

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):
February 10, 2015

USANA HEALTH SCIENCES, INC.

(Exact name of registrant as specified in its charter)

Utah
(State or other jurisdiction of incorporation)

001-35024
(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 February 10, 2015, USANA Health Sciences, Inc. issued a press release announcing its financial results for the fourth quarter and fiscal year ended January 3, 2015. 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 February 10, 2015 (furnished herewith).

Exhibit 99.2 Management Commentary, Results and Outlook provided by USANA Health Sciences, Inc. dated February 10, 2015 (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: February 10, 2015

USANA Health Sciences Announces Record Fourth Quarter and Full-Year 2014 Financial Results

- *Fourth quarter net sales increased by 22.3% to \$227.9 million*
- *Fourth quarter EPS increased by 17.0% to \$1.65*
- *Number of active Associates increased by 31.7%*
- *2014 marks 12th consecutive year of record sales*
- *EPS increased to a record \$5.60 for the year*
- *Initial 2015 net sales and earnings outlook provided*

SALT LAKE CITY--(BUSINESS WIRE)--February 10, 2015--USANA Health Sciences, Inc. (NYSE: USNA) today announced financial results for its fiscal fourth quarter ended January 3, 2015. The Company also provided net sales and earnings guidance for 2015.

Financial Performance

For the fourth quarter of 2014, net sales increased by 22.3% to \$227.9 million, compared with \$186.3 million in the prior-year period. The fourth quarter of 2014 was a 14-week quarter as compared to a typical 13-week quarter in the prior year period. The Company estimates that this extra week contributed approximately \$16 million to net sales for the quarter. The increase in net sales was driven by 31.7% growth in the number of active Associates, largely as a result of strong growth in the Company's Asia Pacific region. Net sales, on a comparative basis, were negatively impacted by \$6.3 million due to a strengthening U.S. dollar.

Net earnings for the fourth quarter increased by 5.0% to \$21.3 million, compared with \$20.3 million during the prior-year period. This increase was driven by higher net sales and improved gross margins, which was partially offset by higher operating expenses. On a relative basis, Associate Incentives expense increased 170 basis points due to the incentive program that the Company offered during the fourth quarter. Earnings per share for the quarter increased 17.0% to \$1.65, compared with \$1.41 in the fourth 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 12.9 million as of the end of the fourth quarter of 2014, compared with 14.4 million in the prior-year period. The Company estimates that the extra week of sales contributed approximately \$0.12 to earnings per share for the quarter.

During the quarter, the Company repurchased approximately 172,000 shares under its authorized repurchase program for a total investment of \$13.2 million. As of January 3, 2015, there was \$61.2 million remaining under the current share repurchase authorization. The Company ended the fourth quarter with no debt and with \$111.1 million in cash and cash equivalents.

"USANA generated exceptional results in the fourth quarter, which included double-digit sales, earnings per share and customer growth," said Kevin Guest, USANA's President. "While our results did benefit from the extra week of sales during the quarter, the more significant catalyst for our performance was the incentive we introduced to our Associate sales force during the fourth quarter. Although it created pressure on our operating margin, the incentive was very successful in accelerating our sales and customer growth for the quarter. This incentive will end in February 2015, but we will offer other market-specific incentives throughout 2015 and expect to carry the momentum we are seeing in our business throughout the year."

Regional Results

Net sales in the Asia Pacific region increased by 34.1% to \$163.3 million, compared with \$121.8 million for the fourth quarter of the prior year. Net sales also increased by 25.4% on a sequential quarter basis. The year-over-year increase was due to 45.1% sales growth in the Greater China region, 18.8% sales growth in the Southeast Asia Pacific region, and 16.1% sales growth in the North Asia 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 double-digit sales and customer growth in the Philippines, Australia/New Zealand, Malaysia and Thailand. Sales growth in North Asia was driven by double-digit sales and customer growth in South Korea. The number of active Associates in the Asia Pacific region increased by 44.3% year-over-year, and increased 26.3% sequentially.

Net sales in the Americas/Europe region were essentially flat at \$64.5 million, due primarily to a sales decline in the U.S., which was offset by double-digit local currency sales growth in Canada and Mexico. The number of active Associates in this region increased by 3.7% compared to the prior-year period.

