribute the products. We only count as active those Preferred Customers who have purchased from us any time during the most recent three-month period.

CONTACT:

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Investor Relations

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Public Relations

USANA Health Sciences, Inc.
Q3 2014 Management Commentary,
Results and Outlook

- *Net sales increased by 10.5% to \$191.9 million*
- *Net earnings increased by 16.4%, while earnings per share increased by 26.7% to \$1.47*
- *Number of active Associates increased by 18.8%*
- *Company repurchased approximately 1.1 million shares during third quarter*

October 28, 2014

Overview

The third quarter of 2014 was another successful quarter for USANA. Net sales increased by 10.5% to \$191.9 million on a year-over-year basis. Net sales growth was driven by overall Associate growth of 18.8%, which was generated by our Asia Pacific region, where Associate growth was 28.2%. Within Asia Pacific, each of the Company's Greater China, Southeast Asia Pacific, and North Asia regions generated double-digit sales and customer growth.

Net earnings for the third quarter increased to \$19.5 million, an increase of 16.4% when compared with the prior-year period. Earnings growth was primarily driven by higher net sales and lower relative Associate Incentives expense. The relative decrease in Associate Incentives expense was due to a one-time payout of \$4.5 million during the third quarter of 2013 in connection with the pricing and compensation plan initiatives that were implemented at our 2013 Annual International Convention. Earnings per share for the quarter increased by 26.7% to \$1.47, due to higher net earnings and a lower number of diluted shares. Weighted average diluted shares outstanding were 13.3 million as of the end of the third quarter of 2014, compared with 14.4 million in the prior-year period. During the quarter, we repurchased approximately 1.1 million shares for an investment of \$76.6 million. Additionally, as of October 24, 2014, we have purchased an additional 172,000 shares for an investment of \$13.2 million under a Rule 10b5-1 trading plan. As of October 24, 2014, there was \$61.2 million remaining under the current share repurchase authorization.

Our top and bottom line results for the third quarter benefitted from the recognition of \$3.1 million of deferred revenue in Hong Kong. We recognized this revenue as a result of changes we have experienced in the trend of our unearned revenue following the worldwide policy changes that were implemented in 2013. Earnings per share for the quarter benefitted by \$0.11 as a result of this revenue recognition.

We believe that the improvements we implemented in our business a year ago significantly contributed to our strong operating results this quarter. These improvements were intended to promote long-term customer growth and included:

- Simplification of our pricing structure and an additional 10% price discount on products ordered through our monthly Auto Order program;
- The introduction of an initial order reward based on the amount of a customer's initial product order, which is credited on the customer's subsequent two Auto Orders; and
- Increased payout on and simplification of, our Associate Compensation Plan.

As we mark the one-year anniversary of these changes, we are encouraged by the results they are producing. Customer growth remains our highest priority as we seek to do our part in improving the overall health and nutrition of individuals and families around the world. During the third quarter, we generated strong customer growth as demonstrated by the 18.8% increase in our number of active Associates, and 8.5% increase in Preferred Customers. In addition to customer growth, we have continued to see improvement in other key areas of our business, including world-wide unit volume, Auto Order sales, the number of check earners and rank advancements. During the third quarter:

- World-wide unit volume increased 12.2% year over year;
- Auto Order sales increased to 49.9% of unit sales compared to 33.6% of unit sales a year ago;
- The number of Associates who received a commission check from USANA also continued to increase, and includes many who received their first check with USANA; and
- Associate rank advancements continued to increase.

These metrics illustrate how our business has accelerated as a result of the changes we made in 2013.

At our 2014 Annual International Convention in August, we continued to build on the success of these 2013 improvements and announced new enhancements to our business. These enhancements include an all-new digital marketing suite for our world-wide Associate base. This suite provides our Associates with new tools, including a back office Hub, personal websites, and advanced communication and marketing tools, which all significantly enhance our Associates' ability to manage and build their USANA business in today's demanding ebusiness environment. These new tools are designed to simplify conducting a USANA business, enhance communications and provide an online atmosphere that is personal to the Associate and highly engaging for the customer.

At our convention, we also announced a strategic change in our approach to market-specific incentives and promotions. For the last 12 months, we have focused solely on promoting the benefits of the 2013 improvements to our sales force. With the anniversary of these improvements, we announced that we will begin offering market-specific incentives and promotions to further accelerate growth. The first incentive became effective at our 2014 convention and we have additional incentives and promotions planned for 2015. Consistent with our primary goal, these incentives are all intended to generate long-term customer growth.

Regional and Financial Results

Asia Pacific Region | Q3 2014 Net Sales of \$130.2 million; 67.8 % of Consolidated Net Sales

Net sales in our Asia Pacific region increased 21.3% year-over-year, and 4.5% on a consecutive quarter basis, while the number of active Associates in the region increased by 28.2% year-over-year. This growth was the result of double-digit sales and customer growth in each of our Greater China, Southeast Asia Pacific and North Asia regions. Net sales in the region as a whole were only modestly impacted by changes in currency, which increased sales by \$628,000.

