



NATURE'S SUNSHINE®

FOR IMMEDIATE RELEASE

NATURE'S SUNSHINE PRODUCTS REPORTS THIRD QUARTER RESULTS

PROVO, Utah, November 9, 2010 – Nature's Sunshine Products, Inc. (NASDAQ:NATR), a leading manufacturer and marketer of nutritional supplements and complementary products, today reported an increase in net sales revenue of 0.7 percent to \$86.1 million for the third quarter of 2010, compared with \$85.5 million in the same quarter a year ago. Operating income from continuing operations decreased by 40.8 percent to \$3.9 million, compared to \$6.5 million in the same quarter a year ago. Net income from continuing operations increased 11.8 percent to \$2.7 million from \$2.4 million in the same quarter a year ago. Basic and diluted net income per share from continuing operations was \$0.17, compared with \$0.15 for the same quarter a year ago.

Revenue for the third quarter grew slightly as a result of significant growth in several key Synergy Worldwide markets, offset by a decline in the NSP U.S. business. Operating income decreased primarily due to lower operating income in the NSP International segment as described below. The increase in net income from continuing operations is the result of a lower effective tax rate as compared to the prior year due to a deduction for the Company's investment in its Brazilian subsidiary and the utilization of foreign tax credits offset by net increases in tax liabilities associated with uncertain tax positions.

During the third quarter, the Company ceased operations in Brazil as a result of increased import regulation. As a result, the company reported a charge of \$8.2 million during the quarter, of which \$7.4 million is a non-cash write-off of accumulated currency translation adjustments. NSP's operations in Brazil represented less than 0.3 percent of the Company's consolidated revenue over the past five years. The total loss from discontinued operations was \$8.4 million, compared with \$0.3 million in the same quarter a year ago. Basic and diluted net losses per share from discontinued operations were a loss of \$0.54, compared with a loss of \$0.02 for the same quarter a year ago.

During the third quarter, the Company generated \$4.8 million in cash from operations. The Company's balance sheet strengthened with cash and cash equivalents of \$45.7 million (up from \$35.5 million on December 31, 2009) and shareholders' equity of \$66.6 million (up from \$57.1 million on December 31, 2009). The Company has no long-term debt.

Active Managers worldwide declined 2.0 percent to 30,000 from the end of last quarter and active Distributors worldwide declined 0.9 percent from the end of last quarter to 681,100. The Company benefited from increases in the number of active Managers in its Synergy Worldwide and NSP International segments, offset by declines in its NSP US segment.

Nine-Month Results

For the first three quarters of 2010, net sales revenue increased 3.0 percent to \$260.0 million, compared with \$252.5 million in the same period a year ago. Operating income from continuing operations improved by 18.7 percent to \$7.7 million, compared with \$6.5 million in the same period a year ago. Net income from continuing operations totaled \$8.9 million, compared with \$2.0 million in the same period a year ago. Basic and diluted net income per share from continuing operations was \$0.57, compared with \$0.13 in the same period a year ago. The increase in operating and net income from continuing operations is the result of sales growth and foreign exchange gains. The nine-month results include a foreign exchange gain recorded in the first quarter of \$3.7 million, or \$0.24 per diluted share, related to the implementation of highly-inflationary accounting for Venezuela and the devaluation of the Venezuelan bolivar. During the first three quarters of 2010, the Company generated \$10.2 million in cash from operations.

The loss from discontinued operations was \$9.4 million, compared with net income of \$0.2 million in the same period a year ago, stemming from the decision to cease operations in Brazil as noted above. Basic and diluted net earnings per share from discontinued operations were a loss of \$0.60, compared with income of \$0.01 for the same period a year ago.

Segment Analysis for the Third Quarter

For NSP U.S., net sales revenue decreased by 6.3 percent to \$35.2 million, compared with \$37.6 million in the same quarter a year ago. Operating income decreased by 5.9 percent to \$2.3 million, compared to \$2.4 million for the same quarter a year ago. The decrease in sales was caused, in part, by changes in our promotional programs, the timing of event qualification periods (contributing to lower sales compared to the same period a year ago), as well as continuing weakness in the U.S. economy. Operating expenses decreased by 6.4 percent.

For NSP International, net sales revenue decreased by 1.1 percent to \$32.6 million, compared to \$33.0 million in the same quarter a year ago. In local currencies, net sales revenue increased by 2.1 percent, compared to the same quarter a year ago. Net sales revenue benefited from growth in several key markets, as well as the effect of the weakening U.S. dollar overall and its positive impact on consumer demand in many of the markets in which we operate. These improvements, however, were offset by the devaluation of Venezuela's currency in the first quarter of 2010 and its effect on reported net sales for the current quarter. Operating income decreased to \$0.8 million, compared to \$4.1 million in the same quarter a year ago. The decline was caused by an increase in

VAT charges in our Mexico business, increased transfer pricing in most markets, and changes in volume incentive rates.