“Our Asia Pacific region led the way during the quarter, where we saw double-digit sales and customer growth in most markets in the region. Our Associates throughout the region embraced the promotion we offered during the fourth quarter and utilized it to grow their sales organizations at an accelerated pace. This was most evident in Mainland China, where we saw significant sales and customer growth, which was bolstered by the excitement generated by our National Sales Meeting in early November. We were also pleased with the results we generated in the Americas/Europe region during the quarter, which included solid customer and sales growth in Canada and Mexico,” continued Mr. Guest.

2014 Results

For the year ended January 3, 2015, net sales increased by 10.1% to \$790.5 million, compared with \$718.2 million in the prior year. The increase in net sales was largely driven by sales and Associate growth in the Company’s Asia Pacific region. Net sales for the full-year were negatively impacted by \$14.9 million due to a strengthening U.S. dollar.

Net earnings for 2014 decreased by 3.0% to \$76.6 million, compared with \$79.0 million in the prior year. This decrease resulted primarily from a 130 basis point increase in Associate Incentives expense due primarily to the pricing and compensation plan changes implemented during the third quarter of 2013. Earnings per share for the year increased by 0.7% to \$5.60, compared with \$5.56 in the prior year. This increase in earnings per share was attributable to a lower number of diluted shares outstanding due to the Company's share repurchases during 2014. Weighted average diluted shares outstanding were 13.7 million for fiscal 2014, compared with 14.2 million for fiscal 2013.

"2014 was another exceptional year for USANA," concluded Mr. Guest. "Our vision as a Company continues to center on improving the overall health and nutrition of individuals and families around the world through our world-class product offering. To further this vision in 2015, we will continue to execute our overall strategy, which focuses on promoting customer loyalty, enjoyment and success with USANA. This includes advancing our personalization initiative with investments in product and technology innovation to benefit our customers. We are also excited about our recent announcement that USANA is now a Trusted Partner and Sponsor of the Dr. Oz Show. This expansion of our marketing strategy is intended to make it easier for our Associates to introduce USANA products to potential customers. Finally, we will continue to enhance our rewarding Associate Compensation Plan by introducing short-term, market-specific incentives to drive customer growth. I am excited about our growth opportunities in the coming year and believe that the strategies we have in place will produce another record year for USANA in 2015."

Outlook

The Company provided the following consolidated net sales and earnings per share outlook for 2015:

- Consolidated net sales between \$850 million and \$870 million
 - Earnings per share between \$6.40 and \$6.70
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Chief Financial Officer, Paul Jones, commented, “We are pleased with the results that USANA delivered in 2014 and are encouraged about our opportunities in 2015. As our initial outlook suggests, we are confident in the strength of our underlying business and expect 2015 to be another record year. Consistent with prior years, we anticipate that our results will accelerate during the year following the customary seasonal pressure from the Chinese New Year. We will also make several necessary investments in Fiscal 2015 to strengthen key areas of our business. These investments will include our information technology systems and infrastructure, brand-awareness, product innovation, and new technology to complement product innovation. These investments will be reflected in both higher SG&A expense along with a significant amount of capital expenditures. We believe that they are the proper investments to support USANA’s long-term growth objectives.”

Conference Call

The Company has posted the “Management Commentary, Results and Outlook” document 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 today’s announcement with investors on Wednesday, February 11, 2015 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 opening 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		Year Ended	
	28-Dec-13	3-Jan-15	28-Dec-13	3-Jan-15
Net sales	\$ 186,266	\$ 227,870	\$ 718,175	\$ 790,471
Cost of sales	33,778	37,516	127,435	140,794
Gross profit	152,488	190,354	590,740	649,677
Operating expenses				
Associate incentives	83,803	106,467	307,820	349,044
Selling, general and administrative	39,681	51,249	166,208	184,531
Earnings from operations	29,004	32,638	116,712	116,102
Other income (expense)	(98)	(574)	(131)	(449)
Earnings before income taxes	28,906	32,064	116,581	115,653
Income taxes	8,624	10,764	37,557	39,017
NET EARNINGS	\$ 20,282	\$ 21,300	\$ 79,024	\$ 76,636
Earnings per share - diluted	\$ 1.41	\$ 1.65	\$ 5.56	\$ 5.60
Weighted average shares outstanding - diluted	14,421	12,920	14,204	13,689

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

	As of 28-Dec-13	As of 3-Jan-15
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 137,343	\$ 111,126
Securities held-to-maturity, net	8,642	-
Inventories	47,242	45,248
Prepaid Expenses and Other current assets	35,818	34,553
Total current assets	229,045	190,927
Property and equipment, net	59,180	71,164
Goodwill	18,243	17,941
Intangible assets, net	42,329	40,952
Deferred income taxes	5,519	5,933
Other assets	14,154	23,667
Total assets	\$ 368,470	\$ 350,584
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 9,502	\$ 7,779
Other current liabilities	86,369	100,926
Total current liabilities	95,871	108,705
Other long-term liabilities	1,211	1,114
Deferred income taxes	10,866	10,601
Stockholders' equity	260,522	230,164
Total liabilities and stockholders' equity	\$ 368,470	\$ 350,584

USANA Health Sciences, Inc.

