

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**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 25, 2004**

Commission File Number  
**0-8707**



**NATURE'S SUNSHINE PRODUCTS, INC.**

(Exact name of Registrant as specified in its charter)

**Utah**  
(State or other jurisdiction of  
incorporation or organization)

**87-0327982**  
(IRS Employer  
Identification No.)

**75 East 1700 South  
Provo, Utah 84606**  
(Address of principal executive offices and zip code)

**(801) 342-4300**  
(Registrant's telephone number)

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**Item 7. Financial Statements and Exhibits**

(c) The following exhibits are being furnished herewith:

99.1\* Text of press release issued by Nature's Sunshine Products, Inc. dated February 25, 2004.

\* This information shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, and shall not be deemed incorporated by reference in any filing with the Securities and Exchange Commission under the Securities Exchange Act of 1934 or the Securities Act of 1933, whether made before or after the date hereof and irrespective of any general incorporation language in any filings.

**Item 12. Results of Operations and Financial Condition**

The information contained in this Item 12 and the exhibit hereto are being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, and shall not be deemed incorporated by reference in any filing with the Securities and Exchange Commission under the Securities Exchange Act of 1934 or the Securities Act of 1933, whether made before or after the date hereof and irrespective of any general incorporation language in any filings.

On February 25, 2004, the Registrant issued a press release regarding its financial results for its fiscal quarter and year ended December 31, 2003. A copy of the press release is attached as Exhibit 99.1.

**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.

By: /s/ CRAIG D. HUFF

Name: Craig D. Huff  
Title: Chief Financial Officer and Secretary

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FOR IMMEDIATE RELEASE

**NATURE'S SUNSHINE PRODUCTS REPORTS  
YEAR END AND INCREASED FOURTH QUARTER RESULTS**

**International Sales for Fourth Quarter Reach All-Time High**

PROVO, Utah, February 25, 2004—Nature's Sunshine Products, Inc. (NASDAQ:NATR), a leading manufacturer and marketer of encapsulated herbs and vitamins, today reported sharply improved operating results for the fourth quarter ended December 31, 2003, paced by record international gross sales revenue.

For the fourth quarter of 2003, gross sales revenue totaled \$78.8 million, compared with \$71.2 million for the comparable quarter of the prior year, an increase of 10.7 percent. Operating income increased to \$3.8 million, up from \$2.1 million for the comparable quarter of the prior year, an 83.0 percent increase. Net income increased to \$2.9 million, compared with \$1.5 million for the comparable quarter a year ago, while diluted net income per share increased to \$0.21, compared with \$0.09 for the comparable quarter of the prior year, an increase of 133.3 percent.

"The fourth quarter of 2003 was noteworthy for Nature's Sunshine," said Douglas Faggioli, President and Chief Executive Officer. "Our international operations demonstrated some resiliency that we expect to continue into the current year. Recent cost saving measures also had a favorable impact, and are expected to benefit our results in 2004. In general, employees and field people alike at Nature's Sunshine seem to be responding positively to the recent changes and new initiatives the Company has implemented. We have a few issues and challenges that must be addressed, but we are looking forward to continued progress."

While domestic gross sales revenue remained sluggish, off 3.0 percent in the fourth quarter to \$42.2 million from \$43.5 million in the comparable quarter of the prior year, international gross sales revenue set an all-time quarterly high of \$36.6 million, compared with \$27.7 million for the comparable quarter of 2002, an increase of 32.1 percent.

The fourth quarter performance benefited from operations of the Synergy Worldwide division. With international activities in Japan, Thailand, and Taiwan, Synergy posted fourth quarter gross sales revenue of \$7.9 million, compared with \$1.6 million for the comparable quarter of the prior year.

Other international markets that delivered strong results in the fourth quarter of 2003 included Russia Federation, Singapore, Central America, Venezuela, and the United Kingdom.

Nature's Sunshine said that the decision by the U.S. Food and Drug Administration to ban the ingredient ephedra, effective April 12, 2004, will have minimal impact on the Company's operations. Products containing ephedra accounted for less than 2 percent of sales, and inventories are at levels that are expected to be exhausted by the ban's effective date. "We believe that ephedra, if responsibly formulated and properly used, is safe, as our product history demonstrates. While we are disappointed with the FDA's action, we will be in compliance," said Mr. Faggioli.

