SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 1994

OR

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

For the transition period from N/A to N/A

Commission File Number 0-8707

NATURE'S SUNSHINE PRODUCTS, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

UTAH	87-0327982
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)
75 EAST 1700 SOUTH, PROVO, UTAH	84606
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number including area code: (801) 342-4407

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
NONE	NONE

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, without par value
(TITLE OF CLASS)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No__

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the voting stock held by non-affiliates of the Registrant on March 20, 1995 was approximately $104,000,000.

The number of shares of Common Stock, without par value, outstanding on March 20, 1995 was 12,275,343 shares.

Documents Incorporated by Reference:

Proxy Statement for May 15, 1995 Annual Meeting of Shareholders (Part III of this Report).

PART I

ITEM 1. BUSINESS

GENERAL DEVELOPMENT OF BUSINESS

The Registrant was incorporated in Utah in 1976 under the name of Amtec

Industries. In 1982, the Registrant, by an amendment to its articles of incorporation, changed its name to Nature's Sunshine Products, Inc. Executive offices are located at 75 East 1700 South, Provo, Utah 84606.

Nature's Sunshine Products, Inc. and its subsidiaries (hereinafter referred to collectively as the "Company") is primarily engaged in the manufacturing and marketing of nutritional and personal care products. The Company sells its products to a sales force of independent distributors who use the products themselves or resell them to other distributors or consumers.

The Company markets its products directly in the United States, Mexico, Canada, Colombia, United Kingdom, Venezuela, Japan, Brazil, Costa Rica and Malaysia. The Company also exports its products to numerous other countries, including Australia, New Zealand, Norway and the Philippines.

FINANCIAL INFORMATION BY BUSINESS SEGMENT

The Company is principally engaged in one line of business, i.e., the sale of health-related nutritional and personal care products. Information, for each of the Company's last three fiscal years, with respect to the amounts of revenue from sales to unaffiliated customers, operating profit or loss and identifiable assets of this segment is set forth under Item 6 of this Report and such information is incorporated by this reference and made a part hereof.

NARRATIVE DESCRIPTION OF BUSINESS

Since 1972, the principal business of the Company and its predecessors has been the manufacture and sale of nutritional and personal care products. The Company's nutritional products include herbs, vitamins, beverages, diet and weight loss plans, and mineral and food supplements. Personal care products include natural skin, hair and beauty care products. The Company also sells a line of homeopathic remedies as well as other products. Additional information with respect to the Company's business is set forth below:

PRODUCTS AND MANUFACTURING

The Company is engaged in the manufacture and distribution of nutritional and personal care products which are primarily sold directly through independent distributors who sell the Company's products directly to consumers, other distributors, or use the products themselves. The Company purchases herbs and other raw materials in bulk, and after quality control testing, encapsulates, tabulates or concentrates them, and then packages them for shipment. Most of the Company's products are manufactured at its facilities in Spanish Fork, Utah. Certain of the

Company's personal care products are manufactured for the Company, in accordance with its specifications and standards, by contract manufacturers. The Company has implemented stringent quality control procedures to verify that the contract manufacturers have complied with its specifications and standards.

DISTRIBUTION AND MARKETING

The Company endeavors to attract independent distributors who will effectively explain and market the Company's products, through direct selling techniques to consumers and attract and sponsor other distributors. The Company attempts to maintain a high level of motivation, morale and enthusiasm among its independent distributors through a combination of high quality competitively priced products, product support, financial incentives, sales conventions, automobile allowances, health insurance, travel programs and a variety of training programs, publications and promotional materials.

The Company's domestic product sales are shipped directly from its manufacturing facilities located in Spanish Fork, Utah, as well as from its regional warehouses located in Columbus, Ohio; Dallas, Texas and Atlanta, Georgia. Each subsidiary operation is responsible to maintain an adequate inventory to supply its customers. Demand for the Company's products is created principally by approximately 212,000 active members (at December 31, 1994) of the Company's independent distributor sales force. A person who wishes to join the Company's independent sales force begins as a "Distributor". One can become a Distributor only by applying to the Company under the sponsorship of someone who is already a member of the independent sales force. A Distributor interested in earning additional income by committing more time and effort to selling the Company's products may be appointed to "Manager" status. Appointment as a Manager is dependent upon attaining certain purchase volume levels and demonstrating leadership abilities.

The Company primarily sells its products to Managers who numbered approximately 8,400 at December 31, 1994. Managers resell the products they purchase from the Company to the Distributors in their sales group, to consumers or use the products themselves. Many Distributors sell on a part-time basis to friends or associates or consume the Company's products themselves.

For domestic sales, the Company generally sells its product on a cash or credit card basis. For certain of the Company's international operations, the Company uses independent distribution centers and offers credit terms consistent with industry standards.

The Company pays its Managers sales commissions ("overrides") and cash discounts based upon the amount of personal product purchases as well as their sales group volume. Reference is made to Item 8 contained herein for the total commissions and discounts ("Volume Incentives") paid by the Company for the years ended December 31, 1992 through 1994. In addition, Managers who qualify by reason of sustaining certain levels of monthly product purchases are eligible for additional incentive programs including automobile allowances, medical and dental insurance and travel. The Company's marketing personnel travel extensively throughout the year directing seminars in areas where distributors are located.

SOURCE AND AVAILABILITY OF RAW MATERIALS

Raw materials used in the manufacture of the Company's products are available from a number of suppliers, and the Company has not experienced any major difficulty in obtaining adequate sources of supply. The Company attempts to assure the availability of many of its raw materials by contracting for its annual requirements in advance. In the past, the Company has found alternative sources of supply of raw materials when needed, and therefore, believes it will be able to do so in the future.

TRADEMARKS AND TRADE NAMES

The Company has obtained trademark registrations of its basic trademarks, "Nature's Sunshine", and the landscape logo for all of its product lines, as well as the trademark "Nature's Spring" for its water purifier. The Company also owns numerous trademark registrations in the United States and in many foreign countries.

SEASONALITY

The business of the Company does not reflect significant seasonality.

WORKING CAPITAL ITEMS

The Company maintains a substantial inventory of raw materials and finished products to meet the delivery requirements of its independent distributors.

DEPENDENCE UPON CUSTOMERS

The Company is not dependent upon a single customer or a few customers, the loss of which would have a material adverse effect on its business.

BACKLOG

Orders for the Company's products are typically shipped within 24 hours after receipt so that there is no significant amount of backlog at any given time.

GOVERNMENT CONTRACTS

The Company is not a party to any contracts with the government which may be subject to renegotiation or termination.

COMPETITION

The Company's products are sold in domestic and foreign markets in competition with companies, some of which have greater sales volumes and financial resources than the Company, and which sell brands that are, through advertising and promotions, better known to consumers. The Company competes in the health-related nutritional and personal care industry against

companies which sell heavily advertised and promoted products through retail stores as well as against other direct selling companies. For example, the Company competes against numerous large manufacturers and retailers of nutritional and personal care products which are distributed through supermarkets, department stores, drug stores, health food stores, beauty salons, etc. In addition to its competition with these manufacturers and retailers, the Company competes for product sales and independent distributors with many other direct sales companies including Shaklee, Amway, Avon, Mary Kay and Nu Skin.

The Company is one of the world's largest distributors of encapsulated and tableted herbal products. The principal competitors in the encapsulated, tableted herbal market include Herbalife (California), Nature's Herbs (Utah), Nature's Way (Utah) and Sunrider (California).

The Company believes that the principal methods of competition in the direct sales marketing of nutritional and personal care products are brand name, price and quality. In addition, the recruitment, training, financial and travel incentives for the independent sales force are important factors.

RESEARCH AND DEVELOPMENT

The Company conducts its research and development activities at its manufacturing facilities located in Spanish Fork, Utah. Principal emphasis of the Company's research and development activities is the development of new products and improvement of existing products for domestic and foreign markets. The amount excluding capital expenditures spent during each of the last three years on Company sponsored research and development activities was approximately $800,000 , $648,000 and $509,000, in 1994, 1993, and 1992, respectively. The Company has no customer sponsored research.

COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

The nature of the Company's business has not required any material capital expenditures to comply with Federal, state or local provisions enacted or adopted regulating the discharge of materials into the environment. No material expenditures to meet such provisions are anticipated. Such regulatory provisions have not had any material effect upon the Company's earnings or competitive position.

REGULATION

One or more of the following agencies regulates the formulation, labeling and advertising of each of the Company's major product groups: the Federal Food and Drug Administration ("FDA"), the Federal Trade Commission ("FTC"), the Consumer Product Safety Commission ("CPSC") and various agencies of the countries and states into which the Company's products are shipped or sold. In addition, the Company's distribution and sales program is, like that of other companies operating in interstate commerce, subject to the jurisdiction of the FTC and a number of other Federal and state agencies. Various state agencies regulate multi-level distribution activities.

As a result of the Company's efforts to comply with applicable statutes and regulations, the Company has from time to time reformulated, eliminated or relabeled certain of its products and revised certain provisions of its sales and marketing program. The Company believes it is in material compliance with the applicable Federal and state rules and regulations regulating its products and marketing program.

