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

(Mark One)
[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 1998

OR

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

For the transition period from ________________to _________________

Commission File #0-8707

NATURE'S SUNSHINE PRODUCTS, INC.
(Exact Name of Registrant)

Utah	87-0327982
(State of Incorporation)	(I.R.S. Employer Identification Number)

75 East 1700 South
Provo, Utah 84606
(Address of Principal Executive Offices)

(801) 342-4370
(Registrant's Telephone Number, including Area Code)

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 such shorter period that the Registrant was required to file such report(s), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

The number of shares of common stock, without par value, outstanding as of August 10, 1998, was 18,389,699.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(Amounts In Thousands)
(UNAUDITED)

<TABLE>
<CAPTION>

	June 30 1998	December 31 1997
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 34,970	$27,813
Accounts receivable, net	9,074	7,465
Inventories	19,352	19,555
Prepaid expenses and other	8,827	11,197
Total Current Assets	72,223	66,030

PROPERTY, PLANT AND EQUIPMENT, net	26,390	23,711
LONG-TERM INVESTMENTS	3,276	3,468
OTHER ASSETS	3,563	2,587
	$105,452	$95,796

</TABLE>

The accompanying notes to the financial statements are an integral part of these consolidated condensed financial statements.

NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS (CONTINUED)
(Amounts In Thousands)
(UNAUDITED)

<TABLE>
<CAPTION>

<S>	June 30 1998 <C>	December 31 1997 <C>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt	$ 1,828	$ 2,665
Accounts payable	5,093	5,094
Accrued volume incentives	11,114	9,531
Accrued liabilities	11,605	7,223
Income taxes payable	1,901	2,946
Total Current Liabilities	31,541	27,459
DEFERRED INCOME TAXES	1,674	1,480
SHAREHOLDERS' EQUITY:		
Common stock, no par value, 20,000 shares authorized; 19,446 shares issued	37,981	37,896
Retained earnings	60,925	51,190
Treasury stock, at cost, 1,008 and 861 shares at June 30, 1998 and December 31, 1997, respectively	(21,525)	(17,278)
Receivables due from related parties	---	(77)
Unrealized gain on securities available for sale	302	416
Cumulative translation adjustments	(5,446)	(5,290)
Total Shareholders' Equity	72,237	66,857
	$105,452	$ 95,796

</TABLE>

The accompanying notes to the financial statements are an integral part of these consolidated condensed financial statements.

NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Amounts In Thousands, Except Per-Share Information)
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended June 30	
	1998	1997
<S>	<C>	<C>
SALES REVENUE	$77,201	$71,411
COSTS AND EXPENSES:		
Cost of goods sold	13,646	13,405
Volume incentives	35,474	33,319
Selling, general and administrative	18,858	16,720
	67,978	63,444
OPERATING INCOME	9,223	7,967
OTHER INCOME (EXPENSE):		
Interest and other income	494	559
Interest expense	(10)	(11)
Foreign exchange gain	102	48
Minority interest	114	76
	700	672
INCOME BEFORE PROVISION FOR INCOME TAXES	9,923	8,639
PROVISION FOR INCOME TAXES	3,818	3,392
NET INCOME	$ 6,105	$ 5,247
BASIC NET INCOME PER COMMON SHARE	$ 0.33	$ 0.28
WEIGHTED AVERAGE BASIC SHARES	18,477	18,627
DILUTED NET INCOME PER COMMON SHARE	$ 0.32	$ 0.28
WEIGHTED AVERAGE DILUTED SHARES	18,791	18,947

</TABLE>

The accompanying notes to the financial statements are an integral part of these consolidated condensed financial statements.

NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Amounts In Thousands, Except Per-Share Information)
(Unaudited)

<TABLE>
<CAPTION>

	Six Months Ended June 30	
	1998	1997
<S>	<C>	<C>
SALES REVENUE	$152,484	$139,236
COSTS AND EXPENSES:		
Cost of goods sold	27,187	25,465

Volume incentives	70,673	64,723
Selling, general and administrative	37,543	34,671
	135,403	124,859
OPERATING INCOME	17,081	14,377
OTHER INCOME (EXPENSE):		
Interest and other income	953	1,026
Interest expense	(28)	(22)
Foreign exchange loss	(139)	(118)
Minority interest	243	147
	1,029	1,033
INCOME BEFORE PROVISION FOR INCOME TAXES	18,110	15,410
PROVISION FOR INCOME TAXES	7,138	6,154
NET INCOME	$ 10,972	$ 9,256
BASIC NET INCOME PER COMMON SHARE	$ 0.59	$ 0.49
WEIGHTED AVERAGE BASIC SHARES	18,532	18,804
DILUTED NET INCOME PER COMMON SHARE	$ 0.58	$ 0.48
WEIGHTED AVERAGE DILUTED SHARES	18,871	19,152

</TABLE>

The accompanying notes to the financial statements are an integral part of these consolidated condensed financial statements.

NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
(Amounts In Thousands)
(Unaudited)

<TABLE>
<CAPTION>

	Six Months Ended June 30	
	1998	1997
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sales revenue	$150,619	$136,164
Cash paid as volume incentives	(69,090)	(62,791)
Cash paid to suppliers and employees	(55,363)	(52,147)
Interest paid	(28)	(23)
Interest received	1,070	1,062
Income taxes paid	(7,990)	(5,121)
Net Cash Provided by Operating Activities	19,218	17,144
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(4,818)	(1,859)
Sale of long-term investments	77	66
Payments received on long-term receivables	94	106

Purchase of other assets	(641)	(392)
Minority interest elimination	(243)	76
Proceeds from sale of property & equipment	51	---
Net Cash Used in Investing Activities	(5,480)	(2,003)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of cash dividends	(1,237)	(1,252)
Purchase of treasury stock	(5,521)	(14,447)
(Repayments) Proceeds of short-term debt	(836)	108
Proceeds from exercise of stock options	1,041	1,148
Tax benefit from stock option exercise	318	415
Issuance of treasury stock	---	9
Net Cash Used in Financing Activities	(6,235)	(14,019)
EFFECT OF EXCHANGE RATES ON CASH	(346)	(140)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,157	982
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	27,813	27,879
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 34,970	$ 28,861

</TABLE>

The accompanying notes to the financial statements are an integral part of these consolidated condensed financial statements.

NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (CONTINUED)
Reconciliation of Net Income to Net Cash Provided by Operating Activities
(Amounts In Thousands)
(UNAUDITED)

<TABLE>
<CAPTION>

	Six Months Ended June 30	
	1998	1997
<S>	<C>	<C>
NET INCOME	$10,972	$ 9,256
Bad debt expense	70	97
Depreciation and amortization	2,535	2,243
Gain on sale of property and equipment	(25)	---
Increase in accounts receivable	(1,679)	(3,015)
Decrease in inventories	203	3,835
Decrease in prepaid expenses & other assets	1,839	17
(Decrease) Increase in income taxes payable	(1,045)	985
Increase in accrued liabilities and volume incentives	5,965	2,762
(Decrease) Increase in accounts payable	(1)	1,061
Increase in deferred income taxes	194	46
Cumulative translation adjustments	190	(143)
Total Adjustments	8,246	7,888
Net Cash Provided by Operating Activities	$19,218	$17,144

</TABLE>

The accompanying notes to the financial statements are an integral part of these consolidated condensed financial statements.

NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
(Dollar Amounts In Thousands)
(UNAUDITED)

<TABLE>
<CAPTION>

	Six Months Ended June 30	
	1998	1997
<S>	<C>	<C>
NET INCOME	$10,972	$9,256
OTHER COMPREHENSIVE INCOME, net of tax		
Foreign currency translation adjustments	(156)	(282)
Unrealized holding losses arising during the period	(114)	---
Total other comprehensive income, net of tax	(270)	(282)
COMPREHENSIVE INCOME, net of tax	$10,702	$8,974

</TABLE>

The accompanying notes to the financial statements are an integral part of these consolidated condensed financial statements.

NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Amounts In Thousands, Except Per-Share Information)
(UNAUDITED)

(1) INTERIM FINANCIAL STATEMENT POLICIES AND DISCLOSURES

The unaudited, consolidated condensed financial statements of Nature's Sunshine Products, Inc. and subsidiaries included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally required in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the following disclosures are adequate to make the information presented not misleading.

