

NATURES SUNSHINE PRODUCTS INC  
Form 11-K  
June 28, 2011  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 11-K**

**FOR ANNUAL REPORTS OF EMPLOYEE STOCK  
PURCHASE, SAVINGS AND SIMILAR PLANS PURSUANT  
TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

(Mark one)

**Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934**

**For the fiscal year ended December 31, 2010**

**OR**

**Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934**

**For the transition period from                      to**

A. Full title of the Plan and the address of the Plan, if different from that of the issuer named below:

**Nature s Sunshine Products, Inc.**

**Tax Deferred Retirement Plan**

B. Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office:

**Nature s Sunshine Products, Inc.**

**75 East 1700 South**

**P.O. Box 19005**

**Provo, UT 84605-9005**

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**REQUIRED INFORMATION**

Financial Statements and Schedule

In accordance with Item 4 of the instructions to Form 11-K, the financial statements and schedule prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974 ( ERISA ) are filed herewith in lieu of the requirements of Items 1 to 3. Certain schedules required by Section 2520.103-10 of the Department of Labor s Rules and Regulations for Reporting Disclosures under ERISA have been omitted because they are not applicable.

Exhibits

23.1 Consent of Independent Registered Public Accounting Firm Tanner LLC

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

**Nature s Sunshine Products, Inc. Tax Deferred Retirement Plan**

Date: June 28, 2011

By: /s/ Stephen M. Bunker  
Chief Financial Officer, Executive Vice President and Treasurer  
of Nature s Sunshine Products, Inc., and Member of the  
Governing Board which is the Plan Administrator

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**NATURE S SUNSHINE PRODUCTS, INC.**

**TAX DEFERRED RETIREMENT PLAN**

**Financial Statements and Supplemental Schedule**

**As of December 31, 2010 and 2009 and**

**for the Year Ended December 31, 2010**

**Together with Report of Independent Registered Public**

**Accounting Firm**

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DEFERRED RETIREMENT PLAN

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\* Other supplementary schedules required by section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Plan Administrator of the

Nature s Sunshine Products, Inc. Tax Deferred Retirement Plan

We have audited the accompanying statements of net assets available for benefits of the Nature s Sunshine Products, Inc. Tax Deferred Retirement Plan (the Plan ) as of December 31, 2010 and 2009 and the related statement of changes in net assets available for benefits for the year ended December 31, 2010. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan has determined it is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. 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 financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Nature s Sunshine Products, Inc. Tax Deferred Retirement Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the year ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

Our audits of the financial statements were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2010, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the United States Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management and has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Tanner LLC

Salt Lake City, Utah  
June 28, 2011

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

**TAX DEFERRED RETIREMENT PLAN**

**Statements of Net Assets Available for Benefits**

	As of December 31,	
	2010	2009
<b><u>Assets</u></b>		
Investments at fair value	\$ 34,896,551	\$ 31,617,366
Receivables:		
Employee contributions	55,247	56,987
Employer contributions	20,807	43,273
Total receivables	76,054	100,260
Total net assets available for benefits at fair value	34,972,605	31,717,626
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(82,372)	(31,437)
Net assets available for benefits	\$ 34,890,233	\$ 31,686,189

See accompanying notes to financial statements.

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**NATURE S SUNSHINE PRODUCTS, INC.**

**TAX DEFERRED RETIREMENT PLAN**

**Statement of Changes in Net Assets Available for Benefits**

**For the Year Ended December 31, 2010**

<b>Additions:</b>		
<b>Investment income:</b>		
Net appreciation in fair value of investments	\$	3,534,033
Interest and dividends		434,503
Other income		14,735
Total investment income		3,983,271
<b>Contributions:</b>		
Employee		1,808,372
Employer		1,162,853
Rollover		309,821
Total contributions		3,281,046
Total additions		7,264,317
<b>Deductions:</b>		
Benefits paid to participants		4,059,185
Plan expenses		1,088
Total deductions		4,060,273
Net increase in net assets available for benefits		3,204,044
<b>Net assets available for benefits:</b>		
Beginning of the year		31,686,189
End of the year	\$	34,890,233

See accompanying notes to financial statements.



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

**TAX DEFERRED RETIREMENT PLAN**

**Notes to Financial Statements**

**1. Description of the Plan**

The following brief description of the Nature's Sunshine Products, Inc. Tax Deferred Retirement Plan (the Plan) provides only general information. Participants, and other users of the financial statements, should refer to the Plan document and summary plan description for a more complete description of the Plan's provisions.