Greater China. Net sales in Greater China increased 29.2% year-over-year as a result of strong sales and customer growth in Mainland China. Specifically, net sales in Mainland China increased 69.1% year-over-year, while the number of active Associates increased 85.7%. We continue to see improvement in the business environment in China, as our Associates hold meetings to introduce our high-quality products to new customers. We are also preparing to hold our annual National Sales Meeting in China in November and expect record attendance at this event. Finally, we continue to make progress on renovating our branches and service centers in China and are progressing with the construction of our new state-of-the-art production facility in Beijing. Construction is on schedule and we continue to anticipate that this facility will become operational in late 2015.

Our results in the Greater China region during the quarter were partially offset by the anticipated decrease in sales in Hong Kong, as well as a slight decrease in Taiwan. Net sales in Hong Kong decreased by 13.0% year-over-year. Sales in Hong Kong benefitted by our recognition of \$3.1 million of deferred revenue during the quarter, without which sales would have declined 27.2% compared to the prior year period.

Southeast Asia Pacific. The 10.6% net sales increase in the Southeast Asia Pacific region was driven by local currency sales growth in most markets within this region and an increase in the number of active Associates in nearly every market within the region. The strongest growth in this region came from the Philippines, where net sales increased 31.8% and the number of active Associates increased by 28.0%. We are also encouraged by our results in Australia and New Zealand, where we continue to see growth in both sales and customers.

North Asia. The 15.2% net sales increase in the North Asia region was driven by double-digit sales and Associate growth in Korea. We are pleased with the momentum that we have seen in our Korean business during 2014.

Americas and Europe Region | Q3 2014 Net Sales of \$61.7 million; 32.2% of Consolidated Net Sales

In the Americas and Europe region, net sales on a year-over-year basis declined 6.9% to \$61.7 million, due primarily to a sales decline in the U.S. The number of active Associates in this region was essentially flat. Unfavorable changes in currency exchange rates reduced sales for the region by \$878,000. We were, however, pleased to see local currency sales growth in every market within the region other than the U.S. Mexico led the way with 11.0% sales growth and 7.1% growth in active Associates.

Net sales in the United States decreased \$4.7 million due, in part, to pressure from price discounts, as this market has one of the highest usage rates of our Auto Order program. The U.S. continues to be an important market for USANA and we are optimistic that we can stabilize our results and achieve growth in the future. We believe that our new strategy for incentives and promotions is the right approach in this market and, although it is still early, we are encouraged by the results that we are beginning to see after implementing this strategy at our annual convention in August.

Income Statement Discussion

Gross margins improved 10 basis points year-over-year, due in large part to favorable changes in product and sales market mix and the recognition of deferred revenue. These benefits were partially offset by unfavorable changes in currency exchange rates.

Associate incentives expense for the quarter decreased 100 basis points year-over-year to 43.0% of net sales. The relative decrease in Associate Incentives expense was due to a one-time payout expense of \$4.5 million that occurred during the third quarter of 2013 in connection with pricing and compensation plan initiatives that were implemented a year ago.

Selling, general and administrative expense was 23.7% of net sales and flat compared to the prior year period. On an absolute basis, SG&A increased as a result of the costs associated with supporting a higher sales and customer base.

Our effective tax rate for the third quarter was 32.7% and 30 basis points higher than the third quarter of the prior year. On a consecutive quarter basis, our effective tax rate decreased 160 basis points as the result of favorable federal and state tax return adjustments associated with our prior year tax return filings. We continue to expect our tax rate to be approximately 34% for 2014.

Balance Sheet

We ended the quarter with \$87.7 million in cash, \$57.0 million in net working capital, and \$10 million on our revolving line of credit. The decline in cash is the result of share repurchases during the quarter.

Outlook

As we head into the final quarter of 2014, we are tightening our guidance range for the topline and raising our outlook for EPS. Accordingly, we now anticipate:

- Consolidated net sales between \$780 million and \$790 million, versus the previous outlook of between \$770 and \$790 million
- Earnings per share between \$5.85 and \$5.95, versus the previous outlook of between \$5.50 and \$5.65

For the full-year 2014, we estimate Earnings from Operations in the range of 15.5% to 16% of net sales. Our outlook for earnings per share does not reflect any share buyback activity in the fourth quarter. Note that USANA maintains a 52/53 week fiscal year where our year end falls on the Saturday closest to December 31. Every five to six years there is an extra week in our fiscal year. USANA's fiscal 2014 is a 53-week year and accordingly, the fourth quarter will include an additional week of sales.

As we approach 2015, it is important to note that the first quarter will present a difficult sequential quarter comparable due to:

- 14 weeks of sales in Q4 2014, compared with only 13 weeks in Q1 2015;
- Momentum and excitement that we are seeing in Q4 2014 in connection with our upcoming national sales meeting in China; and
- The typical seasonal slowing associated with Chinese New Year during Q1 2015.

We are confident in the strategies that we have in place and expect USANA to deliver another year of record results for our shareholders.

Kevin Guest
President

Paul Jones
Chief Financial Officer

Forward-Looking Statements

This document contains forward-looking statements regarding future events or the future financial performance of our company. Those statements involve risks and uncertainties that could cause actual results to differ perhaps materially from results projected in such forward-looking statements. Examples of these statements include those regarding our strategies and outlook for 2014. We caution you that these statements should be considered in conjunction with disclosures, including specific risk factors and financial data contained in our most recent filings with the SEC.

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