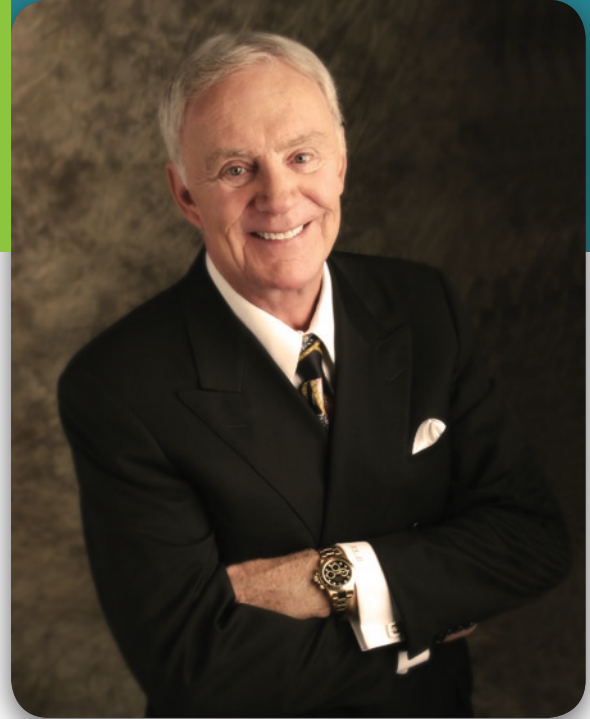


Twenty Ready for more Years of Growth



Dear Fellow Reliv Shareholder,
Reliv celebrates its 20th anniversary in 2008. Our mission today remains the same as it was when my wife, Sandy, and I founded Reliv: to Nourish Our World... in body, mind and spirit.

We can look back on those 20 years with pride. Our business model, our products, and our business opportunity have withstood the test of time. We grew from two employees to about 250. Our operations spread from the United States to 12 other countries. Our annual sales grew to more than \$110 million.

Looking forward, we are confident that the next 20 years will be better than our first 20 for many reasons:

- ... We develop and market effective, patented products.
- ... The business opportunity we offer is second to none.
- ... We are strongly positioned in the growing wellness and direct-selling industries.
- ... We have an experienced, successful management team.

Just as important, we have strategies in place that we believe will return Reliv to top-line and bottom-line growth in 2008.

Before we discuss our growth strategies, let's recap our performance in 2007.

We are pleased with the increase in our distributor base and the continued growth in our sales outside of the United States. But obviously, we would much rather be entering our 20th anniversary year with stronger momentum.

Sales in 2007 declined 5.5 percent to \$111.1 million. We attribute the sales drop to the slower pace of distributor advancements during 2007 compared with previous years, and to a corresponding decline in the size of the average order. Though overall sales declined, we saw high points in Reliv's Asia and Australia regions, with overall sales gains in both areas. In Asia in particular, the pace of sales growth picked up significantly in the second half of the year. We're optimistic that we will continue to see sales growth there this year.

Earnings for the year were \$5.0 million, or \$0.31 per diluted share, compared with net income of \$7.9 million or \$0.47 per diluted share in 2006.

Reliv's distributors at year-end 2007 numbered 69,970, a 7.7 percent increase over the size of the distributor base on Dec. 31, 2006. That kind of growth is critical to our success.

2008 Initiatives

Now let's look at 2008 initiatives. We believe we are well positioned to generate growth through each of our 2008 strategies, which can be grouped into four areas.

- ... Sponsoring and sales momentum
- ... Product development
- ... Market expansion
- ... Strategic relationships

Sponsoring and Sales Momentum

Expansion of our distributor base was our No. 1 goal in 2007. As noted above, we succeeded. In 2008, increasing our base is again our No. 1 goal.

To keep our momentum going, we're planning to give our distributors sales and sponsoring tools that are better than ever before. We believe the tools offer great growth potential for Reliv. We tested a new sales tool in 2006: the first issue of *Success from Home* magazine devoted exclusively to Reliv. In January 2008, we offered a second Reliv issue of *Success from Home*, and we are seeing strong acceptance by our field.

We also are testing other sales tools. In the United Kingdom and Germany in 2007, we introduced four-page publications that, in contrast to *Success from Home* magazines, are more like newspapers.

In 2008, we will introduce our first newsletter devoted exclusively to motivation. The publication is written by internationally known motivation and leadership expert Paul J. Meyer, who is a Reliv distributor and shareholder. We believe this will be an effective supplement to our existing motivational materials.

The tools noted above supplement the Reliv Success System, a proven program that forms the backbone of our efforts to help distributors expand their business.





Product Development

The launch of the Slimplicity® Weight Loss System last year, followed by the introduction of Slimplicity in the European Union in January 2008, is a great example of our product-specific growth strategies. The introduction of new products can create excitement, bring in new customers, and expand the number of products existing customers use. Reliv's research and development staff continually works on creating new products.