Among NSP International's markets:

- Net sales revenue in the Russian markets increased by 8.3 percent to \$12.5 million, compared to \$11.5 million in the same quarter a year ago. This improvement was due, in part, to improved Manager and Distributor recruiting efforts, an improving local economy, and a slight weakening of the U.S. dollar in relation to the various currencies in this market, which modestly reduced the price of our products. The strength of our Russian distributor network and leaders, and the launch of new products helped maintain positive momentum in this market.
- Net sales revenue in Venezuela decreased 50.0 percent to \$1.7 million, compared to \$3.4 million in the same quarter a year ago, as the result of the devaluation of the bolivar. In January of this year, the official exchange rate for bolivars changed from 2.15 bolivars per U.S. dollar to 4.30 bolivars per U.S. dollar for all products other than essential goods.

For Synergy Worldwide, net sales revenue increased 22.1 percent to \$18.3 million, compared to \$15.0 million in the same quarter a year ago. In local currencies, net sales revenue increased 19.1 percent, compared to the same quarter a year ago. Net sales revenue increased due to significant growth in the European, U.S, and Korean markets, as well as the opening of the Vietnam market for Synergy products. These improvements were partially offset by decreases in Japan sales. Operating income was \$0.8 million, compared to just above break-even for the same period in the prior year, as a result of strong revenue growth and cost reduction initiatives.

Among Synergy Worldwide's markets:

- U.S. net sales increased 92.5 percent to \$4.2 million, compared to \$2.2 million in the same period a year ago. This improvement was due to strong demand for key products that fostered growth in our U.S. Distributor base.
- European net sales increased 52.3 percent to \$3.0 million, compared to \$2.0 million for the same period a year ago. This improvement was due to network expansion into new markets.
- Korea net sales increased 40.9 percent to \$3.1 million, compared to \$2.2 million for the same period a year ago, and benefited from positive foreign currency fluctuations. Excluding the effect of foreign currency fluctuations, net sales increased 31.9 percent, compared to the same quarter a year ago due to continued growth of our Distributor base and effective leadership and development activities in the market.

- Japan net sales decreased 9.9 percent to \$4.2 million, compared to \$4.7 million in the same quarter a year ago, primarily as the result of import restrictions on several key products, strong competition, and continued economic weakness in Japan, which resulted in a decrease in the Distributor base in this market.
- We launched our Synergy operations in Vietnam during the second quarter and reported net sales of \$0.7 million for the third quarter of 2010.

About Nature's Sunshine Products

Nature's Sunshine Products manufactures and markets through direct sales encapsulated and tableted herbal products, high quality natural vitamins, and other complementary products. In addition to the United States, the Company has operations in Australia, Austria, Belarus, Canada, the Czech Republic, China, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Germany, Guatemala, Honduras, Hong Kong, Indonesia, Israel, Japan, Kazakhstan, Latvia, Lithuania, Malaysia, Mexico, Mongolia, the Netherlands, Nicaragua, Norway, Panama, Peru, the Philippines, Poland, Russia, Singapore, South Korea, Sweden, Thailand, Taiwan, Ukraine, the United Kingdom, the United States, Venezuela, and Vietnam. The Company also has exclusive distribution agreements with selected companies in Argentina, Australia, Chile, New Zealand, and Norway. Additional information can be obtained at the Company's website, www.natr.com.

Cautionary Statement Regarding Forward-Looking Statements

In addition to historical information, this release contains forward-looking statements. Nature's Sunshine may, from time to time, make written or oral forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements encompass Nature's Sunshine's beliefs, expectations, hopes, or intentions regarding future events. Words such as "expects," "intends," "believes," "anticipates," "should," "likely," and similar expressions identify forward-looking statements. All forward-looking statements included in this release are made as of the date hereof and are based on information available to the Company as of such date. Nature's Sunshine assumes no obligation to update any forward-looking statement. Actual results will vary, and may vary materially, from those anticipated, estimated, projected or expected for a number of reasons, including, among others: further reviews of the Company's financial statements by the Company and its Audit Committee; modification of the Company's accounting practices; foreign business risks; industry cyclicality; fluctuations in customer demand and order pattern; changes in pricing and general economic conditions; as well as other risks detailed in the Company's previous filings with the SEC.

NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands)

(Unaudited)

	September 30, 2010	December 31, 2009
Assets		
Current Assets:		
Cash and cash equivalents	\$ 45,657	\$ 35,538
Restricted cash	249	1,495
Accounts receivable, net of allowance for doubtful accounts of \$1,049 and \$1,840 respectively	7,961	8,294
Investments available for sale	3,056	3,167
Inventories, net.....	37,682	40,623
Deferred income tax assets	5,942	6,646
Prepaid expenses and other current assets	6,070	5,629
Total current assets	<u>106,617</u>	<u>101,392</u>
Property, plant and equipment, net.....	27,841	28,757
Investment securities	1,864	1,752
Intangible assets	1,332	1,421
Deferred income tax assets.....	12,402	12,228
Other assets.....	19,036	19,306
	<u>\$ 169,092</u>	<u>\$ 164,856</u>
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable.....	\$ 4,593	\$ 4,176
Accrued volume incentives.....	18,710	17,495
Accrued liabilities	36,736	34,143
Deferred revenue.....	3,227	4,513
Income taxes payable.....	691	7,542
Total current liabilities.....	<u>63,957</u>	<u>67,869</u>
Liability related to unrecognized tax benefits	33,921	35,028
Deferred compensation payable	1,864	1,752
Other liabilities	2,733	3,112
Total long-term liabilities	<u>38,518</u>	<u>39,892</u>
Shareholders' Equity:		
Common stock, no par value; 50,000 shares authorized, 15,514 and 15,510 shares issued and outstanding as of September 30, 2010 and December 31, 2009.....	67,538	67,183
Retained earnings.....	8,978	9,511
Accumulated other comprehensive loss.....	(9,899)	(19,599)
Total shareholders' equity	<u>66,617</u>	<u>57,095</u>
	<u>\$ 169,092</u>	<u>\$ 164,856</u>

NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share information)
(Unaudited)

	Three Months Ended September 30,	
	2010	2009
Net sales revenue (net of the rebate portion of volume incentives of \$10,726 and \$11,402, respectively)	\$ 86,096	\$ 85,529
Cost and expenses:		
Cost of goods sold.....	16,632	17,222
Volume incentives	32,065	31,050
Selling, general and administrative.....	33,523	30,714
	82,220	78,986
Operating income	3,876	6,543
Other income, net	375	1,288
Income from continuing operations before provision for income taxes	4,251	7,831
Provision for income taxes	1,573	5,436
Net income from continuing operations	2,678	2,395
Loss from discontinued operations, net of tax.....	(8,418)	(315)
Net (loss) income.....	\$ (5,740)	\$ 2,080
Basic and diluted net (loss) income per common share		
Basic:		
Net income from continuing operations	\$ 0.17	\$ 0.15
Loss from discontinued operations, net of tax.....	\$ (0.54)	\$ (0.02)
Net (loss) income.....	\$ (0.37)	\$ 0.13
Diluted:		
Net income from continuing operations	\$ 0.17	\$ 0.15
Loss from discontinued operations, net of tax.....	\$ (0.54)	\$ (0.02)
Net (loss) income.....	\$ (0.37)	\$ 0.13
Weighted average basic common shares outstanding	15,514	15,510
Weighted average diluted common shares outstanding	15,612	15,510

NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share information)
(Unaudited)

	Nine Months Ended September 30,	
	2010	2009
Net sales revenue (net of the rebate portion of volume incentives of \$32,942 and \$34,779, respectively)	\$ 260,029	\$ 252,465
Cost and expenses:		
Cost of goods sold.....	51,308	50,439
Volume incentives	97,162	93,233
Selling, general and administrative.....	103,840	102,291
	252,310	245,963
Operating income	7,719	6,502
Other income, net	2,374	1,926
Income from continuing operations before provision for income taxes	10,093	8,428
Provision for income taxes	1,238	6,472
Net income from continuing operations	8,855	1,956
(Loss) income from discontinued operations, net of tax	(9,388)	196
Net (loss) income.....	\$ (533)	\$ 2,152
Basic and diluted net (loss) income per common share		
Basic:		
Net income from continuing operations	\$ 0.57	\$ 0.13
(Loss) income from discontinued operations, net of tax	\$ (0.60)	\$ 0.01
Net (loss) income.....	\$ (0.03)	\$ 0.14
Diluted:		
Net income from continuing operations	\$ 0.57	\$ 0.13
(Loss) income from discontinued operations, net of tax	\$ (0.60)	\$ 0.01
Net (loss) income.....	\$ (0.03)	\$ 0.14
Weighted average basic common shares outstanding	15,512	15,510
Weighted average diluted common shares outstanding	15,606	15,510

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