
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO

Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

NATURE'S SUNSHINE PRODUCTS, INC.

(Name of Subject Company (issuer))

NATURE'S SUNSHINE PRODUCTS, INC., as Offeror

(Names of Filing Persons (identifying status as offeror, issuer or other person))

COMMON STOCK, WITHOUT PAR VALUE

(Title of Class of Securities)

639027101

(CUSIP Number of Class of Securities)

Craig D. Huff
Vice President of Finance, Treasurer,
Chief Financial Officer and Chief Accounting Officer

75 East 1700 South

Provo, Utah 84606

(801) 342-4300

(Name, address and telephone number of persons authorized to receive notices and communications on behalf of filing persons)

Copies to:

Justin P. Klein
Ballard Spahr Andrews & Ingersoll, LLP
1735 Market Street, 51st Floor
Philadelphia, Pennsylvania 19103
(215) 665-8500

CALCULATION OF FILING FEE:

Transaction Valuation(1)	Amount of Filing Fee(2)
\$16,500,000	\$2,091

(1) Estimated for purposes of calculating the amount of the filing fee only, this amount is based on the purchase of 1,000,000 shares of common stock at the maximum tender offer price of \$16.50 per share.

(2) The amount of the filing fee is calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:

Form or Registration No.:

Filing Party:

Date Filed:

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

Item 1. Summary Term Sheet.

This Tender Offer Statement on Schedule TO is being filed by Nature's Sunshine Products, Inc. (the "Company") pursuant to Section 13(e) of the Securities Exchange Act of 1934, as amended, in connection with its offer to purchase up to 1,000,000 shares of its outstanding common stock, no par value per share, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 27, 2004 (the "Offer to Purchase") and in the related Letter of Transmittal, which are Exhibit (a)(1) and Exhibit (a)(2) to this Schedule TO, respectively.

The information set forth under "Summary Term Sheet" in the Offer to Purchase incorporated herein by reference.

Item 2. Subject Company Information.

(a) *Name and address.* Nature's Sunshine Products, Inc., a Utah corporation, is the subject company. The address and telephone number of its principal executive offices are 75 East 1700 South, Provo Utah 84606, (801) 342-4300.

(b) *Securities.* The subject securities consist of the Company's common stock, no par value per share (the "Common Stock"). As of October 22, 2004, 15,105,565 shares of Common Stock were outstanding.

(c) *Trading market and price.* The Common Stock is traded on the Nasdaq National Market under the symbol "NATR." The information set forth in the Offer to Purchase under Section 8 ("Price Range of the Shares; Dividends") is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

Name and address. The issuer is the filing person. The information set forth under Item 2(a) above is incorporated herein by reference. The information set forth in the Offer to Purchase under Section 11 ("Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference.

Item 4. Terms of the Transaction.

(a) *Material terms.* The following sections of the Offer to Purchase contain a description of the material terms of the transaction and are incorporated herein by reference:

- "Summary Term Sheet";
- Section 1 ("Number of Shares; Proration");
- Section 2 ("Purpose of the Tender Offer; Certain Effects of the Tender Offer");
- Section 3 ("Procedures for Tendering Shares");
- Section 4 ("Withdrawal Rights");
- Section 5 ("Purchase of Shares and Payment of Purchase Price");
- Section 6 ("Conditional Tender of Shares");
- Section 7 ("Conditions of the Tender Offer");
- Section 9 ("Source and Amount of Funds");
- Section 14 ("United States Federal Income Tax Consequences"); and
- Section 15 ("Extension of the Tender Offer; Termination; Amendment").

(b) *Purchases.* The information set forth in the Offer to Purchase under Section 11 ("Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

(e) *Agreements Involving the Subject Company's Securities.* The information set forth in the Offer to Purchase under Section 11 ("Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference.

Item 6. Purposes of the Transaction and Plans or Proposals.

(a); (b) *Purposes; Use of Securities.* The information set forth in the Offer to Purchase under "Summary Term Sheet" and Section 2 ("Purpose of the Tender Offer; Certain Effects of the Tender Offer") is incorporated herein by reference.

(c) *Plans.*

- (1) None.
- (2) None.
- (3) None.
- (4) None.
- (5) None.
- (6) None.
- (7) None.
- (8) None.
- (9) None.
- (10) None.

Item 7. Source and Amount of Funds or Other Consideration.

(a); (b); (d) *Source of funds; Conditions; Borrowed funds.* The information set forth in the Offer to Purchase under Section 9 ("Source and Amount of Funds") is incorporated herein by reference.

Item 8. Interest in Securities of the Subject Company.

(a); (b) *Securities ownership; Securities transactions.* The information set forth in the Offer to Purchase under Section 11 ("Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares") is incorporated herein by reference.

Item 9. Person Assets, Retained, Employed, Compensated or Used.

(a) *Solicitations or recommendations.* The information under Section 16 ("Fees and Expenses") and Section 17 ("Miscellaneous") is incorporated herein by reference.

Item 10. Financial Statements.

Not Required.

Item 11. Additional Information.

(a) *Agreements, regulatory requirements and legal proceedings.* The information set forth in the Offer to Purchase under Section 10 ("Certain Information Concerning Nature's Sunshine"), Section 11 ("Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares") and Section 13 ("Legal Matters; Regulatory Approvals") is incorporated herein by reference. To the knowledge of the Company, no material legal proceedings relating to the tender offer are pending.

(b) *Other material information.* The information set forth in the Offer to Purchase and the Letter of Transmittal (Exhibits (a)(1) and (a)(2), respectively, to this Schedule TO) is incorporated herein by reference.

Item 12. Exhibits.

- (a)(1) Offer to Purchase, dated October 27, 2004.*
- (a)(2) Form of Letter of Transmittal.*
- (a)(3) Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees.*
- (a)(4) Form of Letter to Clients.*
- (a)(5) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.*
- (a)(6) Letter to Shareholders from the Chief Executive Officer of the Company, dated October 27, 2004.*
- (a)(7) Form of Letter to Participants in the Nature's Sunshine Products, Inc. Tax Deferred Retirement Plan.*
- (a)(8) Form of Notice to Holders of Vested Options to Purchase Shares of Nature's Sunshine Products, Inc. Common Stock.*
- (a)(9) Press Release issued October 27, 2004.*
- (b)(1) Credit Agreement between Wells Fargo Bank, N. A. and Nature's Sunshine Products, Inc., dated August 5, 2002.*
- (b)(2) First Amendment to Credit Agreement between Wells Fargo Bank, N. A. and Nature's Sunshine Products, Inc., dated July 1, 2004.*
- (b)(3) Promissory Note from Nature's Sunshine Products to Wells Fargo Bank, N.A., dated July 1, 2004.*
- (d)(1) Nature's Sunshine Products, Inc. 1995 Stock Option Plan, as amended, incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 filed August 4, 2004.
- (g) Not applicable.
- (h) Not applicable.

* Filed herewith.

Item 13. Information Required by Schedule 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

NATURE'S SUNSHINE PRODUCTS, INC.

/s/ CRAIG HUFF

Name: Craig Huff
Title: Vice President of Finance, Treasurer, Chief Financial Officer and Chief Accounting Officer

Date: October 27, 2004

INDEX TO EXHIBITS

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(g)	Not Applicable.
(h)	Not Applicable.

* Filed herewith.

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Offer to Purchase for Cash

by

NATURE'S SUNSHINE PRODUCTS, INC.

of

Up to 1,000,000 Shares of its Common Stock

At a Purchase Price Not Greater Than \$16.50 nor Less Than \$14.20 Per Share

***THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT
MIDNIGHT NEW YORK CITY TIME, ON WEDNESDAY, NOVEMBER 24, 2004,
UNLESS THE OFFER IS EXTENDED.***

Nature's Sunshine Products, Inc., a Utah corporation ("Nature's Sunshine," "we," "us," "our," or the "Company"), invites its shareholders to tender up to 1,000,000 shares of its common stock, no par value per share, for purchase by it at a price not greater than \$16.50 nor less than \$14.20 per share, net to the seller, in cash, without interest, upon the terms and subject to the conditions of this Offer to Purchase and the related Letter of Transmittal. We will select the lowest purchase price that will allow us to buy 1,000,000 shares or, if a lesser number of shares are properly tendered, all shares that are properly tendered and not withdrawn. All shares acquired in this offer will be acquired at the same purchase price regardless of whether the shareholder tendered at a lower price.

Only shares properly tendered at prices at or below the purchase price selected by us, and not properly withdrawn, will be purchased. However, because of the "odd lot" priority, proration and conditional tender offer provisions described in this Offer to Purchase, all of the shares tendered at or below the purchase price may not be purchased if more than the number of shares we seek are properly tendered. Shares not purchased in the offer will be returned at our expense promptly following the Expiration Date. See Section 3.

Subject to certain limitations and legal requirements, we reserve the right, in our sole discretion, to purchase more than 1,000,000 shares pursuant to the offer. See Section 1.

THE OFFER IS NOT CONDITIONED UPON THE RECEIPT OF FINANCING OR ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 7 OF THIS OFFER TO PURCHASE, "CONDITIONS TO THE OFFER."

The shares are listed and traded on the Nasdaq National Market under the symbol "NATR." On October 26, 2004, the last full trading day before commencement of the tender offer, the closing price of the shares on the Nasdaq National Market was \$14.17 per share. Shareholders are urged to obtain current market quotations for the shares. See Section 8.

Our Board of Directors has approved this offer. However, neither we nor our Board of Directors nor the Dealer Manager or Information Agent makes any recommendation to you as to whether to tender or refrain from tendering your shares or as to the purchase price or purchase prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them. In doing so, you should consider our reasons for making this offer. See Section 2. The directors and executive officers of Nature's Sunshine are entitled to participate in the tender offer on the same basis as all other shareholders. Certain major shareholders, directors and executive officers of Nature's Sunshine have indicated that they intend to tender, in the aggregate, approximately 290,000 shares beneficially owned by them. See Section 11.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS TRANSACTION OR PASSED UPON THE MERITS OR FAIRNESS OF SUCH TRANSACTION OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Dealer Manager for this offer is:

SHATTUCK HAMMOND PARTNERS LLC

Offer to Purchase dated October 27, 2004.

IMPORTANT

If you want to tender all or part of your shares, you must do one of the following before the tender offer expires:

- if your shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact the nominee and have the nominee tender your shares for you;
- if you hold certificates in your own name, complete and sign a Letter of Transmittal according to its instructions and deliver it, together with any required signature guarantees, the certificates for your shares and any other documents required by the Letter of Transmittal, to American Stock Transfer & Trust Company, the Depository for the tender offer;
- if you are an institution participating in The Depository Trust Company, tender your shares according to the procedure for book-entry transfer described in Section 3 of this Offer to Purchase;
- Optionees holding vested stock options granted under the Company's 1995 Stock Option Plan, as amended (the "1995 Plan"), or other stock option plans or arrangements that have been terminated (together with the 1995 Plan, the "Stock Option Plans") may exercise such options for cash in accordance with the terms of the applicable Stock Option Plans and tender the shares received upon such exercise in accordance with this tender offer. See Instruction 15 of the Letter of Transmittal; or
- Participants in the Company's Tax Deferred Retirement Plan, as amended (the "401(k) Plan") who wish to tender any of their shares held in accounts under the 401(k) Plan must follow the separate instructions and procedures described in Section 3 and must review the separate materials related to the 401(k) Plan enclosed with this Offer to Purchase for instructions.
- Participants in the Company's Dividend Reinvestment Plan who wish to tender any of their shares held in that plan must so indicate in the Letter of Transmittal and follow the procedures outlined in the Letter of Transmittal.

If you want to tender your shares, but:

- your certificates for your shares are not immediately available or cannot be delivered to the Depository by the expiration of the tender offer;
- you cannot comply with the procedure for book-entry transfer by the expiration of the tender offer; or
- your other required documents cannot be delivered to the Depository by the expiration of the tender offer;

you can still tender your shares if you comply with the guaranteed delivery procedure described in Section 3.

TO PROPERLY TENDER SHARES, YOU MUST VALIDLY COMPLETE THE LETTER OF TRANSMITTAL, INCLUDING THE SECTION RELATING TO THE PRICE AT WHICH YOU ARE TENDERING SHARES.

If you wish to maximize the chance that your shares will be purchased at the purchase price determined by us, you should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Pursuant to the Offer." Note that this election could result in your shares being purchased at the minimum price of \$14.20 per share.

Questions and requests for assistance may be directed to Georgeson Shareholder Communications, Inc., the Information Agent for the tender offer, or to Shattuck Hammond Partners LLC, the Dealer Manager for the tender offer, at their respective addresses and telephone numbers set forth on the back cover page of this document. Requests for additional copies of this document, the

related Letter of Transmittal or the Notice of Guaranteed Delivery may be directed to the Information Agent.

We are not making this offer to, and will not accept any tendered shares from, shareholders in any jurisdiction where it would be illegal to do so. However, we may, at our discretion, take any actions necessary for us to make this offer to shareholders in any such jurisdiction.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES OR AS TO THE PURCHASE PRICE OR PURCHASE PRICES AT WHICH YOU MAY CHOOSE TO TENDER YOUR SHARES IN THIS OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFER OTHER THAN THOSE CONTAINED IN THIS OFFER TO PURCHASE OR IN THE RELATED LETTER OF TRANSMITTAL. IF ANYONE MAKES ANY RECOMMENDATION OR GIVES ANY INFORMATION OR REPRESENTATION, YOU MUST NOT RELY UPON THAT RECOMMENDATION, INFORMATION OR REPRESENTATION AS HAVING BEEN AUTHORIZED BY US, THE DEALER MANAGER OR THE INFORMATION AGENT.

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SUMMARY TERM SHEET

We are providing this summary term sheet for your convenience. The Company is at times referred to as "Nature's Sunshine," "we," "our" or "us." This summary term sheet highlights certain material information in this Offer to Purchase, but you should realize that it does not describe all of the details of the tender offer to the same extent described in this Offer to Purchase. We urge you to read the entire Offer to Purchase and the related Letter of Transmittal because they contain the full details of the tender offer. We have included references to the Sections of this document where you will find a more complete discussion.

Who is offering to purchase my shares?

We are offering to purchase up to 1,000,000 shares of our common stock, no par value per share.

What is the purpose of the offer?

Our management and Board of Directors have evaluated our operations, strategy and expectations for the future and believe that the offer is a prudent use of our financial resources given our business profile, our assets and recent market prices for our common stock. We have substantial cash generating capacity, minimal debt, and no immediate need for the accumulation of cash. We believe that our current and anticipated cash balances, and our debt capacity, exceed the financial requirements of our business, including the capital requirements for improving our operations and providing appropriate financial flexibility for general corporate purposes.

We believe that the modified "Dutch Auction" tender offer described herein represents a mechanism to provide all of our shareholders with the opportunity to tender all or a portion of their shares and, thereby, receive a return of capital if they so elect. In addition, shareholders who do not participate in the offer will automatically increase their relative percentage interest in us and our future operations at no additional cost to them. As a result, our Board of Directors believes that investing in our own shares in this manner is an attractive use of capital and an efficient means to provide value to our shareholders. See Section 2.

What will the purchase price for the shares be and what will be the form of payment?

We are conducting the offer through a procedure commonly called a modified "Dutch Auction."

This procedure allows you to select the price (in multiples of \$0.10) within a price range specified by us at which you are willing to sell your shares.

The price range for this offer is \$14.20 to \$16.50 per share. We will select the lowest purchase price that will allow us to buy 1,000,000 shares or, if a lesser number of shares are properly tendered, all shares that are properly tendered and not withdrawn.

All shares we purchase pursuant to the offer will be purchased at the same price, even if you have selected a lower price, but we will not purchase any shares above the purchase price we determine.

If you wish to maximize the chance that your shares will be purchased, you should check the box of the section of the Letter of Transmittal indicating that you will accept the purchase price we determine. You should understand that this election could result in your shares being purchased at the minimum price of \$14.20 per share.

If your shares are purchased in the offer, we will pay you the purchase price, in cash, without interest, promptly after the expiration of the offer. See Sections 1 and 5.

How many shares will Nature's Sunshine purchase?

We will purchase 1,000,000 shares in the tender offer, representing approximately 5.8% of our outstanding shares of common stock (including 2,216,604 shares reserved for issuance upon exercise of outstanding options under the Stock Option Plans), or such lesser number of shares as are properly

tendered and not withdrawn. If more than 1,000,000 shares are tendered, all shares tendered at or below the purchase price will be purchased on a pro rata basis, except for "odd lots" (lots held by owners of less than 100 shares), which will be purchased on a priority basis, and conditional tenders whose condition was not met. We also expressly reserve the right to purchase additional shares up to 2% of the outstanding shares (approximately 302,111 shares), subject to applicable legal requirements. See Sections 1 and 7.

How will Nature's Sunshine pay for the shares?

Assuming that the maximum 1,000,000 shares are tendered in the offer at a maximum price of \$16.50 per share, the aggregate purchase price will be \$16.5 million. We expect that expenses for the offer will be approximately \$385,000. We anticipate that we will pay for the shares tendered in the offer, including all expenses applicable to the offer, primarily from available cash on hand, net cash provided by operating activities and from the Company's existing operating line of credit. The tender offer is not subject to the receipt of financing. See Section 9.

When will Nature's Sunshine pay for the shares I tender?

We will pay the purchase price, net in cash, without interest, for the shares we purchase promptly after the expiration of the tender offer and the acceptance of the shares for payment. See Section 5.

When does the tender offer expire; can the tender offer be extended?

You may tender your shares until the tender offer expires. The tender offer will expire on Wednesday, November 24, 2004, at midnight, New York City time, unless we extend it. See Section 1. We may choose to extend the tender offer for any reason. See Section 15.

How will I be notified if Nature's Sunshine extends or amends the terms of the tender offer?

We can extend or amend the offer in our sole discretion. If we extend the offer, we will issue a press release by 9:00 am., New York City time, on the business day after the previously scheduled Expiration Date (as defined herein) if we decide to extend the tender offer. We cannot assure you that the offer will be extended or, if extended, for how long. We will announce any amendment to the offer by making a public announcement of the amendment. See Section 15.

Are there any conditions to the tender offer?

Yes. Our obligation to accept and pay for your tendered shares depends upon a number of conditions that must be satisfied or waived prior to the Expiration Date, including:

- No changes in the general political, market, economic or financial conditions in the United States or abroad that could adversely effect our business, the trading in the shares of our common stock or the benefits of the tender offer shall have occurred during this offer.
- No legal action shall have been threatened, pending or taken, that might adversely affect the offer.
- No one shall have announced or made a tender or exchange offer (other than this offer), merger, business combination or other similar transaction involving us.
- No one, to our knowledge, shall acquire or propose to acquire more than 5% of our shares.
- No one, to our knowledge, shall file a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, reflecting an intent to acquire us or any of our subsidiaries.

- No material change in our business, condition (financial or otherwise), assets, income, operations, prospects or stock ownership shall have occurred.
- Our determination that the consummation of the offer and the purchase of shares will not cause our common stock to be delisted from the Nasdaq National Market or to be eligible for deregistration under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The offer is subject to a number of other conditions described in greater detail in Section 7.

How do I tender my shares?

If you are the registered holder of your shares and decide to tender your shares, you must:

- Deliver your shares by mail, physical delivery or book-entry transfer and deliver a completed and signed Letter of Transmittal or an agent's message to American Stock Transfer & Trust Company, the Depository for our offer, before midnight, New York City time, on Wednesday, November 24, 2004, or such later time and date to which we may extend the offer; or
- If certificates for your shares are not immediately available for delivery to the Depository, comply with the guaranteed delivery procedure before midnight on Wednesday, November 24, 2004, or such later time and date to which we may extend the offer; or
- If you hold your shares through a broker, dealer, commercial bank, trust company or other nominee, you must contact the nominee if you wish to tender your shares.

How do I maximize the chance my shares will be purchased in the tender offer?

If you wish to maximize the chance that your shares will be purchased, you should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Pursuant to the Offer." Note that this election could result in the tendered shares being purchased at the minimum price of \$14.20 per share.

How do holders of vested stock options for shares participate in the tender offer?

If you hold vested but unexercised stock options, you may exercise such options for cash in accordance with the terms of the applicable Stock Option Plans and tender the shares received upon such exercise in accordance with the tender offer. See instruction 15 of the Letter of Transmittal.

How do participants in the Company's 401(k) Plan participate in the tender offer?

Participants in the Company's 401(k) Plan who wish to tender any of the shares held on their behalf in the plan may not use the Letter of Transmittal to direct the tender of their shares in the plan but instead must instruct the plan trustee to tender their shares by following the instructions and procedures described in Section 3.

How do participants in the Company's Dividend Reinvestment Plan participate in the tender offer?

If you are a participant in the Company's Dividend Reinvestment Plan and wish to tender some or all of the shares held in the plan, you must so indicate on the Letter of Transmittal and follow the procedures outlined in the Letter of Transmittal. See Instruction 16 of the Letter of Transmittal.

In what order will you purchase the tendered shares?

If at least 1,000,000 shares, or such greater number of shares as we may elect to purchase (such additional shares not to exceed 2% of our outstanding shares), have been properly tendered at prices at

or below the purchase price selected by us and not properly withdrawn, we will purchase properly tendered shares on the basis set forth below:

- first, from all holders of "odd lots" of less than 100 shares who properly tender all of their shares at or below the purchase price selected by us and do not properly withdraw them before the Expiration Date;
- second, after the shares from the "odd lot" holders, from all other shareholders who properly tender shares at or below the purchase price selected by us, on a pro rata basis; and
- third, only if necessary to permit us to purchase 1,000,000 shares (or such greater number of shares as we may elect to purchase, such additional shares not to exceed 2% of our outstanding shares (approximately 302,111 shares)), from holders who have tendered shares conditionally (for which the condition to purchase a minimum number of shares was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

Therefore, we may not purchase all of the shares that you tender even if you tender them at or below the purchase price. See Section 1.

Once I have tendered shares in the tender offer, can I withdraw my tender?

You may withdraw any shares you have tendered at any time before midnight, New York City time, on Wednesday, November 24, 2004, unless we extend the tender offer. If we have not accepted for payment the shares you have tendered to us, you may also withdraw your shares after midnight, New York City time, on Wednesday, November 24, 2004. See Section 4.

How do I withdraw shares I previously tendered?

To withdraw shares, you must deliver a written notice of withdrawal with the required information to the Depositary while you still have the right to withdraw the shares. If you have tendered your shares by giving instructions to a bank, broker, dealer, trust company or other nominee, you must instruct that person to arrange for the withdrawal of your shares. See Section 4.

Has the Company or its Board of Directors adopted a position on the tender offer?

Our Board of Directors has approved the tender offer. However, neither we nor our Board of Directors nor the Dealer Manager or the Information Agent makes any recommendation to you as to whether you should tender or refrain from tendering your shares or as to the purchase price or purchase prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the purchase price or purchase prices at which your shares should be tendered.

Will the Company's major shareholders, directors and executive officers tender shares in the tender offer?

Certain major shareholders, directors and executive officers of Nature's Sunshine have indicated that they intend to tender, in the aggregate, approximately 290,000 shares beneficially owned by them. See Section 11.

If I decide not to tender, how will the tender offer affect my shares?

Upon the completion of the tender offer, non-tendering shareholders will realize a proportionate increase in their relative ownership interest in us and thus in our future earnings and assets, subject to

our right to issue additional shares of common stock and other equity securities in the future. See Section 12.

Following the offer, will the Company continue as a public company?

The completion of the offer in accordance with its conditions will not cause the Company to be delisted from the Nasdaq National Market or to stop being subject to the periodic reporting requirements of the Exchange Act. It is a condition of our obligation to purchase shares pursuant to the offer that there will not be a reasonable likelihood that such purchase will cause the shares to not continue to be eligible to be listed on the Nasdaq National Market or to not continue to be eligible for registration under the Exchange Act. See Section 12.

What is the recent market price of my shares?

On October 26, 2004, the last full trading day before commencement of the tender offer, the closing price of the shares on the Nasdaq National Market was \$14.17 per share. You are urged to obtain current market quotations for the shares before deciding whether and at what purchase price or purchase prices to tender your shares. See Section 8.

Will I have to pay brokerage commissions if I tender my shares?

If you are the record owner of your shares and you tender your shares to us in our offer, you will not have to pay brokerage fees or similar expenses. If you own your shares through a bank, broker, dealer, trust company or other nominee and that person tenders your shares on your behalf, that person may charge you a fee for doing so. You should consult with your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply. See Section 3.

What are the United States federal income tax consequences if I tender my shares?

Generally, you will be subject to United States federal income taxation and applicable withholding when you receive cash from us in exchange for the shares you tender. The receipt of cash for your tendered shares will generally be treated for United States federal income tax purposes either as (1) a sale or exchange or (2) a distribution in respect of stock from Nature's Sunshine. See Section 14. We recommend that you consult with your tax advisor.

Will I have to pay stock transfer tax if I tender my shares?

Generally, we will pay all stock transfer taxes unless payment is made to, or if shares not tendered or accepted for payment are to be registered in the name of, someone other than the registered holder, or tendered certificates are registered in the name of someone other than the person signing the Letter of Transmittal. See Section 5.

Who can I talk to if I have questions?

If you have any questions regarding the tender offer, please contact Georgeson Shareholder Communications, Inc., the Information Agent for the tender offer, at (888) 264-7051 (toll free) or Shattuck Hammond Partners LLC, the Dealer Manager for the tender offer, at (212) 314-0346. Additional contact information for the Information Agent and the Dealer Manager is set forth on the back cover page of this document.

FORWARD LOOKING STATEMENTS

This Offer to Purchase (including any documents incorporated by reference or deemed to be incorporated by reference) contains statements that are not historical facts and constitute projections, forecasts or forward-looking statements. These statements may be identified by the use of forward-looking words or phrases such as "anticipate," "estimate," "believe," "expect," "intend," "may," "planned," "potential," "should," "could," "will," "would" and similar terms. These forward-looking statements are inherently subject to known and unknown risks and uncertainties. Our actual actions or results may differ materially from those expected or anticipated in the forward-looking statements. These risks and uncertainties include risks related to our businesses as well as the factors relating to the transaction discussed in this Offer to Purchase. You should not place undue reliance on the forward-looking statements, which speak only as to the date of this Offer to Purchase or the date of documents incorporated by reference. Except for ongoing obligations to disclose material information as required by U.S. federal securities laws, neither we nor the Dealer Manager or Information Agent is under any obligation, and expressly disclaims any obligation, to update or alter any forward-looking statements.

In addition, please refer to our annual report on Form 10-K, filed with the Securities and Exchange Commission on March 15, 2004, as amended by Amendment No. 1 on Form 10-K/A, filed with the Securities and Exchange Commission on March 23, 2004 and our quarterly report on Form 10-Q filed with the Securities and Exchange Commission on May 7, 2004 and August 9, 2004, which are incorporated by reference herein, for additional information on risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements or that may otherwise impact our company and business.