EMPLOYEES

The approximate number of persons employed by the Company as of December 31, 1994, was 720. The Company believes that its relations with its employees are satisfactory.

INTERNATIONAL OPERATIONS

The Company's direct sales of nutritional and personal care products are established internationally in Mexico, Canada, Colombia, United Kingdom, Venezuela, Japan, Brazil, Costa Rica and Malaysia. The Company also exports its products to numerous other countries, including Australia, New Zealand, Norway and the Philippines. Information, for each of the Company's last three years, with respect to the amounts of revenue, operating income, and identifiable assets attributable to domestic and international operations is set forth in Note 9 of the Notes to Consolidated Financial Statements appearing in Item 8 of this Report and such information is incorporated herein by reference and made a part hereof.

The Company's international operations are conducted in a manner substantially the same as those conducted domestically; however, in order to conform to local variations, economic realities, market customs, consumer habits and regulatory environments, differences exist in the products and in the distribution and marketing programs.

The Company's international operations are subject to many of the same risks faced by the Company's domestic operations. These include competition and the strength of the local economy. In addition, international operations are subject to certain risks inherent in carrying on business abroad, including foreign regulatory restrictions, fluctuations in monetary exchange rates, import-export controls and the economic and political policies of foreign governments. The importance of these risks increases as the Company's international operations grow and expand; however, the Company is not presently aware of any significant political or other pending or proposed actions related to its international operations which have a material impact on its business. However, the Company's operations in Mexico have been affected by the devaluation of the Peso and the business uncertainties resulting therefrom.

ITEM 2. PROPERTIES

The Company's corporate offices are located in two adjacent office buildings in Provo, Utah. The facilities are leased from an unaffiliated third party and consist of approximately 50,000 square feet of which approximately 10,000 square feet are subleased to an unaffiliated third party. The lease agreement for the main building, comprising approximately 32,000 square feet, is for a 5 1/2 year term (of which 2 1/2 years remain) and grants the Company an option to purchase the premises. The lease for the second building, approximately 18,000 square feet, expires in six years.

The Company's principal manufacturing facilities are housed in a building owned by the Company, of approximately 136,000 square feet, located on approximately ten acres in Spanish Fork, Utah. The building was constructed to the Company's specifications in 1977. The building has been expanded on several occasions and presently includes approximately 34,000 square feet of office space and 102,000 square feet of manufacturing and warehouse space. The building is suited to the Company's business, and is presently being utilized at approximately 90 percent of its productive capacity. The Company is in the process of evaluating the expansion of its manufacturing facilities. The preliminary cost estimate for this expansion is approximately $4,000,000. The Company also leases a 40,000 square foot building in Spanish Fork to supplement the warehousing of finished goods inventory.

In addition to its facilities in Spanish Fork and Provo, the Company leases other properties used primarily as distribution warehouses which are located in Columbus, Ohio; Dallas, Texas; Atlanta, Georgia; as well as Mexico, Canada, United Kingdom, Colombia, Japan, Brazil, Venezuela, Malaysia and Costa Rica. Management believes that these facilities are suitable for their respective uses and are, in general, adequate for the Company's present needs.

ITEM 3. LEGAL PROCEEDINGS

No material legal proceedings are presently pending to which the Company or any of its property is subject, other than ordinary routine litigation incidental to the Company's business.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is traded on the NASDAQ National Market System (symbol NATR). The information in the table below reflects the actual high and low sales prices of the Company's stock for 1994 and 1993 and has been restated to reflect the ten percent stock dividend declared in 1995.

<TABLE>
<CAPTION>

	Market Prices			Market Prices	
1994	HIGH	LOW	1993	HIGH	LOW
<S>	<C>	<C>	<C>	<C>	<C>
First Quarter	16 3/8	10	First Quarter	13 3/8	8 3/8
Second Quarter	14 9/16	11 9/16	Second Quarter	11 1/8	7 5/8
Third Quarter	14 5/16	11 3/8	Third Quarter	11 3/8	8 3/8
Fourth Quarter	14	11 1/8	Fourth Quarter	11 5/8	8 3/4

</TABLE>

There were approximately 800 shareholders of record as of March 9, 1995. Since the first quarter of 1989, the Company has paid 26 consecutive quarterly cash dividends.

ITEM 6. SELECTED FINANCIAL DATA
NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
DOLLAR AMOUNTS IN THOUSANDS EXCEPT FOR PER-SHARE INFORMATION

<TABLE>
<CAPTION>

INCOME STATEMENT DATA

	Sales Revenue	Cost of Goods Sold	Volume Incentives	Selling, General & Administrative Expenses	Operating Income	Other Income	Income Before Income Taxes	Net Income
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1994	$160,901	$30,839	$74,163	$41,691	$14,208	$ 303	$14,511	$8,448
1993	127,194	24,210	59,741	31,747	11,496	783	12,279	7,455
1992	101,044	18,478	46,433	27,644	8,489	1,396	9,885	5,919
1991	72,605	13,962	33,427	18,685	6,531	716	7,247	4,622
1990	60,069	12,353	27,660	15,089	4,967	843	5,810	3,600
1989	52,082	10,294	24,026	11,997	5,765	634	6,399	3,958
1988	44,516	8,721	20,580	10,465	4,750	369	5,119	3,317
1987	38,184	7,510	18,145	9,118	3,411	316	3,727	2,042
1986	31,072	6,514	14,999	8,225	1,334	17	1,351	775
1985	29,399	7,551	14,070	7,100	678	2	680	289

</TABLE>

<TABLE>
<CAPTION>

BALANCE SHEET DATA

	Working Capital	Current Ratio	Inventories	Property, Plant & Equipment, Net	Total Assets	Long-Term Debt	Shareholders' Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1994	$18,798	2.06:1	$17,278	$9,918	$52,458	$ ---	$33,279
1993	14,223	2.16:1	11,171	9,672	41,534	---	28,850
1992	11,125	2.19:1	9,367	8,917	33,987	---	23,924
1991	10,242	2.35:1	6,523	7,500	27,420	---	19,614
1990	9,570	2.89:1	4,836	6,885	22,004	11	16,543
1989	7,740	2.47:1	3,747	6,384	20,054	24	14,423
1988	6,939	2.64:1	3,271	5,964	17,538	36	12,855
1987	3,783	1.84:1	2,780	5,797	14,582	239	9,460
1986	2,293	1.74:1	2,661	5,715	11,682	645	7,400
1985	1,653	1.60:1	2,876	6,044	11,223	862	7,101

(CONTINUED NEXT PAGE)

</TABLE>

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COMMON SHARE SUMMARY*

	Cash Dividends Per Share (1)	Net Income Per Share	Book Value Per Share (2)	Weighted Average Shares
<S>	<C>	<C>	<C>	<C>
1994	$.18	$.67	$2.72	12,519,486
1993	.18	.60	2.36	12,406,906
1992	.14	.48	1.95	12,370,491
1991	.11	.38	1.61	12,307,605
1990	.10	.29	1.36	12,248,996
1989	.10	.32	1.18	12,358,320

1988	.04	.26	1.03	12,623,314
1987	--	.17	.80	12,007,361
1986	--	.06	.63	12,141,875
1985	--	.02	.54	13,202,508

</TABLE>

<TABLE>
<CAPTION>

OTHER INFORMATION

<S>	Return on Shareholders' Equity (3) <C>	Return on Assets (4) <C>	Number of Managers <C>	Square Footage of Property in Use <C>	Number of Employees <C>
1994	27.2%	18.0%	8,404	346,747	718
1993	28.3	19.6	6,328	315,772	588
1992	27.2	19.3	6,150	244,789	443
1991	25.6	18.7	4,866	195,165	344
1990	23.3	17.1	3,798	161,765	281
1989	29.0	21.1	2,999	161,265	278
1988	29.7	20.7	2,645	157,765	247
1987	24.2	15.6	2,502	150,149	218
1986	10.7	6.8	2,368	150,149	208
1985	4.1	2.5	1,845	159,499	196

<FN>

* The common share information has been adjusted to reflect the ten percent stock dividend declared in 1995.
1 The Company expects to continue paying cash dividends.
2 Year end shareholders' equity divided by actual shares outstanding at the end of each year.
3 Net income dividend by average shareholders' equity.
4 Net income divided by average total assets.

</TABLE>

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SALES REVENUE

Consolidated sales revenue for the year ended December 31, 1994, was $160.9 million compared to $127.2 million in 1993, an increase of 27 percent. Sales revenue increased 26 percent in 1993 compared to $101.0 million reported in 1992. The increases in revenue are directly related to the growth of the Company's independent sales force, international growth, and the continued expansion of the nutritional products market. Sales revenue for 1992 included approximately $3.0 million of sales from a subsidiary, Sunburst International, which was sold in the first quarter of 1993.

The Company distributes its products to consumers through an independent sales force comprised of managers and distributors. Active managers totalled 8,404, 6,328 and 6,150 for 1994, 1993 and 1992, respectively. Active distributors totalled approximately 212,000, 144,000, and 98,000 for 1994, 1993 and 1992, respectively.

Price increases of approximately three and five percent went into effect on April 1, 1994 and 1993, respectively, and resulted in greater sales revenue for those years. A price increase of approximately three percent, primarily driven by increased raw material costs, is scheduled to become effective on April 1, 1995. Management believes that this price increase will be acceptable to its sales force and result in increased sales revenue.