These consolidated condensed financial statements reflect all adjustments, which in the opinion of management, are necessary to present fairly the financial position as of June 30, 1998, and the results of operations for the periods presented. All of the adjustments which have been made in these consolidated condensed financial statements are of a normal recurring nature. Operating results for the three- and six-month periods ended June 30, 1998, are not necessarily indicative of the results that may be expected for the year ending December 31, 1998.

It is suggested that these consolidated condensed financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's latest Annual Report on Form 10-K for the year ended December 31, 1997.

(2) INVENTORIES

Inventories consist of:

<TABLE>
<CAPTION>

	June 30 1998	December 31 1997
<S>	<C>	<C>
Raw materials	$ 6,410	$ 5,912

Work in process	1,304	1,455
Finished goods	11,638	12,188
	$19,352	$19,555

</TABLE>

(3) NET INCOME PER SHARE

Basic net income per common share (Basic EPS) excludes dilution and is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted net income per common share (Diluted EPS) reflects the potential dilution that could occur if stock options or other contracts to issue common stock were exercised or converted into common stock. The computation of Diluted EPS does not assume exercise or conversion of securities that would have an anti-dilutive effect on net income per common share. Net income per common share amounts and share data have been restated for all periods presented to reflect basic and diluted per share presentations.

As of June 30, 1998, the Company had a total of 1,165 options outstanding. The options were all granted at market prices and have a weighted average exercise price of $13.45.

Following is a reconciliation of the numerator and denominator of Basic EPS to the numerator and denominator of Diluted EPS for the six months ended:

<TABLE>
<CAPTION>

<S>	Net Income (Numerator) <C>	Shares (Denominator) <C>	Per Share Amount <C>
June 30, 1998			
Basic EPS	$10,972	18,532	$0.59
Effect of options	---	339	
Diluted EPS	$10,972	18,871	$0.58
June 30, 1997			
Basic EPS	$9,256	18,804	$0.49
Effect of options	---	348	
Diluted EPS	$9,256	19,152	$0.48

</TABLE>

At June 30, 1998 and 1997, there were outstanding options to purchase 18 and 440 shares of common stock, respectively, that were not included in the computation of Diluted EPS, as their effect would have been anti-dilutive.

(4) EQUITY TRANSACTIONS

The Company has declared 40 consecutive quarterly cash dividends. The most recent quarterly cash dividend of 3 1/3 cents per common share was declared July 29, 1998, to shareholders of record on August 10, 1998 and is payable August 19, 1998.

During the six months ended June 30, 1998, the Company acquired 236,000 shares of treasury stock as part of its 500,000 share buyback program. Subsequent to the end of the second quarter, the Company has purchased an additional 128,000 shares of treasury stock.

(5) RECENT ACCOUNTING PRONOUNCEMENTS

In June 1997, the Financial Accounting Standards Board issued SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information". SFAS No. 131 establishes new standards for public companies to report information about their operating segments, products and services, geographic areas and major customers. This statement is effective for financial statements issued for years beginning after December 15, 1997. Accordingly, the Company will adopt SFAS No. 131 in its December 31, 1998 consolidated financial statements.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." The Statement establishes accounting and reporting standards requiring that derivative instruments be recorded in the balance sheet as either an asset or liability measured at its fair value and that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. SFAS No. 133 is effective for fiscal years beginning after June 15, 1999. The adoption of this statement will not have a material effect on the Company's consolidated financial statements as the Company does not currently hold any derivative or hedging instruments.

(6) ACCUMULATED OTHER COMPREHENSIVE INCOME

As of January 1, 1998, the Company adopted SFAS No. 130, "Reporting Comprehensive Income." SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components.

The composition of accumulated other comprehensive income, net of tax, is as follows:

<TABLE>
<CAPTION>

	Foreign Currency Items	Unrealized Gains on Securities	Total Accumulated Other Comprehensive Income
<S>	<C>	<C>	<C>
Balance as of December 31, 1997	$(5,290)	$ 416	$(4,874)
Current period change	(156)	(114)	(270)
Balance as of June 30, 1998	$(5,446)	$ 302	$(5,144)

</TABLE>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated Financial Statements, the Notes there to and Management's Discussion and Analysis included the Company's Annual Report for the year ended December 31, 1997.