INTRODUCTION

To the Holders of our Common Stock:

We invite our shareholders to tender shares of our common stock, no par value per share, for purchase by us. Upon the terms and subject to the conditions of this Offer to Purchase and the related Letter of Transmittal, we are offering to purchase up to 1,000,000 shares at a price not greater than \$16.50 nor less than \$14.20 per share, net to the seller in cash, without interest.

The tender offer will expire on Wednesday, November 24, 2004, at midnight, New York City time, unless we extend it. See Section 1. We may choose to extend the tender offer for any reason. See Section 15.

We will select the lowest purchase price that will allow us to buy 1,000,000 shares or, if a lesser number of shares are properly tendered, all shares that are properly tendered and not withdrawn. All shares acquired in the offer will be acquired at the same purchase price.

The offer is being made upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together with any amendments or supplements hereto or thereto, collectively constitute the "Offer").

Only shares properly tendered at prices at or below the purchase price we select and not properly withdrawn will be purchased. However, because of the "odd lot" priority, proration and conditional tender provisions described in this Offer to Purchase, all of the shares tendered at or below the purchase price will not be purchased if more than the number of shares we seek are tendered. We will return shares tendered at prices in excess of the purchase price that we determine and shares we do not purchase because of proration or conditional tenders promptly following the Expiration Date. See Section 3.

We reserve the right to purchase more than 1,000,000 shares pursuant to the Offer, subject to certain limitations and legal requirements. See Sections 1 and 15.

Tendering shareholders whose shares are registered in their own names and who tender directly to American Stock Transfer & Trust Company, the Depository for the Offer, and holders of shares held under the 401(k) Plan ("401(k) Plan Shares") who tender shares will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 7 to the Letter of Transmittal, stock transfer taxes on the purchase of shares by us under the Offer. If you own your shares through a bank, broker, dealer, trust company or other nominee and that person tenders your shares on your behalf, that person may charge you a fee for doing so. You should consult your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.

OUR OBLIGATION TO ACCEPT, AND PAY FOR, SHARES VALIDLY TENDERED PURSUANT TO THE OFFER IS CONDITIONED UPON SATISFACTION OR WAIVER OF THE CONDITIONS SET FORTH IN SECTION 7 OF THIS OFFER TO PURCHASE.

Our Board of Directors has approved the Offer. However, neither we nor our Board of Directors nor the Dealer Manager or the information Agent is making any recommendation whether you should tender or refrain from tendering your shares or at what purchase price or purchase prices you should choose to tender your shares. You must decide whether to tender your shares and, if so, how many shares to tender and the price or prices at which you will tender them. You should discuss whether to tender your shares with your broker or other financial or tax advisor. Certain major shareholders, directors and executive officers of Nature's Sunshine have indicated that they intend to tender, in the aggregate, approximately 290,000 shares beneficially owned by them. See Section 11.

Section 14 of this Offer to Purchase, "United States Federal Income Tax Consequences," describes various United States federal income tax consequences of a sale of shares under the Offer.

We will pay the fees and certain expenses incurred in connection with the Offer by us to Shattuck Hammond Partners LLC, the Dealer Manager for this Offer, American Stock Transfer & Trust Company, the Depositary for this Offer, and Georgeson Shareholder Communications, Inc., the Information Agent for this Offer. See Section 16.

As of October 22, 2004 we had 15,105,565 issued and outstanding shares of our common stock and 2,216,604 shares reserved for issuance upon exercise of outstanding options under the Stock Option Plans. The 1,000,000 shares that we are offering to purchase hereunder represent approximately 5.8% of the shares outstanding (including 2,216,604 shares reserved for issuance upon exercise of outstanding options under the Stock Option Plans) on October 22, 2004. The shares are listed and traded on the Nasdaq National Market under the symbol "NATR." On October 26, 2004, the last full trading day before commencement of the Offer, the closing price of the shares on the Nasdaq National Market was \$14.17 per share. Shareholders are urged to obtain current market quotations for the shares before deciding whether and at what purchase price or purchase prices to tender their shares. See Section 8.

Holders of vested but unexercised options outstanding under our Stock Option Plans may exercise such options for cash in accordance with the terms of the applicable Stock Option Plans and tender some or all of the shares issued upon such exercise.

Shareholders who participate in our Dividend Reinvestment Plan may tender some or all of the shares attributed to such shareholder's account under the Dividend Reinvestment Plan.

Special Information for Holders of 401(k) Plan Shares

Holders who wish to tender their 401(k) Plan Shares, must follow the procedures described in Section 3 under "Special Procedures for Holders of 401(k) Plan Shares." Instructions for the tender of 401(k) Plan Shares must be received at least one business day prior to the Expiration Date. Section 14 sets forth information about tax considerations with respect to tenders of 401(k) Plan Shares.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION THAT YOU SHOULD READ CAREFULLY BEFORE YOU MAKE ANY DECISION REGARDING THE OFFER.

THE TENDER OFFER

SECTION 1. Number of Shares; Proration

General. Upon the terms and subject to the conditions of the Offer, we will purchase 1,000,000 shares of our common stock, or such lesser number of shares as are properly tendered and not properly withdrawn in accordance with Section 4, at prices not in excess of \$16.50 nor less than \$14.20 per share, net to the seller in cash, without interest.

The term "Expiration Date" means midnight, New York City time, on Wednesday, November 24, 2004, unless and until we, in our reasonable discretion, shall have extended the period of time during which the Offer will remain open, in which event the term "Expiration Date" shall refer to the latest time and date at which the Offer, as so extended by us, shall expire. See Section 15 for a description of our right to extend, delay, terminate or amend the Offer. In accordance with the rules of the Securities and Exchange Commission (the "Commission" or the "SEC"), we may, and we expressly reserve the right to, purchase under the Offer an additional amount of shares not to exceed 2% of the outstanding shares (approximately 302,111 shares) without amending or extending the Offer. See Section 15.

In the event of an over-subscription of the Offer as described below, shares tendered at or below the purchase price will be subject to proration, except for "Odd Lots" (as defined herein). The proration period and withdrawal rights expire on the Expiration Date.

If we:

- increase the price to be paid for shares above \$16.50 per share or decrease the price to be paid for shares below \$14.20 per share;
- increase the number of shares being sought in the Offer and such increase in the number of shares being sought exceeds 2% of the outstanding shares (approximately 302,111 shares); or
- decrease the number of shares being sought; and

the Offer is scheduled to expire at any time earlier than the expiration of a period ending at 12:00 midnight, New York City time on the tenth business day (as defined below) from, and including, the date that notice of any such increase or decrease is first published, sent or given in the manner specified in Section 15, the Offer will be extended until the expiration of such period of ten business days. For the purposes of the Offer, a "business day" means any day other than a Saturday, Sunday or United States federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

THE TENDER OFFER IS SUBJECT TO CERTAIN CONDITIONS. SEE SECTION 7.

In accordance with Instruction 5 of the Letter of Transmittal, shareholders desiring to tender shares must specify the price or prices, not in excess of \$16.50 nor less than \$14.20 per share, at which they are willing to sell their shares to us under the Offer. Alternatively, shareholders desiring to tender shares can choose not to specify a price and, instead, elect to tender their shares at the purchase price ultimately paid for shares properly tendered in the Offer, which could result in the tendering shareholder receiving a price per share as low as \$14.20. Promptly following the Expiration Date, we will, in our sole discretion, determine the purchase price that we will pay for shares properly tendered and not properly withdrawn, taking into account the number of shares tendered and the prices specified by tendering shareholders. We will select the lowest purchase price, not in excess of \$16.50 nor less than \$14.20 net per share in cash, without interest, that will enable us to purchase 1,000,000 shares, or such lesser number of shares as are properly tendered, under the Offer. Shares properly tendered under the Offer at or below the purchase price and not properly withdrawn will be purchased at the purchase price, upon the terms and subject to the conditions of the Offer, including the proration provisions. All shares tendered and not purchased under the Offer, including shares tendered

at prices in excess of the purchase price and shares not purchased because of proration and conditional tender provisions will be returned to the tendering shareholders or, in the case of shares delivered by book-entry transfer, credited to the account at the book-entry transfer facility from which the transfer had previously been made, or, in the case of shares delivered by the Dividend Reinvestment Plan, credited to the tendering shareholder's account, at our expense promptly following the Expiration Date. By following the instructions to the Letter of Transmittal, shareholders can specify one minimum price for a specified portion of their shares and a different minimum price for other specified shares, but a separate Letter of Transmittal must be submitted for shares tendered at each price.

If the number of shares properly tendered at or below the purchase price and not properly withdrawn is less than or equal to 1,000,000 shares, or such greater number of shares as we may elect to purchase, subject to applicable law, we will, upon the terms and subject to the conditions of the Offer, purchase all shares so tendered at the purchase price.

Priority of Purchases. Upon the terms and subject to the conditions of the Offer, if more than 1,000,000 shares, or such greater number of shares as we may elect to purchase (such additional shares not to exceed 2% of our outstanding shares), have been properly tendered at prices at or below the purchase price selected by us and not properly withdrawn, we will purchase properly tendered shares on the basis set forth below:

- First, upon the terms and subject to the conditions of the Offer, we will purchase all shares tendered by any Odd Lot Holder (as defined below) who:
 - (a) tenders all shares owned beneficially of record by the Odd Lot Holder at a price at or below the purchase price selected by us (tenders of less than all of the shares owned by the Odd Lot Holder will not qualify for this preference); and
 - (b) completes the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.
- Second, after the purchase of all of the shares properly tendered by Odd Lot Holders, subject to the conditional tender provisions described in Section 6, we will purchase all other shares tendered at prices at or below the purchase price, on a pro rata basis with appropriate adjustments to avoid purchases of fractional shares, as described below.
- Third, if necessary to permit us to purchase 1,000,000 shares (or such greater number of shares as we may elect to purchase, such additional shares not to exceed 2% of our outstanding shares (approximately 302,111 shares)), shares conditionally tendered (for which the condition was not initially satisfied) at or below the purchase price selected by us and not properly withdrawn, will, to the extent feasible be selected for purchase by random lot. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

Therefore, all of the shares that a shareholder tenders in the Offer may not be purchased even if they are tendered at prices at or below the purchase price or if a tender is conditioned upon the purchase of a specified number of shares, it is possible that none of those shares will be purchased even though those shares were tendered at prices at or below the purchase price.

Odd Lots. The term "Odd Lots" means all shares tendered at prices at or below the purchase price selected by us by any person (an "Odd Lot Holder") who owned beneficially or of record a total of fewer than 100 shares and so certified in the appropriate place on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery. To qualify for this preference, an Odd Lot Holder must tender all shares owned by the Odd Lot Holder in accordance with the procedures described in Section 3. Odd Lots will be accepted for payment before any proration of the purchase of other tendered shares. This preference is not available to partial tenders or to beneficial or record holders of

an aggregate of 100 or more shares, even if these holders have separate accounts or certificates representing fewer than 100 shares. By tendering in the Offer, an Odd Lot Holder who holds shares in its name and tenders its shares directly to the Depository would not only avoid the payment of brokerage commissions, but also would avoid any applicable odd lot discounts in a sale of the holder's shares. Any Odd Lot Holder wishing to tender all of the shareholder's shares pursuant to the Offer should complete the section entitled "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery.

Proration. If proration of tendered shares is required, we will determine the proration factor promptly following the Expiration Date. Proration for each shareholder tendering shares, other than Odd Lot Holders, will be based on the ratio of the number of shares tendered by the shareholder to the total number of shares tendered by all shareholders, other than Odd Lot Holders, at or below the purchase price selected by us, subject to conditional tenders. Because of the difficulty in determining the number of shares properly tendered and not properly withdrawn, and because of the Odd Lot procedure described above and the conditional tender procedure described in Section 6, we expect that we will not be able to announce the final proration factor or commence payment for any shares purchased pursuant to the Offer until approximately seven to ten business days after the Expiration Date. The preliminary results of any proration will be announced by press release promptly after the Expiration Date. After the Expiration Date, shareholders may obtain preliminary proration information from the Information Agent and also may be able to obtain the information from their brokers.

As described in Section 14, the number of shares that we will purchase from a shareholder under the Offer may affect the United States federal income tax consequences to that shareholder and, therefore, may be relevant to a shareholder's decision whether or not to tender shares.

This Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of shares and will be furnished to brokers, dealers, commercial banks and trust companies whose names, or the names of whose nominees, appear on our shareholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of shares.

SECTION 2. Purpose of the Tender Offer; Certain Effects of the Tender Offer

Purpose of the Tender Offer. Our management and Board of Directors have evaluated our operations, strategy and expectations for the future and believe that the Offer is a prudent use of our financial resources given our business profile, our assets and recent market prices for our common stock. We have substantial cash generating capacity, minimal debt, and no immediate need for the accumulation of cash. We believe that our current and anticipated cash balances, and our debt capacity, exceed the financial requirements of our business, including the capital requirements for improving our operations and providing appropriate financial flexibility for general corporate purposes.

We believe that the modified "Dutch Auction" tender offer set forth herein represents a mechanism which provides all of our shareholders with the opportunity to tender all or a portion of their shares and, thereby, receive a return of capital if they so elect. In addition, shareholders who do not participate in the Offer will automatically increase their relative percentage interest in us and our future operations at no additional cost to them. As a result, our Board of Directors believes that investing in our own shares in this manner is an attractive use of capital and an efficient means to provide value to our shareholders. The Offer also provides shareholders (particularly those who, because of the size of their stockholdings, might not be able to sell their shares without potential disruption to the share price) with an opportunity to obtain liquidity with respect to all or a portion of their shares, without potential disruption to the share price and the usual transaction costs associated with market sales. After the Offer is completed, we believe that our anticipated cash flow from

operations, access to credit facilities and capital markets and financial condition will be adequate for our needs.

NEITHER WE NOR ANY MEMBER OF OUR BOARD OF DIRECTORS NOR THE DEALER MANAGER OR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ANY SHARES OR AS TO THE PURCHASE PRICE OR PURCHASE PRICES AT WHICH SHAREHOLDERS MAY CHOOSE TO TENDER THEIR SHARES. WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. SHAREHOLDERS SHOULD CAREFULLY EVALUATE ALL INFORMATION IN THE TENDER OFFER, SHOULD CONSULT THEIR OWN INVESTMENT AND TAX ADVISORS, AND SHOULD MAKE THEIR OWN DECISIONS ABOUT WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PURCHASE PRICE OR PURCHASE PRICES AT WHICH TO TENDER. IN DOING SO, SHAREHOLDERS SHOULD READ CAREFULLY THE INFORMATION IN THIS OFFER TO PURCHASE AND IN THE RELATED LETTER OF TRANSMITTAL. CERTAIN MAJOR SHAREHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY HAVE INDICATED THAT THEY INTEND TO TENDER, IN THE AGGREGATE, APPROXIMATELY 290,000 SHARES BENEFICIALLY OWNED BY THEM. SEE SECTION 11.

Certain Effects of the Offer. Shareholders who do not tender their shares pursuant to the Offer and shareholders who otherwise retain an equity interest in the Company as a result of a partial tender of shares or a proration or conditional tenders will continue to be owners of the Company. As a result, those shareholders will realize a proportionate increase in their relative equity interest in the Company and, thus, in our future earnings and assets, if any, and will bear the attendant risks associated with owning our equity securities, including risks resulting from our purchase of shares. Shareholders may be able to sell non-tendered shares in the future on the Nasdaq National Market or otherwise, at a net price significantly higher than the purchase price in the Offer. We can give no assurance, however, as to the price at which a shareholder may be able to sell his or her shares in the future, which may be higher or lower than the purchase price paid by us in the Offer.

Shares we acquire pursuant to the Offer will be canceled and returned to the status of authorized but unissued stock and will be available for us to issue without further shareholder action (except as required by applicable law or the rules of the Nasdaq National Market or any other securities exchange on which the shares are listed) for purposes including, without limitation, acquisitions, raising additional capital and the satisfaction of obligations under existing or future employee benefit or compensation programs or stock plans or compensation programs for directors.

The Offer represents the opportunity for us to return a portion of our cash to shareholders who elect to tender their shares. Where shares are tendered by the registered owner of those shares directly to the Depositary, the sale of those shares in the Offer will permit the seller to avoid the usual transaction costs associated with open market sales. Furthermore, Odd Lot Holders who hold shares registered in their names and tender their shares directly to the Depositary and whose shares are purchased under the Offer will avoid not only the payment of brokerage commissions but also any applicable odd lot discounts that might be payable on sales of their shares in Nasdaq National Market transactions.

We believe that the Offer is consistent with our long-term corporate goal of increasing shareholder value.

Except as otherwise disclosed in this Offer to Purchase, we currently have no plans, proposals or negotiations underway that relate to or would result in:

- any extraordinary transaction, such as a merger, reorganization or liquidation, involving us or any of our subsidiaries;
- any purchase, sale or transfer of an amount of our assets or any of our subsidiaries' assets which is material to us and our subsidiaries, taken as a whole;
- any material change in our present board of directors or management or any plans or proposals to change the number or the term of directors (although we may fill vacancies arising on the board) or to change any material term of the employment contract of any executive officer;
- any material change in our present dividend policy, our capitalization, our corporate structure or our business;
- any class of our equity securities ceasing to be authorized to be quoted on the Nasdaq National Market;
- any class of our equity securities becoming eligible for termination of registration under Section 12(g) of the Exchange Act;
- the suspension of our obligation to file reports under Section 13 of the Exchange Act; or
- the acquisition or disposition by any person of our securities.

Notwithstanding the foregoing, the Company reserves the right to change its plans and intentions at any time it deems appropriate.

SECTION 3. Procedures for Tendering Shares

Valid Tender. For a shareholder to make a valid tender of shares under the Offer, (i) the Depositary must receive, at the address set forth on the back cover of this Offer to Purchase and prior to the Expiration Date:

- a Letter of Transmittal, or a facsimile thereof; properly completed and duly executed, together with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message (see "—Book-Entry Transfer" below), and any other required documents; and
- either certificates representing the tendered shares (unless shares are delivered through our Dividend Reinvestment Plan) or, in the case of tendered shares delivered in accordance with the procedures for book-entry transfer we describe below, a book-entry confirmation of that delivery (see "—Book-Entry Transfer" below); or

(ii) the tendering shareholder must, before the Expiration Date, comply with the guaranteed delivery procedures we describe below.

The valid tender of shares by you by one of the procedures described in this Section 3 will constitute a binding agreement between you and us on the terms of, and subject to the conditions to, the Offer.

IN ACCORDANCE WITH INSTRUCTION 5 OF THE LETTER OF TRANSMITTAL, EACH SHAREHOLDER DESIRING TO TENDER SHARES PURSUANT TO THE OFFER MUST EITHER (1) CHECK THE BOX IN THE SECTION OF THE LETTER OF TRANSMITTAL CAPTIONED "SHARES TENDERED AT PRICE DETERMINED PURSUANT TO THE OFFER" OR (2) CHECK ONE OF THE BOXES CORRESPONDING TO THE PRICE AT WHICH SHARES ARE BEING TENDERED IN THE SECTION OF THE LETTER OF TRANSMITTAL CAPTIONED "PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES ARE BEING

TENDERED." A TENDER OF SHARES WILL BE PROPER IF AND ONLY IF, ONE OF THESE BOXES IS CHECKED ON THE LETTER OF TRANSMITTAL.

If tendering shareholders wish to maximize the chance that their shares will be purchased, they should check the box in the section of the Letter of Transmittal captioned "Shares Tendered at Price Determined Pursuant to the Offer." Note that this election could result in the tendered shares being purchased at the minimum price of \$14.20 per share.

If tendering shareholders wish to indicate a specific price (in multiples of \$0.10) at which their shares are being tendered, they must check a box under the section captioned "Price (in dollars) per Share at Which Shares Are Being Tendered." Tendering shareholders should be aware that this election could mean that none of their shares will be purchased if they check a box other than the box representing the lowest price. A shareholder who wishes to tender shares at more than one price must complete separate Letters of Transmittal for each price at which shares are being tendered. The same shares cannot be tendered (unless previously properly withdrawn in accordance with the terms of the Offer) at more than one price.

Odd Lot Holders who tender all their shares must also complete the section captioned "Odd Lots" in the Letter of Transmittal and, if applicable, in the Notice of Guaranteed Delivery, to qualify for the preferential treatment available to Odd Lot Holders as set forth in Section 1.

Participants in the 401(k) Plan who wish to tender any of their 401(k) Plan Shares, must follow the separate instructions described below under "Special Procedures for Holders of 401(k) Plan Shares."

Optionees holding vested options to purchase shares may exercise their options and tender the shares received upon exercise in accordance with the instructions and procedures described in Section 3 with respect to shares generally. The exercise of an option cannot be revoked even if the shares received upon the exercise and tendered in the offer are not purchased for any reason.

Book-Entry Transfer. For purposes of the Offer, the Depository will establish an account for the shares at The Depository Trust Company (the "book-entry transfer facility") within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of shares by causing the book-entry transfer facility to transfer those shares into the Depository's account in accordance with the book-entry transfer facility's procedures for that transfer. Although delivery of shares may be effected through book-entry transfer into the Depository's account at the book-entry transfer facility, the Letter of Transmittal, or a facsimile thereof, properly completed and duly executed, with any required signature guarantees, or an agent's message, and any other required documents must, in any case, be transmitted to, and received by, the Depository at the address set forth on the back cover of this Offer to Purchase prior to the Expiration Date, or the tendering shareholder must comply with the guaranteed delivery procedures we describe below.

The confirmation of a book-entry transfer of shares into the Depository's account at the book-entry transfer facility as we describe above is referred to herein as a "book-entry confirmation." DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH THE BOOK-ENTRY TRANSFER FACILITY'S PROCEDURES WILL NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

The term "agent's message" means a message transmitted by the book-entry transfer facility to, and received by, the Depository and forming a part of a book-entry confirmation, stating that the book-entry transfer facility has received an express acknowledgment from the participant tendering shares through the book-entry transfer facility that the participant has received and agrees to be bound by the terms of the Letter of Transmittal and that we may enforce that agreement against that participant.

THE METHOD OF DELIVERY OF SHARES, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. SHARES WILL BE DEEMED DELIVERED ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF YOU PLAN TO MAKE DELIVERY BY MAIL, WE RECOMMEND THAT YOU DELIVER BY REGISTERED MAIL WITH RETURN RECEIPT REQUESTED AND OBTAIN PROPER INSURANCE. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Signature Guarantees. No signature guarantee will be required on a Letter of Transmittal for shares tendered thereby if:

- the "registered holder(s)" of those shares signs the Letter of Transmittal and has not completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on the Letter of Transmittal; or
- those shares are tendered for the account of an "eligible institution."

For purposes hereof, a "registered holder" of tendered shares will include any participant in the book-entry transfer facility's system whose name appears on a security position listing as the owner of those shares, and an "eligible institution" is a "financial institution," which term includes most commercial banks, savings and loan associations and brokerage houses, that is a member in good standing of the Securities Transfer Agent's Medallion Program or an "eligible guarantor institution," as the term is defined in Rule 17Ad-15 under the Exchange Act.

Except as we describe above, all signatures on any Letter of Transmittal for shares tendered thereby must be guaranteed by an eligible institution. See Instructions 1 and 6 to the Letter of Transmittal. If the certificates for shares are registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made or certificates for shares not tendered or not accepted for payment are to be returned to a person other than the registered holder of the certificates surrendered, the tendered certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered holders or owners appear on the certificates, with the signatures on the certificates or stock powers guaranteed as aforesaid. See Instructions 1 and 6 to the Letter of Transmittal.

Guaranteed Delivery. If you wish to tender shares under the Offer and your certificates for shares are not immediately available or the procedures for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach the Depository prior to the Expiration Date, your tender may be effected if all the following conditions are met:

- your tender is made by or through an eligible institution;
- a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form we provide, is received by the Depository, as provided below, prior to the Expiration Date; and
- the Depository receives, at the address set forth on the back cover of this Offer to Purchase and within the period of three trading days after the date of execution of that Notice of Guaranteed Delivery, either: (i) the certificates representing the shares being tendered together with (1) a Letter of Transmittal, or a facsimile thereof, relating thereto which has been properly completed and duly executed and includes all signature guarantees required thereon and (2) all other required documents; or (ii) in the case of any book-entry transfer of the shares being tendered which is effected in accordance with the book-entry transfer procedures we describe above under "—Book Entry Transfer" within the same three-trading day period (1) either a Letter of

Transmittal, or a facsimile thereof; relating thereto which has been properly completed and duly executed and includes all signature guarantees required thereon or an agent's message, (2) a book-entry confirmation relating to that transfer and (3) all other required documents.

For these purposes, a "trading day" is any day on which the Nasdaq National Market is open for business.

A Notice of Guaranteed Delivery must be delivered to the Depository by hand, facsimile transmission or mail and must include a guarantee by an eligible institution in the form set forth in the Notice of Guaranteed Delivery that is to be delivered to the Depository.

Other Requirements. Notwithstanding any other provision hereof, payment for shares accepted for payment under the Offer will in all cases be made only after timely receipt by the Depository of:

- certificates representing, or a timely book-entry confirmation respecting, those shares;
- a Letter of Transmittal, or a facsimile thereof, properly completed and duly executed, with any required signature guarantees thereon, or, in the case of a book-entry transfer, an agent's message in lieu of a Letter of Transmittal; and
- any other documents the Letter of Transmittal requires.

Accordingly, tendering shareholders may be paid at different times depending on when certificates representing, or book-entry confirmations respecting, their shares are actually received by the Depository.

UNDER NO CIRCUMSTANCES WILL WE PAY INTEREST ON THE PURCHASE PRICE OF THE SHARES WE PURCHASE IN THE OFFER, REGARDLESS OF ANY EXTENSION OF OR AMENDMENT TO THE OFFER OR ANY DELAY IN MAKING THAT PAYMENT.

Special Procedures for Holders of 401(k) Plan Shares

401(k) Plan Shares may not be tendered by a Letter of Transmittal. Proper tender may only be made by following the separate instructions and procedures that are described below. Please note that the deadlines for submitting instructions regarding the tender of 401(k) Plan Shares are earlier than the Expiration Date. The deadline for submitting the tender instructions for the 401(k) Plan Shares is one business day prior to the Expiration Date.

Participants in the 401(k) Plan may instruct Merrill Lynch Trust Company, as the Trustee of the 401(k) Plan, to tender some, all or none of the shares held in their account under the 401(k) Plan by contacting the Trustee at (800) 229-9040 in accordance with the instructions set forth in the Letter to Participants. Participants in the 401(k) Plan cannot use the Letter of Transmittal to direct the tender of shares, but must follow the instructions set forth in the Letter to Participants.

The proceeds received by the Trustee for the shares tendered in the 401(k) Plan will be invested in the Merrill Lynch Retirement Preservation Trust within the 401(k) Plan and will not be distributed to participants. After the administrative processing of the proceeds is completed, participants may then direct the Trustee to exchange the proceeds received from the tender of shares which were invested in the Merrill Lynch Retirement Preservation Trust into the other investment options available under the 401(k) Plan.