***General***

The Plan is a defined contribution plan established to provide retirement benefits to eligible employees of Nature's Sunshine Products, Inc. (the Company or the Employer) and its domestic subsidiaries, Synergy Worldwide, Inc. and Nature's Sunshine Products Direct, Inc., collectively. Employees that are 18 years of age or older are eligible to participate in the Plan immediately upon hire. The Plan is intended to be a qualified retirement plan under the Internal Revenue Code (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

***Contributions***

Eligible employees automatically become a participant and are enrolled into the Plan at a 5% deferral rate, unless the employee elects otherwise. Participants may change their deferral percentage of their eligible compensation up to 100%, not to exceed the IRC limits. Contributions are limited by the IRC, which established a maximum contribution of \$16,500 (\$22,000 for participants age 50 and older) for the year ended December 31, 2010. Highly compensated employees, as defined in the IRC, may contribute a percentage of their eligible compensation, not to exceed 5%.

The Company matches the participants' contributions to the Plan. Effective October 1, 2010, the Company began matching 50% of the employee deferrals, up to a maximum of 5% of their eligible compensation. Prior to October 1, 2010, the Company matched 100% of the employee deferral, up to a maximum of 5% of their eligible compensation.

The Plan permits rollovers to the Plan from certain types of retirement plans.

***Participant Accounts***

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contributions, the Company's matching contributions, and an allocation of investment earnings, and is charged with withdrawals, an allocation of investment losses and its share of any expenses of the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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**NATURE S SUNSHINE PRODUCTS, INC.**

**TAX DEFERRED RETIREMENT PLAN**

**Notes to Financial Statements (continued)**

**1. Description of the Plan Continued**

***Participant-Directed Options for Investments***

Participants direct the investment of their contributions and the Company matching contributions into various investments offered by the Plan. Investment options include mutual funds and a common/collective trust fund. Participants may change their election or transfer monies between funds at any time.

Since March 2006, purchases of Company common stock under the Plan were suspended. Participants with common stock of the Company in their accounts may direct the sale of the stock and the investment of the resulting monies into other investments offered by the Plan.

***Vesting***

Participants are immediately vested in their contributions to the Plan plus actual earnings thereon. A participant is 100% vested in the employer contributions and related earnings after three years of qualifying service, upon attaining the Plan's normal retirement age of 59 ½, or upon death or certain types of disability while an employee.

***Payment of Benefits***

The Plan provides for benefit distributions (either in installments or as a lump sum) to Plan participants or their beneficiaries of their vested account balance upon termination of employment, certain types of disability or attainment of age 59 ½ (retirement age) while employed by the Company. Vested benefits may also be rolled over into another retirement plan.

If the value of a vested account is not greater than \$1,000 when employment is terminated, the benefit will be distributed to the participant following the date of termination.

If the value of a vested account is not more than \$5,000 and the participant does not elect to receive the distribution or roll it over to an eligible retirement plan, the Plan Administrator will automatically initiate a distribution to a Principal Financial Group Individual Retirement Rollover Account when employment is terminated.

The Plan provides that the remaining vested account balance of a Plan participant at death will be distributed in a lump sum to the beneficiary.

***Hardship Withdrawals***

Participants may withdraw all or part of their vested account balances, including voluntary contributions (but none of the income earned on such contributions after December 31, 1988), upon demonstration of a financial hardship subject to the requirements of the Plan. Hardship withdrawals are permitted based on the safe harbor rules.

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**NATURE S SUNSHINE PRODUCTS, INC.**

**TAX DEFERRED RETIREMENT PLAN**

**Notes to Financial Statements (continued)**

**1. Description of the Plan Continued**

***Forfeitures***

Forfeitures are first used to pay Plan administrative expenses and then used to reduce employer contributions. During the year ended December 31, 2010, the forfeiture account had investment gains of \$6,680 and forfeitures utilized to reduce Company contributions totaled \$57,185. Additional forfeitures that became available for general use for the year ended December 31, 2010 totaled \$51,181. As of December 31, 2010 and 2009, the balance in the forfeiture account was \$46,017 and \$45,341, respectively.

