

USANA HEALTH SCIENCES INC

Form 10-Q

May 07, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 29, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 0-21116

USANA HEALTH SCIENCES, INC.

(Exact name of registrant as specified in its charter)

Utah
(State or other jurisdiction
of incorporation or organization)

87-0500306
(I.R.S. Employer
Identification No.)

3838 West Parkway Blvd., Salt Lake City, Utah 84120

(Address of principal executive offices, Zip Code)

(801) 954-7100

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock as of April 28, 2008 was 16,392,384.

USANA HEALTH SCIENCES, INC.

FORM 10-Q

For the Quarterly Period Ended March 29, 2008

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

USANA HEALTH SCIENCES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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(in thousands)

	December 29, 2007 (1)	March 29, 2008 (unaudited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 12,865	\$ 17,566
Inventories	19,439	21,080
Prepaid expenses and other current assets	11,639	9,691
Deferred income taxes	2,049	2,369
Total current assets	45,992	50,706
Property and equipment, net	52,061	55,888
Assets held for sale	607	607
Goodwill	5,690	5,690
Other assets	4,778	5,125
	\$ 109,128	\$ 118,016
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Accounts payable	\$ 8,111	\$ 7,932
Other current liabilities	32,074	29,654
Total current liabilities	40,185	37,586
Line of credit	28,000	28,000
Other long-term liabilities	2,305	2,728
Stockholders equity		
Common stock, \$0.001 par value; authorized 50,000 shares, issued and outstanding 16,198 as of December 29, 2007 and 16,392 as of March 29, 2008	16	16
Additional paid-in capital	7,525	10,456
Retained earnings	30,108	37,655
Accumulated other comprehensive income	989	1,575
Total stockholders equity	38,638	49,702
	\$ 109,128	\$ 118,016

(1) Derived from audited financial statements.

The accompanying notes are an integral part of these statements.

USANA HEALTH SCIENCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands, except per share data)

(unaudited)

	Quarter Ended	
	March 31, 2007	March 29, 2008
Net sales	\$ 100,678	\$ 101,570
Cost of sales	20,586	21,502
Gross profit	80,092	80,068
Operating expenses:		
Associate incentives	39,549	41,364
Selling, general and administrative	21,501	25,774
Research and development	930	973
Total operating expenses	61,980	68,111