Under certain circumstances, the Trustee may be prohibited by the terms of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Code from following participants instructions regarding whether or not to tender their shares. In particular, the 401(k) Plan is prohibited from selling shares to Nature's Sunshine for a price that is less than "adequate consideration" within the meaning of Section 3(18) of ERISA. Adequate consideration for a publicly traded security generally is defined as the prevailing market price of the security. Accordingly, if the

prevailing market price of the Company's common stock at the Expiration Date is higher than the per share purchase price, the Trustee may not tender the shares, regardless of participant instructions.

Participants in the 401(k) Plan are urged to read the separate Letter to Participants carefully.

Dividend Reinvestment Plan. Shareholders who participate in the Dividend Reinvestment Plan who wish to tender some or all of the shares attributable to their accounts must so indicate in the Letter of Transmittal and follow the procedures outlined therein. See Instruction 16 of the Letter of Transmittal.

Tendering Shareholder's Representation and Warranty; Our Acceptance Constitutes an Agreement. It is a violation of Rule 14e-4 promulgated under the Exchange Act for a person acting alone or in concert with others, directly or indirectly, to tender shares for such person's own account unless at the time of tender and at the Expiration Date such person has a "net long position" in (a) the shares that is equal to or greater than the amount tendered and will deliver or cause to be delivered such shares for the purpose of tendering to us within the period specified in the Offer or (b) other securities immediately convertible into, exercisable for or exchangeable into shares ("Equivalent Securities") that is equal to or greater than the amount tendered and, upon the acceptance of such tender, will acquire such shares by conversion, exchange or exercise of such Equivalent Securities to the extent required by the terms of the Offer and will deliver or cause to be delivered such shares so acquired for the purpose of tender to us within the period specified in the Offer. Rule 14e-4 also provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. A tender of shares made pursuant to any method of delivery set forth herein will constitute the tendering shareholder's representation and warranty to us that (a) such shareholder has a "net long position" in shares or Equivalent Securities being tendered within the meaning of Rule 14e-4, and (b) such tender of shares complies with Rule 14e-4. Our acceptance for payment of shares tendered pursuant to the Offer will constitute a binding agreement between the tendering shareholder and us upon the terms and subject to the conditions of the Offer.

Determination of Validity. All questions as to the number of shares to be accepted, the price to be paid for shares to be accepted and the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of shares will be determined by us, in our reasonable discretion, and our determination will be final and binding on all parties. We reserve the absolute right to reject any or all tenders we determine not to be in proper form or the acceptance for payment of, or payment for, shares which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any conditions of the Offer with respect to all shareholders or any defect or irregularity in any tender with respect to any particular shares or any particular shareholder whether or not we waive similar defects or irregularities in the case of other shareholders. No tender of shares will be deemed to have been validly made until all defects or irregularities relating thereto have been cured or waived. None of us, the Dealer Manager, the Depository, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. Our interpretation of the terms of and conditions to the Offer, including the Letter of Transmittal and the instructions thereto, will be final and binding.

Backup U.S. Federal Income Tax Withholding. Under the U.S. federal income tax laws, payments in connection with the transaction may be subject to "backup withholding" at a rate of 28%, unless a shareholder that holds shares:

- provides a correct taxpayer identification number (which, for an individual shareholder, is the shareholder's social security number) and any other required information; or
- is a corporation or comes within other exempt categories and, when required, demonstrates this fact and otherwise complies with applicable requirements of the backup withholding rules.

A shareholder that does not provide a correct taxpayer identification number may be subject to penalties imposed by the Internal Revenue Service. To prevent backup U.S. federal income tax withholding on cash payable under the Offer, each shareholder should provide the Depository with his or her correct taxpayer identification number and certify that he or she is not subject to backup U.S. federal income tax withholding by completing the Substitute Internal Revenue Service Form W-9 included in the Letter of Transmittal. Foreign shareholders should complete and sign the appropriate Internal Revenue Service Form W-8, Certificate of Foreign Status, a copy of which may be obtained from the Depository, in order to avoid backup withholding. See Instruction 10 to the Letter of Transmittal.

Lost Certificates. If the share certificates which a registered holder wants to surrender have been lost, destroyed or stolen, the shareholder should promptly notify the Depository at the toll-free number (877) 248-6417. The Depository will instruct the shareholder as to the steps that must be taken in order to replace the certificates.

WE WILL DECIDE, IN OUR REASONABLE DISCRETION, ALL QUESTIONS AS TO THE NUMBER OF SHARES TO BE ACCEPTED, THE PRICE TO BE PAID FOR SHARES TO BE ACCEPTED AND THE VALIDITY, FORM, ELIGIBILITY (INCLUDING TIME OF RECEIPT) AND ACCEPTANCE FOR PAYMENT OF ANY TENDER OF SHARES, AND EACH SUCH DECISION WILL BE FINAL AND BINDING ON ALL PARTIES.

SECTION 4. Withdrawal Rights

Except as this Section 4 otherwise provides, tenders of shares are irrevocable. You may withdraw shares that you have previously tendered under the Offer according to the procedures we describe below at any time prior to midnight, New York City time, on the Expiration Date. You may also withdraw your previously tendered shares at any time after midnight, New York City time, on Wednesday, November 24, 2004, unless such shares have been accepted for payment as provided in the Offer.

For a withdrawal to be effective, a written notice of withdrawal must:

- be received in a timely manner by the Depository at its address set forth on the back cover of this Offer to Purchase; and
- specify the name of the person having tendered the shares to be withdrawn, the number of shares to be withdrawn and the name of the registered holder of the shares to be withdrawn, if different from the name of the person who tendered the shares.

If certificates for shares have been delivered or otherwise identified to the Depository, then, prior to the physical release of those certificates, the serial numbers shown on those certificates must be submitted to the Depository and, unless an eligible institution has tendered those shares, an eligible institution must guarantee the signatures on the notice of withdrawal. A shareholder who has tendered shares at more than one price must complete a separate notice of withdrawal for each price at which shares have been tendered.

If shares have been delivered in accordance with the procedures for book-entry transfer described in Section 3 of this Offer to Purchase, "Procedures for Tendering Shares," any notice of withdrawal must also specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn shares and otherwise comply with the book-entry transfer facility's procedures.

Participants in the 401(k) Plan who wish to withdraw their shares must follow the instructions found in the Letter to Participants sent to them with this Offer to Purchase.

Withdrawals of tenders of shares may not be rescinded, and any shares properly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. Withdrawn shares may be

retendered at any time prior to the Expiration Date by again following one of the procedures described in Section 3 of this Offer to Purchase, "Procedures for Tendering."

We will decide, in our reasonable discretion, all questions as to the form and validity, including time of receipt, of notices of withdrawal, and each such decision will be final and binding. We also reserve the absolute right to waive any defect or irregularity in the withdrawal of shares by any shareholder, whether or not we waive similar defects or irregularities in the case of any other shareholder. None of us, the Depository, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

If we extend the Offer, are delayed in our purchase of shares, or are unable to purchase shares under the Offer for any reason, then, without prejudice to our rights under the Offer, the Depository may, subject to applicable law, retain tendered shares on our behalf and such shares may not be withdrawn except to the extent tendering shareholders are entitled to withdrawal rights as described in this Section 4.

SECTION 5. Purchase of Shares and Payment of Purchase Price

Upon the terms and subject to the conditions of the Offer, promptly following the Expiration Date, we will (1) determine a single per share purchase price we will pay for the shares properly tendered and not properly withdrawn, taking into account the number of shares tendered and the prices specified by tendering shareholders, and (2) accept for payment and pay the purchase price for (and thereby purchase) up to 1,000,000 shares properly tendered at prices at or below the purchase price and not properly withdrawn.

For purposes of the Offer, we will be deemed to have accepted for payment (and therefore purchased), subject to the "odd lot" priority, proration and conditional tender provisions of this Offer, shares that are properly tendered at or below the purchase price selected by us and not properly withdrawn only when, as and if we give oral or written notice to the Depository of our acceptance of the shares for payment pursuant to the Offer.

Upon the terms and subject to the conditions of the Offer, we will accept for payment and pay the per share purchase price for all of the shares accepted for payment pursuant to the Offer as soon as practicable after the Expiration Date. In all cases, payment for shares tendered and accepted for payment pursuant to the Offer will be made promptly, subject to possible delay in the event of proration, but only after timely receipt by the Depository of:

- certificates for shares, or of a timely book-entry confirmation of shares into the Depository's account at the book-entry transfer facility,
- a properly completed and duly executed Letter of Transmittal (or manually signed facsimile of the Letter of Transmittal), or, in the case of a book-entry transfer, an agent's message, and
- any other required documents.

In the case of 401(k) Plan Shares, payment for shares (less any applicable income tax withholding) will be made only after timely receipt by the Trustee of instructions from the participant in accordance with the procedures set forth in the Letter to Participants.

We will pay for shares purchased pursuant to the Offer by depositing the aggregate purchase price for the shares with the Depository, which will act as agent for tendering shareholders for the purpose of receiving payment from us and transmitting payment to the tendering shareholders.

In the event of proration, we will determine the proration factor and pay for those tendered shares accepted for payment as soon as practicable after the Expiration Date. However, we expect that we will

not be able to announce the final results of any proration or commence payment for any shares purchased pursuant to the Offer until approximately seven to ten business days after the Expiration Date. Certificates for all shares tendered and not purchased, including all shares tendered at prices in excess of the purchase price and shares not purchased due to proration or conditional tender will be returned or, in the case of shares tendered by book-entry transfer, will be credited to the account maintained with the book-entry transfer facility by the participant who delivered the shares, to the tendering shareholder at our expense promptly after the Expiration Date or termination of the Offer without expense to the tendering shareholders. 401(k) Plan Shares not purchased will be returned to the Trustee for the 401(k) Plan.

UNDER NO CIRCUMSTANCES WILL WE PAY INTEREST ON THE PURCHASE PRICE, INCLUDING BUT NOT LIMITED TO, BY REASON OF ANY DELAY IN MAKING PAYMENT. IN ADDITION, IF CERTAIN EVENTS OCCUR, WE MAY NOT BE OBLIGATED TO PURCHASE SHARES PURSUANT TO THE OFFER. SEE SECTION 7.

We will pay all stock transfer taxes, if any, payable on the transfer to us of shares purchased pursuant to the Offer. If, however, payment of the purchase price is to be made to, or (in the circumstances permitted by the Offer) if unpurchased shares are to be registered in the name of, any person other than the registered holder, or if tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of all stock transfer taxes, if any (whether imposed on the registered holder or the other person), payable on account of the transfer to the person will be deducted from the purchase price unless satisfactory evidence of the payment of the stock transfer taxes, or exemption from payment of the stock transfer taxes, is submitted. See Instruction 7 of the Letter of Transmittal.

ANY TENDERING SHAREHOLDER OR OTHER PAYEE WHO FAILS TO COMPLETE FULLY, SIGN AND RETURN TO THE DEPOSITARY THE SUBSTITUTE FORM W-9 INCLUDED WITH THE LETTER OF TRANSMITTAL (OR, IN THE CASE OF FOREIGN SHAREHOLDERS, THE APPROPRIATE FORM W-8) MAY BE SUBJECT TO REQUIRED UNITED STATES FEDERAL INCOME TAX BACKUP WITHHOLDING OF 28% OF THE GROSS PROCEEDS PAID TO THE SHAREHOLDER OR OTHER PAYEE PURSUANT TO THE OFFER. SEE SECTION 3. ALSO SEE SECTION 14 REGARDING UNITED STATES FEDERAL INCOME TAX CONSEQUENCES FOR NON-UNITED STATES SHAREHOLDERS.

SECTION 6. Conditional Tender of Shares

Subject to the exception for Odd Lot Holders, in the event of an over-subscription of the Offer, shares tendered at or below the purchase price prior to the Expiration Date will be subject to proration. See Section 1. As discussed in Section 14, the number of shares to be purchased from a particular shareholder may affect the tax treatment of the purchase to the shareholder and shareholder's decision whether to tender. Accordingly, a shareholder may tender shares subject to the condition that a specified minimum number of the shareholder's shares tendered pursuant to a Letter of Transmittal must be purchased if any shares tendered are purchased. Any shareholder desiring to make a conditional tender must so indicate in the box entitled "Conditional Tender" in the Letter of Transmittal. We urge each shareholder to consult with his or her own financial or tax advisors.

Any tendering shareholder wishing to make a conditional tender must calculate and appropriately indicate the minimum number of shares that must be purchased if any are to be purchased. After the tender offer expires, if more than 1,000,000 shares (or such greater number of shares as we may elect to purchase, such additional shares not to exceed 2% of our outstanding shares (approximately 302,111 shares)) are properly tendered and not properly withdrawn, so that we must prorate our acceptance of and payment for tendered shares, we will calculate a preliminary proration percentage based upon all shares properly tendered, conditionally or unconditionally. If the effect of this preliminary proration

would be to reduce the number of shares to be purchased from any shareholder (tendered pursuant to a Letter of Transmittal) below the minimum number specified, the tender will automatically be regarded as withdrawn (except as provided in the next paragraph). All shares tendered by a shareholder subject to a conditional tender pursuant to the Letter of Transmittal and regarded as withdrawn as a result of proration will be returned at our expense.

Holders of 401(k) Plan Shares are not eligible to make a conditional tender for any such shares.

After giving effect to these withdrawals, we will accept the remaining shares properly tendered, conditionally or unconditionally, on a pro rata basis, if necessary. If conditional tenders would otherwise be regarded as withdrawn and would cause the total number of shares to be purchased to fall below 1,000,000 (or such greater number of shares as we may elect to purchase, such additional shares not to exceed 2% of our outstanding shares (approximately 302,111 shares)) then, to the extent feasible, we will select enough of the conditional tenders that would otherwise have been withdrawn to permit us to purchase 1,000,000 shares (or such greater number of shares as we may elect to purchase). In selecting among the conditional tenders, we will select by random lot, treating all tenders by a particular shareholder as a single lot, and will limit our purchase in each case to the designated minimum number of shares to be purchased. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

SECTION 7. Conditions of the Tender Offer

Notwithstanding any other provision of the Offer, we will not be required to accept for payment, purchase or pay for any shares tendered, and may terminate or amend the Offer or may postpone the acceptance for payment of, or the purchase of and the payment for shares tendered, subject to Rule 13e-4(f) of the Exchange Act, if at any time on or after October 27, 2004, and prior to the Expiration Date any of the following events occur or are determined by us to have occurred, that, in our reasonable judgment in any such case and regardless of the circumstances giving rise to the event, except if any such event is caused by our action or inaction, makes it inadvisable to proceed with the Offer or with acceptance for payment or payment for the shares in the Offer:

- there shall have occurred (i) any general suspension of, or general limitation on prices for, or trading in, securities on any national securities exchange in the United States or in the over-the-counter market, (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or any limitation (whether or not mandatory) by any governmental agency or authority on, or any other event that, in our reasonable judgment, might adversely affect, the extension of credit by banks or other financial institutions, (iii) a material change in United States or any other currency exchange rates or a suspension of or limitation on the markets therefor, (iv) the commencement or escalation of a war, major armed hostilities or other similar national or international calamity directly or indirectly involving the United States if the effect of such commencement, escalation or calamity would have a material adverse effect on the Company that makes it impractical or inadvisable to proceed with completion of the tender offer, (v) any decrease of more than 10%, measured from the close of trading on October 26, 2004 (the last trading day prior to the commencement of the tender offer), in the market price for the shares or in the New York Stock Exchange Index, Nasdaq Composite Index, Dow Jones Industrial Average or the S&P 500 Composite Index, or (vi) in the case of any of the foregoing existing at the time of the commencement of the Offer, in our reasonable judgment, a material acceleration or worsening thereof;
- any change (or condition, event or development involving a prospective change) shall have occurred or been threatened in the business, properties, assets, liabilities, capitalization, shareholders' equity, financial condition, operations, licenses, results of our operations or prospects or that of any of our subsidiaries or affiliates that, in our reasonable judgment, does or

may have a materially adverse effect on us or any of our subsidiaries or affiliates, taken as a whole, or we shall have become aware of any fact that, in our reasonable judgment, does or may have a material adverse effect on the value of the shares;

- legislation amending the Internal Revenue Code of 1986, as amended (the "Code") has been passed by either the U.S. House of Representatives or the Senate or becomes pending before the U.S. House of Representatives or the Senate or any committee thereof, the effect of which, in our reasonable judgment, would be to change the tax consequences of the transaction contemplated by the Offer in any manner that would adversely affect us or any of our affiliates;
- there shall be threatened, instituted or pending any action, proceeding, application or counterclaim by or before any court or governmental, administrative or regulatory agency or authority, domestic or foreign, or any other person or tribunal, domestic or foreign, which (i) challenges or seeks to challenge, restrain or prohibit the making of the Offer, the acquisition by us of the shares, or any other matter directly or indirectly relating to the Offer, or seeks to obtain any material damages or otherwise directly or indirectly relating to the transactions contemplated by the Offer, (ii) seeks to make the purchase of, or payment for, some or all of the shares pursuant to the Offer illegal or results in a delay in our ability to accept for payment or pay for some or all of the shares, (iii) seeks to impose limitations on our ability (or any affiliate of ours) to acquire or hold or to exercise full rights of ownership of the shares, (iv) would or might prohibit, restrict or delay the consummation of the Offer, (v) otherwise could materially adversely affect the business, properties, assets, liabilities, capitalization, shareholders' equity, financial condition, operations, licenses, results of our operations or prospects that of any of our subsidiaries or affiliates taken as a whole, or (vi) otherwise directly or indirectly relates to the Offer or which otherwise, in our reasonable judgment, might adversely affect us or any of our subsidiaries or affiliates or the value of the shares;
- any action shall have been taken or any statute, rule, regulation, judgment, decree, injunction or order (preliminary, permanent or otherwise) shall have been proposed, sought, enacted, entered, promulgated, enforced or deemed to be applicable to the Offer or us or any of our subsidiaries or affiliates by any court, government or governmental agency or other regulatory or administrative authority, domestic or foreign, which, in our reasonable judgment, (i) indicates that any approval or other action of any such court, agency or authority may be required in connection with the Offer or the purchase of shares thereunder, (ii) would or might prohibit, restrict or delay consummation of the Offer or materially impair the contemplated benefits to us thereof, or (iii) otherwise could materially adversely affect the business, properties, assets, liabilities, capitalization, shareholders' equity, financial condition, operations, licenses, results of operations or prospects of us or any of our subsidiaries or affiliates;
- a tender or exchange offer for any or all of our outstanding shares (other than this Offer), or any merger, acquisition, business combination or other similar transaction with or involving us or any subsidiary, has been announced or made by any person or has been publicly disclosed;
- we learn that:
 - (1) any entity, "group" (as that term is used in Section 13(d)(3) of the Exchange Act) or person has acquired or proposes to acquire beneficial ownership of more than 5% of our outstanding shares, whether through the acquisition of stock, the formation of a group, the grant of any option or right, or otherwise (other than as and to the extent disclosed in a Schedule 13D or Schedule 13G filed with the SEC on or before October 27, 2004); or
 - (2) any entity, group or person who has filed a Schedule 13D or Schedule 13G with the SEC on or before October 27, 2004 has acquired or proposes to acquire, whether through the

acquisition of stock, the formation of a group, the grant of any option or right, or otherwise, beneficial ownership of an additional 1% or more of our outstanding shares;

- any person, entity or group has filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, reflecting an intent to acquire us or any of our shares of common stock, or has made a public announcement reflecting an intent to acquire us or any of our subsidiaries or any of our respective assets or securities;
- any approval, permit, authorization, favorable review or consent of any governmental entity required to be obtained in connection with the Offer shall not have been obtained on terms satisfactory to us in our reasonable discretion; or
- we determine that the consummation of the Offer and the purchase of the shares may cause our common stock to be delisted from the Nasdaq National Market or to be eligible for deregistration under the Exchange Act.

The conditions referred to above are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any condition, and may be waived by us, in whole or in part, at any time and from time to time in our reasonable discretion before the expiration date of the Offer. Our failure at any time to exercise any of the foregoing rights will not be deemed a waiver of any right, and each such right will be deemed an ongoing right that may be asserted at any time and from time to time prior to the expiration of the Offer. In certain circumstances, if we waive any of the conditions described above, we may be required to extend the Expiration Date. Any determination by us concerning the events described above will be final and binding on all parties.

SECTION 8. Price Range of the Shares; Dividends

Price Range of the Shares. Our shares are traded on the Nasdaq National Market under the symbol "NATR." The following table sets forth, for each of the periods indicated, the high and low sales prices per share as reported by the Nasdaq National Market based on published financial sources.

	High	Low
Year Ended December 31, 2002:		
First Quarter	\$ 13.50	\$ 10.87
Second Quarter	16.13	9.53
Third Quarter	12.30	9.36
Fourth Quarter	12.27	8.78
Year Ended December 31, 2003:		
First Quarter	9.99	6.65
Second Quarter	10.89	7.50
Third Quarter	9.19	7.10
Fourth Quarter	9.03	7.61
Year Ended December 31, 2004:		
First Quarter	14.99	8.25
Second Quarter	15.69	12.45
Third Quarter	16.00	13.00
Fourth Quarter (through October 26, 2004)	15.48	13.76

On October 26, 2004, which was the last full trading day before commencement of the Offer, the last reported sales price of the shares reported by the Nasdaq National Market was \$14.17 per share. We urge shareholders to obtain a current market price for the shares before deciding whether and at what purchase price or purchase prices to tender their shares.

Dividends. There were approximately 1,297 shareholders of record as of October 22, 2004. During 2003 and 2002, the Company paid quarterly cash dividends of $\frac{3}{3}$ cents per common share. During each of the first, second and third quarters of 2004, the Company paid a cash dividend of 5 cents per common share and has announced its intention to pay a cash dividend of 5 cents per common share on November 22, 2004 to shareholders of record on November 9, 2004. Depending on the Company's results of operations and other factors as our Board of Directors deems relevant, the Company expects to continue to pay cash dividends in the future.

SECTION 9. Source and Amount of Funds

Assuming that 1,000,000 shares are tendered in the Offer at a price between \$14.20 and \$16.50 per share, the aggregate purchase price will be between approximately \$14.2 million and \$16.5 million. We expect that expenses for the Offer will be approximately \$385,000.

We anticipate that we will obtain the funds necessary to purchase shares tendered in the Offer, and to pay related expenses, primarily through cash on hand, net cash provided by operating activities and, if necessary, from our existing \$15 million operating line of credit.

The operating line of credit, which is pursuant to a credit agreement with Wells Fargo, National Association, provides for borrowings of up to \$15 million. The line of credit has a fixed interest rate equal to LIBOR plus 1.5 percent for borrowings with fixed terms and a fluctuating rate equal to 1.0 percent below the Prime Rate for borrowings without fixed terms. Borrowings under this line of credit may be used to repurchase shares of the Company's outstanding common stock under Board-authorized repurchase programs as well as to fund working capital, capital expenditures, and related costs. The Company amended the terms of the line of credit during the second quarter to extend the maturity date to July 1, 2006. The line of credit had an original maturity of July 1, 2004. There were no outstanding borrowings under this line of credit as of September 30, 2004. The line of credit contains various terms and conditions, including affirmative and negative financial covenants. As of September 30, 2004, the Company was in compliance with these covenants. We anticipate that any amounts borrowed under the line of credit will be repaid from funds generated by Company operations.

The Offer is not subject to the receipt of financing and we do not have any alternative financing arrangement or alternative financing plans.

SECTION 10. Certain Information Concerning Nature's Sunshine

General. Nature's Sunshine, founded in 1972 and incorporated in Utah in 1976, and its subsidiaries are primarily engaged in the manufacturing and marketing of nutritional and personal care products. The Company sells its products worldwide to a sales force of independent distributors who use the products themselves or resell them to other distributors or consumers.

Our operations are conducted in the United States as well as in certain other countries. The Company's subsidiaries are located in South Korea, Mexico, Venezuela, Japan, Brazil, Canada, Central America, Colombia, Dominican Republic, Ecuador, Peru, the United Kingdom, Israel, Taiwan, Thailand and Singapore. We also export our products to several other countries, including Argentina, Australia, Chile, New Zealand, Norway and the Russian Federation.

We also sell our products through a separate division, Synergy Worldwide. Synergy Worldwide primarily sells products in Japan, Taiwan, Thailand and the United States.

Our executive offices are located at 75 East 1700 South, Provo, Utah 84606. Our telephone number is (801) 342-4300.

Where You Can Find More Information. We are subject to the informational filing requirements of the Exchange Act, and, accordingly, are obligated to file reports, statements and other information with the SEC relating to our business, financial condition and other matters. Information, as of particular dates, concerning our directors and officers, their remuneration, options granted to them, the principal holders of our securities and any material interest of these persons in transactions with us is required to be disclosed in proxy statements distributed to our shareholders and filed with the SEC. We also have filed an Issuer Tender Offer Statement on Schedule TO with the SEC that includes additional information relating to the Offer.

These reports, statements and other information can be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. Copies of this material may also be obtained by mail, upon payment of the SEC's customary charges, from the Public Reference Section of the SEC at Judiciary Plaza, 450 Fifth Street, N.W., Washington, DC. 20549. The SEC also maintains a web site on the Internet at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The reference to the URL of the SEC's web site is intended to be an inactive textual reference only.

Incorporation by Reference. The rules of the SEC allow us to "incorporate by reference" information into this document, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. These documents contain important information about us.

SEC Filings	Period or Date Filed
<i>Annual Report on Form 10-K</i>	Year ended December 31, 2003, as amended on Form 10-K/A
<i>Quarterly Reports on Form 10-Q</i>	Quarter ended March 31, 2004 Quarter ended June 30, 2004
<i>Current Reports on Form 8-K</i>	October 27, 2004 July 28, 2004 June 3, 2004 April 27, 2004 March 1, 2004

We incorporate by reference these documents and any future filings we will make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the expiration of the offer. You can obtain any of the documents incorporated by reference in this document from us or from the SEC's web site at the address described above. Documents incorporated by reference are available from us without charge, excluding any exhibits to those documents. You can obtain documents incorporated by reference in this Offer to Purchase by requesting them in writing or calling Craig Huff, Chief Financial Officer, at 75 East 1700 South, Provo, Utah 84606, telephone: (801) 342-4300. Please be sure to include your complete name and address in your request. If you request any incorporated documents, we will mail them to you by first class mail, or another equally prompt means, within one business day after we receive your request. You can find additional information by visiting our website at: <http://www.natr.com>.

SECTION 11. Interest of Directors and Executive Officers; Transactions and Arrangements Concerning the Shares

As of October 22, 2004 we had 15,105,565 issued and outstanding shares of our common stock and 2,216,604 shares reserved for issuance upon exercise of outstanding options under the Stock Option Plans. The 1,000,000 shares that we are offering to purchase hereunder represent approximately 5.8% of the shares outstanding (including 2,216,604 shares reserved for issuance upon exercise of outstanding options under the Stock Option Plans) on October 22, 2004.