Sales revenue, related to the Company's domestic operations, increased approximately 20 percent for both 1994 and 1993. However, domestic sales from continuing operations adjusted for the sales of Sunburst International, which was sold during the first quarter of 1993, actually increased approximately 25 percent in 1993. International sales revenue increased approximately 43 percent and 46 percent in 1994 and 1993, respectively. International sales revenue increased approximately $15.1 million in 1994. The Company's operations in Mexico contributed increases of $3.8 million and $11.3 million in 1994 and 1993, respectively. International sales revenue includes export sales to countries where the Company does not have subsidiary operations.

COSTS AND EXPENSES

The Company's total costs and expenses, which include cost of goods sold, volume incentives, and selling, general and administrative expenses, are identified as a percentage of sales in the table below:

Year Ended December 31	1994	1993	1992
Cost of goods sold	19.2%	19.0%	18.3%
Volume incentives	46.1	47.0	45.9
Selling, general and administrative expenses	25.9	25.0	27.4
	91.2%	91.0%	91.6%

COST OF GOODS SOLD

Cost of goods sold increased slightly, as a percent of sales in 1994, as the result of disproportionately high import costs for the Company's subsidiary in Venezuela. Management expects lower import costs for Venezuela during 1995 and subsequent years as the result of greater efficiencies.

Cost of goods sold increased slightly as a percent of sales in 1993, primarily as the result of the introduction of certain new products in the Company's subsidiary in Mexico. The Company also experienced higher costs of goods sold, as a percent of sales, in its Colombian subsidiary as the result of competitive pricing. The lower cost of goods sold, as a percent of sales, in 1992 was the result of increased unit sales volumes over the prior year. Management believes that cost of goods sold will decrease slightly as a percent of sales during 1995.

VOLUME INCENTIVES

Volume incentives are a significant part of the Company's direct sales marketing program and represent payments made to its independent sales force. These payments are designed to provide incentives for reaching higher sales levels and to encourage organizational development.

Total volume incentives decreased slightly during 1994 as a percent of sales, as the result of lower relative volume incentives in the Company's newer operations. During 1993, volume incentives increased as a percent of sales, as the result of changes to the domestic marketing plan as well as anticipated increases in Mexico, reflecting maturity of the marketing plan. Management expects volume incentives to decrease slightly as a percent of sales during 1995 since the Company's newer operations are expected to generate increased sales for the year.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

In addition to typical selling and administrative expenses, this expense category includes costs for research and development, distribution, as well as incentive programs such as the Company's conventions.

Selling, general and administrative expenses increased as a percent of sales during 1994 as the result of incremental costs incurred in the Company's newest operations in Japan and Brazil which totalled approximately $3.6 million. The decrease in selling, general and administrative expenses during 1993, as a percent of sales, was primarily the result of increased management focus on controlling expenses. Additionally, the Company did not have continued expenses from a subsidiary, Sunburst International, which was sold during the first quarter of 1993.

OTHER INCOME AND EXPENSE

Other income (expense) consists of the following (in thousands):

Year Ended December 31	1994	1993	1992
Interest and other income	$503	$761	$ 867

Gain on sale of subsidiaries	--	--	700
Interest expense	(46)	(1)	(54)
Foreign exchange loss	(745)	(46)	(117)
Minority interest	591	69	---
	$303	$783	$1,396

</TABLE>

INTEREST AND OTHER INCOME

Interest and other income is earned principally from investments of excess operating cash balances. Investment income will vary depending upon the rate of interest, the investment instruments available and the need for cash in the Company's operations. It is management's policy to invest only in high-grade investments. Interest and other income decreased during 1994 primarily as the result of the write down of certain other long-term assets.

GAIN ON SALE OF SUBSIDIARIES

In the fourth quarter of 1992, the Company recognized a gain before taxes of $700,005 on the sale of its subsidiaries in Australia and New Zealand. The subsidiaries were sold to local management, and the Company agreed to continue to supply its products to these markets.

FOREIGN EXCHANGE GAIN (LOSS)

Because of its operations outside of the United States, the Company is subject to realized and unrealized foreign exchange gains and losses. The Company experienced exchange losses of approximately $745,000 during 1994. The losses were primarily related to the Company's operations in Mexico and the devaluation of the Peso.

MINORITY INTEREST

The Company eliminates the minority interest in its subsidiaries which are not wholly owned. Accordingly, the Company eliminated approximately $591,000 of losses reported by subsidiaries in 1994.

INCOME TAXES

The Company's effective tax rate was 41.8, 39.3 and 40.1 percent for 1994, 1993, and 1992, respectively. The increase in the effective tax rate for 1994 was primarily related to losses in Japan and Brazil for which the Company did not record a tax benefit in the current year.

INTERNATIONAL OPERATIONS

Sales revenue of the Company's international subsidiaries, including export sales revenue, totaled $50.1 million in 1994, which is an increase of approximately 43 percent over 1993. Sales revenue was $34.9 million and $24.0 million in 1993 and 1992, respectively. The Company's newer subsidiary operations in Japan, Brazil and Venezuela contributed approximately $6.6 million to the increase in sales revenue in 1994. Mexico contributed increases of approximately $3.8 and $11.3 million in 1994 and 1993, respectively, to the total international sales increase.

INVENTORIES

Consolidated inventories increased approximately $6.1 million or 55 percent in 1994, compared to an increase of $1.8 million or 19 percent in 1993. These increases resulted primarily from an increase in the level of inventory, both finished goods and raw materials, the Company maintains due to increased sales, the continued growth of the Company's existing international operations and the addition of new subsidiaries, as well as the introduction of new products.

ACCOUNTS RECEIVABLE

The balance of accounts receivable increased approximately $.8 million in 1994 and $1.4 million in 1993. These increases are primarily related to the Company's international operations. The Company allows its independent distribution centers certain amounts of credit which are secured by monthly commissions earned by the centers.

SHORT-TERM DEBT

During 1994, the Company established operating lines of credit in Japan and Brazil to facilitate payment of start up and initial operating expenses.

CUMULATIVE TRANSLATION ADJUSTMENT

The balance of cumulative foreign currency translation adjustments decreased approximately $2.1 million primarily as the result of the devaluation of the Mexican peso.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents increased approximately $2.5 million during 1994. The increase was the result of cash generated by operations and an increase in short-term liabilities.

Working capital was used during 1994 to purchase approximately $2.6 million of manufacturing and data processing equipment. The Company paid approximately $2.2 million in cash dividends. Volume incentive payments increased approximately $12.0 million during 1994, primarily as the result of increased sales. Payments to suppliers and employees increased approximately $20.2 million as a result of higher levels of inventory and production to support higher levels of sales, as well as increased employment-related costs. The Company is in the process of evaluating the expansion of its manufacturing facility. The preliminary cost estimate for the expansion is approximately $4.0 million.

Management believes that the Company's stock is an attractive investment and, pursuant to its previously announced 440,000 share buyback program, may utilize some of its available cash to purchase up to the remaining balance of approximately 140,000 shares, should market conditions warrant.

During 1994, loans totalling approximately $305,000 were made to an officer of the Company. The entire amount including interest at six percent was repaid during the first quarter of 1994.

During 1993 and 1992, the Company made short-term loans of approximately $725,000 and $684,000, respectively, to certain officers of the Company. Approximately $434,000 was used by the officers to purchase Company stock in the open market. The stock that was purchased has been pledged as collateral. The loans are payable within 90 days of demand and bear interest at six percent. The total balance of these loans at December 31, 1994 and 1993, was approximately $505,000 and $618,000, respectively.

Management believes that future working capital requirements can be internally funded.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Nature's Sunshine Products, Inc.:

We have audited the accompanying consolidated balance sheets of Nature's Sunshine Products, Inc. (a Utah corporation) and subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Nature's Sunshine Products, Inc. and subsidiaries as of December 31, 1994 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1994 in conformity with generally accepted accounting principles.

Arthur Andersen LLP

Salt Lake City, Utah
February 14, 1995

CONSOLIDATED STATEMENTS OF INCOME
NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES

Year Ended December 31	1994	1993	1992
Sales Revenue	$160,900,746	$127,194,065	$101,043,770
Costs and expenses:			
Cost of goods sold	30,838,844	24,209,627	18,477,581
Volume incentives	74,163,142	59,741,423	46,432,638
Selling, general and administrative expenses	41,690,752	31,746,996	27,644,390
	146,692,738	115,689,046	92,554,609
Operating Income	14,208,008	11,496,019	8,489,161
Other income (expense):			
Interest and other income	503,105	760,965	867,448
Interest expense	(46,136)	(1,185)	(54,353)
Foreign exchange loss	(744,591)	(45,756)	(117,004)
Minority interest	590,840	68,820	---
Gain on sale of subsidiaries	---	---	700,005
	303,218	782,844	1,396,096
Income before income taxes	14,511,226	12,278,863	9,885,257
Provision for income taxes	6,062,935	4,823,925	3,965,798
Net Income	$ 8,448,291	$ 7,454,938	$ 5,919,459
Net Income Per Common Share	$ .67	$ .60	$ .48
Weighted Average Shares Outstanding	12,519,486	12,406,906	12,370,491

The accompanying significant accounting policies and notes to consolidated financial statements are an integral part of these statements.