RESULTS OF OPERATIONS

The following table identifies (i) the relationship that net income items disclosed in the consolidated condensed financial statements have to total sales, and (ii) amount and percent of change of such items compared to the corresponding prior period.

(Dollar Amounts in Thousands)
(Unaudited)

<TABLE>
<CAPTION>

(i) Income and Expense Items as a Percent of Sales — Three Months Ended June 30 — 1998	1997	Income and Expense Items	(ii) Three Months Ended June 30 1998 to 1997 — Amount of Increase/ (Decrease)	Percent of Change
<C>	<C>	<S>	<C>	<C>
100.0%	100.0%	Sales revenue	$5,790	8.1%
17.7	18.8	Cost of sales	241	1.8

45.9	46.6	Volume incentives	2,155	6.5
24.4	23.4	SG&A expenses	2,138	12.8
------	------		------	----
88.0	88.8	Total operating expenses	4,534	7.2
------	------		------	----
12.0	11.2	Operating income	1,256	15.8
------	------		------	----
0.9	0.9	Other income and expenses	28	4.1
------	------		------	----
12.9	12.1	Income before provision for income taxes	1,284	14.9
5.0	4.7	Provision for income taxes	426	12.6
------	------		------	----
7.9%	7.4%	Net income	$ 858	16.3%
------	------		------	----
------	------		------	----

</TABLE>

RESULTS OF OPERATIONS

The following table identifies (i) the relationship that net income items disclosed in the consolidated condensed financial statements have to total sales, and (ii) amount and percent of change of such items compared to the corresponding prior period.

(Dollar Amounts in Thousands)
(Unaudited)

<TABLE>
<CAPTION>

(i) Income and Expense Items as a Percent of Sales — Six Months Ended June 30			(ii) Six Months Ended June 30 1998 to 1997	
1998	1997	Income and Expense Items	Amount of Increase/ (Decrease)	Percent of Change
------	------	-------------	----------	------
<C>	<C>	<S>	<C>	<C>
100.0%	100.0%	Sales revenue	$13,248	9.5%
------	------		-------	----
17.8	18.3	Cost of sales	1,722	6.8
46.4	46.5	Volume incentives	5,950	9.2
24.6	24.9	SG&A expenses	2,872	8.3
------	------		-------	----
88.8	89.7	Total operating expenses	10,544	8.4
------	------		-------	----
11.2	10.3	Operating income	2,704	18.8
------	------		-------	----
0.7	0.8	Other income and expenses	(4)	(0.4)
------	------		-------	----
11.9	11.1	Income before provision for income taxes	2,700	17.5
4.7	4.4	Provision for income taxes	984	16.0
------	------		-------	----
7.2%	6.7%	Net income	$ 1,716	18.5%
------	------		-------	----
------	------		-------	----

</TABLE>

SALES REVENUE:

The Company reported record consolidated sales revenue for the three and six months ended June 30, 1998. Sales revenue for the three months ended June 30, 1998, was $77.2 million compared to $71.4 million in the prior year, an increase of approximately 8 percent. Sales revenue for the six months ended June 30, 1998, was $152.5 million compared to $139.2 million in the prior year, an increase of approximately 10 percent.

Management believes the increase in sales for the three- and six-month periods is attributable to the expansion of the Company's independent sales force, a continued increase of consumer awareness and interest in natural health and nutritional products and incentives the Company offers to its independent sales force. Sales revenue in the Company's domestic operations was $98.8 million for the six months ended June 30, 1998, an increase of approximately 10 percent over the same period in the prior year. Domestic sales revenue was impacted by decreased sales in the Hispanic market and increased competition in the nutritional supplement market.

The Company's international operations reported sales revenue of $53.7 million for the six months ended June 30, 1998, an increase of 8 percent compared to the same period in 1997. The declining rate of growth of international sales revenue was primarily the result of the increased valuation of the U.S. dollar against foreign currencies. International operations which reported the most significant foreign currency impact were Brazil, Colombia, Venezuela, Mexico and Japan. Price increases are planned in various markets to adjust for the foreign currency devaluation that have taken place. Management believes that the price increases will be acceptable to its sales force and will result in increased sales revenue. The Company also experienced a decrease in operating income which resulted primarily from losses associated with the Company's subsidiary in South Korea, which began operations in the fourth quarter of 1997.