Sales by Region

(Unaudited)

(In thousands)

<u>Region</u>	Quarter Ended			
	28-Dec-13		3-Jan-15	
Americas and Europe	\$ 64,467	34.6%	\$ 64,531	28.3%
Asia Pacific				
Southeast Asia Pacific	42,348	22.7%	50,315	22.1%
Greater China	71,671	38.5%	103,990	45.6%
North Asia	7,780	4.2%	9,034	4.0%
Asia Pacific Total	121,799	65.4%	163,339	71.7%
Total	\$ 186,266	100.0%	\$ 227,870	100.0%

Active Associates by Region ⁽¹⁾

(Unaudited)

<u>Region</u>	As of			
	28-Dec-13		3-Jan-15	
Americas and Europe	82,000	30.9%	85,000	24.4%
Asia Pacific				
Southeast Asia Pacific	62,000	23.4%	79,000	22.6%
Greater China	111,000	41.9%	174,000	49.9%
North Asia	10,000	3.8%	11,000	3.1%
Asia Pacific Total	183,000	69.1%	264,000	75.6%
Total	265,000	100.0%	349,000	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-Dec-13		3-Jan-15	
Americas and Europe	60,000	76.9%	60,000	74.1%
Asia Pacific				
Southeast Asia Pacific	10,000	12.8%	12,000	14.8%
Greater China	5,000	6.4%	3,000	3.7%
North Asia	3,000	3.9%	6,000	7.4%
Asia Pacific Total	18,000	23.1%	21,000	25.9%

Total	<u>78,000</u>	<u>100.0%</u>	<u>81,000</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.
Q4 and Full-Year 2014 Management Commentary,
Results and Outlook

- *Fourth quarter net sales increased by 22.3% to \$227.9 million*
- *Fourth quarter EPS increased by 17.0% to \$1.65*
- *Number of active Associates increased by 31.7%*
- *2014 marks 12th consecutive year of record sales (\$790.5 million)*
- *EPS increased to a record \$5.60 for the year*
- *Initial 2015 net sales and earnings outlook provided*

February 10, 2015

Overview

The fourth quarter of 2014 was another record quarter for USANA, wherein sales increased by 22.3% to \$227.9 million on a year-over-year basis. Net sales growth was driven by overall Associate growth of 31.7%, which was primarily generated by our Asia Pacific region, where Associate growth was 44.3%. Each region within Asia Pacific generated double-digit sales and customer growth. Net sales, on a comparative basis, were negatively impacted \$6.3 million due to a strengthening U.S. dollar.

Net earnings for the fourth quarter increased to \$21.3 million, an increase of 5.0% when compared with the prior-year period. Earnings growth was driven by higher net sales and improved gross margins, and was partially offset by higher operating expenses and income taxes. Associate Incentives expense was the primary driver of the higher operating expenses during the quarter and increased by 170 basis points. This increase was due to an incentive program that the Company offered to Associates during the fourth quarter. This incentive had a higher participation rate than we initially anticipated and, consequently, we had meaningfully higher Associate Incentives expense for the quarter. Additionally, SG&A increased 120 basis points during the quarter due primarily to expenses related to our business in China. Earnings per share for the quarter increased by 17.0% to \$1.65, due to higher net earnings and a lower number of diluted shares. Weighted average diluted shares outstanding were 12.9 million at the end of the fourth quarter of 2014, compared with 14.4 million in the prior-year period. During the quarter, we repurchased approximately 172,000 shares for an investment of \$13.2 million. As of January 3, 2015, there was \$61.2 million remaining under the current share repurchase authorization.

Additionally, the fourth quarter of 2014 was a 14-week quarter as compared to the typical 13-week quarter in the prior year period. The Company estimates that this extra week contributed approximately \$16 million to net sales and approximately \$0.12 to diluted earnings per share for the quarter.

While our results benefitted from the extra week of sales, the more significant driver of our top-line growth during the quarter was the incentive program that we offered to our Associate sales force. Prior to the fourth quarter, we had focused largely on promoting the benefits of the price reductions and compensation plan enhancements that we introduced at our 2013 convention. At our 2014 convention, we announced a strategic change in our approach to market-specific incentives and promotions.