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

As of December 31	1994	1993
ASSETS		
Current assets:		
Cash and cash equivalents	$11,200,550	$ 8,666,915
Accounts receivable, net of allowance for doubtful accounts of $636,000 in 1994 and $260,000 in 1993	4,787,333	3,945,882
Inventories	17,277,762	11,170,822
Notes receivable due from related parties	205,000	230,853
Prepaid expenses and other	3,092,438	2,482,449
Total current assets	36,563,083	26,496,921
Property, plant and equipment, net	9,918,699	9,671,805
Long-term investments	3,053,156	2,370,520
Other assets	2,922,621	2,994,351
	$52,457,559	$41,533,597
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$ 1,533,042	$ --

Accounts payable	4,472,689	3,344,151
Accrued volume incentives	5,877,083	5,146,806
Accrued liabilities	4,818,173	3,715,583
Income taxes payable	1,064,239	67,292
Total current liabilities	17,765,226	12,273,832
Deferred income taxes	971,434	304,181
Minority Interest	441,684	106,063
Shareholders' equity:		
Common stock, no par value, authorized 20,000,000 shares, issued 13,285,913 shares	29,849,452	15,793,991
Retained earnings	9,778,478	17,117,530
Treasury stock, at cost, 1,033,278 and 1,068,091 shares held in treasury as of Dec. 31, 1994 and 1993, respectively	(3,742,495)	(3,500,329)
Receivables due from related parties	(404,804)	(417,730)
Cumulative foreign currency translation adjustments	(2,201,416)	(143,941)
Total shareholders' equity	33,279,215	28,849,521
	$52,457,559	$41,533,597

</TABLE>
The accompanying significant accounting policies and notes to consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES

<TABLE>
<CAPTION>

Year ended December 31	1994	1993	1992
<S>	<C>	<C>	<C>
COMMON STOCK:			
Balance at beginning of year	$15,793,991	$15,769,300	$15,356,252
Tax benefit related to exercise of stock options	137,655	(7,659)	231,530
Issuance of 15,740, 400 and 600, shares of treasury stock, respectively	202,433	3,847	8,295
Issuance of 40,367, 4,300 and 47,972 shares of treasury stock, respectively, on exercise of stock options	156,754	28,503	173,223
Stock dividend	13,558,619	---	---
Balance at end of year	29,849,452	15,793,991	15,769,300
RETAINED EARNINGS:			
Balance at beginning of year	17,117,530	11,889,212	7,639,634
Net income	8,448,291	7,454,938	5,919,459
Stock dividend	(13,558,619)	---	---
Cash dividends	(2,228,724)	(2,226,620)	(1,669,881)
Balance at end of year	9,778,478	17,117,530	11,889,212
TREASURY STOCK:			
Balance at beginning of year	(3,500,329)	(3,168,760)	(3,157,240)
Purchase of common stock	(284,752)	(335,129)	(49,255)
Cost of treasury stock issued	42,586	3,560	37,735
Balance at end of year	(3,742,495)	(3,500,329)	(3,168,760)
RECEIVABLES DUE FROM RELATED PARTIES:			
Balance at beginning of year	(417,730)	(430,906)	---
Additions	---	---	(430,906)
Reductions	12,926	13,176	---
Balance at end of year	(404,804)	(417,730)	(430,906)
CUMULATIVE FOREIGN CURRENCY TRANSLATION ADJUSTMENTS:			
Balance at beginning of year	(143,941)	(135,247)	(224,339)
Foreign currency translation adjustments	(2,057,475)	(8,694)	89,092
Balance at end of year	(2,201,416)	(143,941)	(135,247)
TOTAL SHAREHOLDERS' EQUITY	$33,279,215	$28,849,521	$23,923,599

</TABLE>

The accompanying significant accounting policies and notes to consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
Increase (Decrease) in Cash and Cash Equivalents
<TABLE>
<CAPTION>

Year ended December 31	1994	1993	1992
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from sales revenue	$159,447,066	$125,738,138	$ 99,202,561
Cash paid as volume incentives	(72,001,642)	(59,990,767)	(45,320,035)
Cash paid to suppliers and employees	(76,589,117)	(56,422,459)	(46,220,842)
Interest paid	(46,136)	(1,185)	(54,353)
Interest received	370,743	706,551	556,516
Income taxes paid	(3,774,000)	(2,311,800)	(3,388,216)
Net cash provided by operating activities	7,406,914	7,718,478	4,775,631
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(2,589,907)	(3,007,996)	(2,841,876)
Proceeds from sales of assets	---	137,928	17,061
Purchase of long-term investments	(682,636)	(481,494)	56,688
Long-term receivables	---	---	(51,179)
Payments received on long-term receivables	324,634	751,508	---
Receivables from sale of subsidiareis	---	---	(1,900,000)
Purchase of other assets	(1,235,082)	(396,785)	(721,794)
Payments (additions) short-term related party receivables	75,853	132,596	(154,788)
Receivables due from related parties	12,926	13,176	(430,906)
Minority interest elimination	335,621	106,063	---
Net cash used in investing activities	(3,758,591)	(2,745,004)	(6,026,794)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments of cash dividends	(2,228,724)	(2,226,620)	(1,669,881)
Purchase of treasury stock	(284,752)	(335,120)	(49,255)
Proceeds from short-term debt	1,533,042	---	---
Proceeds from exercise of stock options	187,335	28,242	210,504
Issuance of treasury stock	214,438	---	---
Net cash used in financing activities	(578,661)	(2,533,498)	(1,508,632)
EFFECT OF EXCHANGE RATES ON CASH	(536,027)	(79,599)	(78,826)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,533,635	2,360,377	(2,838,621)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,666,915	6,306,538	9,145,159
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 11,200,550	$ 8,666,915	$ 6,306,538
Reconciliation of Net Income to Net Cash Provided by Operating Activities			
NET INCOME	$ 8,448,291	$ 7,454,938	$ 5,919,459
Bad debt expense and reserve	839,232	249,039	28,061
Depreciation and amortization	3,064,317	2,080,611	1,617,578
(Gain) loss on sale of assets	3,308	(4,868)	16,269
Increase in accounts receivable, net	(1,680,683)	(1,713,624)	(1,761,667)
Increase in inventories	(6,106,940)	(2,353,514)	(2,844,088)
Increase in prepaid expenses and other	(402,423)	(579,524)	(595,382)
Increase (decrease) in income taxes payable	996,947	(116,279)	102,379
Increase in accrued liabilities and volume incentives	1,832,867	1,380,977	1,676,393
Increase in accounts payable	1,128,538	1,633,377	15,447
Increase (decrease) in deferred income taxes	667,253	(383,560)	475,203
Foreign currency translation adjustment	(1,521,448)	70,905	(105,551)
Tax benefit from stock option exercise	137,655	---	231,530
Total adjustments	(1,041,377)	263,540	(1,143,828)
Net Cash Provided by Operating Activities	$ 7,406,914	$ 7,718,478	$ 4,775,631

</TABLE>

The accompanying significant accounting policies and notes to consolidated financial statements are an integral part of these statements.

SIGNIFICANT ACCOUNTING POLICIES
NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Nature's Sunshine Products, Inc. and its majority-owned subsidiaries (the Company). Intercompany transactions have been eliminated in consolidation.

NET INCOME PER SHARE

Net income per share is based upon the weighted average number of common shares and common equivalent shares outstanding during the period. Common equivalent shares consist primarily of stock options, which have a dilutive effect when applying the treasury stock method.

The Board of Directors declared a ten percent stock dividend, 1,106,507 shares, to shareholders of record February 17, 1995, a four-for-three stock split to shareholders of record January 13, 1993 and a three-for-two stock split to shareholders of record February 21, 1992. Weighted average shares outstanding and all per share amounts included in the consolidated financial statements and notes reflect the increased number of shares, giving retroactive effect to the stock dividend and splits.

INCOME TAXES

The Company recognizes a liability or asset for the deferred tax consequences of temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. These temporary differences will result in taxable or deductible amounts in future years when the reported amounts of the assets or liabilities are recovered or settled. Foreign and other tax credits are accounted for using the "liability" method, which reduces income tax expense in the year in which these credits are generated.

TRANSLATION OF FOREIGN CURRENCIES

The financial statements of the international subsidiaries have been translated to U.S. dollars in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 52.

The Company translated the assets and liabilities of its international operations at rates of exchange in effect at year end, and the consolidated statements of income were translated at the average rates of exchange for the year. Gains and losses resulting from translation are accumulated as a separate component of shareholders' equity. Gains and losses resulting from foreign currency transactions are included in the consolidated statements of income.

REVENUE RECOGNITION

For domestic sales, the Company generally receives its product sales price in cash accompanying orders from independent sales force members. For certain of the Company's international operations, the Company offers credit terms consistent with industry standards. A

volume incentive payment related to product orders is made in the month following the sale. Sales and related volume incentives are generally recorded when the merchandise is shipped. Cash received for unshipped merchandise is recorded as a liability.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include approximately $4,435,000 and $2,515,000 of short-term investments at December 31, 1994 and 1993, respectively.