The Company's independent sales force consists of Managers and Distributors. A Distributor interested in earning additional income by committing more time and effort to selling the Company's products may attain the rank of "Manager." Appointment as a Manager is dependent upon attaining certain purchase volume levels and demonstrating leadership abilities. The number of Managers was 15,606 at June 30, 1998, compared to 13,776 at December 31, 1997, an increase of approximately 13 percent. The number of Distributors at June 30, 1998, was approximately 619,000 compared to approximately 660,000 at December 31, 1997. The decrease in the number of Distributors is primarily the result of restrictions placed on the qualification requirements in two of the Company's international operations.

COST OF GOODS SOLD:

For the three and six months ended June 30, 1998, the Company experienced a decrease in cost of goods sold, as a percentage of sales, of 1.10 percent and .5 percent, respectively, compared to the same period in the prior year. The decrease in cost of goods sold, as a percentage of sales, was primarily related to a price increase of approximately 2 percent that was effected in the Company's domestic operations on April 1, 1998.

Management expects cost of goods sold to remain relatively constant as a percent of sales during the remainder of 1998.

VOLUME INCENTIVES:

Volume incentives are an integral part of the Company's direct sales marketing program and are payments to independent sales force members for reaching certain levels of sales performance and organizational development. Volume incentives vary slightly, on a percentage basis, by product due to the Company's pricing policies.

Management expects volume incentives to remain relatively constant, as a percent of sales, during the remainder of 1998.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:

The Company experienced increased selling, general and administrative expenses (SG&A), as a percent of sales, during the three-month period ended

June 30, 1998. The increase, as a percent of sales, was primarily the result of costs associated with conventions and incentives for the Company's independent sales force. Costs associated with the Company's annual conventions were accrued over the qualification period, which ended June 30, 1998. Selling, general and administrative expenses for the six months ended June 30, 1998, decreased slightly, as a percent of sales, as the result of increased budgetary controls and management's efforts to reduce expenses.

Management expects SG&A to decrease, as a percent of sales, for the year ended December 31, 1998.

SEGMENT INFORMATION:

Segment information for the six months ended June 30, 1998, compared to the previous year are as follows:

<TABLE>
<CAPTION>

SALES REVENUE	(Dollars in Thousands) (Unaudited) 1998	1997
<S>	<C>	<C>
DOMESTIC SALES REVENUE	$ 98,761	$ 89,474
INTERNATIONAL SALES REVENUE:		
Americas	46,445	41,995
Asia Pacific	5,040	5,633
Other	2,238	2,134
TOTAL INTERNATIONAL	53,723	49,762
TOTAL SALES REVENUE	$152,484	$139,236

</TABLE>

<TABLE>
<CAPTION>

OPERATING INCOME	(Dollars in Thousands) (Unaudited) 1998	1997
<S>	<C>	<C>
DOMESTIC OPERATING INCOME	$ 13,519	$11,114
INTERNATIONAL OPERATING INCOME (LOSS):		
Americas	4,347	3,171
Asia Pacific	(1,248)	(171)
Other	463	263
TOTAL INTERNATIONAL	3,562	3,263
TOTAL OPERATING INCOME	$ 17,081	$14,377

</TABLE>

<TABLE>
<CAPTION>

(Dollars in Thousands)
(Unaudited)

ASSETS	June 30 1998	December 31 1997
<S>	<C>	<C>
DOMESTIC ASSETS	$ 65,734	$58,700
INTERNATIONAL ASSETS:		
Americas	33,749	31,818
Asia Pacific	5,321	4,685
Other	648	593
TOTAL INTERNATIONAL	39,718	37,096

TOTAL ASSETS	$105,452	$95,796

</TABLE>

BALANCE SHEET

ACCOUNTS RECEIVABLE

Accounts receivable increased approximately $1.6 million during the six months ended June 30, 1998. The increase in receivables is primarily related to the Company's growing international operations.

ACCRUED VOLUME INCENTIVES

Accrued volume incentives increased approximately $1.6 million during the month of June as a direct result of increased sales revenue.