***Nature s Sunshine Products, Inc. Common Stock Voting Rights***

Each participant is entitled to exercise voting rights attributable to shares of Nature s Sunshine Products, Inc. common stock allocated to his or her account and is notified prior to the time that such rights are to be exercised.

**2. Summary of Significant Accounting Policies**

***Basis of Accounting***

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ( GAAP ).

***Recent Accounting Pronouncements***

In January 2010, the Financial Accounting Standards Board ( FASB ) issued Accounting Standards Update No. 2010-06, *Improving Disclosures about Fair Value Measurements (Topic 820) Fair Value Measurements and Disclosures*, which expanded the required disclosures about fair value measurements. In particular, this guidance requires (i) separate disclosure of the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements along with the reasons for such transfers, (ii) information about purchases, sales, issuances and settlements to be presented separately in the reconciliation for Level 3 fair value measurements, (iii) fair value measurement disclosures for each class of assets and liabilities and (iv) disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements for fair value measurements that fall in either Level 2 or Level 3. This guidance was effective for annual reporting periods beginning after December 15, 2009 except for (ii) above which is effective for fiscal years beginning after December 15, 2010. The partial adoption of this guidance did not have a material effect on the Plan s net assets available for benefits, changes in net assets available for benefits or related disclosures.

In May 2011, the FASB issued Accounting Standards Update No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International*

*Financial Reporting Standards (Topic 820) Fair Value Measurement* (ASU 2011-04), to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for level 3 fair value measurements. ASU 2011-04 is effective for the Plan prospectively for the year ending December 31, 2012. The Plan is currently evaluating the impact of the pending adoption of ASU 2011-04 on its financial statements.

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**NATURE S SUNSHINE PRODUCTS, INC.**

**TAX DEFERRED RETIREMENT PLAN**

**Notes to Financial Statements (continued)**

**2. Summary of Significant Accounting Policies *Continued***

***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires Plan management to make estimates and assumptions that affect certain reported amounts of net assets available for benefits at the date of the financial statements, the changes in net assets available for benefits during the reporting period and, when applicable, the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

***Investment Contracts***

Fully benefit-responsive investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

The Plan invests in investment contracts through a collective trust in the Morley Financial Services Stable Value Fund (the "Stable Value Fund"). The statements of net assets available for benefits present the fair value of the investments in the collective trust as well as the adjustment of the investments in the collective trust from fair value to contract value relating to the investment contracts. The statement of changes in net assets available for benefits is prepared on a contract value basis.

***Investment Valuation and Income Recognition***

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for disclosure of fair value measurements.

The Plan utilizes market data or assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally observable. The Plan primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Plan uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The Plan is able to classify fair value balances based on the observance of those inputs into the fair value hierarchy levels as set forth in the fair value accounting guidance.

Net appreciation (depreciation) in the fair value of investments includes both realized and unrealized gains and losses. Purchases and sales of securities are recorded on a trade-date basis. Dividend income is recorded on the

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ex-dividend date. Investment earnings are automatically reinvested into the fund from which they were derived.

Following is a description of the valuation methodologies used for the Plan's investment assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009.

- *Common stock:* Valued at the closing price reported on the active market on which the individual securities are traded.
- *Mutual funds:* Valued at the net asset value ( NAV ) of shares held by the Plan at year end.

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**NATURE S SUNSHINE PRODUCTS, INC.**

**TAX DEFERRED RETIREMENT PLAN**

**Notes to Financial Statements (continued)**

**2. Summary of Significant Accounting Policies *Continued***

- *Common collective trust fund:* Valued based on information provided by the trustee and using the audited financial statements of the common collective trust at year end.

Level 1 inputs are quoted prices (unadjusted) or NAVs in active markets that the Plan has the ability to access as of the reporting date and consist of investments in common stock and mutual funds. Level 2 inputs, which are inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly corroborated or observable as of the reporting date and generally use valuation methodologies, consist of a common collective trust fund as discussed in "Investment contracts" above. The common collective trust fund is a Level 2 input as participants have the ability to redeem their investments at the contract value at that point in time. Level 3 inputs include significant pricing inputs that are generally less observable from objective sources. The Plan holds no Level 3 investments as of December 31, 2010 and 2009.

The preceding described methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

***Payment of Benefits***

Benefits are recorded when paid by the Plan.