For purposes of the statements of cash flows, the Company considers all highly liquid short-term investments to be cash equivalents, which generally includes only investments with original maturities of three months or less.

SELLING EXPENSES

Independent sales force members may earn Company-paid attendance at conventions as well as other travel awards by achieving the required levels of product purchases within the qualification period. The convention costs and other travel expenses are accrued over the qualification period as they are earned. Accordingly, the Company accrued approximately $650,000 and $1,040,000 at December 31, 1994 and 1993, respectively.

RESEARCH AND DEVELOPMENT

All research and development costs are expensed as incurred. Total research and development costs were approximately $800,000, $648,000, and $509,000 for 1994, 1993 and 1992, respectively.

CASH DIVIDENDS PER COMMON SHARE

The Company declared and paid quarterly cash dividends totalling $.18 per common share in 1994. The Company has declared a quarterly cash dividend of $.05 per common share to shareholders of record on March 10, 1995 and payable March 24, 1995.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES

NOTE 1: INVENTORIES

Inventories are stated at the lower of cost (using the first-in, first-out method) or market value. The composition of inventories is as follows:

<TABLE>
<CAPTION>

As of December 31	1994	1993
<S>	<C>	<C>
Raw materials	$ 6,124,791	$ 4,286,307
Work in process	1,303,024	364,437
Finished goods	9,849,947	6,520,078
	$17,277,762	$11,170,822

</TABLE>

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Maintenance and repairs are charged to expense as incurred, and major improvements are capitalized. Gains or losses on sales or retirements are included in the consolidated statement of income in the year of disposition. The composition of property, plant and equipment is as follows:

<TABLE>
<CAPTION>

As of December 31	1994	1993
<S>	<C>	<C>
Building and improvements	$ 6,223,049	$ 5,621,255
Machinery and equipment	6,537,245	5,754,874
Furniture and fixtures	6,022,243	5,189,485
	$18,782,537	$16,565,614
Accumulated depreciation and amortization	(9,074,501)	(7,104,472)
Land	210,663	210,663
	$ 9,918,699	$ 9,671,805

</TABLE>

NOTE 3: LONG-TERM INVESTMENTS

The following are the aggregate fair values and related gross unrealized holding gains and losses for securities available for sale and securities held to maturity at December 31, 1994:

<TABLE>
<CAPTION>

	1994
<S>	<C>
Securities available for sale:	
Amortized cost	$1,993,230
Gross unrealized holding gains	86,020
Gross unrealized holding losses	(74,793)
Aggregate fair value	$2,004,457
Securities held to maturity:	
Amortized cost	$1,048,699
Gross unrealized holding losses	(95,162)
Aggregate fair value	$ 953,537

</TABLE>

The total net unrealized holding losses on trading securities recognized in the consolidated statement of income for the year ended December 31, 1994, was $150,000.

NOTE 4: SHORT-TERM DEBT

During 1994, the Company established bank operating lines of credit in Japan and Brazil to facilitate the payment of start up and initial operating expenses. The lines of credit are to be repaid in local currency. The debts are unsecured and payable at March 31, 1995 and April 30, 1995, respectively. The weighted interest rate approximates three percent. There was no short-term debt as of December 31, 1993.

NOTE 5: INCOME TAXES

The provision for income taxes consists of the following:

<TABLE>
<CAPTION>

Year ended December 31	1994	1993	1992
<S>	<C>	<C>	<C>
Current:			
Federal	$3,843,615	$2,657,051	$1,642,178
State	610,033	446,288	413,800
Foreign	2,275,202	2,104,146	1,434,617
	6,728,850	5,207,485	3,490,595
Deferred	(665,915)	(383,560)	475,203
Total provision for income taxes	$6,062,935	$4,823,925	$3,965,798

</TABLE>

The domestic and foreign components of income before taxes are as follows:

<TABLE>
<CAPTION>

Year ended December 31	1994	1993	1992
<S>	<C>	<C>	<C>
Domestic	$11,053,186	$ 7,889,148	$7,712,531
Foreign	3,458,040	4,389,715	2,172,726
Total	$14,511,226	$ 12,278,863	$9,885,257

</TABLE>

The provision for income taxes as a percentage of income before taxes differs from the statutory Federal income tax rate due to the following:

<TABLE>
<CAPTION>

Year ended December 31	1994	1993	1992
<S>	<C>	<C>	<C>
Statutory Federal income tax rate	34.3%	34.2%	34.0%
State income taxes, net of Federal income tax benefit	2.8	1.6	2.3
Foreign and other tax credits	(6.5)	(7.5)	(7.8)
Net effect of foreign subsidiaries tax attributes	12.1	12.0	10.9
Other	(.9)	(1.0)	.7
Effective tax rate	41.8%	39.3%	40.1%

</TABLE>

The components of and the changes in the deferred income tax assets and liabilities for the period ended December 31, 1994, are as follows:
<TABLE>
<CAPTION>

	December 31, 1993	Deferred (Expense) Benefit	December 31, 1994
<S>	<C>	<C>	<C>
Deferred tax assets:			
Allowance for doubtful accounts	$ 98,205	$194,783	$ 292,988
Inventory unicap adjustment	235,797	37,254	273,051
Foreign tax credits	290,479	(30,717)	259,762
State income taxes	147,275	89,248	236,523
Sale of subsidiary	15,347	---	15,347
Goodwill amortization	27,138	(27,138)	---
Accrued vacation	115,880	(39,880)	76,000
Inventory obsolescence reserve	106,904	(53,606)	53,298
Foreign currency exchange	---	92,927	92,927
Intangible assets	---	28,668	28,668

Environmental taxes	---	4,603	4,603
Total deferred tax assets	$ 1,037,025	$296,142	$1,333,167
Deferred tax liabilities:			
Accelerated depreciation	$ (689,018)	$209,415	$ (479,603)
Gain on sale of subsidiaries	(652,188)	160,357	(491,831)
Total deferred tax liabilities	$(1,341,206)	$369,772	$ (971,434)

</TABLE>

NOTE 6: STOCK OPTIONS

The Company has from time to time granted certain non-qualified stock options to officers, directors and key employees. Such grants have been made at the fair market value of the stock at the date of grant. As of December 31, 1994, the Company has reserved approximately one million treasury shares to accommodate the exercise of the outstanding options.

Stock option activity for 1992, 1993 and 1994 consisted of the following:
<TABLE>
<CAPTION>

	Number of Shares	Range of Option Prices Per Share
<S>	<C>	<C>
Options outstanding at Dec. 31, 1991(b)	516,196	$ 2.69-$8.06
Options issued	265,173	$ 6.06-$9.55
Options canceled	(3,087)	$ 2.79-$3.83
Options exercised (a)	(72,173)	$ 2.69-$3.83
Options outstanding at Dec. 31, 1992 (b)	706,109	$ 2.69-$9.55
Options issued	354,420	$ 9.77-$10.00
Options canceled	(8,800)	$ 8.07-$9.77
Options exercised (a)	(4,730)	$ 2.79-$7.27
Options outstanding at Dec. 31, 1993 (b)	1,046,999	$ 2.69-$10.00
Options issued	270,600	$12.39-$13.18
Options canceled	(682)	$ 4.55
Options exercised (a)	(44,403)	$ 2.69-$9.55
Options outstanding at Dec. 31, 1994 (b)	1,272,514	$ 2.69-$13.18

<FN>
(a) Shares issued related to the exercise of stock options were issued from treasury stock.
(b) Options for 698,828, 626,579 and 449,736, shares of common stock were exercisable on December 31, 1994, 1993 and 1992, respectively.
</TABLE>

NOTE 7: EMPLOYEE BENEFIT PLANS

DEFERRED COMPENSATION PLAN

The Company sponsors a qualified deferred compensation plan (401(k)). During 1994 and 1993, the Company contributed matching contributions of 100 percent of employee contributions up to a maximum of five percent of the employee's compensation. During 1992, employer matching contributions were 57 percent of the employee contributions up to a maximum of seven percent of the employee's compensation. Employer contributions to the plan during 1994, 1993 and 1992 were approximately $284,000, $314,000 and $175,000, respectively.

MANAGEMENT AND EMPLOYEE BONUS PLAN

The Company has a bonus plan that provides for participants to receive payments based upon the annual increase in revenue and operating income. The expense related to the plan was approximately $1,912,000, $1,520,000 and $1,328,000 for 1994, 1993 and 1992, respectively. Hourly employees also participated in the plan in 1994.

NOTE 8: RELATED PARTY TRANSACTIONS

During 1994, loans totalling approximately $305,000 were made to an officer of the Company. The entire amount, including interest at six percent, was repaid during the first quarter of 1994.

During 1993 and 1992, short-term loans of approximately $725,000 and $684,000, respectively, were made to certain Company officers. The loans have a 90-day call option and bear interest at six percent. Certain officers used the proceeds of the loans to purchase the Company's stock in the open market. The stock that was purchased has been pledged as collateral for the loans. After repayments, the balance of the short-term loans at December 31, 1994 and 1993 was approximately $505,000 and $618,000, respectively.

