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The New Management Team At Mannatech, Incorporated Is Focused On Regenerating Growth In Their Domestic Business And Improving Profitability And Growth Generation In Their International Operating Countries

Healthcare
Drug Related Products
(MTEX-NASDAQ)

Mannatech, Incorporated

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Stephen D. Fenstermacher
Co-CEO and CFO

BIO:

Steve Fenstermacher joined Mannatech in November 1998 serving as CFO where he assures corporate financial accountability, strategy and transparency. His management responsibilities include: accounting, finance, HR, facilities and IT operations. During his tenure at the company, he has established a worldwide system to support international growth including the creation of a seamless global commission system and a global framework to manage and integrate efficiently the company's financial operations through a Swiss subsidiary.

Company Profile:

Mannatech, Incorporated develops high-quality health, weight and fitness, and skin care products that are based on the

solid foundation of nutritional science and development standards. These proprietary products are available through independent sales Associates around the globe including the United States, Canada, South Africa, Australia, New Zealand, Austria, Denmark, Germany, Norway, Sweden, the Netherlands, the United Kingdom, Japan, Taiwan, Singapore and the Republic of Korea.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Fenstermacher, you are fairly new in the CEO role, what is the focus of Mannatech today, and how will it be changing under your leadership?

Mr. Fenstermacher: The focus for the past several years has been essentially two primary points, first is to regenerate growth in our domestic business. Just as importantly is improvement of profitability and growth generation in our international operating countries.

CEOCFO: What is the plan to achieve your goals?

Mr. Fenstermacher: In many ways domestic planning has to do with what one might call a back-to-basics type of plan. Over the past several years we have tried several different courses, which have met with partial success. What we will be trying to do in the future is to meld those particular plans into a singular plan, which will be successful in generating growth here at home once again.

CEOCFO: Would you tell us about Mannatech and your products?

Mr. Fenstermacher: We are a company that is on the cutting-edge of nutritional

supplements. Our products are science based and our spearhead product Ambrotose® Complex has patent protection, which we have successfully amended and we will continue to do so. We believe that our products are unmatched in quality and scientific background, and we also intend to continue groundbreaking new product introduction in the future.

CEOCFO: What is your technological strength?

Mr. Fenstermacher: Our primary technological strength has been a combination of natural plant extracts. Our knowledge of plant based carbohydrates is the strength behind our products, and the ability that Mannatech's technology has shown over the years to define specific highly concentrated, highly pure plant extracts has been unmatched.

CEOCFO: Is there a lot of competition for this type of approach?

Mr. Fenstermacher: I would say that appreciation for the benefits for the plant-based diet and inclusion of many more plants in a single diet is growing and strengthening. This is a theory that Mannatech has been operating in for fifteen years in our quality of experience and our array of products is significantly stronger in our vision than any of our competitors.

CEOCFO: Would you tell us about your flagship product Ambrotose?

Mr. Fenstermacher: Ambrotose® Complex was introduced by the company back in the mid-1990's. Its primary component is unique aloe extract and of course at this point Mannatech holds the trademark for this aloe extract. In addition, it is combined with several other proprietary components and as I mentioned previ-

ously we do have patent protection on our combination of plant extracts.

CEOCFO: Do you have other product areas?

Mr. Fenstermacher: Mannatech has a tightly controlled, but sufficiently broad array of products, not only nutraceuticals such as Ambrotose, but we also carry a very strong antioxidant product. We also carry the leading vitamin and mineral supplement, which has no artificial component. In addition we also have weight management and skincare line available. On top of all of these we do have a number of smaller niche products.

CEOCFO: How do you reach the customers?

Mr. Fenstermacher: Mannatech has about 500,000 current consumers and business builders in our markets throughout the world. Our products are marketed through direct networking. Our independent Associates introduce new consumers to our products on a daily basis in almost any situation that you can imagine, from grocery stores to book clubs, to specifically scheduled meetings where information about the product and about the opportunity are available.

CEOCFO: Why do you feel that networking is the most effective form of distribution for Mannatech?

Mr. Fenstermacher: We feel that networking is the best marketing system for our products because on a face-to-face basis a new consumer can ask questions to our Associates and receive honest personal answers, in contrast with a shelf in a store where very little information about a product. With human to the consumer, we feel that direct conversation and background concerning the company, our product development and our products themselves can most easily be transferred and then understood by the new consumer. There is a great deal of trust based

on conversation and the networking in direct sales business is largely dependent upon face-to-face relationships between our representatives and our consumers.

CEOCFO: Do customers tend to repeat their purchases and do they tend to use more than one of your products?

Mr. Fenstermacher: The answer to both questions is yes. We have repeat customers. In fact here at home in the United States and Canada, our continuing product sales business has roughly a 70% autoship rate. That means that our customers give us a standing order of an array of products and every twenty-eight days a new supply of those products is shipped directly to the consumer's door. That is a very high percentage. It gives us a great deal of product loyalty and of course we are not surprised by that, we

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know our products are effective and over the years we have been very conservative in introducing new products to make sure that our new products introduction fills a need that our consumers definitely seek.

CEOCFO: Have you found over the recent year and a half that people are still continuing to use your products despite the economy?

Mr. Fenstermacher: Yes very strongly in fact, unlike many other companies that has definitely been touched by the economic problems over the past several years. We have also seen a very strong continuing loyalty to our products primarily which is Ambrotose, but many of our others as well that we believe form our core of products.

CEOCFO: What is the financial picture like at Mannatech?

Mr. Fenstermacher: The financial picture is we believe very promising. The company has been through some difficult financial situations over the past several years. We have now gone beyond those difficulties and we are very excited about continuing growth opportunities both here in the United States and Canada, and Europe and Asia and Australasia as well.

CEOCFO: What is the plan to increase opportunities here and worldwide?

Mr. Fenstermacher: As I mentioned Mannatech has been through some difficult times over the past several years and probably the foundation, which we will use to grow both here domestically and in our international market, is to align much more closely with our independent associates in not only our marketing attempts, but also in putting together plans to enable those associates to gain greater depth of training and understanding of products and the opportunities as well. Our independent associates are the people who are meeting our new customers on a daily basis and we want to make sure that we are aligned with them in every way possible in a cooperative manner to make their jobs easier.

CEOCFO: Final thoughts, why should potential investors pay attention to Mannatech?

Mr. Fenstermacher: Mannatech at this point in time has a very affordable stock price. The company has come through difficulties over the past several years and we are very excited about our opportunity in 2010 and beyond. In the past year, we have added new countries operating in Europe for example, and we intend in 2010 and beyond to add major new markets, specific announcements about those markets will be forth coming. We believe we have weathered the difficulties and are now poised to continue growth in all of our markets.