Gross sales revenue for the year ended December 31, 2003 was essentially unchanged, totaling \$297.3 million, compared with \$298.7 million for 2002. Operating income for 2003 totaled \$7.7 million, compared with \$11.7 million for 2002, a decline of 34.0 percent. Net income in 2003 totaled \$5.1 million, compared with \$7.1 million in 2002, a decline of 27.8 percent, and diluted net income per share totaled \$0.36, compared with \$0.43 in 2002, a decrease of 16.3 percent. Net income for the year ended December 31, 2003 was negatively impacted by the impairment of our investment in HealthTech of \$1.8 million and \$2.2 million incurred to eliminate and consolidate various management and employee positions as well as to realign programs and market strategies.

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Nature's Sunshine's worldwide distributors at December 31, 2003 totaled 562,000 compared with 509,000 at December 31, 2002. Of these distributors, 239,000 were located in the United States at year-end 2003 and 235,000 were located in the United States at year-end 2002. The number of worldwide managers at December 31, 2003 totaled 15,150 compared with 14,000 at December 31, 2002.

The Company has re-evaluated its reporting classification of volume incentives. Volume incentive payments to our distributors have been reclassified to be deductions from gross revenue (under the provisions of EITF 01-09) rather than operating expenses. Our reported net sales revenue and reported operating expenses have been reduced by equal amounts for all periods presented. This reclassification of volume incentives had no effect on operating income (loss) or net income (loss).

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 Japan, Mexico, Central America, South Korea, Canada, Dominican Republic, Venezuela, Ecuador, Peru, the United Kingdom and Ireland, Colombia, Brazil, Thailand, Israel, Singapore and Taiwan. The Company also has exclusive distribution agreements with selected companies in Argentina, Australia, Chile, New Zealand, Norway, and the Russian Federation.

*Statements in this press release concerning the Company's business outlook or future economic performance, anticipated profitability, revenues, expenses or other financial items, and product line growth, together with other statements that are not historical facts, are "forward-looking statements" as that term is defined under Federal Securities Laws. "Forward-looking statements" are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those set forth in such statements. Such risks, uncertainties, and factors include, but are not limited to, 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 filings with the Securities and Exchange Commission.*

Contact:

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For more information, contact us at our website at [www.natr.com](http://www.natr.com).

**Investors of Nature's Sunshine Products can listen to a conference call scheduled for Wednesday, February 25, 2004 at 11:00 am (EST) via the Internet at <http://www.vcall.com>. To listen to the live call, please go to the website at least 15 minutes early to register, download and install any necessary audio software. For those who cannot listen to the live broadcast, a replay will be available shortly after the call.**

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**NATURE'S SUNSHINE PRODUCTS, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS INFORMATION**  
(In thousands, except per share amounts)  
(unaudited)

	Quarter Ended December 31	
	2003	2002 (Restated)(1)
Gross sales revenue	\$ 78,842	\$ 71,193
Volume incentives	35,341	32,020
Net sales revenue	43,501	39,173
Cost of goods sold	12,773	12,339
Selling, general and administrative expenses	26,921	24,754
Operating income	3,807	2,080
Other income	241	52
Income before income taxes	4,048	2,132
Provision for income taxes	1,114	677
Net income	\$ 2,934	\$ 1,455
Basic earnings per common share	\$ 0.21	\$ 0.10
Weighted average basic common shares	14,015	15,255
Diluted earnings per common share	\$ 0.21	\$ 0.09
Weighted average diluted common shares	14,116	15,809
	Year Ended December 31	
	2003	2002 (Restated)(1)
Gross sales revenue	\$ 297,264	\$ 298,734
Volume incentives	132,966	132,175
Net sales revenue	164,298	166,559
Cost of goods sold	51,927	53,317
Selling, general and administrative expenses	104,665	101,574
Operating income	7,706	11,668
Other expense	(474)	(972)
Income before income taxes	7,232	10,696
Provision for income taxes	2,133	3,632
Net income	\$ 5,099	\$ 7,064
Basic earnings per common share	\$ 0.36	\$ 0.45
Weighted average basic common shares	14,181	15,844
Diluted earnings per common share	\$ 0.36	\$ 0.43
Weighted average diluted common shares	14,336	16,496

- (1) The Company has re-evaluated its reporting classification of volume incentives. Volume incentive payments to our distributors have been reclassified to be deductions from gross revenue (under the provisions of EITF 01-09) rather than operating expenses. Our reported net sales revenue and reported operating expenses have been reduced by equal amounts for all periods presented. This reclassification of volume incentives had no effect on operating income (loss) or net income (loss).

[NATURE'S SUNSHINE PRODUCTS REPORTS YEAR END AND INCREASED FOURTH QUARTER RESULTS ——— International Sales for Fourth Quarter Reach All-Time High](#)  
[NATURE'S SUNSHINE PRODUCTS, INC. CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS INFORMATION \(In thousands, except per share amounts\) \(unaudited\)](#)