NOTE 9: INTERNATIONAL OPERATIONS

Sales for domestic and international operations during the past three years were as follows (in thousands):

<TABLE>
<CAPTION>

Year ended December 31	1994	1993	1992
<S>	<C>	<C>	<C>
Domestic sales	$110,839	$ 92,248	$ 77,040
International:			
Mexico	25,991	22,211	10,944
Canada	6,845	5,769	5,210
Colombia	4,177	2,966	245
Great Britain	3,149	2,521	2,810
Venezuela	3,026	58	---
Japan	1,834	---	---
Brazil	1,788	---	---
Malaysia	1,581	226	---
Export	1,283	1,195	1,184
Costa Rica	388	---	---
Australia*	---	---	2,308
New Zealand*	---	---	1,303
Total International	50,062	34,946	24,004
Total Sales	$160,901	$127,194	$101,044

<FN>
*These subsidiaries were sold in 1992.
</TABLE>

Operating income for domestic and international operations during the past three years was as follows (in thousands):

<TABLE>
<CAPTION>

Year ended December 31	1994	1993	1992
Domestic income	$ 9,706	$ 7,087	$5,355
<S>	<C>	<C>	<C>
International:			
Mexico	4,007	4,414	2,079
Canada	399	18	126
Colombia	332	(81)	(116)
Great Britain	31	25	11
Venezuela	48	(148)	---
Japan	(622)	---	---
Brazil	(324)	---	---
Malaysia	1	(85)	---
Export	514	266	709
Costa Rica	116	---	---
Australia*	---	---	226
New Zealand*	---	---	99
Total international	4,502	4,409	3,134
Total Operating Income	$14,208	$11,496	$8,489

<FN>
*These subsidiaries were sold in 1992.
</TABLE>

Total assets for domestic and international operations for the past three years were as follows (in thousands):

As of December 31	1994	1993	1992
Domestic assets	$34,973	$ 28,752	$26,365
International:			
Mexico	5,885	8,520	4,638
Canada	1,598	1,271	1,524
Colombia	1,967	1,431	863
Great Britain	1,028	726	597
Venezuela	1,635	375	---
Japan	2,677	---	---
Brazil	1,598	---	---
Malaysia	810	459	---
Costa Rica	287	---	---
Total international	17,485	12,782	7,622
Total Assets	$52,458	$41,534	$33,987

NOTE 10: COMMITMENTS AND CONTINGENCIES

The Company leases certain facilities and equipment used in its operations. The approximate aggregate commitments under non-cancelable operating leases in effect at December 31, 1994, were as follows:

Year ending December 31	Lease Commitments
1995	$2,061,000
1996	1,673,993
1997	644,202
1998	246,924
1999 and thereafter	1,075,952
	$5,702,071

The Company incurred expenses of approximately $2,434,000, $1,605,000 and $1,101,000 in connection with operating leases during 1994, 1993 and 1992, respectively.

The Company is a defendant in various lawsuits which are incidental to the Company's business. Management, after consultation with its legal counsel, believes that any liability as a result of these matters will not have a material effect upon the Company's results of operations or financial position.

SUMMARY OF QUARTERLY OPERATIONS -- UNAUDITED
DOLLAR AMOUNTS IN THOUSANDS EXCEPT FOR PER-SHARE INFORMATION

1994	Sales Revenue	Cost of Goods Sold	Volume Incentives	Selling, General & Administrative Expenses	Operating Income	Other Income (Expense)	Income Before Income Taxes	Net Income	Net Income Per Share
First Qtr	$ 37,337	$ 7,049	$17,718	$ 9,503	$ 3,067	$ (29)	$ 3,038	$1,701	$.14
Second Qtr	38,312	7,508	17,840	9,359	3,605	377	3,982	2,237	.18
Third Qtr	41,003	7,917	18,690	10,930	3,466	192	3,658	2,221	.18
Fourth Qtr	44,249	8,365	19,915	11,899	4,070	(27)	3,833	2,289	.18
	$160,901	$30,839	$74,163	$41,691	$14,208	$ 303	$14,511	$8,448	$.67

1993

First Qtr	$ 29,830	$ 6,024	$13,596	$ 8,143	$ 2,067	$128	$ 2,195	$1,159	$.09
Second Qtr	31,,624	5,828	14,874	7,726	3,196	154	3,350	1,965	.15
Third Qtr	32,455	6,289	15,120	7,657	3,389	148	3,537	2,107	.17
Fourth Qtr	33,285	6,069	16,151	8,221	2,844	353	3,197	2,224	.18
	$127,194	$24,210	$59,741	$31,747	$11,496	$783	$12,279	$7,455	$.60

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information called for by Item 10 is omitted because the Company intends to file with the Securities and Exchange Commission, not later than 120 days after the close of the fiscal year ended December 31, 1994, a definitive Proxy Statement pursuant to Regulation 14A of the Commission.

ITEM 11. EXECUTIVE COMPENSATION

Information called for by Item 11 is omitted because the Company intends to file with the Securities and Exchange Commission, not later than 120 days after the close of the fiscal year ended December 31, 1994, a definitive Proxy Statement pursuant to Regulation 14A of the Commission.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information called for by Item 12 is omitted because the Company intends to file with the Securities and Exchange Commission, not later than 120 days after the close of the fiscal year ended December 31, 1994, a definitive Proxy Statement pursuant to Regulation 14A of the Commission.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information called for by Item 13 is omitted because the Company intends to file with the Securities and Exchange Commission, not later than 120 days after the close of the fiscal year ended December 31, 1994, a definitive Proxy Statement pursuant to Regulation 14A of the Commission.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)(1) LIST OF FINANCIAL STATEMENTS

The following are filed as part of this Report:

Report of Independent Public Accountants

Consolidated statements of income for the years ended December 31, 1994, 1993 and 1992.

Consolidated balance sheets as of December 31, 1994 and 1993.

Consolidated statements of shareholders' equity for the years ended December 31, 1994, 1993 and 1992.

Consolidated statements of cash flows for the years ended December 31, 1994, 1993 and 1992.

Significant Accounting Policies

Notes to Consolidated Financial Statements
Summary of Quarterly Operations - Unaudited

(a)(2) LIST OF FINANCIAL STATEMENT SCHEDULES

Report of Independent Public Accountants on Consolidated Financial Statement Schedule.

Schedule II - Valuation and Qualifying Accounts.
Financial statement schedules other than those listed are omitted for the reason that they are not required or are not applicable, or the required information is shown in the financial statements or notes thereto, or contained in this Report.

(a)(3) LIST OF EXHIBITS

3.1(1) -	Restated Articles of Incorporation
3.2(2) -	By-laws, as amended
10.1(3) -	Lease Agreement dated January 8, 1992 between the Registrant and East Bay Associates Partnership No. 3
10.2 -	Form of Employment Agreement between the Registrant and its executive officers together with a schedule identifying the agreements omitted and setting forth the material differences between the filed agreement and the omitted agreements
10.3(4) -	1990 Long-Term Incentive Compensation Plan
10.4(4) -	Form of Stock Option Agreement (1990 Long-Term Incentive Compensation Plan)
10.5(5) -	Executive Loan Program
10.6(5) -	Exempt Employee Incentive Compensation Plan
10.7(6) -	1993 Stock Option Plan
10.8(6) -	Forms of Stock Option Agreements for employees and non-employee directors (1993 Stock Option Plan)
22 -	List of Subsidiaries of Registrant
24 -	Consent of Independent Public Accountants
27-	Financial Data Schedules

(b) REPORTS ON FORM 8-K

The Registrant did not file any reports on Form 8-K during the last quarter of the year ended December 31, 1994.

(c) EXHIBITS

Exhibits required to be filed in respect to this paragraph of Item 14 are listed above in subparagraph (a)(3).

(d) FINANCIAL STATEMENT SCHEDULES

See subparagraph (a)(2) above.

---

[1] Previously filed with the Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1988 and is incorporated herein by reference.

[2] Previously filed with the Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1985 and is incorporated herein by reference.

[3] Previously filed with the Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1991 and is incorporated herein by reference.

[4] Previously filed with the Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1990 and is incorporated herein by reference.

[5] Previously filed with the Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1992 and is incorporated herein by reference.