ACCRUED LIABILITIES

Accrued liabilities increased approximately $4.4 million during the six months ended June 30, 1998. The increase is primarily the result of accruals associated with the Company's sales conventions and travel programs.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents increased approximately $7.2 million for the six months ended June 30, 1998. The increase in cash is primarily the result of the increased sales and net income as well as increases in accrued liabilities.

Management believes the Company's stock is an attractive investment and, from time to time pursuant to its previously announced 500,000 share stock buyback program, may utilize a portion of its available cash to purchase up to the remaining balance of approximately 264,000 shares of its stock as market conditions warrant. During the six months ended June 30, 1998, the Company acquired $5.5 million, or approximately 236,000 shares, of treasury stock as part of the 500,000 share buyback program.

During 1997, the Company began expansion of its domestic manufacturing and warehouse facilities. The Company paid approximately $3.5 million during the six months ended June 30, 1998, for continued construction costs. The new facility was completed during the second quarter of 1998. Total costs associated with the expansion were approximately $6.2 million. The entire amount was financed from working capital.

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 the ultimate disposition of these matters will not have a material effect upon the Company's consolidated results of operations or financial position.

Management believes that working capital requirements can be met through the Company's available cash and cash equivalents and internally-generated funds for the foreseeable future;

however, a prolonged economic downturn or a decrease in the demand for the Company's products could adversely affect the long-term liquidity of the Company. In the event of a significant decrease in cash provided by the Company's operations, it may be necessary for the Company to obtain external sources of funding. The Company does not currently maintain a credit facility or any other external sources of long-term funding; however, Management believes that such funding could be obtained on competitive terms in the event additional sources of funds became necessary.

THE YEAR 2000 ISSUE

The Company has formed a committee to address the Year 2000 issue and is in the process of insuring that its internal computer systems are Year 2000 compliant. With respect to third-party providers whose services are critical to the Company, the Company intends to monitor the efforts of such providers as they become Year 2000 compliant. Management is not presently aware of any Year 2000 issues that have been encountered by any such third-party which could materially affect the Company's operations. Notwithstanding the foregoing, there can be no assurance that the Company will not experience operational difficulties as a result of Year 2000 issues, either arising out of internal operations or caused by third-party service providers, which individually or collectively could have an adverse impact on business operations or require the Company to incur unanticipated expenses to remedy any problems.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements included in this Management's Discussion and Analysis of Financial Condition and Results of Operations and other items of this Form 10-Q may contain forward-looking statements. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements may relate but not be limited to projections of revenues, income or loss, capital expenditures, the expected development schedule of existing real estate projects, plans for growth and future operations, financing needs, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and

uncertainties, some of which cannot be predicted or quantified. When used in this "Management's Discussion and Analysis of Financial Condition and Results of Operations", and elsewhere in this Form 10-Q the words "estimates", "expects", "anticipates", "forecasts", "plans", "intends" and variations of such words and similar expressions are intended to identify forward-looking statements that involve risks and uncertainties. Future events and actual results could differ materially from those set forth in, contemplated by or underlying the forward-looking statements.

PART II OTHER INFORMATION

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

At the Company's Annual Meeting of Shareholders held on May 18, 1998, the stockholders re-elected the following persons to three-year terms to the Board of Directors:

<TABLE>
<CAPTION>

NOMINEE	FOR	WITHHOLD AUTHORITY
<S>	<C>	<C>
Robert H. Daines	11,732,687	69,142
Eugene L. Hughes	11,735,184	66,646

</TABLE>

Kristine F. Hughes, Daniel P. Howells, Merrill Gappmayer, Pauline T. Hughes and Douglas Faggioli also serve as directors of the Company, and their terms of office continued after the Annual Meeting.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a) No exhibits are required to be filed by Item 601 of Regulation S-K.

b) No reports were filed on Form 8-K during the quarter for which this report is filed.

OTHER ITEMS

There were no other items to be reported under Part II of this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NATURE'S SUNSHINE PRODUCTS, INC.

Date: August 13, 1998 /s/ Daniel P. Howells

Daniel P. Howells, President &
Chief Executive Officer

Date: August 13, 1998 /s/ Craig D. Huff

Craig D. Huff, Chief Financial Officer

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