Introducing Slimplicity into our European markets — the United Kingdom, Germany, the Netherlands, and Austria — was the equivalent of launching a new product. Eventually we intend to introduce Slimplicity into all of our markets, though we have not yet set launch dates.

In fact, we regularly look at our existing products to determine which ones have the greatest potential for success outside of the U.S. In 2007, for example, we introduced Reliv Now® for Kids into both the Australian and the Asian markets.





Market Expansion

Reliv management constantly evaluates market-expansion possibilities in two ways.

First, we always look to increase sales in existing markets. This year, we plan to make improvements in current programs. For example, our automatic shipment program is currently under-used. We intend to remedy that. Because our products typically come in a four-week supply, they are naturals for automatic monthly shipping. The planned improvements will give the program new momentum, which we believe will boost our long-term sales.

Second, we look to enter new markets under the right conditions. Although sales growth in existing markets will be our primary goal in 2008, during the year we expect to open operations in Indonesia to complement our growing Asian business.

We believe that a focus on specific market segments offers another avenue for sales growth. A number of our marketing and sales staff members devote their time and efforts solely to serving the U.S. Hispanic market. More than 41 million Hispanics live in the United States, where they are the fastest growing ethnic group. As we increased support for Hispanic distributors, our sales increased. We believe we still have great growth potential in this market.



Strategic Relationships

Management is also looking for ways to build closer, longer-term relationships with both distributors and customers. In 2007, we initiated a grassroots effort in which we sent, not just the sales team, but other members of our corporate staff to meet with groups of distributors and prospects in cities throughout the United States. In 2008, we plan to make more such trips than at any time in the last three years. Those trips should motivate distributors and strengthen relationships among them and Reliv executives.



In 2008, Reliv plans to expand its grassroots efforts to strengthen relationships between our distributors and corporate executives.

Reliv Scientific Advisory Board

Reliv's Scientific Advisory Board acts as a vital link between the research community and Reliv's product development group. They offer feedback on everything from trends in nutrition science and technology, to analysis of specific ingredients, to changes in the way experts view nutrition as a means to enhancing health and well-being.



Dr. Carl W. Hastings
Reliv Vice Chairman and Chief Scientific Officer

Reliv's product development and manufacturing programs are headed by Vice Chairman and Chief Scientific Officer Dr. Carl W. Hastings. Dr. Hastings holds a Ph.D. in food science from the University of Illinois and is a world-renowned authority on soy. Part of Reliv since its founding in 1988, he established the strict quality standards that continue to earn Reliv praise throughout the industry.

In total, Dr. Hastings has spent nearly 40 years in food product research and development. He began his career at Mead Johnson where he conducted research into sterilized liquid nutritional food products for adults and children. He also developed low-calorie foods marketed under the Weight Watchers brand. While at A.E. Staley Company, Dr. Hastings developed new applications for food ingredients developed from corn and soybeans, including starch, sweeteners, protein and fiber.

Dr. Hastings's commitment to innovation in the field of nutrition has produced several U.S. patents for Reliv products.

Bob Owen
Managing Director, Mindwake Enterprises Pty. Ltd.
Sydney, Australia

Bob Owen, a noted expert in complementary health care and nutrition, is managing director of Mindwake Enterprises Pty. Ltd., a consulting firm specializing in analytical chemistry and health care sciences. He is also a Scientific Advisor to the Complementary Healthcare Council of Australia.

Owen has more than 40 years of managerial experience in research and development, quality control, regulatory and technical issues in the pharmaceutical and nutrition industries in Australia, New Zealand, Southeast Asia and the United Kingdom. He has worked with such global companies as Pfizer and Bristol Myers/Mead Johnson.

He earned a Master of Science degree from London University, and is a member of the Royal Society of Chemistry. In addition, Owen is a Chartered Chemist (C. Chem.) and a Chartered Scientist (C. Sci.) of the Royal Society of Chemistry.



Dr. Clare M. Hasler
Founding Executive Director,
Robert Mondavi Institute for Wine and Food Science,
University of California-Davis

Dr. Clare Hasler is an internationally recognized authority on nutraceuticals and functional foods that provide specific health benefits, such as lowering the risk of heart disease or cancer, in addition to meeting basic nutritional needs. She is founding executive director of the Robert Mondavi Institute for Wine and Food Science at the University of California-Davis, and is a distinguished lecturer for the Institute of Food Technologists. She serves on the editorial boards of the Journal of Medical Foods and the Journal of the American Nutraceutical Association.

Dr. Hasler was also the founding director of the Functional Foods for Health Program, a joint effort between the University of Illinois at Chicago and University of Illinois at Urbana-Champaign. She has written extensively on functional foods and other health-related issues. Dr. Hasler earned a dual Ph.D. in Human Nutrition and Environmental Toxicology from Michigan State University. She also earned an MBA from the University of Illinois at Urbana-Champaign.