The following table shows the share ownership of certain shareholders of the Company and all current directors and executive officers as a group as of October 22, 2004.

Name and Address of Directors and Executive Officers	Aggregate Number of Shares Beneficially Owned(1)	Percentage of Class(2)	Aggregate Number of Shares Expected to be Tendered
Pauline Hughes Francis, Director 311 East Canal Road Salem, UT 84653	2,141,858(3)	14.1%	0
Kristine F. Hughes, Chairman of the Board and Director Eugene L. Hughes, Director 75 East 1700 South Provo, UT 84606	1,820,807(4)	11.7%	160,000
Douglas Faggioli, President, Chief Executive Officer and Director 75 East 1700 South Provo, UT 84606	293,338(5)	1.9%	60,000
John R. DeWyze, Executive Vice President, Vice President of Operations 75 East 1700 South Provo, UT 84606	113,613(6)	*	20,000
Craig D. Huff, Executive Vice President, Vice President of Finance and Chief Financial Officer 75 East 1700 South Provo, UT 84606	103,773(7)	*	0
Daren G. Hogge, Executive Vice President, President of International Division 75 East 1700 South Provo, UT 84606	104,523(8)	*	50,000
Richard G. Hinckley, Director 75 East 1700 South Provo, UT 84606	20,000(9)	*	0
Franz Louis Cristiani, Director 33 Cobblestone Lane San Carlos, CA 94070	5,000(9)	*	0
All executive officers and directors as a group (9 persons)	4,602,912(10)	28.5	290,000

* less than 1%.

- (1) Except as otherwise indicated, all shares are directly owned with voting and investment power held by the person named. Amounts shown include, where applicable, shares subject to presently exercisable options.
- (2) The percentage shown for each beneficial owner is calculated based upon the outstanding shares of our common stock, including shares of common stock subject to presently exercisable options held by such beneficial owner which are deemed to be outstanding.
- (3) Includes 1,134,559 shares held by Pauline Hughes Francis in trust for the benefit of herself and her children, 878,439 shares held by a family limited partnership, 18,860 shares held by an annuity trust, and 110,000 shares subject to presently exercisable options.
- (4) Includes 16,335 shares held directly, 1,303,606 shares held by Kristine and Eugene Hughes as trustees for the benefit of themselves and their children, 101,536 shares allocated to Mr. Hughes' account in a 401(k) Plan, and 399,330 shares subject to presently exercisable options.
- (5) Includes 27,696 shares held directly, 33,252 shares allocated in a 401(k) Plan and 232,390 shares subject to presently exercisable options.
- (6) Includes 2,150 shares held directly, 1,793 shares allocated in a 401(k) Plan, 109,070 shares subject to presently exercisable options and 600 shares.
- (7) Includes 10,763 shares allocated in a 401(k) Plan and 93,010 shares subject to presently exercisable options.
- (8) Includes 2,313 shares allocated in a 401(k) Plan and 102,210 shares subject to presently exercisable options.
- (9) Represents shares subject to presently exercisable options.
- (10) Includes 149,657 shares allocated in the 401(k) Plan, and 1,071,010 shares subject to presently exercisable options.

Each of the parties listed above have indicated that they intend to tender the shares listed next to their names in the above table in the column titled "Aggregate Number of Shares Expected to be Tendered." The aggregate number of shares expected to be tendered by all such holders is 290,000, which represents approximately 1.7% of the outstanding shares as of October 22, 2004 (including 2,216,604 shares reserved for issuance upon exercise of outstanding options under the Stock Option Plans).

Stock-Based Plans

1995 Stock Option Plan. Our 1995 Plan, authorizes the grant of incentive and non-qualified stock options to officers and key employees. The 1995 Plan currently allows for the granting of a maximum of 4,150,000 shares of our common stock (adjusted for stock splits and dividends).

Options issued under the 1995 Plan must have an exercise price at least equal to the fair market value on the date of grant and a term of not more than ten years. Options are generally not transferable and are exercisable in accordance with vesting schedules established by the Compensation Committee (the "Committee") of the Board of Directors administering the Plan. The Committee establishes the terms and conditions for each option granted to an employee, and sets forth in the option agreement, the effect of the termination of employment on the rights and benefits thereunder. In the event of certain changes in control of our company, options generally become immediately exercisable.

As of October 22, 2004, there were 1,814,804 shares subject to options issued and outstanding under the 1995 Plan and 121,803 shares are available for issuance (as adjusted for stock splits and dividends).

We also have 401,800 shares subject to options issued and outstanding, which were granted under stock option plans or arrangements that have been terminated.

Tax Deferred Retirement Plan. The Company maintains the Nature's Sunshine Products, Inc. Tax Deferred Retirement Plan, a tax-qualified defined contribution plan 401(k) covering all of our employees who complete 1,000 or more hours of service per year. Pursuant to the Tax Deferred Retirement Plan, plan participants may elect to acquire and hold shares of the Company's common stock.

Dividend Reinvestment Plan. We maintain a Dividend Reinvestment Plan under which dividends are not paid directly to the participating shareholders but are applied to the purchase of our shares for the accounts of the participating shareholders.

Except as otherwise described in this Offer to Purchase or as described in our most recent proxy statement, neither we nor, to the best of our knowledge, any of our affiliates, directors or executive officers, is a party to any contract, arrangement, understanding or relationship, whether or not legally enforceable, with any other person, relating, directly or indirectly, to the Offer or with respect to any of our securities, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting of the securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies, consents or authorizations. See Section 10 and Section 15.

SECTION 12. Effects of the Tender Offer on the Market for Shares; Registration under the Exchange Act

The purchase by us of shares under the Offer will reduce the number of our shares that might otherwise be traded publicly and may reduce the number of shareholders. These reductions may reduce the volume of trading in our shares and may result in lower stock prices and reduced liquidity in the trading of our shares following completion of the Offer. As of October 22, 2004 we had issued and outstanding 15,105,565 shares. The 1,000,000 shares that we are offering to purchase pursuant to the tender offer represent approximately 5.8% of the shares outstanding as of that date (including 2,216,604 shares reserved for issuance upon exercise of outstanding options under the Stock Option Plans). Based upon published guidelines of the Nasdaq National Market and the conditions of the Offer, our purchase of shares under the Offer will not cause the remaining outstanding shares of common stock to be delisted from the Nasdaq National Market.

The shares are now "margin securities" under the rules of the Federal Reserve Board. This has the effect, among other things, of allowing brokers to extend credit to their customers using such shares as collateral. We believe that, following the purchase of shares under the Offer, the shares will continue to be "margin securities" for purposes of the Federal Reserve Board's margin rules and regulations.

The shares are registered under the Exchange Act, which requires, among other things, that we furnish certain information to our shareholders and the Commission and comply with the Commission's proxy rules in connection with meetings of our shareholders. We believe that our purchase of shares under the Offer pursuant to the terms of the Offer will not result in the shares becoming eligible for deregistration under the Exchange Act.

The Offer is conditioned upon our having determined that the consummation of the Offer and the purchase of shares will not cause our common stock to be delisted from the Nasdaq National Market or deregistered under the Exchange Act. See Section 7.

SECTION 13. Legal Matters; Regulatory Approvals

We are not aware of any license or regulatory permit that appears material to our business that might be adversely affected by our acquisition of shares as contemplated by the Offer or of any

approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic, foreign or supranational, that would be required for the acquisition or ownership of shares by us as contemplated by the Offer. Should any such approval or other action be required, we presently contemplate that we will seek that approval or other action. We are unable to predict whether we will be required to delay the acceptance for payment of or payment for shares tendered under the Offer pending the outcome of any such matter. There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial cost or conditions or that the failure to obtain the approval or other action might not result in adverse consequences to its business and financial condition. Our obligations under the Offer to accept for payment and pay for shares is subject to conditions. See Section 7.

SECTION 14. United States Federal Income Tax Consequences

The following summary describes the material U.S. federal income tax consequences relating to the Offer to shareholders whose shares are properly tendered and accepted for payment pursuant to the Offer. Those shareholders who do not participate in the Offer should not incur any U.S. federal income tax liability as a result of the completion of the Offer. This summary is based upon the Code, Treasury regulations promulgated thereunder, administrative pronouncements and judicial decisions, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. This summary addresses only shares that are held as capital assets within the meaning of Section 1221 of the Code and does not address all of the tax consequences that maybe relevant to shareholders in light of their particular circumstances or to certain types of shareholders subject to special treatment under the Code, including, without limitation, certain financial institutions, dealers in securities or commodities, traders in securities who elect to apply a mark-to-market method of accounting, insurance companies, tax-exempt organizations, certain expatriates, persons who hold shares as a position in a "straddle" or as a part of a "hedging," "conversion," or "constructive sale" transaction for U.S. federal income tax purposes or persons who received their shares through the exercise of employee stock options or otherwise as compensation. In addition, except as otherwise specifically noted, this discussion applies only to "U.S. holders" (as defined below). This summary also does not address the state, local or foreign tax consequences of participating in the Offer. For purposes of this discussion, a "U.S. holder" is a beneficial owner of shares that is, for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States or of any political subdivision thereof;
- an estate, the income of which is includible in gross income for United States federal income tax purposes regardless of its source; or
- a trust whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all of its substantial decisions.

If a partnership holds shares, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding shares should consult their tax advisors.

SHAREHOLDERS ARE URGED TO CONSULT THEIR TAX ADVISOR TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO THEM OF PARTICIPATING OR NOT PARTICIPATING IN THE TENDER OFFER.

Characterization of the Purchase. The purchase of shares by us under the Offer will be a taxable transaction for U.S. federal income tax purposes. As a consequence of the purchase, a U.S. holder will, depending on the U.S. holder's particular circumstances, be treated either as having sold the U.S. holder's shares or as having received a distribution in respect of stock from us.

Under Section 302 of the Code, a U.S. holder whose shares are purchased by us under the Offer will be treated as having sold its shares, and thus will recognize capital gain or loss if the purchase:

- results in a "complete termination" of the U.S. holder's equity interest in us;
- results in a "substantially disproportionate" redemption with respect to the U.S. holder; or
- is "not essentially equivalent to a dividend" with respect to the U.S. holder.

Each of these tests, referred to as the "Section 302 tests," is explained in more detail below.

If a U.S. holder satisfies any of the Section 302 tests explained below, the U.S. holder will be treated as if it sold its shares to us and will recognize capital gain or loss equal to the difference between the amount of cash received under the Offer and the U.S. holder's adjusted tax basis in the shares surrendered in exchange therefor. This gain or loss will be long-term capital gain or loss if the U.S. holder's holding period for the shares that were sold exceeds one year as of the date of purchase by us under the Offer. Specified limitations apply to the deductibility of capital losses by U.S. holders. Gain or loss must be determined separately for each block of shares (shares acquired at the same cost in a single transaction) that is purchased by us from a U.S. holder under the Offer. A U.S. holder may be able to designate, generally through its broker, which blocks of shares it wishes to tender under the Offer if less than all of its shares are tendered under the Offer, and the order in which different blocks will be purchased by us in the event of proration under the Offer. U.S. holders should consult their tax advisors concerning the mechanics and desirability of that designation.

If a U.S. holder does not satisfy any of the Section 302 tests explained below, the purchase of a U.S. holder's shares by us under the Offer will not be treated as a sale or exchange under Section 302 of the Code with respect to the U.S. holder. Instead, the amount received by the U.S. holder with respect to the purchase of its shares by us under the Offer will be treated as a dividend to the U.S. holder with respect to its shares under Section 301 of the Code, to the extent of our current and accumulated earnings and profits (within the meaning of the Code). Provided certain holding period requirements are satisfied, non-corporate holders generally will be subject to U.S. federal income tax at a maximum rate of 15% on dividends deemed received. To the extent the amount exceeds our current and accumulated earnings and profits, the excess first will be treated as a tax-free return of capital that will reduce the U.S. holder's adjusted tax basis in its shares and any remainder will be treated as capital gain (which maybe long-term capital gain as described above). To the extent that a purchase of a U.S. holder's shares by us under the Offer is treated as the receipt by the U.S. holder of a dividend, the U.S. holder's remaining adjusted tax basis (after adjustment as described in the previous sentence) in the purchased shares will be added to any shares retained by the U.S. holder subject to, in the case of corporate shareholders, reduction of basis or possible gain recognition under Section 1059 of the Code in an amount equal to the non-taxed portion of the dividend. A dividend received by a corporate U.S. holder, as explained below, may be eligible for the dividends received deduction and subject to the "extraordinary dividend" provisions of Section 1059 of the Code.

Constructive Ownership of Stock and Other Issues. In applying each of the Section 302 tests explained below, U.S. holders must take into account not only shares that they actually own but also shares they are treated as owning under the constructive ownership rules of Section 318 of the Code. Under the constructive ownership rules, a U.S. holder is treated as owning any shares that are owned (actually and in some cases constructively) by certain related individuals and entities as well as shares that the U.S. holder has the right to acquire by exercise of an option or by conversion or exchange of a convertible security. Due to the factual nature of the Section 302 tests explained below, U.S. holders should consult their tax advisors to determine whether the purchase of their shares under the Offer qualifies for sale or exchange treatment in their particular circumstances.

We cannot predict whether or the extent to which the Offer will be oversubscribed. If the Offer is oversubscribed, proration of tenders under the Offer will cause us to accept fewer shares than are

tendered. Therefore, no assurance can be given that a U.S. holder will be able to determine in advance whether its disposition of shares pursuant to the Offer will be treated as a sale or exchange or as a dividend distribution in respect of stock from us.

Section 302 Tests. One of the following tests must be satisfied in order for the purchase of shares by us under the Offer to be treated as a sale or exchange for U.S. federal income tax purposes:

- *Complete Termination Test.* The purchase of a U.S. holder's shares by us under the Offer will result in a "complete termination" of the U.S. holder's equity interest in us if all of the shares that are actually owned by the U.S. holder are sold under the Offer and all of the shares that are constructively owned by the U.S. holder, if any, are sold under the Offer or, with respect to shares owned by certain related individuals, the U.S. holder effectively waives, in accordance with Section 302(c) of the Code, attribution of shares which otherwise would be considered as constructively owned by the U.S. holder. U.S. holders wishing to satisfy the "complete termination" test through waiver of the constructive ownership rules should consult their tax advisors.
- *Substantially Disproportionate Test.* The purchase of a U.S. holder's shares by us under the Offer will result in a "substantially disproportionate" redemption with respect to the U.S. holder if, among other things, the percentage of the then outstanding voting stock actually and constructively owned by the U.S. holder immediately after the purchase is less than 80% of the percentage of voting stock actually and constructively owned by the U.S. holder immediately before the purchase (treating as outstanding all shares purchased under the Offer) and immediately following the exchange the U.S. holder actually and constructively owns less than 50% of our total combined voting power.
- *Not Essentially Equivalent to a Dividend Test.* The purchase of a U.S. holder's shares by us under the Offer will be treated as "not essentially equivalent to a dividend" if the reduction in the U.S. holder's proportionate interest in us (taking into account the rules of constructive ownership) as a result of the purchase constitutes a "meaningful reduction" given the U.S. holder's particular circumstances. Whether the receipt of cash by a shareholder who sells shares under the Offer will be "not essentially equivalent to a dividend" is independent of whether or not we have current or accumulated earnings and profits and will depend upon the shareholder's particular facts and circumstances. The Internal Revenue Service has indicated in a published revenue ruling that even a small reduction in the percentage interest of a shareholder whose relative stock interest in a publicly held corporation is minimal (for example, an interest of less than 1%) and who exercises no control over corporate affairs should constitute a "meaningful reduction." U.S. holders should consult their tax advisors as to the application of this test in their particular circumstances.

Corporate Shareholder Dividend Treatment. If a corporate U.S. holder does not satisfy any of the Section 302 tests described above and we have current or accumulated earnings and profits, a corporate U.S. holder may, to the extent that any amounts received by it under the Offer are treated as a dividend, be eligible for the dividends-received deduction. The dividends-received deduction is subject to certain limitations. In addition, any amount received by a corporate U.S. holder pursuant to the Offer that is treated as a dividend may constitute an "extraordinary dividend" under Section 1059 of the Code. Corporate U.S. holders should consult their own tax advisors as to the application of Section 1059 of the Code to the Offer, and to the tax consequences of dividend treatment in their particular circumstances.

Foreign Shareholders. The following general discussion applies to shareholders who are "non-U.S. holders." A "non-U.S. holder" is a person or entity that, for U.S. federal income tax purposes, is a:

- non-resident alien individual, other than certain former citizens and residents of the United States subject to tax as expatriates;
- foreign corporation; or
- foreign estate or trust.

If the purchase of shares by us under the Offer is characterized as a sale or exchange (as opposed to a dividend) with respect to a non-U.S. holder, the holder generally will not be subject to U.S. federal income tax on gain realized on the disposition of shares in the Offer unless:

- the gain is effectively connected with a trade or business of the non-U.S. holder in the United States, subject to an applicable treaty providing otherwise; or
- we are or have been a "U.S. real property holding corporation" and certain other requirements are met. We do not believe that we currently are or have been a "U.S. real property holding corporation."

An individual who is present in the United States for 183 days or more in the taxable year of disposition, and is not otherwise a resident of the United States for U.S. federal income tax purposes, should consult his or her own tax advisor regarding the U.S. federal income tax consequences of participating in the Offer.

Backup Withholding. See Section 3 with respect to the application of backup U.S. federal income tax withholding.

Federal Income Tax Considerations for Holders of 401(k) Plan Shares

The 401(k) Plan is a tax exempt trust and therefore, no gain or loss will be recognized by the participant upon the tender of shares credited to their account under the 401(k) Plan. However, participants in the 401(k) Plan should be aware that the reinvestment of the cash proceeds received in the tender offer may, in certain circumstances, result in certain tax consequences to those participants who, as part of the ultimate distributions of their accounts, would receive shares. Special tax rules apply to certain distributions from the 401(k) Plan that consist, in whole or in part, of shares. Generally, taxation of net unrealized appreciation ("NUA"), an amount equal to the excess of the value of such shares at distribution over the cost or other basis of such shares (which will vary depending on whether the distribution qualifies for lump sum treatment) will be deferred until the shares are sold following distribution. Moreover, if shares are disposed of prior to a distribution, as would be the case in the tender offer, and the proceeds of such disposition are reinvested within 90 days thereafter in the Company's common stock under the 401(k) Plan, the cost or other basis of such newly acquired shares for NUA purposes will be the cost or other basis of the tendered shares. Accordingly, if the cash proceeds receivable upon the tender of shares is not reinvested in the Company's common stock under the 401(k) Plan within 90 days, the opportunity to retain for NUA purposes the cost or other basis of the shares tendered, and the tax-deferral treatment of the NUA calculated in reference to such basis, will be lost. In addition, this special rule does not apply to any participant in the 401(k) Plan who receives a distribution of money during the period after the disposition and before the reinvestment.

THE DISCUSSION SET FORTH ABOVE IS A GENERAL SUMMARY OF THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE OFFER. SHAREHOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TENDER OFFER, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN U.S. FEDERAL OR OTHER TAX LAWS.

SECTION 15. Extension of the Tender Offer; Termination; Amendment

We expressly reserve the right, in our reasonable discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 7 shall have occurred or shall be deemed by us to have occurred, to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and payment for, any shares by giving oral or written notice of such extension to the Depositary and making a public announcement of such extension. We also expressly reserve the right, in our reasonable discretion, to terminate the Offer and not accept for payment or pay for any shares not theretofore accepted for payment or paid for or, subject to applicable law, to postpone payment for shares upon the occurrence of any of the conditions specified in Section 7 hereof by giving oral or written notice of such termination or postponement to the Depositary and making a public announcement of such termination or postponement. Our reservation of the right to delay payment for shares which we have accepted for payment is limited by Rule 13e-4(d)(5) promulgated under the Exchange Act, which requires that we must pay the consideration offered or return the shares tendered promptly after termination or withdrawal of a tender offer. Subject to compliance with applicable law, we further reserve the right, in our reasonable discretion, and regardless of whether any of the events set forth in Section 7 shall have occurred or shall be deemed by us to have occurred, to amend the Offer in any respect, including, without limitation, by decreasing or increasing the consideration offered in the Offer to holders of shares or by decreasing or increasing the number of shares being sought in the Offer. Amendments to the Offer may be made at any time and from time to time may be effected by public announcement, such announcement, in the case of an extension, to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced expiration date. Any public announcement made under the Offer will be disseminated promptly to shareholders in a manner reasonably designed to inform shareholders of such change. Without limiting the manner in which we may choose to make a public announcement, except as required by applicable law, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through Business Wire or another comparable service.

If we materially change the terms of the Offer or the information concerning the Offer, we will extend the Offer to the extent required by Rules 13e-4(d)(2) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the Commission provide that the minimum period during which a tender offer must remain open following material changes in the terms of the Offer or information concerning the Offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information. If (1) we increase or decrease the price to be paid for shares or increase or decrease the number of shares being sought in the Offer and, in the case of an increase in the number of shares being sought, such increase exceeds 2% of the outstanding shares and (2) the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that such notice of an increase or decrease is first published, sent or given to security holders in the manner specified in this Section 15, the Offer will be extended until the expiration of such period of ten business days.

SECTION 16. Fees and Expenses

We have retained Shattuck Hammond Partners LLC to act as our financial advisor, as well as the Dealer Manager, in connection with the Offer. In its role as Dealer Manager, Shattuck Hammond Partners LLC may contact brokers, dealers and similar entities and may provide information regarding the Offer to those that they contact or persons that contact them.

In addition, Shattuck Hammond Partners LLC has given us advice with respect to the Offer and will receive \$250,000 for its services in connection with the Offer. We also have agreed to reimburse Shattuck Hammond Partners LLC for certain reasonable out-of-pocket expenses incurred in connection

with the Offer and to indemnify Shattuck Hammond Partners LLC against certain liabilities in connection with the Offer, including certain liabilities under the federal securities laws.

Shattuck Hammond Partners LLC may provide various investment banking services to us in the future, for which we would expect it would receive customary compensation from us. In the ordinary course of business, including in its trading and brokerage operations and in a fiduciary capacity, Shattuck Hammond Partners LLC may hold positions, for their own accounts and for those of their customers, in our securities.

We have retained Georgeson Shareholder Communications, Inc. to act as Information Agent and, our transfer agent, American Stock Transfer & Trust Company to act as Depository in connection with the Offer. The Information Agent may contact holders of shares by mail, facsimile and personal interviews and may request brokers, dealers and other nominee shareholders to forward materials relating to the Offer to beneficial owners. The Information Agent will receive approximately \$7,500, including reimbursement of expenses, the Depository will receive reasonable and customary compensation and will be reimbursed by us for reasonable out-of-pocket expenses and each will be indemnified against certain liabilities in connection with the Offer, including certain liabilities under the federal securities laws.

Merrill Lynch Trust Company acts as the Trustee of the 401(k) Plan. Nature's Sunshine will pay the Trustee its customary fees for its services in connection with the offer and the Trustee will be reimbursed for certain out-of-pocket costs.

We estimate that total fees and expenses related to the offering will be approximately \$385,000.

We will not pay any fees or commissions to brokers, dealers or other persons (other than fees to the Dealer Manager and the Information Agent as described above) for soliciting tenders of shares pursuant to the Offer. Shareholders holding shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs may apply if shareholders tender shares through the brokers or banks and not directly to the Depository. We will, however, upon request, reimburse brokers, dealers and commercial banks for customary mailing and handling expenses incurred by them in forwarding the Offer and related materials to the beneficial owners of shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as our agent or the agent of the Dealer Manager, the Information Agent or the Depository for purposes of the Offer. We will pay or cause to be paid all stock transfer taxes, if any, on our purchase of shares except as otherwise provided in Instruction 7 in the Letter of Transmittal.

SECTION 17. Miscellaneous

We are not aware of any jurisdiction where the making of the Offer is not in compliance with applicable law. If we become aware of any jurisdiction where the making of the Offer or the acceptance of shares pursuant thereto is not in compliance with applicable law, we will make a good faith effort to comply with the applicable law. If, after such good faith effort, we cannot comply with the applicable law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of shares in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of us by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of that jurisdiction.

Pursuant to Rule 13e-4(c)(2) under the Exchange Act, we have filed with the Commission an Issuer Tender Offer Statement on Schedule TO, which contains additional information with respect to the Offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, at the same places and in the same manner as is set forth in

Section 10 with respect to information concerning us, except that this material will not be available at the regional offices of the SEC.

YOU SHOULD ONLY RELY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR TO WHICH WE HAVE REFERRED TO YOU. WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON BEHALF OF US AS TO WHETHER YOU SHOULD TENDER OR REFRAIN FROM TENDERING YOUR SHARES IN THE TENDER OFFER. WE HAVE NOT AUTHORIZED ANY PERSON TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE TENDER OFFER OTHER THAN THOSE CONTAINED IN THIS DOCUMENT OR IN THE RELATED LETTER OF TRANSMITTAL. IF GIVEN OR MADE, ANY RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US, THE DEALER MANAGER OR THE INFORMATION AGENT.

October 27, 2004

NATURE'S SUNSHINE PRODUCTS, INC.

October 27, 2004

Facsimile copies of the Letter of Transmittal, properly completed and duly executed, will be accepted. The Letter of Transmittal, certificates for shares and any other required documents should be sent or delivered by each shareholder of Nature's Sunshine or his or her bank, broker, dealer, trust company or other nominee to the Depositary as follows:

The Depositary for the Offer is:

American Stock Transfer & Trust Company

By Mail, Overnight Delivery or Hand

59 Maiden Lane
New York, New York 10038

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Questions and requests for assistance or for additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent at the telephone number and location listed below. You may also contact your bank, broker, dealer, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

Georgeson Shareholder Communications, Inc.

17 State Street, 10th Floor
New York, New York 10004
Banks and Brokers Call Collect:
(212) 440-9800
All Other Please Call Toll Free:
(888) 264-7051

The Dealer Manager for the Offer is:

Shattuck Hammond Partners LLC

630 Fifth Avenue, Suite 2950
New York, New York 10111
(212) 314-0346

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Letter of Transmittal

**To Tender Shares of Common Stock
Pursuant to the Offer to Purchase For Cash
Dated October 27, 2004**

by

NATURE'S SUNSHINE PRODUCTS, INC.

of

**Up to 1,000,000 Shares of its Common Stock
at a Purchase Price Not Greater Than \$16.50
Nor Less Than \$14.20 Per Share**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, NOVEMBER 24, 2004,
UNLESS THE OFFER IS EXTENDED.**

The Depositary for the Offer is:

AMERICAN STOCK TRANSFER & TRUST COMPANY

By Mail, Overnight Delivery or Hand:

59 Maiden Lane
New York, New York 10038

Delivery of this Letter of Transmittal to an address other than as set forth above does not constitute a valid delivery.