[6] Previously filed with the Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1993 and is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Nature's Sunshine Products, Inc.
(Registrant)

Date: March 24, 1995 By: /s/ Alan D. Kennedy

Alan D. Kennedy, President and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Alan D. Kennedy Alan D. Kennedy	President, Chief Executive Officer and Director	March 24, 1995
/s/ Kristine F. Hughes Kristine F. Hughes	Chairman of the Board and Director	March 24, 1995
/s/ Douglas Faggioli Douglas Faggioli	Vice President/Finance, Treasurer, Chief Financial Officer	March 24, 1995
/s/ Eugene L. Hughes Eugene L. Hughes	Vice President and Director	March 24, 1995
/s/ Merrill Gappmayer Merrill Gappmayer	Director	March 24, 1995
/s/ Pauline T. Hughes Pauline T. Hughes	Director	March 24, 1995

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON CONSOLIDATED FINANCIAL STATEMENT SCHEDULE

To Nature's Sunshine Products, Inc.:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements of Nature's Sunshine Products, Inc. appearing in Item 8 in this Annual Report on Form 10-K, and have issued our report thereon dated February 14, 1995. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in Item 14(a)(2) is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Salt Lake City, Utah
February 14, 1995

NATURE'S SUNSHINE PRODUCTS, INC.
SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
FOR THE THREE YEARS ENDED DECEMBER 31, 1994

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	PROVISIONS	AMOUNTS WRITTEN OFF	AMOUNTS RECOVERED	BALANCE AT END OF PERIOD
YEAR ENDED DECEMBER 31, 1992					
ALLOWANCE FOR DOUBTFUL ACCOUNTS RECEIVABLE	$134,960	$99,623	$(121,833)	$(1,000)	$111,750
ALLOWANCE FOR OBSOLETE INVENTORY	218,894	87,465	---	---	306,359
ALLOWANCE FOR NOTES RECEIVABLE	95,000	---	(85,000)	(10,000)	---
YEAR ENDED DECEMBER 31, 1993					
ALLOWANCE FOR DOUBTFUL ACCOUNTS RECEIVABLE	$111,750	$279,946	$(128,027)	$(3,621)	$260,048
ALLOWANCE FOR OBSOLETE INVENTORY	306,359	(25,032)	---	---	281,327
ALLOWANCE FOR NOTES RECEIVABLE	---	---	---	---	---
YEAR ENDED DECEMBER 31, 1994					
ALLOWANCE FOR DOUBTFUL ACCOUNTS RECEIVABLE	$260,048	$839,232	$(460,921)	$(2,414)	$635,945
ALLOWANCE FOR OBSOLETE INVENTORY	281,327	---	(77,913)	(89,429)	113,985
ALLOWANCE FOR NOTES RECEIVABLE	---	304,086	---	---	304,086

LIST OF EXHIBITS

ITEM NO.	EXHIBIT	LOCATED AT SEQUENTIALLY NUMBERED PAGE
3.1(1) -	Restated Articles of Incorporation	---
3.2(2) -	By-laws, as amended	---
10.1(3) -	Lease Agreement dated January 8, 1992 between the Registrant and East Bay Associates Partnership No. 3	---
10.2 -	Form of Employment Agreement between the Registrant and its executive officers together with a schedule identifying the agreements omitted and setting forth the material differences between the filed agreement and the omitted agreements.	35
10.3(4) -	1990 Long-Term Incentive Compensation Plan	---
10.4(4) -	Form of Stock Option Agreement (1990 Long-Term Incentive	---

		Compensation Plan)	
10.5(5)	-	Executive Loan Program	---
10.6(5)	-	Exempt Employee Incentive Compensation Plan	---
10.7(6)	-	1993 Stock Option Plan	---
10.8(6)	-	Forms of Stock Option Agreements for employees and non-employee directors (1993 Stock Option Plan)	---
22	-	List of Subsidiaries of Registrant	42
24	-	Consent of Independent Public Accountants	43
27	-	Financial Data Schedules	---

<FN>

____

[1] Previously filed with the Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1988 and is incorporated herein by reference.

[2] Previously filed with the Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1985 and is incorporated herein by reference.

[3] Previously filed with the Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1991 and is incorporated herein by reference.

[4] Previously filed with the Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1990 and is incorporated herein by reference.

[5] Previously filed with the Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1992 and is incorporated herein by reference.

[6] Previously filed with the Commission as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1993 and is incorporated herein by reference.

</TABLE>

EXHIBIT 10.2

EMPLOYMENT AGREEMENT

This Agreement, is effective as of the 1st day of November, 1994 (the "Effective Date"), and is by and between NATURE'S SUNSHINE PRODUCTS, INC., a Utah Corporation, having its principal place of business in Provo, Utah ("NSP"), and ALVIN B. SEGELMAN the undersigned individual ("Employee").

RECITALS

WHEREAS, NSP is in the business of (i) manufacturing and selling numerous consumer products and services, including but not limited to herbs, vitamins, minerals, health foods, food supplements, skin care products and other health-related products, and (ii) distribution of products and services by the method of multilevel marketing/direct sales distribution;

WHEREAS, Employee has been employed by NSP since SEPTEMBER 17, 1990 and

WHEREAS, both NSP and Employee desire to embody the terms and conditions of Employee's employment in a written agreement which shall supersede and revoke any and all prior agreements of employment, whether written or oral.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereby agree as follows:

GENERAL PROVISIONS

1. EMPLOYMENT: NSP hereby employs Employee and Employee hereby agrees to serve NSP as VICE PRESIDENT-HEALTH SCIENCES. Employee shall devote Employee's full time and efforts to NSP during the term of Employee's employment and shall act with complete loyalty to NSP.

   NSP may assign Employee such additional or substitute titles and duties as NSP shall determine in its sole discretion. Employee shall at all times act in a professional manner. Employee shall perform the duties set forth in Exhibit "A", attached hereto, and such other duties as NSP may specify, in a competent and responsible manner and to NSP's reasonable satisfaction. Employee agrees to abide by the policies and procedures as may be set forth in handbooks, manuals and other materials provided by NSP.

2. TERM: The term of Employee's employment shall be twelve months, and shall hereinafter be referred to as the "Initial Term." The Initial Term shall begin as of the Effective Date. Unless and until Employee's employment with NSP is terminated by NSP or Employee for any reason or no reason, at the end of the Initial Term this Agreement shall automatically be renewed and extended for additional periods of twelve months each and Employee's employment with NSP shall continue during the extended period.

3. COMPENSATION:

   (a) BASE SALARY: As compensation, NSP shall pay Employee a base salary of $108,000 per year ("Base Salary"). Base Salary shall be paid according to NSP's payroll schedule.

   (b) DISCRETIONARY BONUS: Employee shall also be eligible to participate in the executive bonus program or any successor program (the "EBP"). Payment of any bonus under the EBP is in NSP's sole discretion according to the then current practice and criteria established by NSP.

   (c) EMPLOYEE'S BENEFITS: Until Employee's employment is terminated, Employee shall be entitled to all standard employee benefits then in effect for employees of NSP holding comparable titles or positions (the "Benefits").

4. TERMINATION:

   (a) DISCRETIONARY TERMINATION BY NSP: NSP may terminate Employee's employment at will, subject to this Agreement and NSP's obligation to pay Severance Pay to Employee as provided in Section 5.

   (b) DISCRETIONARY TERMINATION BY EMPLOYEE: Employee may terminate Employee's employment by giving NSP at least two weeks' notice of said resignation.

   (c) TERMINATION FOR CAUSE BY NSP: Notwithstanding anything in this Agreement, during the Initial Term and thereafter NSP may terminate Employee's employment immediately for Cause. For purposes of this Agreement, "Cause" shall include (i) material breach by Employee of this Agreement, (ii) performance by Employee deemed unsatisfactory to NSP acting reasonably, provided NSP's expectations for specific improvement are communicated to Employee in writing with a ninety day probation period allowed for the requisite improvement, (iii) Employee's dishonesty or violation of company rules by Employee including that certain Confidentiality Agreement by and between NSP and Employee, or (iv) Employee's conviction of or entrance of a plea of NOLO CONTENDERE to a felony or to any other crime punishable by incarceration.

(d) TERMINATION UPON DEATH OR INCAPACITY OF EMPLOYEE: Employee's employment with NSP shall, at the exclusive election of NSP, terminate upon the death or Incapacity of Employee. For purposes of Sections 4 and 5, termination of Employee's employment by reason of Employee's death or Incapacity shall be considered termination of Employee's employment by NSP WITHOUT Cause and Employee shall receive the Severance Pay, if any, pursuant to Section 5.

(e) DEFINITION OF INCAPACITY: In this Agreement, "Incapacity" shall mean that Employee is for a period of 95 consecutive days or more, unable to perform Employee's duties effectively, for reasons such as emotional, mental or physical

illness, deficiency or disability. In this Agreement, if any question arises as to the "Incapacity" of Employee, NSP shall promptly engage three physicians who are members of the American Medical Association to examine Employee and determine if Employee is able to perform the duties of Employee's employment with NSP. In the event Employee appears to have mental capacity to act, one of said three physicians shall be selected by Employee, one shall be selected by NSP, and one shall be selected by the other two physicians. The decision of the three physicians shall be conclusive for all purposes of this Agreement.

5. EFFECT OF TERMINATION ON COMPENSATION:

(a) DISCRETIONARY TERMINATION BY NSP: If Employee's employment is terminated by NSP WITHOUT CAUSE, Employee shall be entitled to receive as severance pay ("Severance Pay") the following: (i) an amount equal to Base Salary for the twelve (12)) months from the date of termination (the "Severance Pay Period") and (ii) continuation of any coverage in effect at the date of termination for Employee and his or her family at NSP's expense under NSP's major medical and life insurance plans during the Severance Pay Period.

(b) NON-RENEWAL BY NSP WITHOUT CAUSE; DEATH; INCAPACITY: If NSP WITHOUT CAUSE does NOT renew Employee's employment at the end of the Initial Term, or the end of any employment period thereafter, or if Employee's employment is terminated by reason of Employee's death or Incapacity, then Employee (or Employee's estate or designated beneficiary, as the case may be) shall receive Severance Pay for the applicable Severance Pay Period.