The fourth quarter incentive that we offered began at our 2014 Convention and will run through February of 2015. This incentive increased compensation to Associates for sales generated by new customers, and offered an added incentive for sales made to new customers on Auto Order. USANA's Auto Order program is a key part of our operating strategy, as it has been shown to increase the success and longevity of a customer. In the fourth quarter, Auto Orders made up 48.3% of product volume, compared to 41.7% in Q4 of 2013.

For 2015 we have additional market-specific incentives and promotions planned, which are consistent with our primary goal of generating long-term customer growth as we seek to improve the overall health and nutrition of individuals and families around the world. During the fourth quarter, we generated strong customer growth as demonstrated by the 31.7% increase in our number of active Associates, and 3.8% increase in Preferred Customers. We believe that the incentive we offered during the quarter played a key role in driving this growth. In addition to customer growth, we have continued to see improvement in other key metrics of our business, including world-wide unit volume, Auto Order sales, the number of check earners and rank advancements.

Regional and Financial Results

Asia Pacific Region | Q4 2014 Net Sales of \$163.3 million; 71.7% of Consolidated Net Sales

Net sales in our Asia Pacific region increased by 34.1% year-over-year, and 25.4% on a consecutive quarter basis, while the number of active Associates in the region increased by 44.3% 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 were negatively impacted by \$4.0 million due to a strengthening U.S. dollar.

Greater China. Net sales in Greater China increased 45.1% year-over-year as a result of strong sales and customer growth in Mainland China. Specifically, net sales in Mainland China increased 91.5% year-over year, while the number of active Associates increased 94.7%. The incentive that we offered during the fourth quarter was a key driver in the acceleration of our growth in Mainland China. Additionally, we held our annual National Sales Meeting in China in November, where we had a record number of Associates in attendance. This event contributed to the momentum we gained from the incentive program.

In China, we continue to make progress on renovating our branch service center locations. Additionally, the construction of our new state-of-the-art production facility in Beijing is progressing according to schedule. We continue to anticipate that this facility will be completed in late 2015 or early 2016.

Our results in the Greater China region during the quarter were partially offset by the anticipated sales decrease in Hong Kong, where sales declined 19.0% year-over-year.

Southeast Asia Pacific. The 18.8% net sales increase in the Southeast Asia Pacific region was driven by a double-digit increase in the number of active Associates in every market within this region and local currency sales growth in all but one market. The Philippines led the way in this region, where net sales increased 56.3% and the number of active Associates increased by 44.0%. Australia, New Zealand, Malaysia and Thailand also delivered strong growth in both sales and customers.

North Asia. Net sales in North Asia increased 16.1% year-over-year as a result of 37.5% net sales growth and 28.6% customer growth in South Korea. We are pleased with the momentum that we are seeing in our Korean market.

Americas and Europe Region | Q4 2014 Net Sales of \$64.5 million; 28.3% of Consolidated Net Sales

In the Americas and Europe region, net sales on a year-over-year basis were essentially flat, while the number of active Associates increased 3.7%. Net sales were negatively impacted by \$2.3 million due to a strengthening U.S. dollar. We were pleased to see double-digit local currency sales growth in every market within the region outside the U.S. In particular, Canada and Mexico generated local currency sales growth of 12.6% and 19.7% respectively. The number of active Associates increased 8.0% in Canada and 7.1% in Mexico.

2014 Results

The fiscal year ended January 3, 2015 was the 12th consecutive year of record sales for USANA. We also reported our highest annual earnings per share in the history of the Company.

Net sales increased by 10.1% to \$790.5 million on a year-over-year basis. Net sales growth was largely driven by sales and Associate growth in the Company's Asia Pacific region. Notably, net sales for the full-year were negatively impacted by \$14.9 million due to a strengthening U.S. dollar.

Net earnings for 2014 were \$76.6 million, a decrease of 3.0% when compared with the prior-year period. This decrease resulted primarily from a 130 basis point increase in Associate Incentives expense due to the pricing and compensation plan initiatives implemented during the third quarter of 2013. Earnings per share for the year increased to \$5.60, compared to \$5.56 in the prior year. This increase in earnings per share is attributable to a lower number of diluted shares outstanding due to the Company's share repurchases during 2014. Weighted average diluted shares outstanding were 13.7 million as of the end of 2014, compared with 14.2 million in the prior year. During the year, we repurchased 1.9 million shares for a total investment of \$138.8 million. As of January 3, 2015, there was \$61.2 million remaining under the current share repurchase authorization.