The instructions set forth in this Letter of Transmittal should be read carefully before this Letter of Transmittal is completed.

DESCRIPTION OF SHARES TENDERED
(See Instructions 3 and 4)

Name(s) and address(es) of Registered Holder(s)
(Please fill in, if blank, exactly as name(s)
appear(s) on certificate(s))

Shares Tendered
Attach Additional Signed List if Necessary

Certificate Number(s)*	Total Number of Shares Represented by Certificate(s)*	Number of Shares Tendered**
Total Shares		

* Need not be completed by shareholders tendering solely by book-entry transfer or holders of uncertificated shares held by the Depository under the Company's Dividend Reinvestment Plan. See appropriate boxes below.

Check one of the following boxes if shares held in the Dividend Reinvestment Plan are being tendered:

- The undersigned tender(s) all uncertificated shares held by American Stock Transfer & Trust Company in the name of the registered holders pursuant to the Company's Dividend Reinvestment Plan (including any additional shares that may in the future be purchased by the undersigned in such plan prior to the Expiration Date of the Offer).
- The undersigned tender(s) _____ shares held by American Stock Transfer & Trust Company in the name of the registered holders pursuant to the Company's Dividend Reinvestment Plan.

** Unless otherwise indicated, it will be assumed that all shares described above are being tendered. See Instruction 4.

This Letter of Transmittal is to be used if certificates for shares (as defined below) are to be forwarded herewith, for the tendering of uncertificated shares held in your account under the Company's Dividend Reinvestment Plan, or, unless an agent's message (as defined in Section 3 of the Offer to Purchase (as defined below)) is utilized, if delivery of shares is to be made by book-entry transfer to an account maintained by the Depository (as defined below) at the book-entry transfer facility (as defined in Section 3 of the Offer to Purchase) pursuant to the procedures set forth in Section 3 of the Offer to Purchase. Tendering shareholders whose certificates for shares are not immediately available or who cannot deliver either the certificates for, or a book-entry confirmation (as defined in Section 3 of the Offer to Purchase) with respect to, their shares and all other documents required hereby to the Depository prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase) must tender their shares in accordance with the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2.

Your attention is directed in particular to the following:

1. If you want to retain your shares, you do not need to take any action.
2. If you want to participate in the tender offer and wish to maximize the chance of having Nature's Sunshine (as defined below) accept for exchange all the shares you are tendering hereby, you should check the box marked "Shares Tendered at Price Determined Under the Tender Offer" below and complete the other portions of this Letter of Transmittal as appropriate.
3. If you wish to select a specific price at which you will be tendering your shares, you should select one of the boxes in the section captioned "Shares Tendered at Price Determined by Shareholder" below and complete the other portions of this Letter of Transmittal as appropriate.

DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH THE BOOK-ENTRY TRANSFER**

FACILITY AND COMPLETE THE FOLLOWING (ONLY PARTICIPANTS IN THE BOOK-ENTRY TRANSFER FACILITY MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):

Name of Tendering Institution:

Account Number:

Transaction Code

- CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY. ENCLOSE A PHOTOCOPY OF THE NOTICE OF GUARANTEED DELIVERY AND COMPLETE THE FOLLOWING:**

Name(s) of Registered Owners(s):

Date of Execution of Notice of Guaranteed Delivery:

Name of Institution that Guaranteed Delivery:

If delivered by book-entry transfer, check box:

Name of Tendering Institution:

Account Number:

Transaction Code Number:

THE UNDERSIGNED IS TENDERING SHARES AS FOLLOWS (CHECK ONLY ONE BOX):

- (1) SHARES TENDERED AT PRICE DETERMINED BY SHAREHOLDER (SEE INSTRUCTION 5)**

By checking ONE of the following boxes below INSTEAD OF THE BOX UNDER "Shares Tendered at Price Determined Under the Tender Offer," the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the purchase price determined by Nature's Sunshine for the shares is less than the price checked below. **A SHAREHOLDER WHO DESIRES TO TENDER SHARES AT MORE THAN ONE PRICE MUST COMPLETE A SEPARATE LETTER OF TRANSMITTAL FOR EACH PRICE AT WHICH SHARES ARE TENDERED.** The same shares cannot be tendered, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one price.

**PRICE (IN DOLLARS) PER SHARE AT WHICH SHARES
ARE BEING TENDERED**

- \$14.20
- \$14.30
- \$14.40
- \$14.50
- \$14.60
- \$14.70
- \$14.80
- \$14.90
- \$15.00
- \$15.10
- \$15.20
- \$15.30
- \$15.40
- \$15.50
- \$15.60
- \$15.70
- \$15.80
- \$15.90
- \$16.00
- \$16.10
- \$16.20
- \$16.30
- \$16.40
- \$16.50

OR

(2) SHARES TENDERED AT PRICE DETERMINED UNDER THE TENDER OFFER (SEE INSTRUCTION(5))

By checking the box below INSTEAD OF ONE OF THE BOXES UNDER "Shares Tendered at Price Determined by Shareholder," the undersigned hereby tenders shares at the purchase price, as the same shall be determined by Nature's Sunshine in accordance with the terms of the Offer.

- The undersigned wants to maximize the chance of having Nature's Sunshine purchase all of the shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the price boxes above, the undersigned hereby tenders shares and is willing to accept the purchase price determined by Nature's Sunshine in accordance with the terms of the Offer. This action could result in receiving a price per share as low as \$14.20.

CHECK ONLY ONE BOX UNDER (1) OR (2) ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, THERE IS NO VALID TENDER OF SHARES.

ODD LOTS

(See Instruction 14)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares. The undersigned either (check one box):

- is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered; or
 - is a broker, dealer, commercial bank, trust company, or other nominee that (a) is tendering for the beneficial owner(s), shares with respect to which it is the record holder, and (b) believes, based upon representations made to it by the beneficial owner(s), that each such person is the beneficial owner of an aggregate of fewer than 100 shares and is tendering all of the shares.
-

In addition, the undersigned is tendering shares either (check one box):

- at the purchase price, as the same will be determined by Nature's Sunshine in accordance with the terms of the Offer (persons checking this box need not indicate the price per share above); or
- at the price per share indicated above in the section captioned "Price (In Dollars) per Share at Which Shares Are Being Tendered."

CONDITIONAL TENDER
(See Instruction 13)

A tendering shareholder may condition his or her tender of shares upon Nature's Sunshine purchasing a specified minimum number of the shares tendered, all as described in Section 6 of the Offer to Purchase. Unless at least that minimum number of shares you indicate below is purchased by Nature's Sunshine pursuant to the terms of the Offer, none of the shares tendered will be purchased. It is the tendering shareholder's responsibility to calculate that minimum number of shares that must be purchased if any are purchased, and each shareholder is urged to consult his or her own tax advisor. Unless this box has been checked and a minimum specified, your tender will be deemed unconditional.

- The minimum number of shares that must be purchased, if any are purchased, is _____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, Nature's Sunshine may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked this box:

- The tendered shares represent all shares held by the undersigned.

IF ANY OF THE CERTIFICATES REPRESENTING SHARES THAT YOU OWN HAVE BEEN LOST OR DESTROYED, SEE INSTRUCTION 12.

NOTE: SIGNATURES MUST BE PROVIDED BELOW. PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

Ladies and Gentlemen:

The undersigned hereby tenders to Nature's Sunshine Products, Inc., a Utah corporation ("Nature's Sunshine" or the "Company"), the above-described shares of Nature's Sunshine common stock, no par value per share (the "shares"), at the price per share indicated in this Letter of Transmittal, net to the seller in cash, without interest, on the terms and subject to the conditions set forth in the Company's Offer to Purchase dated October 27, 2004 (the "Offer to Purchase"), and this Letter of Transmittal (which, together with any amendments or supplements thereto or hereto, collectively constitute the "Offer"), receipt of which is hereby acknowledged.

Subject to and effective on acceptance for payment of, and payment for, the shares tendered with this Letter of Transmittal in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of Nature's Sunshine, all right, title and interest in and to all the shares that are being tendered hereby and irrevocably constitutes and appoints American Stock Transfer & Trust Company (the "Depository"), the true and lawful agent and attorney-in-fact of the undersigned, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to the full extent of the undersigned's rights with respect to such shares, to (a) deliver certificates for such shares or transfer ownership of such shares on the account books maintained by the book-entry transfer facility, together, in any such case, with all accompanying evidences of transfer and authenticity to, or upon the order of Nature's Sunshine, (b) present such shares for cancellation and transfer on the Company's books and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such shares, all in accordance with the terms of the Offer.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the shares tendered hereby and, when the same are accepted for payment by Nature's Sunshine, Nature's Sunshine will acquire good title thereto, free and clear of all liens, restrictions, claims and encumbrances, and the same will not be subject to any adverse claim or right. The undersigned will, on request by the Depository or Nature's Sunshine, execute any additional documents deemed by the Depository or Nature's Sunshine to be necessary or desirable to complete the sale, assignment and transfer of the shares tendered hereby (and any and all such other shares or other securities or rights), all in accordance with the terms of the Offer.

All authority conferred or agreed to be conferred pursuant to this Letter of Transmittal shall be binding on the successors, assigns, heirs, personal representatives, executors, administrators and other legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that the valid tender of shares pursuant to any of the procedures described in Section 3 of the Offer to Purchase and in the instructions to this Letter of Transmittal will constitute a binding agreement between the undersigned and Nature's Sunshine on the terms and subject to the conditions of the Offer.

It is a violation of Rule 14e-4 promulgated under the Exchange Act (as defined in the Offer to Purchase) for a person acting alone or in concert with others, directly or indirectly, to tender shares for such person's own account unless at the time of tender and at the expiration date such person has a "net long position" in (a) the shares that is equal to or greater than the amount tendered and will deliver or cause to be delivered such shares for the purpose of tender to Nature's Sunshine within the period specified in the Offer, or (b) other securities immediately convertible into, exercisable for or exchangeable into shares ("Equivalent Securities") that is equal to or greater than the amount tendered and, upon the acceptance of such tender, will acquire such shares by conversion, exchange or exercise of such Equivalent Securities to the extent required by the terms of the Offer and will deliver or cause to be delivered such shares so acquired for the purpose of tender to Nature's Sunshine within the period specified in the Offer. Rule 14e-4 also provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. A tender of shares made pursuant to any method of delivery set forth in this Letter of Transmittal will constitute the tendering shareholder's representation and warranty to Nature's Sunshine that (a) such shareholder has a "net long position" in shares or Equivalent Securities being tendered within the meaning of Rule 14e-4, and (b) such tender of shares complies with Rule 14e-4. Our acceptance for payment of shares tendered pursuant to the Offer will constitute a binding agreement between the tendering shareholder and Nature's Sunshine upon the terms and subject to the conditions of the Offer.

The undersigned understands that Nature's Sunshine will, upon the terms and subject to the conditions of the tender offer, determine a single per share purchase price, not in excess of \$16.50 nor less than \$14.20 per share, that it will pay for shares properly tendered and not properly withdrawn in the Offer, taking into account the number of shares so tendered and the prices specified by tendering shareholders. The undersigned understands that Nature's Sunshine will select the purchase price that will allow it to purchase 1,000,000 shares, or such lesser number of shares as are properly tendered and not properly withdrawn, at prices not greater than \$16.50 nor less than \$14.20 per share, in the Offer, subject to its right to increase the total number of shares purchased to the extent permitted by law. The undersigned understands that all shares properly tendered at prices at or below the purchase price and not properly withdrawn will be purchased at the purchase price, net to the seller in cash, without interest, upon the terms and subject to the conditions of the Offer, including its proration provisions, "odd lot" provisions and conditional tender provisions, and that Nature's Sunshine will return at its expense all other shares, including shares tendered at prices greater than the purchase price and not properly withdrawn and shares not purchased because of proration or conditional tenders, promptly following the Expiration Date (as defined in the Offer to Purchase).

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for payment of the purchase price and/or return any certificates for shares not tendered or accepted for payment in the name(s) of the registered holder(s) appearing under "Description of Shares Tendered." Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for payment of the purchase price and/or return any certificates for shares not tendered or accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing under "Description of Shares Tendered." In the event that both the "Special Delivery Instructions" and the "Special Payment Instructions" are completed, please issue the check for payment of the purchase price and/or return any certificates for shares not tendered or accepted for payment (and any accompanying documents, as appropriate) in the name(s) of, and deliver such check and/or return such certificates (and any accompanying documents, as appropriate) to, the person or persons so indicated. Please credit any shares tendered herewith by book-entry transfer that are not accepted for payment by crediting the account at the book-entry transfer facility designated above or, in the case of shares tendered that are held in the Dividend Reinvestment Plan, by crediting the tendering shareholder's Dividend Reinvestment Plan account). The undersigned recognizes that Nature's Sunshine has no obligation pursuant to the "Special Payment Instructions" to transfer any shares from the name of the registered holder(s) thereof if Nature's Sunshine does not accept for payment any of the shares so tendered.

SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 1, 6, 7 and 8)

To be completed ONLY if certificates for shares not tendered or not accepted for payment and/or the check for payment of the purchase price of shares accepted for payment are to be issued in the name of someone other than the undersigned.

Issue: Check
 Certificate(s) to:

Name

(Please Print)

Address:

(Include Zip Code)

(Employer Identification Number or Social Security Number)

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 1, 6, 7 and 8)

To be completed ONLY if certificates for shares not tendered or not accepted for payment and/or the check for payment of the purchase price of shares accepted for payment are to be sent to someone other than the undersigned at an address other than that above.

Issue: Check
 Certificate(s) to:

Name

(Please Print)

Address:

(Include Zip Code)

(Employer Identification Number or Social Security Number)

SIGN HERE
(Also Complete Substitute Form W-9 Below)

(Signature(s) of Shareholder(s))

Dated: _____, 2004

(Must be signed by registered holder(s) exactly as name(s) appear(s) on stock certificate(s) for the shares or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please provide the following information and see Instruction 6.)

Name(s): _____
(Please Print)

Capacity (Full Title): _____

Address: _____

Daytime Area Code and Telephone Number: _____
(Include Zip Code)

Employer Identification or Social Security Number: _____

(Complete Accompanying Substitute Form W-9)

GUARANTEE OF SIGNATURE(S)
(If Required—See Instructions 1 and 6)

Authorized Signature: _____

Name: _____
(Please Print)

Name of Firm: _____

Title: _____

Address: _____

Daytime Area Code and Telephone Number: _____
(Include Zip Code)

Dated: _____, 2004

INSTRUCTIONS
Forming Part of the Terms and Conditions of the Offer

1. Guarantee of Signatures. No signature guarantee is required on this Letter of Transmittal if either (a) this Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this Instruction 1, includes any participant in the book-entry transfer facility's system whose name appears on a security position listing as the owner of the shares) of shares tendered herewith, unless such registered holder(s) has completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal or (b) such shares are tendered for the account of a firm that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc. or is otherwise an "eligible guarantor institution," as that term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (each, an "eligible institution"). In all other cases, all signatures on this Letter of Transmittal must be guaranteed by an eligible institution. See Instruction 6.

2. Requirements of Tender. This Letter of Transmittal is to be completed by shareholders if certificates are to be forwarded herewith, for the tendering of uncertificated shares held in the shareholder's account under the Company's Dividend Reinvestment Plan or, unless an agent's message (as defined below) is utilized, if delivery of shares is to be made pursuant to the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase. For a shareholder to validly tender shares pursuant to the Offer, either (a) a Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message, and any other required documents, must be received by the Depository at one of its addresses set forth on the back of this Letter of Transmittal prior to the expiration date and either certificates for tendered shares must be received by the Depository at one of such addresses or shares must be delivered pursuant to the procedures for book-entry transfer set forth herein (and a book-entry confirmation must be received by the Depository), in each case prior to the expiration date, or (b) the tendering shareholder must comply with the guaranteed delivery procedures set forth below and in Section 3 of the Offer to Purchase.

Shareholders whose certificates for shares are not immediately available or who cannot deliver their certificates and all other required documents to the Depository or complete the procedures for book-entry transfer prior to the expiration date may tender their shares by properly completing and duly executing the Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. Pursuant to those procedures, (a) tender must be made by or through an eligible institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by Nature's Sunshine, must be received by the Depository prior to the expiration date and (c) the certificates for all tendered shares in proper form for transfer (or a book-entry confirmation with respect to all such shares), together with a Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message, and any other required documents, must be received by the Depository, in each case within three trading days after the date of execution of the Notice of Guaranteed Delivery as provided in Section 3 of the Offer to Purchase. A "trading day" is any day on which the Nasdaq National Market is open for business. The term "agent's message" means a message transmitted by the book-entry transfer facility to, and received by, the Depository and forming a part of a book-entry confirmation, which states that such book-entry transfer facility has received an express acknowledgment from the participant in the book-entry transfer facility tendering the shares that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that Nature's Sunshine may enforce such agreement against such participant.

THE METHOD OF DELIVERY OF SHARES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE SOLE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. SHARES WILL BE DEEMED DELIVERED ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Except as specifically provided by the Offer to Purchase, no alternative, conditional or contingent tenders will be accepted. All tendering shareholders, by execution of this Letter of Transmittal (or a facsimile hereof), waive any right to receive any notice of the acceptance for payment of their shares.

3. Inadequate Space. If the space provided in this Letter of Transmittal is inadequate, the certificate numbers and/or the number of shares should be listed on a separate signed schedule attached hereto.

4. Partial Tenders (Not Applicable to Shareholders Who Tender by Book-Entry Transfer or shares in the Dividend Reinvestment Plan). If fewer than all the shares represented by any certificate submitted to the Depository are to be tendered, fill in the number of shares that are to be tendered in the box entitled "Number of Shares Tendered." In any such case, new certificate(s) for the remainder of the shares that were evidenced by the old certificate(s) will be sent to the registered holder(s), unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the acceptance for payment of, and payment for, the shares tendered herewith. All shares represented by certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. Indication of Price at Which Shares are Being Tendered. For shares to be properly tendered, the shareholder MUST either (1) check the box indicating the price per share at which such shareholder is tendering shares under "Price (in Dollars) per Share at Which Shares are Being Tendered," or (2) check the box in the section captioned "Shares Tendered at Price Determined Under the Tender Offer" in order to maximize the chance of having Nature's Sunshine purchase all of the shares tendered (subject to the possibility of proration). Selecting option (2) could result in the shareholder receiving a price per share as low as \$14.20. ONLY ONE BOX UNDER (1) OR (2) MAYBE CHECKED. IF MORE THAN ONE BOX IS CHECKED OR IF NO BOX IS CHECKED, THERE IS NO PROPER TENDER OF SHARES. A SHAREHOLDER WISHING TO TENDER PORTIONS OF SUCH SHAREHOLDER'S SHARE HOLDINGS AT DIFFERENT PRICES MUST COMPLETE A SEPARATE LETTER OF TRANSMITTAL FOR EACH PRICE AT WHICH SUCH SHAREHOLDER WISHES TO TENDER EACH SUCH PORTION OF SUCH SHAREHOLDER'S SHARES. The same shares cannot be tendered more than once, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one price.

6. Signatures on Letter of Transmittal, Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificate(s) without any change whatsoever.

If any of the shares tendered hereby are owned of record by two or more joint owners, all such persons must sign this Letter of Transmittal.

If any shares tendered hereby are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, he or she should so indicate when signing, and proper evidence satisfactory to Nature's Sunshine of his or her authority to so act must be submitted with this Letter of Transmittal.

If this Letter of Transmittal is signed by the registered owner(s) of the shares tendered hereby, no endorsements of certificates or separate stock powers are required unless payment of the purchase price is to be made, or certificates for shares not tendered or accepted for payment are to be issued, to a person other than the registered owner(s). Signatures on any such certificates or stock powers must be guaranteed by an eligible institution.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the shares tendered hereby, the certificate(s) representing such shares must be properly endorsed for transfer or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered owner(s) appear(s) on the certificate(s). The signature(s) on any such certificate(s) or stock power(s) must be guaranteed by an eligible institution.

7. Stock Transfer Taxes. Nature's Sunshine will pay any stock transfer taxes with respect to the transfer and sale of shares to it pursuant to the Offer. If, however, payment of the purchase price is to be made to, or if shares not tendered or accepted for payment are to be registered in the name of, any person(s) other than the registered owner(s), or if shares tendered hereby are registered in the name(s) of any person(s) other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered owner(s) or such person(s)) payable on account of the transfer to such person(s) will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted with this Letter of Transmittal.

Except as provided in this Instruction 7, it will not be necessary for transfer tax stamps to be affixed to the certificates listed in this Letter of Transmittal.

8. Special Payment and Delivery Instructions. If a check for the purchase price of any shares accepted for payment is to be issued in the name of, and/or certificates for any shares not accepted for payment or not

tendered are to be issued in the name of and/or returned to, a person other than the signer of this Letter of Transmittal or if a check is to be sent, and/or such certificates are to be returned, to a person other than the signer of this Letter of Transmittal or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed.

9. Waiver of Conditions. Nature's Sunshine reserves the right, subject to the applicable rules and regulations of the Securities and Exchange Commission, to waive any of the specified conditions of the Offer, in whole or in part, in the case of any shares tendered.

10. 28% Backup Withholding. In order to avoid backup withholding of U.S. federal income tax on payments of cash pursuant to the Offer, a shareholder surrendering shares in the Offer must, unless an exemption applies, provide the Depository with such shareholder's correct taxpayer identification number ("TIN") on Substitute Form W-9 below in this Letter of Transmittal and certify under penalties of perjury that such TIN is correct and that the shareholder is not subject to backup withholding. If a shareholder does not provide a correct TIN or fails to provide the certifications described above, the Internal Revenue Service (the "IRS") may impose a \$50 penalty on such shareholder and payment of cash to such shareholder pursuant to the Offer may be subject to backup withholding of 28%.

Backup withholding is not an additional income tax. Rather, the amount of the backup withholding can be credited against the U.S. federal income tax liability of the person subject to the backup withholding, provided that the required information is given to the IRS. If backup withholding results in an overpayment of tax, a refund can be obtained by the shareholder upon filing an income tax return.

A tendering shareholder is required to give the depository the TIN (i.e., social security number or employer identification number) of the record owner of the shares being tendered. If the shares are held in more than one name or are not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report.

The box in part 3 of the Substitute Form W-9 may be checked if the tendering shareholder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the box in part 3 is checked, the shareholder or other payee must also complete the Certificate of Awaiting Taxpayer Identification Number below in order to avoid backup withholding. Notwithstanding that the box in part 3 is checked and the Certificate of Awaiting Taxpayer Identification Number is completed, the depository will withhold 28% on all payments made prior to the time a properly certified TIN is provided to the Depository. However, these amounts will be refunded to such shareholder if a TIN is provided to the Depository within 60 days.

Some shareholders (including, among others, all corporations and certain foreign individuals and entities) are not subject to backup withholding. Foreign shareholders should complete and sign the main signature form and the appropriate Form W8, Certificate of Foreign Status, a copy of which may be obtained from the Depository, in order to avoid backup withholding. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for more instructions.

11. Requests for Assistance or Additional Copies. Questions and requests for assistance or additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and the Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 may be directed to the Information Agent at its address set forth on the last page of this Letter of Transmittal.

12. Lost, Destroyed or Stolen Certificates. If any certificate representing shares has been lost, destroyed or stolen, the shareholder should promptly notify the Depository at the toll-free number (877) 248-6417. The shareholder will then be instructed by the Depository as to the steps that must be taken in order to replace the certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, destroyed or stolen certificates have been followed.

13. Conditional Tenders. As described in Sections 1 and 6 of the Offer to Purchase, shareholders may condition their tenders on all or a minimum number of their tendered shares being purchased.

If you wish to make a conditional tender you must indicate this in the box captioned "Conditional Tender" in this Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery. In the box in this Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery, you must calculate and appropriately indicate the minimum number of shares that must be purchased if any are to be purchased.

As discussed in Sections 1 and 6 of the Offer to Purchase, proration may affect whether Nature's Sunshine accepts conditional tenders and may result in shares tendered pursuant to a conditional tender being deemed withdrawn if the minimum number of shares would not be purchased. If, because of proration, the minimum number of shares that you designate will not be purchased, Nature's Sunshine may accept conditional tenders by

random lot, if necessary. However, to be eligible for purchase by random lot, you must have tendered all your shares and check the box so indicating. Upon selection by lot, if any, Nature's Sunshine will limit its purchase in each case to the designated minimum number of shares.

All tendered shares will be deemed unconditionally tendered unless the "Conditional Tender" box is completed.

The conditional tender alternative is made available so that a shareholder may seek to structure the purchase of shares pursuant to the offer in such a manner that the purchase will be treated as a sale of such shares by the shareholder, rather than the payment of a dividend to the shareholder, for federal income tax purposes. If you are an odd lot holder and you tender all of your shares, you cannot conditionally tender, since your shares will not be subject to proration. It is the tendering shareholder's responsibility to calculate the minimum number of shares that must be purchased from the shareholder in order for the shareholder to qualify for sale rather than dividend treatment. Each shareholder is urged to consult his or her own tax advisor. See Section 14 of the Offer to Purchase.

14. Odd Lots. As described in Section 1 of the Offer to Purchase, if Nature's Sunshine is to purchase fewer than all shares tendered before the Expiration Date and not properly withdrawn, the shares purchased first will consist of all shares properly tendered by any shareholder who owned, beneficially or of record, an aggregate of fewer than 100 shares, and who tenders all of the holder's shares at or below the purchase price. This preference will not be available unless the section captioned "Odd Lots" is completed.

15. Stock Option Plan. If you hold vested options in the Company's stock option plan, then you may exercise such vested options as indicated in the instructions separately sent to you by paying the cash exercise price and receiving shares which you may then tender by following the instructions set forth in the Offer to Purchase and this Letter of Transmittal. You must exercise your options by November 19, 2004, in order to obtain shares to tender by the Expiration Date.

16. Dividend Reinvestment Plan. You may tender shares that you hold through the Company's Dividend Reinvestment Plan by indicating in the appropriate space in the box captioned "Description of Shares Tendered" on the cover page of this Letter of Transmittal and indicating the number of Dividend Reinvestment Plan shares tendered.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A MANUALLY SIGNED FACSIMILE HEREOF), TOGETHER WITH ANY REQUIRED SIGNATURE GUARANTEES, OR, IN THE CASE OF A BOOK-ENTRY TRANSFER, AN AGENT'S MESSAGE, AND ANY OTHER REQUIRED DOCUMENTS, MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE AND EITHER CERTIFICATES FOR TENDERED SHARES MUST BE RECEIVED BY THE DEPOSITARY OR SHARES MUST BE DELIVERED PURSUANT TO THE PROCEDURES FOR BOOK-ENTRY TRANSFER, IN EACH CASE PRIOR TO THE EXPIRATION DATE, OR THE TENDERING SHAREHOLDER MUST COMPLY WITH THE PROCEDURES FOR GUARANTEED DELIVERY.