(c) TERMINATION BY EMPLOYEE; TERMINATION OR NON-RENEWAL BY NSP FOR CAUSE: If Employee's employment is (i) terminated by Employee, or (ii) terminated for Cause or for Cause not renewed by NSP, Employee shall receive only Employee's Base Salary and the Benefits earned through the date of such termination.

(d) PAYMENT: At the option of NSP, Severance Pay may be distributed in a lump sum or in regular biweekly checks over the Severance Pay Period. Any Severance Pay is subject to required payroll deductions and withholdings.

(e) LIMITATION: Except as provided in this Section 5, Employee shall not be entitled to any further or other Severance Pay, Base Salary, Benefits, compensation, damages or other amounts. Employee understands and agrees that notwithstanding anything in this Agreement, NSP's obligation to pay any Base Salary, benefits or Severance Pay after termination of employment depends upon Employee's compliance with the agreements and covenants of Sections 6 through 9. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, EMPLOYEE SHALL NOT RECEIVE ANY HEALTH OR LIFE INSURANCE COVERAGE AFTER THE DATE OF TERMINATION, EXCEPT COBRA BENEFITS, IF ANY, AS AND TO THE EXTENT PRESCRIBED BY LAW.

PROTECTION OF NSP

6. NONCOMPETITION AND NONSOLICITATION:

(a) DEFINITIONS: In this Section 6, the "Restricted Territory" shall mean the United States and any country where (on the date the notice terminating Employee's employment is received) NSP is doing business or planning to do business within the next year through a subsidiary or joint venture. In this Section 6, the "Restrictive Period" shall mean the period (i) COMMENCING with the Effective Date, and (ii) ENDING one year after the later of (x) the date of termination of Employee's employment (whether or not employment is terminated by NSP or Employee, or for Cause or otherwise), or (y) the date of final payment of Severance Pay was paid to Employee (or would have been paid but for a breach of this Agreement by Employee or for Cause termination of Employee's employment).

(b) EMPLOYEE NONCOMPETITION AND NONSOLICITATION COVENANTS: Employee hereby covenants and agrees that Employee shall not, directly or indirectly, in the Restricted Territory during the Restricted Period, do any of the following:

(i) own an interest in (other than less than one percent of a publicly traded company), operate, join, control, participate in or be a distributor, agent, consultant, independent contractor, employee, officer, director, partner, principal or shareholder of ANY INDIVIDUAL, PERSON OR ENTITY HAVING A MAJORITY OF ITS GROSS SALES FROM DISTRIBUTION OF HERBS AND/OR VITAMINS;

(ii) plan for or organize any business which competes or would compete with ANY HERB OR VITAMIN PRODUCT OF NSP, or combine with any other employee or representative of NSP to organize any such competitive business;

(iii) solicit, induce or influence (or seek to induce or influence) any person under contract with NSP (including any associate or distributor of NSP) to terminate or alter his or her relationship with NSP; or

(iv) solicit any customer of NSP where the identity or any significant information about such customer was or is Confidential Information of NSP (as such term is defined in that certain Confidentiality Agreement by and between Employee and NSP).

(c) EXTENSION OF RESTRICTIVE PERIOD: Employee agrees that NSP, in its sole discretion, may extend the Restrictive Period and the foregoing restrictive covenants in Section 6(b) for up to an additional year. To do so, NSP must (i) give Employee at least ninety days prior notice of its intention to extend the restrictive covenant, and (ii) pay Employee an amount equal to the Base Salary for and during the period of such extension. Any such payments shall be paid according to NSP's regular payroll schedule.

(d) INTENTIONS: It is the intention of the parties that the foregoing restrictive covenant be enforced as written, and, in any other event, enforced to the greatest extent (but to no greater extent) in time, territory and degree of participation as permitted by applicable law.

7. NON-DISPARAGEMENT: Employee hereby also covenants not to disparage, orally or in writing, NSP or its management (including NSP's products, practices and policies) to any NSP employee, associate, distributor or member of the public or press. Employee understands and agrees that Employee may lose any right to Severance Pay if Employee breaches this covenant not to disparage.

8. ACKNOWLEDGEMENT: Employee acknowledges that Employee's covenants and agreements in Sections 6 and 7 are reasonable and necessary to protect the legitimate interests and Confidential Information of NSP. Employee acknowledges that Section 6 is not so broad as to prevent Employee from earning a livelihood or practicing Employee's chosen profession after termination of Employee's employment. The parties acknowledge and agree that the compensation and benefits provided for under this Agreement are in substantial part consideration for Employee's covenants in Sections 6 and 7.

9. ENFORCEMENT: For any breach of Section 6, 7, 8 or 9, Employee agrees that NSP is entitled to equitable and other injunctive relief which may include, but shall not be limited to restraining Employee from rendering any service or performing or participating in any activity in breach of this Agreement. However, no remedy available under this Agreement (including this Section 9) is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other available remedy or now hereafter existing at law or in equity, by statute

or otherwise.

MISCELLANEOUS

10. ENTIRE AGREEMENT: This Agreement (including the recitals and Exhibit "A", attached hereto) sets forth the entire agreement and understanding between Employee and NSP and cannot be modified or altered, nor can any provision hereof be waived, except in writing signed by Employee and a duly authorized officer of NSP.

11. INTERPRETATION: The Section and other headings in this Agreement are for reference only and shall not affect the construction of this Agreement. Whenever the context requires, the singular shall include the plural, the plural shall include the singular, and the whole shall include any part thereof.

12. INVALIDITY OF PROVISION: If any provisions in this Agreement are held invalid, illegal or unenforceable in any respect for any reason, such invalid, illegal or unenforceable provision(s) shall be limited, construed or eliminated to the extent necessary to remove such invalidity, illegality or unenforceability and the other provisions of this Agreement shall not be affected thereby.

13. BINDING EFFECT: This Agreement shall inure to the benefit of and be binding upon Employee and Employee's heirs and personal representatives, and upon NSP and its successors and assigns. Employee's covenants and agreements of Sections 6 through 9 shall survive the termination of Employee's employment by any means, reason or party.

14. WAIVER: No waiver of any provision of this Agreement shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

15. NOTICE: Any notice given under this Agreement shall be in writing and shall be sufficient if personally delivered or sent by registered or certified mail and addressed, if to Employee, to Employee's address set forth in NSP's records, or if to NSP, to its principal office. Such notice shall be deemed given when delivered if delivered personally, or, if sent by registered or certified mail, at the earlier of actual receipt or three days after mailing in United States mail, addressed as aforesaid with postage prepaid.

16. GOVERNING LAW: This Agreement shall be governed by the laws of the State of Utah and any litigation arising out of it shall be conducted in applicable state courts located in Utah County or federal courts located in Salt Lake County, Utah. The parties expressly consent to such jurisdiction and venue.

AGREED TO AND ACCEPTED AS OF THE DATE FIRST ABOVE WRITTEN:

Employee:

ALVIN B. SEGELMAN

____
Signature

Employer:

NATURE'S SUNSHINE PRODUCTS, INC.

By __________________________________

Name ________________________________
Title _______________________________

SCHEDULE TO EXHIBIT 10.2

The following sets forth the material differences between the filed agreement and the omitted agreements

NAME	POSITION	SALARY	TERM
Alan D. Kennedy	President & C.E.O.	$250,000	1 year
Brent F. Ashworth	Vice President - Legal	100,200	1 year
Alvin B. Segelman	Vice President - Health	108,000	1 year

(FILED EXHIBIT)	Sciences		
Eugene Hughes	Senior Vice President	125,500	1 year
Dale G. Lee	Vice President - Sales	116,000	1 year
Bruno Vassel III	Vice President - Human Resources	96,000	1 year
Joseph A. Speirs	Vice President - Marketing	104,500	1 year
William E. Spears	Chief Operating Officer	150,000	1 year
Dilip G. Bhatia	Vice President - R & D/Q.A.	100,000	1 year
David K. Shunick	Vice President - Operations	100,000	1 year
Douglas Faggioli	Vice President - Finance, Chief Financial Officer	123,500	1 year

EXHIBIT 22

SUBSIDIARIES

Set forth below is a list of all active subsidiaries of the Registrant, the state or other jurisdiction of incorporation or organization of each, and the names under which such subsidiaries do business.

Name	Jurisdiction of Incorporation
Nature's Sunshine Products of Canada, Ltd.	Canada
Nature's Sunshine Products de Mexico, S.A. de C.V.	Mexico
Nature's Sunshine Products de Colombia, S.A.	Colombia
NSSP Malaysia Sdn. Bhd.	Malaysia
Nature's Sunshine Produtos Naturais Ltda.	Brazil
Nature's Sunshine K.K.	Japan
Nature's Sunshine Products de Venezuela	Venezuela
Nature's Sunshine Products de Centroamerica	Costa Rica

Each subsidiary listed above is doing business under its corporate name.

EXHIBIT 24

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included in this Form 10-K, into the Company's previously filed Registration Statements File Nos. 33-38621 and 33-80582.

ARTHUR ANDERSEN LLP

Salt Lake City, Utah
March 28, 1995

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