Dr. Stephen R. Pfeifer
Board Certified Family Practice Physician

Dr. Stephen Pfeifer is a board-certified family practice physician in private practice in Indianapolis. He earned his medical degree from the Indiana University School of Medicine and completed the Family Practice Residency Program at Methodist Hospital of Indiana. Dr. Pfeifer has been a member of Reliv's Scientific Advisory Board since its inception in 1992.



Dr. Linda K. Bivins
Board Eligible Family Practice
Physician, Retired

Dr. Linda K. Bivins retired from family practice in 2000. She received her medical degree from the University of Florida College of Medicine in Gainesville, FL. She completed an internship at Phoenix Baptist Hospital Family Practice Program in Phoenix, AZ, and did her residency at St. Vincent's Family Practice Program in Jacksonville, FL. Dr. Bivins has also been a member of Reliv's Scientific Advisory Board since 1992.



We strengthened our Scientific Advisory Board in 2007 with the addition of Bob Owen, an Australian expert in complementary health care and nutrition. Mr. Owen has 40 years of experience in the pharmaceutical and nutrition industries. He has worked with Pfizer, Bristol-Myers Squibb/Mead Johnson Nutritionals and other global companies.

Earlier in this letter, I mentioned a new shareholder, Paul J. Meyer. Mr. Meyer founded Success Motivation Institute in 1960. Since then, he has built it into a group of international companies that market his motivational and leadership materials in more than 60 countries. We are very pleased that Mr. Meyer recognizes the value of our company and the growth potential of our business.



The Reliv Foundation

Finally, I want to mention the Reliv Kalogris Foundation. It achieved another record year in 2007, and we expect it to do that again in 2008. The Foundation provides free nutritional supplements to more than 41,000 people every day, including tens of thousands of children. Annual donations from distributors topped \$1 million for the first time in 2007. I'm tremendously proud of the accomplishments of this Foundation. I consider its success one of the highlights of our 20-year history.

Interestingly, the Reliv Kalogris Foundation has become a source of growth for Reliv. When explaining Reliv to prospects, our distributors obviously emphasize our products and business opportunity. But at some point in the conversation, they may bring up the Reliv Foundation. Some prospects become enamored with Reliv and join us partly because they believe so strongly in the Foundation's efforts to nourish impoverished people all over the world.

That is a tremendous legacy for Reliv. We believe that the Foundation will continue to thrive along with the company over the next 20 years, as we expand our mission to Nourish Our World.

Robert L. Montgomery
Chairman, President and Chief Executive Officer
April 1, 2008

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Vice President, Legal

Barry A. Murov

Vice President, Corporate Communications

Five-Year Financial Summary

| <i>(In thousands, except per share amounts)</i> | 2007 | 2006 | 2005 | 2004 | 2003 |
|---|-----------|-----------|-----------|-----------|-----------|
| Net sales | \$111,058 | \$117,467 | \$113,565 | \$ 96,982 | \$ 76,960 |
| Net income | 5,041 | 7,898 | 7,521 | 5,386 | 4,397 |
| Preferred dividends accrued and paid | — | — | — | 12 | 56 |
| Net income available to common shareholders | 5,041 | 7,898 | 7,521 | 5,374 | 4,341 |
| Earnings per common share: | | | | | |
| Basic | 0.31 | 0.48 | 0.47 | 0.34 | 0.29 |
| Diluted | 0.31 | 0.47 | 0.46 | 0.31 | 0.26 |
| Cash dividends per share of common stock | 0.100 | 0.100 | 0.075 | 0.065 | — |
| Total assets | 33,607 | 37,282 | 25,981 | 30,997 | 24,681 |
| Long-term debt and capital lease obligations, less current maturities | — | — | 2,211 | 3,358 | 3,700 |

Stock Price & Dividend Summary

| <i>2007</i> | <i>High</i> | <i>Low</i> | <i>Close</i> | <i>Dividend</i> |
|----------------|-------------|------------|--------------|-----------------|
| First Quarter | \$ 11.49 | \$ 8.57 | \$ 10.94 | \$ — |
| Second Quarter | 11.56 | 9.53 | 10.50 | 0.050 |
| Third Quarter | 11.60 | 8.94 | 10.04 | — |
| Fourth Quarter | 10.07 | 7.50 | 8.19 | 0.050 |
| <i>2006</i> | <i>High</i> | <i>Low</i> | <i>Close</i> | <i>Dividend</i> |
| First Quarter | \$ 18.69 | \$ 11.00 | \$ 12.39 | \$ — |
| Second Quarter | 12.86 | 9.14 | 9.88 | 0.050 |
| Third Quarter | 10.37 | 6.46 | 8.99 | — |
| Fourth Quarter | 10.25 | 8.10 | 8.68 | 0.050 |