PAYOR'S NAME: AMERICAN STOCK TRANSFER & TRUST CO.

SUBSTITUTE
FORM **W-9**

Department of the Treasury
Internal Revenue Service

Part 1—PLEASE PROVIDE YOUR TIN IN THE BOX AT
RIGHT AND CERTIFY BY SIGNING AND DATING
BELOW

Social Security Number(s)

OR

Employer Identification Number(s)

Part 2—Certification—Under penalties of perjury, I certify that: (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me); (2) I am not subject to backup withholding because (a) I am exempt from backup withholding or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified me that I am no longer subject to backup withholding; and (3) I am a U.S. person (including a U.S. resident alien).

Payor's Request for Taxpayer
Identification Number (TIN)

Certification Instructions—You must cross out item (2) in Part 2 above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax returns. However, if after being notified by the IRS stating that you were subject to backup withholding you received another notification from the IRS stating you are no longer subject to backup withholding, do not cross out item (2). If you are exempt from backup withholding, check the box in Part 4.

Part 3
Awaiting TIN

Part 4
Exempt TIN

Signature: _____ Date: _____, 2004

Name _____

Address _____ (Please Print)

_____ (Please Print)

_____ (Please Print)

NOTE: FAILURE TO COMPLETE AND RETURN THIS SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL INFORMATION.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me and that either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number to the Depository by the time of payment, 28% of all reportable payments made to me will be withheld.

Signature: _____ Date: _____

The Letter of Transmittal, certificates for shares and any other required documents should be sent or delivered by each shareholder of Nature's Sunshine or such shareholder's bank, broker, dealer, trust company or other nominee to the Depositary at one of its addresses set forth below.

The Depositary for the Offer is:

AMERICAN STOCK TRANSFER & TRUST COMPANY

By Mail, Overnight Delivery or Hand:

59 Maiden Lane
New York, New York 10038

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Questions and requests for assistance may be directed to the Information Agent at the address set forth below. Additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Information Agent. You may also contact your bank, broker, dealer, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

GEORGESON SHAREHOLDER COMMUNICATIONS, INC.

17 State Street, 10th Floor
New York, NY 10004
Banks and Brokers Call Collect:
(212) 440-9800
All Others Please Call Toll Free:
(888) 264-7051

The Dealer Manager for the Offer is:

Shattuck Hammond Partners LLC

630 Fifth Avenue, Suite 2950
New York, New York 10111
(212) 314-0346

QuickLinks

[INSTRUCTIONS Forming Part of the Terms and Conditions of the Offer](#)

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Offer to Purchase for Cash

by

NATURE'S SUNSHINE PRODUCTS, INC.

of

Up to 1,000,000 Shares of its Common Stock

At a Purchase Price Not Greater Than \$16.50 nor Less Than \$14.20 Per Share

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT
MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, NOVEMBER 24, 2004,
UNLESS THE TENDER OFFER IS EXTENDED.**

October 27, 2004

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

We have been appointed by Nature's Sunshine Products, Inc., a Utah corporation ("Nature's Sunshine"), to act as Dealer Manager in connection with its offer to purchase for cash up to 1,000,000 shares of its common stock no par value per share, at a price, net to the seller in cash (subject to applicable withholding of United States federal, state and local taxes), without interest, not greater than \$16.50 nor less than \$14.20 per share, specified by such shareholders, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 27, 2004 (the "Offer to Purchase") and the related Letter of Transmittal (which, together with any supplements or amendments thereto, collectively constitute the "Offer"). Please furnish copies of the enclosed materials to those of your clients for whom you hold shares registered in your name or in the name of your nominee.

Enclosed with this letter are copies of the following documents:

1. Offer to Purchase dated October 27, 2004;
2. Letter of Transmittal for your use in accepting the Offer and tendering shares and for the information of your clients;
3. A form of letter that may be sent to your clients for whose account you hold shares in your name or in the name of a nominee, with space provided for obtaining such client's instructions with regard to the Offer;
4. Notice of Guaranteed Delivery with respect to shares;
5. Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9;
6. Return envelope addressed to American Stock Transfer & Trust Company as the Depositary; and
7. Letter to shareholders from the Chief Executive Officer of Nature's Sunshine.

Certain conditions to the offer are described in Section 7 of the Offer to Purchase.

We urge you to contact your clients as promptly as possible. Please note that the offer and withdrawal rights will expire at Midnight, New York City time, on Wednesday, November 24, 2004, unless the offer is extended.

In all cases, payment for shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (1) the certificates for (or a timely book-entry confirmation (as defined in the Offer to Purchase) with respect to) such shares, (2) a Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees, or, in

the case of a book-entry transfer effected pursuant to the procedures set forth in Section 3 of the Offer to Purchase, an agent's message (as defined in the Offer to Purchase), and (3) any other documents required by the Letter of Transmittal. Accordingly, tendering shareholders may be paid at different times depending on when certificates for shares or book-entry confirmations with respect to shares are actually received by the depository. **Under no circumstances will interest be paid on the purchase price of the shares regardless of any extension of, or amendment to, the offer or any delay in paying for such shares.**

Nature's Sunshine will not pay any fees or commissions to any broker or dealer or other person (other than the Dealer Manager, Information Agent and the Depository, as described in the Offer to Purchase) in connection with the solicitation of tenders of shares pursuant to the Offer. However, Nature's Sunshine will, on request, reimburse you for customary mailing and handling expenses incurred by you in forwarding copies of the enclosed Offer materials to your clients.

Questions and requests for additional copies of the enclosed material may be directed to the Information Agent at its address and telephone number set forth on the back cover of the Offer to Purchase.

Very truly yours,

Shattuck Hammond Partners LLC

Nothing contained in this letter or in the enclosed documents shall render you or any other person the agent of Nature's Sunshine, the Depository, the Dealer Manager, the Information Agent or any affiliate of any of them or authorize you or any other person to give any information or use any document or make any statement on behalf of any of them with respect to the offer other than the enclosed documents and the statements contained therein.

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Offer to Purchase for Cash

by

NATURE'S SUNSHINE PRODUCTS, INC.

of

Up to 1,000,000 Outstanding Shares of its Common Stock

At a Purchase Price not Greater Than \$16.50 nor Less Than \$14.20 Per Share

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT
MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, NOVEMBER 24, 2004,
UNLESS THE TENDER OFFER IS EXTENDED.**

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated October 27, 2004 (the "Offer to Purchase"), and the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer"), in connection with the offer by Nature's Sunshine Products, Inc., a Utah corporation ("Nature's Sunshine"), to purchase for cash up to 1,000,000 shares of its common stock, no par value per share, at a price, net to the seller in cash, without interest, not greater than \$16.50 nor less than \$14.20 per share, on the terms and subject to the conditions of the Offer.

On the terms and subject to the conditions of the Offer, Nature's Sunshine will determine a single per share price, not greater than \$16.50 nor less than \$14.20 per share, that it will pay for shares properly tendered and not properly withdrawn in the Offer, taking into account the total number of shares tendered and the prices specified by tendering shareholders. Nature's Sunshine will select the lowest purchase price that will allow it to purchase 1,000,000 shares, or such lesser number of shares as are properly tendered and not properly withdrawn, at prices not greater than \$16.50 nor less than \$14.20 per share. All shares properly tendered at or below the purchase price and not properly withdrawn will be purchased at the purchase price selected by Nature's Sunshine, on the terms and subject to the conditions of the Offer, including its proration provisions, "odd lot" provisions and conditional tender provisions. All shares acquired in the Offer will be acquired at the same purchase price. Nature's Sunshine reserves the right, in its sole discretion, to purchase more than 1,000,000 shares in the Offer, subject to certain limitations and legal requirements. Shares tendered at prices greater than the purchase price and shares not purchased because of proration provisions or conditional tenders will be returned to the tendering shareholders at Nature's Sunshine's expense as promptly as practicable after the expiration of the Offer. See Section 1 and Section 3 of the Offer to Purchase.

If the number of shares properly tendered is less than or equal to 1,000,000 shares (or such greater number of shares as Nature's Sunshine may elect to purchase pursuant to the Offer), Nature's Sunshine will, on the terms and subject to the conditions of the Offer, purchase at the purchase price selected by Nature's Sunshine all shares so tendered.

On the terms and subject to the conditions of the Offer, if at the expiration of the Offer more than 1,000,000 shares (or any such greater number of shares as Nature's Sunshine may elect to purchase) are properly tendered at or below the purchase price, Nature's Sunshine will buy shares first, from all shareholders who own beneficially or of record, an aggregate of fewer than 100 shares (an "Odd Lot Holder") who properly tender all their shares at or below the purchase price selected by Nature's Sunshine, second, on a pro rata basis from all other shareholders who properly tender shares at or below the purchase price selected by Nature's Sunshine, subject to any conditional tenders, and third, if necessary to permit Nature's Sunshine to purchase 1,000,000 shares, from holders who have only tendered shares subject to the condition that a specified minimum number of the holder's shares

are purchased in the Offer as described in Section 6 of the Offer to Purchase (for which the condition was not initially satisfied, and provided the holders tendered all of their shares) by random lot, to the extent feasible. See Section 1, Section 3 and Section 6 of the Offer to Purchase.

We are the owner of record of shares held for your account. As such, we are the only ones who can tender your shares, and then only pursuant to your instructions. **We are sending you the letter of transmittal for your information only; you cannot use it to tender shares we hold for your account.**

Please instruct us as to whether you wish us to tender any or all of the shares we hold for your account on the terms and subject to the conditions of the Offer.

Please note the following:

1. You may tender your shares at prices not greater than \$16.50 nor less than \$14.20 per share, as indicated in the attached Instruction Form, net to you in cash, without interest.
2. You should consult with your broker or other financial or tax advisor on the possibility of designating the priority in which your shares will be purchased in the event of proration.
3. The Offer is not conditioned on any minimum number of shares being tendered. The Offer is, however, subject to certain other conditions set forth in the Offer to Purchase.
4. The Offer, withdrawal rights and proration period will expire at Midnight, New York City time, on Wednesday, November 24, 2004, unless Nature's Sunshine extends the Offer.
5. The Offer is for 1,000,000 shares, constituting approximately 8.6% of the publicly-held shares (i.e., shares not owned directly or indirectly by the directors or executive officers of Nature's Sunshine) of the common stock of Nature's Sunshine and 6.6% of the shares outstanding as of October 22, 2004.
6. Tendering shareholders who are registered shareholders or who tender their shares directly to American Stock Transfer & Trust Company will not be obligated to pay any brokerage commissions or fees to Nature's Sunshine or the Dealer Manager, solicitation fees, or, except as set forth in the Offer to Purchase and the Letter of Transmittal, stock transfer taxes on Nature's Sunshine's purchase of shares under the Offer.
7. If you wish to tender portions of your shares at different prices, you must complete a separate Instruction Form for each price at which you wish to tender each such portion of your shares. We must submit separate Letters of Transmittal on your behalf for each price you will accept for each portion tendered.
8. If you are an Odd Lot Holder and you instruct us to tender on your behalf all such shares at or below the purchase price before the expiration of the Offer and check the box captioned "Odd Lots" on the attached Instruction Form, Nature's Sunshine, on the terms and subject to the conditions of the Offer, will accept all such shares for purchase before proration, if any, of the purchase of other shares properly tendered at or below the purchase price and not properly withdrawn.
9. If you wish to condition your tender upon the purchase of all shares tendered or upon Nature's Sunshine's purchase of a specified minimum number of the shares which you tender, you may elect to do so and thereby avoid possible proration of your tender. Nature's Sunshine's purchase of shares from all tenders which are so conditioned will be determined by random lot. To elect such a condition complete the section captioned "Conditional Tender" in the attached Instruction Form.

If you wish to have us tender any or all of your shares, please so instruct us by completing, executing, detaching and returning to us the attached instruction form. If you authorize us to tender

your shares, we will tender all your shares unless you specify otherwise on the attached Instruction Form.

Your prompt action is requested. Your instruction form should be forwarded to us in ample time to permit us to submit a tender on your behalf before the expiration of the tender offer. Please note that the tender offer and withdrawal rights will expire Midnight, New York City time, on Wednesday, November 24, 2004 unless the tender offer is extended.

The Offer is being made solely under the Offer to Purchase and the related Letter of Transmittal and is being made to all record holders of shares of common stock of Nature's Sunshine. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of shares of common stock of Nature's Sunshine residing in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

INSTRUCTION FORM WITH RESPECT TO

Offer to Purchase for Cash

by

NATURE'S SUNSHINE PRODUCTS, INC.

of

Up to 1,000,000 Shares of its Common Stock

at a Purchase Price not greater than \$16.50 nor less than \$14.20 per share

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated October 27, 2004 (the "Offer to Purchase"), and the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer"), in connection with the offer by Nature's Sunshine Products, Inc., a Utah corporation ("Nature's Sunshine"), to purchase for cash up to 1,000,000 shares of its common stock, no par value per share, at a price, net to the seller in cash, without interest, not greater than \$16.50 nor less than \$14.20 per share, specified by the undersigned, on the terms and subject to the conditions of the Offer.

The undersigned hereby instruct(s) you to tender to Nature's Sunshine the number of shares indicated below or, if no number is indicated, all shares you hold for the account of the undersigned, at the price per share indicated below, on the terms and subject to the conditions of the Offer.

NUMBER OF SHARES TO BE TENDERED: _____ **SHARES***

* **Unless otherwise indicated, it will be assumed that all shares held by us for your account are to be tendered.**

CHECK ONLY ONE BOX:

(1) Shares Tendered at Price Determined by Shareholder (see Instruction 5 of the Letter Of Transmittal)

By checking **one** of the following boxes below **instead of the box under "Shares Tendered at Price Determined Under the Tender Offer,"** the undersigned hereby tenders shares at the price checked. This action could result in none of the shares being purchased if the purchase price determined by Nature's Sunshine for the shares is less than the price checked below. **A shareholder who desires to tender shares at more than one price must complete a separate instruction form for each price at which shares are tendered.** The same shares cannot be tendered, unless previously properly withdrawn as provided in Section 4 of the Offer to Purchase, at more than one price.

**Price (in dollars) per share at which shares
are being tendered**

- \$14.20
- \$14.30
- \$14.40
- \$14.50
- \$14.60
- \$14.70
- \$14.80
- \$14.90
- \$15.00
- \$15.10
- \$15.20
- \$15.30
- \$15.40
- \$15.50
- \$15.60
- \$15.70
- \$15.80
- \$15.90
- \$16.00
- \$16.10
- \$16.20
- \$16.30
- \$16.40
- \$16.50

OR

(2) Shares Tendered at Price Determined Under the Tender Offer (see Instruction 5 of the Letter Of Transmittal)

By checking the box below **instead of one of the boxes under** "Shares Tendered at Price Determined by Shareholder," the undersigned hereby tenders shares at the purchase price, as the same shall be determined by Nature's Sunshine in accordance with the terms of the Offer.

- The undersigned wants to maximize the chance of having Nature's Sunshine purchase all of the shares the undersigned is tendering (subject to the possibility of proration). Accordingly, by checking this box instead of one of the price boxes above, the undersigned hereby tenders shares and is willing to accept the purchase price determined by Nature's Sunshine in accordance with the terms of the Offer. This action could result in receiving a price per share as low as \$14.20.

CHECK ONLY ONE BOX UNDER (1) OR (2) ABOVE. IF MORE THAN ONE BOX IS CHECKED ABOVE, THERE IS NO VALID TENDER OF SHARES.

Odd Lots

(See Instruction 14 of the Letter of Transmittal)

To be completed only if shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 shares.

- By checking this box, the undersigned represents that the undersigned owns, beneficially or of record, an aggregate of fewer than 100 shares and is tendering all of those shares.

In addition, the undersigned is tendering shares either (check one box):

- at the purchase price, as the same will be determined by Nature's Sunshine in accordance with the terms of the Offer (persons checking this box need not indicate the price per share above); or
- at the price per share indicated above in the section captioned "Price (In Dollars) per Share at Which Shares Are Being Tendered."

Conditional Tender

(See Instruction 13 of the Letter of Transmittal)

A tendering shareholder may condition his or her tender of shares upon Nature's Sunshine purchasing a specified minimum number of the shares tendered, all as described in Section 6 of the Offer to Purchase. Unless at least that minimum number of shares you indicate below is purchased by Nature's Sunshine pursuant to the terms of the Offer, none of the shares tendered will be purchased. It is the tendering shareholder's responsibility to calculate that minimum number of shares that must be purchased if any are purchased, and you are urged to consult your own tax advisor. Unless this box has been checked and a minimum specified, the tender will be deemed unconditional.

- The minimum number of shares that must be purchased, if any are purchased, is: _____ shares.

If, because of proration, the minimum number of shares designated will not be purchased, Nature's Sunshine may accept conditional tenders by random lot, if necessary. However, to be eligible for purchase by random lot, the tendering shareholder must have tendered all of his or her shares and checked this box:

- The tendered shares represent all shares held by the undersigned.

THE METHOD OF DELIVERY OF THIS DOCUMENT IS AT THE ELECTION AND RISK OF THE TENDERING SHAREHOLDER. IF DELIVERY IS BY MAIL, THEN REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

NATURE'S SUNSHINE'S BOARD OF DIRECTORS HAS APPROVED THE TENDER OFFER. HOWEVER, NEITHER NATURE'S SUNSHINE NOR ANY MEMBER OF ITS BOARD OF DIRECTORS, NOR THE DEALER MANAGER OR THE INFORMATION AGENT MAKES ANY RECOMMENDATION TO SHAREHOLDERS AS TO WHETHER THEY SHOULD TENDER OR REFRAIN FROM TENDERING THEIR SHARES OR AS TO THE PURCHASE PRICE OR PURCHASE PRICES AT WHICH THEY MAY CHOOSE TO TENDER THEIR SHARES. SHAREHOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER THEIR SHARES AND, IF SO, HOW MANY SHARES TO TENDER AND THE PURCHASE PRICE OR PURCHASE PRICES AT WHICH THEIR SHARES SHOULD BE TENDERED. IN DOING SO, SHAREHOLDERS SHOULD READ CAREFULLY THE INFORMATION IN THE OFFER TO PURCHASE AND IN THE RELATED LETTER OF TRANSMITTAL, INCLUDING NATURE'S SUNSHINE'S REASONS FOR MAKING THE TENDER OFFER. SEE SECTION 2 OF THE OFFER TO PURCHASE. SHAREHOLDERS SHOULD DISCUSS WHETHER TO TENDER THEIR SHARES WITH THEIR BROKER OR OTHER FINANCIAL OR TAX ADVISOR.

CERTAIN OF NATURE'S SUNSHINE'S DIRECTORS AND EXECUTIVE OFFICERS HAVE ADVISED NATURE'S SUNSHINE THAT THEY INTEND TO TENDER SHARES IN THE TENDER OFFER. SEE SECTION 11 OF THE OFFER TO PURCHASE.

Signature(s):

Name(s):

(PLEASE PRINT)

Taxpayer Identification or Social Security Number:

Address(es):

(INCLUDING ZIP CODE)

Area Code/Phone Number:

Date:

QuickLinks

[Odd Lots \(See Instruction 14 of the Letter of Transmittal\)](#)

[Conditional Tender \(See Instruction 13 of the Letter of Transmittal\)](#)

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**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9**

Guidelines for Determining What Name and Number to Give the Payer.

Social Security numbers have nine digits separated by two hyphens: i.e. 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e. 00-0000000. The table below will help determine the number to give the payer.

For this Type of Account:	Give the name and Social Security Number of:	For this Type of Account:	Give the name and Employer Identification Number of:
1. Individual	The individual	6. Sole proprietorship	The owner(3)
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)	7. A valid trust, estate or pension trust	The legal entity(4)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)	8. Corporate	The corporation
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee(1)	9. Association, club, religious, charitable educational or other tax-exempt organization	The organization
b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)	10. Partnership	The partnership
5. Sole proprietorship	The owner(3)	11. A broker or registered nominee	The broker or nominee
		12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district or prison) that receives agricultural program payments	The public entity

- (1) List first and circle the name of the person whose number you furnish.
- (2) Circle the minor's name and furnish the minor's social security number.
- (3) Show the name of the owner. Either the social security number or the employer identification number may be furnished.
- (4) List first and circle the name of the legal trust, estate or pension trust. Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Obtaining a Taxpayer Identification Number

If you do not have a taxpayer identification number or you do not know your number, obtain Form SS-5, Application for a Social Security Card (for resident individuals), Form SS-4, Application for Employer Identification Number (for businesses and all other entities), or Form W-7, Application for IRS Individual Taxpayer Identification Number (for alien individuals required to file U.S. tax returns), at an office of the Social Security Administration or the Internal Revenue Service.

To complete the Substitute Form W-9, if you do not have a taxpayer identification number, write "Applied For" in the space for the taxpayer identification number in Box 2, sign and date the Substitute Form W-9, and give it to the requester. Generally, you will then have 60 days to obtain a taxpayer identification number and furnish it to the requester. If the requester does not receive your taxpayer identification number within 60 days, backup withholding, if applicable, will begin and will continue until you furnish your taxpayer identification number to the requester.

Payees and Payments Exempt from Backup Withholding

Set forth below is a list of payees that are exempt from backup withholding with respect to all or certain types of payments. For interest and dividends, all listed payees are exempt except the payee in item (9). For broker transactions, all payees listed in items (1) through (13) and any person registered under the Investment Advisors Act of 1940 who regularly acts as a broker are exempt. For barter exchange transactions and patronage dividends, the payees listed in items (1) through (5) are exempt. For payments subject to reporting under Sections 6041 and 6041A, the payees listed in items (1) through (7) are generally exempt.

(1) An organization exempt from tax under Section 501(a), any IRA or a custodial account under Section 403(b)(7) if the account satisfies the requirements of Section 401(f)(2).

(2) The United States or any of its agencies or instrumentalities.

(3) A state, the District of Columbia, a possession of the United States or any of their subdivisions or instrumentalities.

(4) A foreign government or any of its political subdivisions, agencies or instrumentalities.

(5) An international organization or any of its agencies or instrumentalities.

(6) A corporation.

(7) A foreign central bank of issue.

(8) A dealer in securities or commodities registered in the United States, the District of Columbia or a possession of the United States.

(9) A futures commission merchant registered with the Commodity Futures Trading Commission.

(10) A real estate investment trust.

(11) An entity registered at all times under the Investment Company Act of 1940.

(12) A common trust fund operated by a bank under Section 584(a).

(13) A financial institution.

(14) A middleman known in the investment community as a nominee or custodian.

(15) A trust exempt from tax under Section 664 or described in Section 4947.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under Section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and which have at least one nonresident alien partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.
- Section 404(k) distributions made by an ESOP.

Payments of interest not generally subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of
-

the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.

- Payments of tax-exempt interest (including exempt-interest dividends under Section 852).
- Payments described in Section 6049(b)(5) to non-resident aliens.
- Payments on tax-free covenant bonds under Section 1451.
- Payments made by certain foreign organizations.
- Mortgage or student loan interest paid to you.

To avoid possible erroneous backup withholding, exempt payees described above should furnish their taxpayer identification number, check the Exempt Payee Box, and return the Substitute Form W-9 to the payer.

Certain payments other than dividends, patronage dividends and interest that are not subject to information reporting are also not subject to backup withholding. For details, see Sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N and the regulations promulgated thereunder.

Privacy Act Notice

Section 6109 requires most recipients of dividend, interest or other payments to give taxpayer identification numbers to payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 30% of taxable dividend, interest and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

Penalties

(1) Penalty for Failure to Furnish Taxpayer Identification Number. If you fail to furnish your taxpayer identification number to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) Civil Penalty for False Information with Respect to Withholding. If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.

(3) Criminal Penalty for Falsifying Information. Falsifying certifications or affirmations may subject you to criminal penalties.

**FOR ADDITIONAL INFORMATION CONSULT YOUR TAX ADVISER OR
THE INTERNAL REVENUE SERVICE**

QuickLinks

[GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9](#)



October 27, 2004

To Our Shareholders:

Nature's Sunshine Products, Inc. ("Nature's Sunshine"), is offering to purchase up to 1,000,000 shares of its common stock at a purchase price not greater than \$16.50 nor less than \$14.20 per share, net to you in cash, without interest. Nature's Sunshine is conducting the tender offer through a procedure commonly referred to as a modified "Dutch Auction." This procedure allows you to select the price within the \$14.20 to \$16.50 range at which you are willing to sell all or a portion of your shares to Nature's Sunshine. Alternatively, you can elect to sell all or a portion of your shares to Nature's Sunshine at the price determined by Nature's Sunshine in accordance with the modified "Dutch Auction" process.

Based on the number of shares tendered and the prices specified by the tendering shareholders, Nature's Sunshine will determine a single per share price within the \$14.20 to \$16.50 range that will allow it to buy 1,000,000 shares (or such lesser number of shares that are properly tendered). We will purchase the shares that are properly tendered at or below that purchase price (and are not properly withdrawn), subject to possible proration and provisions relating to the tender of "odd lots" and conditional tenders, for cash at that purchase price, net to the selling shareholder.

If you do not wish to participate in the tender offer, you do not need to take any action.

The tender offer is explained in detail in the enclosed Offer to Purchase and related Letter of Transmittal. If you wish to tender your shares, instructions on how to tender shares are provided in the enclosed materials. I encourage you to read these materials carefully before making any decision with respect to the tender offer. Neither Nature's Sunshine nor any member of its Board of Directors, nor the Dealer Manager or the Information Agent makes any recommendation to you as to whether you should tender or refrain from tendering your shares or as to the purchase price or purchase prices at which you may choose to tender your shares. You must make your own decision as to whether to tender your shares and, if so, how many shares to tender and the purchase price or purchase prices at which your shares should be tendered. In doing so, you should read carefully the information in the Offer to Purchase and in the related Letter of Transmittal including our reasons for making the tender offer. You should also discuss whether to tender your shares with your broker or other financial or tax advisor.

Certain of Nature's Sunshine's directors and executive officers have indicated that they intend to tender shares in the tender offer as more specifically discussed in Section 11 of the Offer to Purchase.

Please note that the tender offer is scheduled to expire at Midnight, New York City time, on Wednesday, November 24, 2004, unless we extend it.

On October 26, 2004, the last trading day prior to commencement of the tender offer, the last reported sale price of our shares on the Nasdaq National Market was \$14.17 per share. Any shareholder whose shares are properly tendered directly to American Stock Transfer & Trust Company, the Depositary for the tender offer, and purchased in the tender offer, will not incur the usual transaction costs associated with open market sales. If you hold shares through a broker or bank, you should consult your broker or bank to determine whether any transaction costs are applicable. If you own fewer than 100 shares, the tender offer is an opportunity for you to sell your shares without having to pay "odd lot" discounts.