Balance Sheet

We ended the 2014 fiscal year with no debt, \$111.1 million in cash, and \$82.2 million in net working capital.

Quarterly Income Statement Discussion

Gross margins improved 160 basis points year-over-year, due in large part to favorable changes in product and sales market mix. This benefit was partially offset by the negative impact of a strengthening U.S. dollar.

Associate incentives expense for the quarter increased 170 basis points year-over-year to 46.7% of net sales. The relative increase in Associate Incentives expense was due to the incentive we offered during the fourth quarter. This incentive had a higher participation rate than we anticipated and resulted in a meaningful increase in Associate Incentives expense for the quarter. This incremental expense was the primary catalyst for the Company falling short of its 2014 EPS outlook.

Selling, general and administrative expense was 22.5% of net sales, an increase of 120 basis points compared to the prior year period. On an absolute basis, SG&A increased due to expenses related to our business in China, along with our continued investment in infrastructure to support our growing sales and customer base.

Our effective tax rate for the fourth quarter was 33.6% and 380 basis points higher than the fourth quarter of the prior year. The increase in the effective tax rate for the quarter was due primarily to benefits from a Utah state tax policy election change recognized in the fourth quarter of 2013 that did not occur again in 2014. On a consecutive quarter basis, our effective tax rate increased 90 basis points as the result of favorable federal and state tax return adjustments associated with our prior year tax return filings.

Outlook

In 2015, we will continue to focus on our vision of improving the overall health and nutrition of individuals and families around the world through our world-class product offering. The strategies that we have in place to support this vision will focus on:

- Expanding our marketing and branding efforts to make it easier for our Associates to talk about USANA with potential customers;
- Advancing our personalization initiative with investments in product and technology innovation; and
- Enhancing our Associate Compensation Plan with short-term, market-specific incentives to encourage sales and customer growth.

Our marketing and branding efforts include the expansion of our relationship with Dr. Mehmet Oz as a Trusted Partner and Sponsor of the Dr. Oz Show. Under this partnership, USANA products will be regularly featured on The Dr. Oz Show as part of their sponsorship integration program. This new partnership kicked off in January when Procosa®, our joint health supplement product, was featured on the show. Additional products will follow and be featured on the show approximately on a monthly basis. This partnership is intended to primarily facilitate growth in our North America region, with an emphasis on the U.S., by increasing awareness and recognition of the USANA brand and, thereby, making it easier for our Associates to talk about USANA with potential customers. The partnership is also intended to directly facilitate preferred customer growth in North America, by allowing viewers of The Dr. Oz Show to purchase USANA products via a direct link on The Dr. Oz Show website.

Finally, the Company continues to research new market expansion opportunities as part of its international growth strategy. Our goal remains to identify markets where our current Associate base has strong connections and which also present an excellent direct selling opportunity. We're optimistic about several potential new markets. We plan to announce the opening of a new market in the Southeast Asia Pacific region during the first half of the year with a target opening date in the fourth quarter. This market will provide our Associates with an additional opportunity to expand their businesses internationally.

The Company provided the following consolidated net sales and earnings per share outlook for 2015:

- Consolidated net sales between \$850 million and \$870 million
- Earnings per share between \$6.40 and \$6.70

USANA's 2015 fiscal year is a 52-week year and accordingly, will include one less week of sales when compared to the 53-week fiscal year in 2014. For the full-year 2015, we estimate that Earnings from Operations will be approximately 15% of net sales with an effective tax rate of about 34%. Additionally, our outlook assumes a diluted share count of approximately 13 million shares and does not reflect any share buyback activity in 2015.

Our estimate for Earnings from Operations reflects several necessary investments we plan to make during the year to strengthen key areas of our business to help prepare USANA for future growth as we strive to become a much larger company. We expect the Company's total capital spending, which will include the new facility in China, branch upgrades, and investment in our information technology infrastructure will approach \$45 million for the full-year 2015.

We note that the first quarter of 2015 will present a difficult sequential comparison with the fourth quarter of 2014 due to:

- 14 weeks of sales in Q4 2014, compared with only 13 weeks in Q1 2015;
- Increased sales in Q4 2014 as a result of the incentive we offered during the quarter and our 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 look forward to another successful year at USANA, where we remain committed to delivering another year of record results for all of our stakeholders.

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 2015. 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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