If you have any questions regarding the tender offer or need assistance in tendering your shares, please contact Georgeson Shareholder Communications, Inc., the Information Agent for the tender offer, at (888) 264-7051 (toll free) or Shattuck Hammond Partners LLC, the Dealer Manager for the tender offer, at (212) 314-0346.

Sincerely,

Douglas Faggioli

President, Chief Executive Officer and Director



Merrill Lynch Retirement Group
1400 Merrill Drive
3rd Floor
Pennington, NJ 08534

Important Notice

October 27, 2004

Offer to Purchase Common Stock of Nature's Sunshine Products, Inc.

We are writing to advise you of a Dutch Auction tender offer by Nature's Sunshine Products, Inc. to purchase up to 1,000,000 shares of its outstanding common stock at a price not greater than \$16.50 and not less than \$14.20. The terms of the Dutch Auction tender offer are set forth in the Offer to Purchase, dated October 27, 2004, a copy of which is included with this notice. The deadline for participation is also indicated below. Please carefully review this information.

Account Type	The Nature's Sunshine Products, Inc. Tax Deferred Retirement Plan	
Stock	Nature's Sunshine Products, Inc. Company Stock	
Dutch Auction Tender Offer	If you participate in the Dutch Auction Tender Offer, and your shares are accepted for purchase, you will receive a price not greater than \$16.50 nor less than \$14.20 per share for such accepted shares. Nature's Sunshine will select the lowest purchase price in the range that will allow it to purchase 1,000,000 shares, or, if a lesser number of shares is properly tendered, such lesser number of shares properly tendered and not withdrawn. Please review the Offer to Purchase for details about the offer as well as the priority of acceptance of shares and proration in the event more than 1,000,000 shares are tendered.	All tenders will be deemed irrevocable upon acceptance of this offer by Nature's Sunshine. You may tender all or a portion of your holdings in this stock. You may tender your shares at any price between \$16.50 and \$14.20 (in \$.10 increments) or at the price determined under the tender offer. Please review the Offer to Purchase for details.
Additional Information	To participate in the Dutch Auction tender offer, withdraw holdings previously tendered, or retender withdrawn holdings call (800) 229-9040 no later than 3:00 p.m. on 11/23/04 (which is one business day prior to the expiration of the Dutch Auction tender offer).	Your decision whether or not to tender your holdings will be kept confidential. If you do not wish to tender any of your holdings, simply take no action.

QuickLinks

[Offer to Purchase Common Stock of Nature's Sunshine Products, Inc.](#)

October 27, 2004

Offer to Purchase Common Stock of Nature's Sunshine Products, Inc.

Notice to Holders of Vested Stock Options:

As you may already know, Nature's Sunshine Products, Inc. ("Nature's Sunshine" or the "Company") has recently announced its offer to purchase up to 1,000,000 shares of the Company's common stock, no par value per share (such shares, together with all other outstanding shares of common stock of Nature's Sunshine, are herein referred to as the "shares"), at a price specified by such shareholders not greater than \$16.50 nor less than \$14.20 per share, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 27, 2004 and in the related Letter of Transmittal (such documents and related materials, the "Tender Offer Documents"), which together as may be amended or supplemented from time to time constitute the tender offer. You may obtain additional copies of the Tender Offer Documents by calling Georgeson Shareholder Communications, Inc., the Information Agent for the tender offer, at (888) 264-7051 (toll free).

As a holder of vested stock options, you may wish to exercise any or all of your options that are vested on or before November 19, 2004, and then tender the shares so acquired to the Company pursuant to the terms of the tender offer. November 19, 2004 is the last day that you may exercise your vested options in order to tender the shares subject to such options in the tender offer. In the event that you have options vesting after October 27, 2004 but on or before November 19, 2004, such additional options, once vested, may be exercised not later than November 19, 2004 for purposes of tendering the underlying shares in the tender offer. If you decide to exercise any of your vested shares, you should contact Merrill Lynch at (801) 426-6000.

You will need to evaluate the Tender Offer Documents included with this letter, which you may obtain additional copies of by calling Georgeson Shareholder Communications, Inc. at (888) 264-7051, to determine if participation would be advantageous to you, based on your stock option exercise prices, the date of your stock option grants and the years left yet to exercise your options, the range of tender prices, and the provisions for pro rata purchases by the Company outlined in the tender offer.

The Company will, upon the terms and subject to the conditions of the tender offer, determine a single per share price, not greater than \$16.50 nor less than \$14.20 per share, that it will pay for the shares validly tendered pursuant to the tender offer and not properly withdrawn, taking into account the number of shares so tendered and the prices specified by tendering shareholders. The Company will select the lowest purchase price that will allow it to purchase 1,000,000 shares or, if a lesser number of shares are validly tendered, such lesser number as are validly tendered and not properly withdrawn. All shareholders whose shares are purchased by the Company will receive the purchase price for each share purchased in the tender offer. Nature's Sunshine expressly reserves the right, in its sole discretion, to purchase additional shares subject to applicable legal requirements.

We strongly encourage you to discuss the tender offer with your tax advisor or broker. Merrill Lynch is also available to assist in answering any questions you may have. They can be reached at (801) 426-6000.

The tender offer will expire at Midnight, New York City time, on Wednesday, November 24, 2004 (the "Expiration Date") unless extended by the Company. **If you do intend to exercise stock options in order to tender shares in the tender offer, you must exercise your options not later than 3:00 p.m., Friday, November 19, 2004, New York City time, in order to obtain shares to tender by Midnight, Wednesday, November 24, 2004 (the Expiration Date). Please Note: If you exercise such options after Wednesday, November 17, 2004, then in order to allow sufficient time for shares to be tendered by the Expiration Date, you must provide payment to your broker or Merrill Lynch by wire transfer and accept shares by electronic delivery to your broker or Merrill Lynch.**

Upon the terms and subject to the conditions of the tender offer, if more than 1,000,000 shares, or such greater number of shares as the Company may elect to purchase subject to applicable law, have been validly tendered and not properly withdrawn prior to the Expiration Date, at prices at or below the purchase price, the Company will purchase shares on the following basis:

- first, from all holders of "odd lots" of less than 100 shares who properly tender all of their shares at or below the purchase price selected by us and do not properly withdraw them before the Expiration Date;
- second, after the shares from the "odd lot" holders, from all other shareholders who properly tender shares at or below the purchase price selected by us, on a pro rata basis; and
- third, only if necessary to permit us to purchase 1,000,000 shares (or such greater number of shares as we may elect to purchase, such additional shares not to exceed 2% of our outstanding shares (approximately 302,111 shares)), from holders who have tendered shares conditionally (for which the condition was not initially satisfied) by random lot, to the extent feasible. To be eligible for purchase by random lot, shareholders whose shares are conditionally tendered must have tendered all of their shares.

The tender offer is not being made to, nor will tenders be accepted from, or on behalf of, holders of shares in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require that the tender offer be made by a licensed broker or dealer, the tender offer shall be deemed to be made on behalf of the Company by Shattuck Hammond Partners, LLC, the Dealer Managers for the tender offer, or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

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[Offer to Purchase Common Stock of Nature's Sunshine Products, Inc.](#)

FOR IMMEDIATE RELEASE

**NATURE'S SUNSHINE PRODUCTS COMMENCES
DUTCH AUCTION TENDER OFFER**

PROVO, UTAH, October 27, 2004—Nature's Sunshine Products, Inc. (NASDAQ:NATR), a leading manufacturer and marketer of encapsulated herbs and vitamins, today announced that its Board of Directors approved a Dutch Auction tender offer to purchase up to 1,000,000 shares of its common stock at a price not less than \$14.20 and not greater than \$16.50 per share. If Nature's Sunshine purchases the maximum number of shares, the total cost will be between \$14.2 million and \$16.5 million.

The number of shares proposed to be purchased in the Dutch Auction tender offer represents approximately 6.6 percent of the currently outstanding shares of Nature's Sunshine. The purchase will be financed with cash on hand and proceeds from the Company's operating line of credit. The closing price of Nature's Sunshine's common stock on October 26, 2004 was \$14.17 per share.

The tender offer commenced today and will expire at Midnight, New York City time, on Wednesday, November 24, 2004, unless extended by Nature's Sunshine. Tenders must be made on or prior to the expiration of the tender offer and may be withdrawn at any time on or prior to the expiration of the tender offer. Shattuck Hammond Partners LLC is acting as financial advisor and dealer manager for the tender offer.

"The Board of Directors of Nature's Sunshine believes that the tender offer is in the interests of all shareholders, represents an attractive and prudent use of the Company's cash position and is designed to create value for shareholders," said Douglas Faggioli, President and CEO. "Over the past seven years, our Company has repurchased approximately 6.9 million shares of common stock in the belief that such purchases were in the best interests of the Company and its shareholders. In 2003, our Company generated \$17.3 million in cash provided by operating activities, and has produced cash from operating activities amounting to \$16.8 million in the first nine months of 2004. The tender offer will allow the Company to return cash to shareholders electing to participate at what may be a premium over recent trading prices."

Under the procedures for a Dutch Auction tender offer, the shareholders of Nature's Sunshine will have the opportunity to tender some or all of their shares at a price within the \$14.20 to \$16.50 range per share. Based on the number of shares tendered and the prices specified by the tendering shareholders, Nature's Sunshine will determine the lowest per share price within the range that will enable it to buy 1,000,000 shares, or such lesser number of shares that are properly tendered and not withdrawn. All shares accepted in the tender offer will be purchased at the same determined price per share regardless of whether the shareholder tendered at a lower price. If holders of more than 1,000,000 shares properly tender and do not withdraw their shares at or below the determined price per share, then Nature's Sunshine will purchase shares tendered by those shareholders owning fewer than 100 shares without pro ration, and all other shares will be purchased on a pro rata basis, subject to the conditional tender offer provisions that will be described in the offer to purchase that will be distributed to shareholders. Shareholders whose shares are purchased in the offer will be paid the determined purchase price net in cash, without interest, after the expiration of the offer period. The offer is not contingent upon any minimum number of shares being tendered. The offer is subject, however, to a number of other terms and conditions to be specified in the offer to purchase that will be distributed to shareholders. No brokerage fees or commissions will be charged to holders who tender their shares.

Neither Nature's Sunshine Products nor its Board of Directors, financial advisor, dealer manager, depository or information agent is making any recommendation to shareholders as to whether to tender or refrain from tendering their shares into the tender offer. Shareholders must decide how many shares they will tender, if any, and the price within the stated range at which they will offer their shares for purchase to Nature's Sunshine.

This press release is for informational purposes only and is not an offer to buy, or the solicitation of an offer to sell, any shares of Nature's Sunshine common stock. The solicitation of offers to buy shares of Nature's Sunshine Products common stock will only be made pursuant to the offer to purchase and related materials, which will be filed with the SEC today, will be mailed to shareholders of record and also will be made available for distribution to beneficial owners of Nature's Sunshine common stock. Shareholders should read those materials carefully because they will contain important information, including the various terms of and conditions to, the tender offer. Shareholders will be able to obtain the offer to purchase and related materials for free at the SEC website at www.sec.gov or from our information agent, Georgeson Shareholder Communications, Inc., by calling (888) 264-7051.

About Nature's Sunshine

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.

Contact:

Craig D. Huff
Chief Financial Officer
75 East 1700 South
P.O. Box 19005
Provo, UT 84605
(801) 342-4370

Steven S. Anreder
Anreder & Co.
10 East 40th Street
Suite 1308
New York, NY 10016
(212) 532-3232

For more information, contact us at our website at www.natr.com.

QuickLinks

[NATURE'S SUNSHINE PRODUCTS COMMENCES DUTCH AUCTION TENDER OFFER](#)

CREDIT AGREEMENT

THIS AGREEMENT is entered into as of August 5, 2002, by and between NATURE'S SUNSHINE PRODUCTS, INC., a Utah corporation ("Borrower"), and WELLS FARGO BANK NATIONAL ASSOCIATION ("Bank").

RECITALS

Borrower has requested that Bank extend or continue credit to Borrower as described below, and Bank has agreed to provide such credit to Borrower on the terms and conditions contained herein.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank and Borrower hereby agree as follows:

ARTICLE I CREDIT TERMS

SECTION 1.1. LINE OF CREDIT.

(a) *Line of Credit.* Subject to the terms and conditions of this Agreement, Bank hereby agrees to make advances to Borrower from time to time up to and including July 01, 2004, not to exceed at any time the aggregate principal amount of Fifteen Million Dollars (\$15,000,000.00) ("Line of Credit"), the proceeds of which shall be used to purchase company stock. Borrower's obligation to repay advances under the Line of Credit shall be evidenced by a promissory note substantially in the form of Exhibit A attached hereto ("Line of Credit Note"), all terms of which are incorporated herein by this reference.

(b) *Borrowing and Repayment.* Borrower may from time to time during the term of the Line of Credit borrow, partially or wholly repay its outstanding borrowings and re-borrow, subject to all of the limitations, terms and conditions contained herein or in the Line of Credit Note; provided however, that the total outstanding borrowings under the Line of Credit shall not at any time exceed the maximum principal amount available thereunder, as set forth above.

SECTION 1.2. INTEREST/FEES.

(a) *Interest.* The outstanding principal balance of each credit subject hereto shall bear interest at the rate of interest set forth in each promissory note or other instrument executed in connection therewith.

(b) *Computation and Payment.* Interest shall be computed on the basis of a 360-day year, actual days elapsed. Interest shall be payable at the times and place set forth in each promissory note or other instrument required hereby.

(c) *Commitment Fee.* Borrower shall pay to Bank a non-refundable commitment fee for the Revolving Line of Credit Note equal to Thirty Seven Thousand Five Hundred Dollars (\$37,500.00) which fee shall be due and payable in full on the date of this Agreement.

SECTION 1.3. COLLECTION OF PAYMENTS. Borrower authorizes Bank to collect all interest due under each credit subject hereto by charging Borrower's deposit account number 0490034626 with Bank or any other deposit account maintained by Borrower with Bank for the full amount thereof. Should there be insufficient funds in any such deposit account to pay all such sums when due, the full amount of such deficiency shall be immediately due and payable by Borrower.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Borrower makes the following representations and warranties to Bank, which representations and warranties shall survive the execution of this Agreement and shall continue in full force and effect until the full and final payment and satisfaction and discharge of all obligations of Borrower to Bank subject to this Agreement.

SECTION 2.1. **LEGAL STATUS.** Borrower is a corporation duly organized and existing and in good standing under the laws of the State of Utah and is qualified or licensed to do business (and is in good standing as a foreign corporation, if applicable) in all jurisdictions in which such qualification or licensing is required or in which the failure to so qualify or to be so licensed could have a material adverse effect on Borrower.

SECTION 2.2. **AUTHORIZATION AND VALIDITY.** This Agreement and each promissory note, contract, instrument and other document required hereby or at any time hereafter delivered to Bank in connection herewith (collectively, the "Loan Documents") have been duly authorized, and upon their execution and delivery in accordance with the provisions hereof will constitute legal, valid and binding agreements and obligations of Borrower or the party which executes the same, enforceable in accordance with their respective terms.

SECTION 2.3. **NO VIOLATION.** The execution, delivery and performance by Borrower of each of the Loan Documents do not violate any provision of any law or regulation or contravene any provision of the Articles of Incorporation or By-Laws of Borrower, or result in any breach of or default under any contract, obligation, indenture or other instrument to which Borrower is a party or by which Borrower may be bound.

SECTION 2.4. **LITIGATION.** There are no pending, or to the best of Borrower's knowledge, threatened, actions, claims, investigations, suits or proceedings by or before any governmental authority, arbitrator, court or administrative agency, which could have a material adverse effect on the financial condition or operation of Borrower other than those disclosed by Borrower to Bank in writing prior to the date hereof.

SECTION 2.5. **CORRECTNESS OF FINANCIAL STATEMENT.** The financial statement of Borrower dated 3/31/02 10-Q, a true copy of which has been delivered by Borrower to Bank prior to the date hereof, (a) is complete and correct and presents fairly the financial condition of Borrower, (b) discloses all liabilities of Borrower that are required to be reflected or reserved against under generally accepted accounting principles, whether liquidated or unliquidated, fixed or contingent, and (c) has been prepared in accordance with generally accepted accounting principles consistently applied. Since the date of such financial statement there has been no material adverse change in the financial condition of Borrower, nor has Borrower mortgaged, pledged, granted a security interest in or otherwise encumbered any of its assets or properties except in favor of Bank or as otherwise permitted by Bank in writing.

SECTION 2.6. **INCOME TAX RETURNS.** Borrower has no knowledge of any pending assessments or adjustments of its income tax payable with respect to any year.

SECTION 2.7. **NO SUBORDINATION.** There is no agreement, indenture, contract or instrument to which Borrower is a party or by which Borrower may be bound that requires the subordination in right of payment of any of Borrower's obligations subject to this Agreement to any other obligation of Borrower.

SECTION 2.8. **PERMITS, FRANCHISES.** Borrower possesses and will hereafter possess all permits, consents, approvals, franchises and licenses required and rights to all trademarks, trade names,

patents, and fictitious names, if any, necessary to enable it to conduct the business in which it is now engaged in compliance with applicable law.

SECTION 2.9. ERISA. Borrower is in compliance in all material respects with all applicable provisions of the Employee Retirement Income Security Act of 1974, as amended or re-codified from time to time ("ERISA"); Borrower has not violated any provision of any defined employee pension benefit plan (as defined in ERISA) maintained or contributed to by Borrower (each, a "Plan"); no Reportable Event as defined in ERISA has occurred and is continuing with respect to any Plan initiated by Borrower; Borrower has met its minimum funding requirements under ERISA with respect to each Plan; and each Plan will be able to fulfill its benefit obligations as they come due in accordance with the Plan documents and under generally accepted accounting principles.

SECTION 2.10. OTHER OBLIGATIONS. Borrower is not in default on any obligation for borrowed money, any purchase money obligation or any other material lease, commitment, contract, instrument or obligation.

SECTION 2.11. ENVIRONMENTAL MATTERS. Except as disclosed by Borrower to Bank in writing prior to the date hereof, Borrower is in compliance in all material respects with all applicable federal or state environmental, hazardous waste, health and safety statutes, and any rules or regulations adopted pursuant thereto, which govern or affect any of Borrower's operations and/or properties, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Federal Resource Conservation and Recovery Act of 1976, and the Federal Toxic Substances Control Act, as any of the same may be amended, modified or supplemented from time to time. None of the operations of Borrower is the subject of any federal or state investigation evaluating whether any remedial action involving a material expenditure is needed to respond to a release of any toxic or hazardous waste or substance into the environment. Borrower has no material contingent liability in connection with any release of any toxic or hazardous waste or substance into the environment.

ARTICLE III
CONDITIONS

SECTION 3.1. CONDITIONS OF INITIAL EXTENSION OF CREDIT. The obligation of Bank to extend any credit contemplated by this Agreement is subject to the fulfillment to Bank's satisfaction of all of the following conditions:

- (a) *Approval of Bank Counsel.* All legal matters incidental to the extension of credit by Bank shall be satisfactory to Bank's counsel.
- (b) *Documentation.* Bank shall have received in form and substance satisfactory to Bank each of the following duly executed:
 - (i) This Agreement and each promissory note or other instrument required hereby
 - (ii) Corporate Resolution: Borrowing
 - (iii) Certificate of Incumbency
 - (iv) Such other documents as Bank may require under any other Section of this Agreement.

(c) *Financial Condition.* There shall have been no material adverse change, as determined by Bank, in the financial condition or business of Borrower nor any material decline, as determined by Bank, in the market value of any collateral required hereunder or a substantial or material portion of the assets of Borrower.

(d) *Insurance.* Borrower shall have delivered to Bank evidence of insurance coverage on all Borrower's property, in form, substance, amounts, covering risks and issued by companies satisfactory to Bank, and where required by Bank with loss payable endorsements in favor of Bank.

SECTION 3.2. **CONDITIONS OF EACH EXTENSION OF CREDIT.** The obligation of Bank to make each extension of credit requested by Borrower hereunder shall be subject to the fulfillment to Bank's satisfaction of each of the following conditions:

(a) *Compliance.* The representations and warranties contained herein and in each of the other Loan Documents shall be true on and as of the date of the signing of this Agreement and on the date of each extension of credit by Bank pursuant hereto, with the same effect as though such representations and warranties had been made on and as of each such date, and on each such date, no Event of Default as defined herein, and no condition, event or act which with the giving of notice or the passage of time or both would constitute such an Event of Default, shall have occurred and be continuing or shall exist.

(b) *Documentation.* Bank shall have received all additional documents which may be required in connection with such extension of credit.

ARTICLE IV
AFFIRMATIVE COVENANTS

Borrower covenants that so long as Bank remains committed to extend credit to Borrower pursuant hereto, or any liabilities (whether direct or contingent, liquidated or unliquidated) of Borrower to Bank under any of the Loan Documents remain outstanding, and until payment in full of all obligations of Borrower subject hereto, Borrower shall, unless Bank otherwise consents in writing:

SECTION 4.1. **PUNCTUAL PAYMENTS.** Punctually pay all principal, interest, fees or other liabilities due under any of the Loan Documents at the times and place and in the manner specified therein.

SECTION 4.2. **ACCOUNTING RECORDS.** Maintain adequate books and records in accordance with generally accepted accounting principles consistently applied, and permit any representative of Bank, at any reasonable time, to inspect, audit and examine such books and records, to make copies of the same and to inspect the properties of Borrower.

SECTION 4.3. **FINANCIAL STATEMENTS.** Provide to Bank all of the following in form and detail satisfactory to Bank:

- (a) not later than 120 days after and as of the end of each fiscal year, an unqualified audited financial statement of Borrower prepared by Certified Public Accountant acceptable to Bank to include balance sheet, income statement and cash flow;
- (b) not later than 45 days after and as of the end of each quarter a financial statement of Borrower, prepared by Borrower, to include balance sheet, income statement and cash flow;
- (c) contemporaneously with each annual fiscal year end and quarterly financial statement of Borrower required hereby, a certificate of the president or chief financial officer of Borrower that said financial statements are accurate and that there exists no Event of Default nor any condition, act or event which with the giving of notice or the passage of time or both, would constitute an Event of Default; and
- (d) from time to time such other information as Bank may reasonably request.

SECTION 4.4. **COMPLIANCE.** Preserve and maintain all licenses, permits, governmental approvals, rights, privileges and franchises necessary for the conduct of its business; and comply with the provisions of all documents pursuant to which Borrower is organized and/or which govern

Borrower's continued existence and with the requirements of all laws, rules, regulations and orders of any governmental authority applicable to Borrower and/or its business.

SECTION 4.5. INSURANCE. Maintain and keep in force insurance of the types and in amounts customarily carried in lines of business similar to that of Borrower, including, but not limited to, fire, extended coverage, public liability, flood, property damage and workers' compensation with all such insurance carried with companies and in amounts satisfactory to Bank, and deliver to Bank from time to time at Bank's request schedules setting forth all insurance then in effect.

SECTION 4.6. FACILITIES. Keep all properties useful or necessary to Borrower's business in good repair and condition, and from time to time make necessary repairs, renewals and replacements thereto so that such properties shall be fully and efficiently preserved and maintained.

SECTION 4.7. TAXES AND OTHER LIABILITIES. Pay and discharge when due any and all indebtedness, obligations, assessments and taxes, both real or personal, including, without limitation, federal and state income taxes, state and local property taxes and assessments, except such (a) as Borrower may in good faith contest or as to which a bona fide dispute may arise, and (b) for which Borrower has made provision, to Bank's satisfaction, for eventual payment thereof in the event Borrower is obligated to make such payment.

SECTION 4.8. LITIGATION. Promptly give notice in writing to Bank of any litigation pending or threatened against Borrower.

SECTION 4.9. FINANCIAL CONDITION. Maintain Borrower's financial condition as follows using generally accepted accounting principles consistently applied and used consistently with prior practices (except to the extent modified by the definitions herein).

- (a) Total Liabilities divided by Tangible Net Worth not at any time greater than 1.0 to 1.0, with "Total Liabilities" defined as the aggregate of current liabilities and non-current liabilities less subordinated debt, and with "Tangible Net Worth" defined as the aggregate of total stockholders' equity plus subordinated debt less any intangible assets.
- (b) EBITDA Coverage Ratio, not less than 2.0 to 1.0 as of each quarter end, with "EBITDA" defined as net profit before tax plus interest expense (net of capitalized interest expense), depreciation expense and amortization expense, and with "EBITDA Coverage Ratio" defined as EBITDA divided by the aggregate of total interest expense plus the prior period current maturity of long-term debt and the prior period current maturity of subordinated debt.

SECTION 4.10. LIQUIDITY. Maintain unencumbered liquid assets (defined as cash, cash equivalents and /or publicly traded/quoted marketable securities acceptable to Bank in its sole discretion) with an aggregate fair market value not at any time less than Seven Million Five Hundred Thousand Dollars (\$7,500,000.00).

SECTION 4.11. NOTICE TO BANK. Promptly (but in no event more than five (5) days after the occurrence of each such event or matter) give written notice to Bank in reasonable detail of: (a) the occurrence of any Event of Default, or any condition, event or act which with the giving of notice or the passage of time or both, would constitute an Event of Default; (b) any change in the name or the organizational structure of Borrower; (c) the occurrence and nature of any Reportable Event or Prohibited Transaction, each as defined in ERISA, or any funding deficiency with respect to any Plan; or (d) any termination or cancellation of any insurance policy which Borrower is required to maintain, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting Borrower's property.

ARTICLE V
NEGATIVE COVENANTS

Borrower further covenants that so long as Bank remains committed to extend credit to Borrower pursuant hereto or any liabilities (whether direct or contingent, liquidated or unliquidated) of Borrower to Bank under any of the Loan Documents remain outstanding, and until payment in full of all obligations of Borrower subject hereto, Borrower will not without Bank's prior written consent:

SECTION 5.1. **USE OF FUNDS.** Use any of the proceeds of any credit extended hereunder except for the purposes stated in Article I hereof.

SECTION 5.2. **OTHER INDEBTEDNESS.** Create, incur, assume or permit to exist any indebtedness or liabilities resulting from borrowings, loans or advances, whether secured or unsecured, matured or unmatured, liquidated or unliquidated, joint or several, except (a) the liabilities of Borrower to Bank, and (b) any other liabilities of Borrower existing as of and disclosed to Bank without Wells Fargo Bank's prior written consent.

SECTION 5.3. **MERGER, CONSOLIDATION, TRANSFER OF ASSETS.** Merge into or consolidate with any other entity; make any substantial change in the nature of Borrower's business as conducted as of the date hereof; acquire all or substantially all of the assets of any other entity; nor sell, lease, transfer or otherwise dispose of all or a substantial or material portion of Borrower's assets except in the ordinary course of its business.

SECTION 5.4. **GUARANTIES.** Guarantee or become liable in any way as surety, endorser (other than as endorser of negotiable instruments for deposit or collection in the ordinary course of business), accommodation endorser or otherwise for nor pledge or hypothecate any assets of Borrower as security for any liabilities or obligations of any other person or entity, except any of the foregoing in favor of Bank.

SECTION 5.5. **LOANS, ADVANCES, INVESTMENTS.** Make any loans or advances to or investments in any person or entity, except any of the foregoing existing as of, and disclosed to Bank prior to, the date hereof.

SECTION 5.6. **PLEDGE OF ASSETS.** Mortgage, pledge, grant or permit to exist a security interest in or lien upon all or any portion of Borrower's assets now owned or hereafter acquired, except any of the foregoing in favor of Bank or which is existing as of and disclosed to Bank in writing prior to the date hereof.

ARTICLE VI
EVENTS OF DEFAULT

SECTION 6.1. The occurrence of any of the following shall constitute an "Event of Default" under this Agreement:

- (a) Borrower shall fail to pay when due any principal, interest, fees or other amounts payable under any of the Loan Documents.
- (b) Any financial statement or certificate furnished to Bank in connection with, or any representation or warranty made by Borrower or any other party under this Agreement or any other Loan Document shall prove to be incorrect, false or misleading in any material respect when furnished or made.
- (c) Any default in the performance of or compliance with any obligation, agreement or other provision contained herein or in any other Loan Document (other than those referred to in subsections (a) and (b) above), and with respect to any such default which by its nature can be cured, such default shall continue for a period of twenty (20) days from its occurrence.

- (d) Any default in the payment or performance of any obligation or any defined event of default under the terms of any contract or instrument (other than any of the Loan Documents) pursuant to which Borrower has incurred any debt or other liability to any person or entity, including Bank.
- (e) The filing of a notice of judgment lien against Borrower; or the recording of any abstract of judgment against Borrower in any county in which Borrower has an interest in real property; or the service of a notice of levy and/or of a writ of attachment or execution, or other like process, against the assets of Borrower; or the entry of a judgment against Borrower.
- (f) Borrower shall become insolvent, or shall suffer or consent to or apply for the appointment of a receiver, trustee, custodian or liquidator of itself or any of its property, or shall generally fail to pay its debts as they become due, or shall make a general assignment for the benefit of creditors; Borrower shall file a voluntary petition in bankruptcy, or seeking reorganization, in order to effect a plan or other arrangement with creditors or any other relief under the Bankruptcy Reform Act, Title 11 of the United States Code, as amended or re-codified from time to time ("Bankruptcy Code"), or under any state or federal law granting relief to debtors, whether now or hereafter in effect; or any involuntary petition or proceeding pursuant to the Bankruptcy Code or any other applicable state or federal law relating to bankruptcy, reorganization or other relief for debtors is filed or commenced against Borrower or Borrower shall file an answer admitting the jurisdiction of the court and the material allegations of any involuntary petition; or Borrower shall be adjudicated a bankrupt, or an order for relief shall be entered against Borrower by any court of competent jurisdiction under the Bankruptcy Code or any other applicable state or federal law relating to bankruptcy, reorganization or other relief for debtors.
- (g) There shall exist or occur any event or condition, which Bank in good faith believes impairs, or is substantially likely to impair, the prospect of payment or performance by Borrower of its obligations under any of the Loan Documents.
- (h) The dissolution or liquidation of Borrower; or Borrower or any of its directors, stockholders or members shall take action seeking to effect the dissolution or liquidation of Borrower.
- (i) Any change in ownership during the term of this Agreement of an aggregate of twenty-five percent (25%) or more of the common stock of Borrower. The resignation or expulsion during the term of this Agreement of any one or more of the general partners in Borrower with an aggregate ownership interest in Borrower of twenty-five percent (25%) or more.

SECTION 6.2. REMEDIES. Upon the occurrence of any Event of Default: (a) all indebtedness of Borrower under each of the Loan Documents any term thereof to the contrary notwithstanding, shall at Bank's option and without notice become immediately due and payable without presentment, demand, protest or notice of dishonor, all of which are hereby expressly waived by each Borrower; (b) the obligation, if any, of Bank to extend any further credit under any of the Loan Documents shall immediately cease and terminate; and (c) Bank shall have all rights, powers and remedies available under each of the Loan Documents, or accorded by law, including without limitation the right to resort to any or all security for any credit subject hereto and to exercise any or all of the rights of a beneficiary or secured party pursuant to applicable law. All rights, powers and remedies of Bank may be exercised at any time by Bank and from time to time after the occurrence of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

*ARTICLE VII
MISCELLANEOUS*

SECTION 7.1. NO WAIVER. No delay, failure or discontinuance of Bank in exercising any right, power or remedy under any of the Loan Documents shall affect or operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any such right, power or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power or remedy. Any waiver, permit, consent or approval of any kind by Bank of any breach of or default under any of the Loan Documents must be in writing and shall be effective only to the extent set forth in such writing.

SECTION 7.2. NOTICES. All notices, requests and demands which any party is required or may desire to give to any other party under any provision of this Agreement must be in writing delivered to each party at the following address:

BORROWER:	NATURE'S SUNSHINE PRODUCTS, INC. 75 East 1700 South Provo, Utah 84601
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BANK:	WELLS FARGO BANK, NATIONAL ASSOCIATION 299 S. Main Street 4 th Floor Salt Lake City, Utah 84101
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or to such other address as any party may designate by written notice to all other parties. Each such notice, request and demand shall be deemed given or made as follows: (a) if sent by hand delivery, upon delivery; (b) if sent by mail, upon the earlier of the date of receipt or three (3) days after deposit in the U.S. mail, first class and postage prepaid; and (c) if sent by telecopy, upon receipt.

SECTION 7.3. COSTS, EXPENSES AND ATTORNEYS' FEES. Borrower shall pay to Bank immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including reasonable attorneys' fees (to include outside counsel fees and all allocated costs of Bank's in-house counsel), expended or incurred by Bank in connection with (a) the negotiation and preparation of this Agreement and the other Loan Documents, Bank's continued administration hereof and thereof, and the preparation of any amendments and waivers hereto and thereto, (b) the enforcement of Bank's rights and/or the collection of any amounts, which become due to Bank under any of the Loan Documents, and (c) the prosecution or defense of any action in any way related to any of the Loan Documents, including, without limitation, any action for declaratory relief, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise and including any of the foregoing incurred in connection with any bankruptcy proceeding (including, without limitation, any adversary proceeding, contested matter or motion brought by Bank or any other person) relating to any Borrower or any other person or entity.

SECTION 7.4. SUCCESSORS, ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties; provided, however, that Borrower may not assign or transfer its interest hereunder without Bank's prior written consent. Bank reserves the right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, Bank's rights and benefits under each of the Loan Documents. In connection therewith, Bank may disclose all documents and information, which Bank now has or may hereafter acquire relating to any credit subject hereto, Borrower or its business, or any collateral required hereunder.

SECTION 7.5. ENTIRE AGREEMENT; AMENDMENT. This Agreement and the other Loan Documents constitute the entire agreement between Borrower and Bank with respect to each credit subject hereto and supersede all prior negotiations, communications, discussions and correspondence

concerning the subject matter hereof. This Agreement may be amended or modified only in writing signed by each party hereto.

SECTION 7.6. NO THIRD PARTY BENEFICIARIES. This Agreement is made and entered into for the sole protection and benefit of the parties hereto and their respective permitted successors and assigns, and no other person or entity shall be a third party beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any other of the Loan Documents to which it is not a party.

SECTION 7.7. TIME. Time is of the essence of each and every provision of this Agreement and each other of the Loan Documents.

SECTION 7.8. SEVERABILITY OF PROVISIONS. If any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of this Agreement.

SECTION 7.9. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same Agreement.

SECTION 7.10. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

SECTION 7.11. ARBITRATION.

(a) *Arbitration.* The parties hereto agree, upon demand by any party, to submit to binding arbitration all claims, disputes and controversies between or among them (and their respective employees, officers, directors, attorneys, and other agents), whether in tort, contract or otherwise arising out of or relating to in any way (i) the loan and related Loan Documents which are the subject of this Agreement and its negotiation, execution, collateralization, administration, repayment, modification, extension, substitution, formation, inducement, enforcement, default or termination; or (ii) requests for additional credit.

(b) *Governing Rules.* Any arbitration proceeding will (i) proceed in a location in Utah selected by the American Arbitration Association ("AAA"); (ii) be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the documents between the parties; and (iii) be conducted by the AAA, or such other administrator as the parties shall mutually agree upon, in accordance with the AAA's commercial dispute resolution procedures, unless the claim or counterclaim is at least \$1,000,000.00 exclusive of claimed interest, arbitration fees and costs in which case the arbitration shall be conducted in accordance with the AAA's optional procedures for large, complex commercial disputes (the commercial dispute resolution procedures or the optional procedures for large, complex commercial disputes to be referred to, as applicable, as the "Rules"). If there is any inconsistency between the terms hereof and the Rules, the terms and procedures set forth herein shall control. Any party who fails or refuses to submit to arbitration following a demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any dispute. Nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. §91 or any similar applicable state law.

(c) *No Waiver of Provisional Remedies, Self-Help and Foreclosure.* The arbitration requirement does not limit the right of any party to (i) foreclose against real or personal property collateral; (ii) exercise self-help remedies relating to collateral or proceeds of collateral such as setoff or repossession; or (iii) obtain provisional or ancillary remedies such as replevin, injunctive relief, attachment or the appointment of a receiver, before during or after the pendency of any arbitration

proceeding. This exclusion does not constitute a waiver of the right or obligation of any party to submit any dispute to arbitration or reference hereunder, including those arising from the exercise of the actions detailed in sections (i), (ii) and (iii) of this paragraph.

(d) *Arbitrator Qualifications and Powers.* Any arbitration proceeding in which the amount in controversy is \$5,000,000.00 or less will be decided by a single arbitrator selected according to the Rules, and who shall not render an award of greater than \$5,000,000.00. Any dispute in which the amount in controversy exceeds \$5,000,000.00, shall be decided by majority vote of a panel of three arbitrators; provided, however, that all three arbitrators must actively participate in all hearings and deliberations. The arbitrator will be a neutral attorney licensed in the State of Utah or a neutral retired judge of the state or federal judiciary of Utah, in either case with a minimum of ten years experience in the substantive law applicable to the subject matter of the dispute to be arbitrated. The arbitrator will determine whether or not an issue is arbitratable and will give effect to the statutes of limitation in determining any claim. In any arbitration proceeding the arbitrator will decide (by documents only or with a hearing at the arbitrator's discretion) any pre-hearing motions, which are similar to motions to dismiss for failure to state a claim or motions for summary adjudication. The arbitrator shall resolve all disputes in accordance with the substantive law of Utah and may grant any remedy or relief that a court of such state could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award. The arbitrator shall also have the power to award recovery of all costs and fees, to impose sanctions and to take such other action as the arbitrator deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the Utah Rules of Civil Procedure or other applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

(e) *Discovery.* In any arbitration proceeding discovery will be permitted in accordance with the Rules. All discovery shall be expressly limited to matters directly relevant to the dispute being arbitrated and must be completed no later than 20 days before the hearing date and within 180 days of the filing of the dispute with the AAA. Any requests for an extension of the discovery periods, or any discovery disputes, will be subject to final determination by the arbitrator upon a showing that the request for discovery is essential for the party's presentation and that no alternative means for obtaining information is available.

(f) *Class Proceedings and Consolidations.* The resolution of any dispute arising pursuant to the terms of this Agreement shall be determined by a separate arbitration proceeding and such dispute shall not be consolidated with other disputes or included in any class proceeding.

(g) *Payment Of Arbitration Costs And Fees.* The arbitrator shall award all costs and expenses of the arbitration proceeding.

(h) *Real Property Collateral; Judicial Reference.* Notwithstanding anything herein to the contrary, no dispute shall be submitted to arbitration if the dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (i) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of Utah, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable. If any such dispute is not submitted to arbitration, the dispute shall be referred to a master in accordance with Utah Rule of Civil Procedure 53, and this general reference agreement is intended to be specifically enforceable. A master with the qualifications required herein for arbitrators shall be selected pursuant to the AAA's selection procedures. Judgment upon the decision rendered by

a master shall be entered in the court in which such proceeding was commenced in accordance with Utah Rule of Civil Procedure 53(e).

(i) *Miscellaneous.* To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by a party required in the ordinary course of its business or by applicable law or regulation. If more than one agreement for arbitration by or between the parties potentially applies to a dispute, the arbitration provision most directly related to the Loan Documents or the subject matter of the dispute shall control. This arbitration provision shall survive termination, amendment or expiration of any of the Loan Documents or any relationship between the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

NATURE'S SUNSHINE PRODUCTS, INC.

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: /s/ CRAIG D. HUFF

By: /s/ GARY RIGBY

Craig D. Huff
Financial Officer

Gary Rigby
Commercial Relationship Manager

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[CREDIT AGREEMENT](#)

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is entered into as of July 1, 2004, by and between NATURE'S SUNSHINE PRODUCTS, INC., a Utah corporation ("Borrower"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank").

RECITALS

WHEREAS, Borrower is currently indebted to Bank pursuant to the terms and conditions of that certain Credit Agreement between Borrower and Bank dated as of August 5, 2002, as amended from time to time ("Credit Agreement").

WHEREAS, Bank and Borrower have agreed to certain changes in the terms and conditions set forth in the Credit Agreement and have agreed to amend the Credit Agreement to reflect said changes.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Credit Agreement shall be amended as follows:

1. Section 1.1 (a) is hereby amended by deleting "July 1, 2004" as the last day on which Bank will make advances under the Line of Credit, and by substituting for said date "July 1, 2006," with such change to be effective upon the execution and delivery to Bank of a promissory note dated as of July 1, 2004 (which promissory note shall replace and be deemed the Line of Credit Note defined in and made pursuant to the Credit Agreement) and all other contracts, instruments and documents required by Bank to evidence such change.

2. In consideration of the changes set forth herein and as a condition to the effectiveness hereof, immediately upon signing this Amendment Borrower shall pay to Bank a non-refundable fee of \$37,500.00.

3. Except as specifically provided herein, all terms and conditions of the Credit Agreement remain in full force and effect, without waiver or modification. All terms defined in the Credit Agreement shall have the same meaning when used in this Amendment. This Amendment and the Credit Agreement shall be read together, as one document.

4. Borrower hereby remakes all representations and warranties contained in the Credit Agreement and reaffirms all covenants set forth therein. Borrower further certifies that as of the date of this Amendment there exists no Event of Default as defined in the Credit Agreement, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first written above.

NATURE'S SUNSHINE PRODUCTS, INC.

WELLS FARGO BANK,
NATIONAL ASSOCIATION

By: /s/ CRAIG D. HUFF

By: /s/ GARY RIGBY

Craig D. Huff
Chief Financial Officer

Gary Rigby
Relationship Manager

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[FIRST AMENDMENT TO CREDIT AGREEMENT](#)

WELLS FARGO

REVOLVING LINE OF CREDIT NOTE

\$ 15,000,000.00

Salt Lake City, Utah
July 1, 2004

FOR VALUE RECEIVED, the undersigned **Nature's Sunshine Products, Inc.** ("Borrower") promises to pay to the order of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank") at its office at **Utah RCBO, 299 South Main, 4th Floor, Salt Lake City, UT 84111**, or at such other place as the holder hereof may designate, in lawful money of the United States of America and in immediately available funds, the principal sum of **\$15,000,000.00**, or so much thereof as may be advanced and be outstanding, with interest thereon, to be computed on each advance from the date of its disbursement as set forth herein.

1. DEFINITIONS:

As used herein, the following terms shall have the meanings set forth after each, and any other term defined in this Note shall have the meaning set forth at the place defined:

1.1 "Business Day" means any day except a Saturday, Sunday or any other day on which commercial banks in Utah are authorized or required by law to close.

1.2 "Fixed Rate Term" means a period commencing on a Business Day and continuing for **1, 2 or 3 months**, as designated by Borrower, during which all or a portion of the outstanding principal balance of this Note bears interest determined in relation to LIBOR; provided however, that no Fixed Rate Term may be selected for a principal amount less than **\$100,000.00**; and provided further, that no Fixed Rate Term shall extend beyond the scheduled maturity date hereof. If any Fixed Rate Term would end on a day which is not a Business Day, then such Fixed Rate Term shall be extended to the next succeeding Business Day.

1.3 "LIBOR" means the rate per annum (rounded upward, if necessary, to the nearest whole¹/₈ of 1%) determined by dividing Base LIBOR by a percentage equal to 100% less any LIBOR Reserve Percentage.

- (a) "Base LIBOR" means the rate per annum for United States dollar deposits quoted by Bank as the Inter-Bank Market Offered Rate, with the understanding that such rate is quoted by Bank for the purpose of calculating effective rates of interest for loans making reference thereto, on the first day of a Fixed Rate Term for delivery of funds on said date for a period of time approximately equal to the number of days in such Fixed Rate Term and in an amount approximately equal to the principal amount to which such Fixed Rate Term applies. Borrower understands and agrees that Bank may base its quotation of the Inter-Bank Market Offered Rate upon such offers or other market indicators of the Inter-Bank Market as Bank in its discretion deems appropriate including, but not limited to, the rate offered for U.S. dollar deposits on the London Inter-Bank Market.
- (b) "LIBOR Reserve Percentage" means the reserve percentage prescribed by the Board of Governors of the Federal Reserve System (or any successor) for "Eurocurrency Liabilities" (as defined in Regulation D of the Federal Reserve Board, as amended), adjusted by Bank for expected changes in such reserve percentage during the applicable Fixed Rate Term.

1.4 "Prime Rate" means at any time the rate of interest most recently announced within Bank at its principal office as its Prime Rate, with the understanding that the Prime Rate is one of Bank's base rates and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto, and is evidenced by the recording thereof after its announcement in such internal publication or publications as Bank may designate.

2. INTEREST:

2.1 *Interest.* The outstanding principal balance of this Note shall bear interest (computed on the basis of a 360-day year, actual days elapsed) either (a) at a fluctuating rate per annum 1.0000% below the Prime Rate in effect from time to time, or (b) at a fixed rate per annum determined by Bank to be 5.0000% above LIBOR in effect on the first day of the applicable Fixed Rate Term. When interest is determined in relation to the Prime Rate, each change in the rate of interest hereunder shall become effective on the date each Prime Rate change is announced within Bank. With respect to each LIBOR selection option selected hereunder, Bank is hereby authorized to note the date, principal amount, interest rate and Fixed Rate Term applicable thereto and any payments made thereon on Bank's books and records (either manually or by electronic entry) and/or on any schedule attached to this Note, which notations shall be prima facie evidence of the accuracy of the information noted.

2.2 *Selection of Interest Rate Options.* At any time any portion of this Note bears interest determined in relation to LIBOR, it may be continued by Borrower at the end of the Fixed Rate Term applicable thereto so that all or a portion thereof bears interest determined in relation to the Prime Rate or to LIBOR for a new Fixed Rate Term designated by Borrower. At any time any portion of this Note bears interest determined in relation to the Prime Rate, Borrower may convert all or a portion thereof so that it bears interest determined in relation to LIBOR for a Fixed Rate Term designated by Borrower. At such time as Borrower requests an advance hereunder or wishes to select a LIBOR option for all or a portion of the outstanding principal balance hereof, and at the end of each Fixed Rate Term, Borrower shall give Bank notice specifying: (a) the interest rate option selected by Borrower; (b) the principal amount subject thereto; and (c) for each LIBOR selection, the length of the applicable Fixed Rate Term. Any such notice may be given by telephone (or such other electronic method as Bank may permit) so long as, with respect to each LIBOR selection, (i) if requested by Bank, Borrower provides to Bank written confirmation thereof not later than 3 Business Days after such notice is given, and (ii) such notice is given to Bank prior to 10:00 a.m. on the first day of the Fixed Rate Term, or at a later time during any Business Day if Bank, at its sole option but without obligation to do so, accepts Borrower's notice and quotes a fixed rate to Borrower. If Borrower does not immediately accept a fixed rate when quoted by Bank, the quoted rate shall expire and any subsequent LIBOR request from Borrower shall be subject to a redetermination by Bank of the applicable fixed rate. If no specific designation of interest is made at the time any advance is requested hereunder or at the end of any Fixed Rate Term, Borrower shall be deemed to have made a Prime Rate interest selection for such advance or the principal amount to which such Fixed Rate Term applied.

2.3 *Taxes and Regulatory Costs.* Borrower shall pay to Bank immediately upon demand, in addition to any other amounts due or to become due hereunder, any and all (a) withholdings, interest equalization taxes, stamp taxes or other taxes (except income and franchise taxes) imposed by any domestic or foreign governmental authority and related in any manner to LIBOR, and (b) future, supplemental, emergency or other changes in the LIBOR Reserve Percentage, assessment rates imposed by the Federal Deposit Insurance Corporation, or similar requirements or costs imposed by any domestic or foreign governmental authority or resulting from compliance by Bank with any request or directive (whether or not having the force of law) from any central bank or other governmental authority and related in any manner to LIBOR to the extent they are not included in the calculation of LIBOR. In determining which of the foregoing are attributable to any LIBOR option available to Borrower hereunder, any reasonable allocation made by Bank among its operations shall be conclusive and binding upon Borrower.

2.4 *Payment of Interest.* Interest accrued on this Note shall be payable on the 1st day of each month, commencing August 1, 2004.

2.5 *Default Interest.* From and after the maturity date of this Note, or such earlier date as all principal owing hereunder becomes due and payable by acceleration or otherwise, the outstanding principal balance of this Note shall bear interest until paid in full at an increased rate per annum (computed on the basis of a 360-day year, actual days elapsed) equal to 4% above the rate of interest from time to time applicable to this Note.

3. **BORROWING AND REPAYMENT:**

3.1 *Borrowing and Repayment.* Borrower may from time to time during the term of this Note borrow, partially or wholly repay its outstanding borrowings, and reborrow, subject to all of the limitations, terms and conditions of this Note and of the Credit Agreement between Borrower and Bank defined below; provided however, that the total outstanding borrowings under this Note shall not at any time exceed the principal amount stated above. The unpaid principal balance of this obligation at any time shall be the total amounts advanced hereunder by the holder hereof less the amount of principal payments made hereon by or for any Borrower, which balance may be endorsed hereon from time to time by the holder. The outstanding principal balance of this Note shall be due and payable in full on **July 1, 2006**.

3.2 *Advances.* Advances hereunder, to the total amount of the principal sum available hereunder, may be made by the holder at the oral or written request of (a) **Craig D. Huff**, any one acting alone, who are authorized to request advances and direct the disposition of any advances until written notice of the revocation of such authority is received by the holder at the office designated above, or (b) any person, with respect to advances deposited to the credit of any deposit account of any Borrower, which advances, when so deposited, shall be conclusively presumed to have been made to or for the benefit of each Borrower regardless of the fact that persons other than those authorized to request advances may have authority to draw against such account. The holder shall have no obligation to determine whether any person requesting an advance is or has been authorized by any Borrower.

3.3 *Application of Payments.* Each payment made on this Note shall be credited first, to any interest then due and second, to the outstanding principal balance hereof. All payments credited to principal shall be applied first, to the outstanding principal balance of this Note which bears interest determined in relation to the Prime Rate, if any, and second, to the outstanding principal balance of this Note which bears interest determined in relation to LIBOR, with such payments applied to the oldest Fixed Rate Term first.

4. **PREPAYMENT:**

4.1 *Prime Rate.* Borrower may prepay principal on any portion of this Note which bears interest determined in relation to the Prime Rate at any time, in any amount and without penalty.

4.2 *LIBOR.* Borrower may prepay principal on any portion of this Note which bears interest determined in relation to LIBOR at any time and in the minimum amount of **\$100,000.00**; provided however, that if the outstanding principal balance of such portion of this Note is less than said amount, the minimum prepayment amount shall be the entire outstanding principal balance thereof. In consideration of Bank providing this prepayment option to Borrower, or if any such portion of this Note shall become due and payable at any time prior to the last day of the Fixed Rate Term applicable thereto by acceleration or otherwise, Borrower shall pay to Bank immediately upon demand a fee which is the sum of the discounted monthly differences for each month from the month of prepayment through the month in which such Fixed Rate Term matures, calculated as follows for each such month:

- (a) *Determine* the amount of interest which would have accrued each month on the amount prepaid at the interest rate applicable to such amount had it remained outstanding until the last day of the Fixed Rate Term applicable thereto.

- (b) *Subtract* from the amount determined in (a) above the amount of interest which would have accrued for the same month on the amount prepaid for the remaining term of such Fixed Rate Term at LIBOR in effect on the date of prepayment for new loans made for such term and in a principal amount equal to the amount prepaid.
- (c) If the result obtained in (b) for any month is greater than zero, discount that difference by LIBOR used in (b) above.

Each Borrower acknowledges that prepayment of such amount may result in Bank incurring additional costs, expenses and/or liabilities, and that it is difficult to ascertain the full extent of such costs, expenses and/or liabilities. Each Borrower, therefore, agrees to pay the above-described prepayment fee and agrees that said amount represents a reasonable estimate of the prepayment costs, expenses and/or liabilities of Bank. If Borrower fails to pay any prepayment fee when due, the amount of such prepayment fee shall thereafter bear interest until paid at a rate per annum **2.000%** above the Prime Rate in effect from time to time (computed on the basis of a **360**-day year, actual days elapsed). Each change in the rate of interest on any such past due prepayment fee shall become effective on the date each Prime Rate change is announced within Bank.

5. EVENTS OF DEFAULT:

This Note is made pursuant to and is subject to the terms and conditions of that certain Credit Agreement between Borrower and Bank dated as of **August 5, 2002**, as amended from time to time (the "Credit Agreement"). Any default in the payment or performance of any obligation under this Note, or any defined event of default under the Credit Agreement, shall constitute an "Event of Default" under this Note.

6. MISCELLANEOUS:

6.1 *Remedies.* Upon the occurrence of any Event of Default, the holder of this Note, at the holder's option, may declare all sums of principal and interest outstanding hereunder to be immediately due and payable without presentment, demand, notice of nonperformance, notice of protest, protest or notice of dishonor, all of which are expressly waived by each Borrower, and the obligation, if any, of the holder to extend any further credit hereunder shall immediately cease and terminate. Each Borrower shall pay to the holder immediately upon demand the full amount of all payments, advances, charges, costs and expenses, including reasonable attorneys' fees (to include outside counsel fees and all allocated costs of the holder's in-house counsel), expended or incurred by the holder in connection with the enforcement of the holder's rights and/or the collection of any amounts which become due to the holder under this Note, and the prosecution or defense of any action in any way related to this Note, including without limitation, any action for declaratory relief, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by Bank or any other person) relating to any Borrower or any other person or entity.

6.2 *Obligations Joint and Several.* Should more than one person or entity sign this Note as a Borrower, the obligations of each such Borrower shall be joint and several.

6.3 *Governing Law.* This Note shall be governed by and construed in accordance with the laws of the State of Utah.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first written above.

Nature's Sunshine Products, Inc.

By: /s/ CRAIG D. HUFF

Craig D. Huff, Chief Financial Officer