***Administrative Costs***

Principal Financial Group (Principal) direct expenses, some professional fees and certain administrative fees for participant communication and services, recordkeeping and benefit payment services are paid by the Plan. These expenses are borne by participants based on their investments in the Plan's investment funds. Other administrative expenses and some professional fees are paid by the Company.

**3. Risks and Uncertainties**

The Plan invests in various investment securities that are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

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As of December 31, 2010 and 2009, approximately 6% and 8%, respectively, of total Plan investments were held in Company common stock. This investment is exposed to market risk from changes in the fair market value of such shares.



Table of Contents**NATURE S SUNSHINE PRODUCTS, INC.****TAX DEFERRED RETIREMENT PLAN****Notes to Financial Statements (continued)****4. Investments**

The Plan's investments that represented 5% or more of the total Plan's net assets available for benefits as of December 31, 2010 and 2009 are as follows:

	2010	2009
Principal Life Time 2020 R4 Fund	\$ 5,618,138	\$ 4,429,427
Principal Life Time 2030 R4 Fund	4,241,768	3,759,031
Morley Financial Services Stable Value Fund	4,150,134	4,682,572
Principal Life Time 2040 R4 Fund	2,436,230	2,040,875
American Funds Growth Fund of America R4 Fund	2,324,801	2,067,328
Natures Sunshine Products, Inc. Common Stock	2,056,510	2,379,326
PIMCO Total Return A Fund	2,023,924	1,723,356
Principal Life Time 2010 R4 Fund	1,328,505	1,816,919

The Principal Life Time 2010 R4 Fund did not exceed 5% or more of total net assets available for benefits as of December 31, 2010.

During 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in fair value as follows:

	2010
Common stock	
Nature s Sunshine Products, Inc.	\$ 111,478
Common / collective trust	
Morley Financial Services Stable Value Fund (at contact value)	101,899
Mutual Funds	
Equity	1,210,797
Balanced	1,747,791
Fixed Income	129,288
International Equity	232,780
	\$ 3,534,033

The Plan invests in a fully benefit-responsive investment contract through the Morley Financial Services Stable Value Fund (the Stable Value Fund). Union Bond & Trust Company, the trustee of the Stable Value Fund, maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The objective of the Stable Value Fund is to provide a diversified group of investments offering competitive levels of yield consistent with stable fixed-income methodology. The Stable Value Fund seeks to achieve this objective by investing in conventional, synthetic and separate account investment contracts issued by life insurance companies, banks and other financial institutions.



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**NATURE S SUNSHINE PRODUCTS, INC.**

**TAX DEFERRED RETIREMENT PLAN**

**Notes to Financial Statements (continued)**

**4. Investments**  
*Continued*

Market value events may limit the ability of the Stable Value Fund to transact at contract value with the issuer. Such events may include but are not limited to: changes or amendments in fund administration, merger or consolidation of investors, group terminations or layoffs, implementation of an early retirement program, termination or partial termination of the fund, and failure to meet certain tax qualifications. Under the terms of agreement to participate in the Stable Value Fund, withdrawals can be delayed up to 12 months upon request. The Stable Value Fund may grant withdrawal from the fund if there are sufficient cash assets to satisfy the request. As of December 31, 2010, 12% of the Stable Value Fund was in cash.

The contract value of the Stable Value Fund at December 31, 2010 and 2009 was \$4,067,762 and \$4,651,135, respectively. The average yield earned based on actual earnings was 2% at December 31, 2010.

**5. Fair Value Measurements**

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). For disclosures, GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels described below:

**Level 1** - Unadjusted quoted prices in active markets for identical assets.

**Level 2** - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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## NATURE S SUNSHINE PRODUCTS, INC.

## TAX DEFERRED RETIREMENT PLAN

## Notes to Financial Statements (continued)

5. Fair Value Measurements  
*Continued*

	Assets Measured at Fair Value on a recurring basis as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Equity	\$ 8,092,986	\$ —	\$ —	\$ 8,092,986
Balanced	15,645,541	—	—	15,645,541
Fixed Income	2,948,833	—	—	2,948,833
International equity	2,002,547	—	—	2,002,547
Common/ collective trust	—	4,150,134	—	4,150,134
Common stock	2,056,510	—	—	2,056,510
Total assets at fair value	\$ 30,746,417	\$ 4,150,134	\$ —	\$ 34,896,551

	Assets Measured at Fair Value on a recurring basis as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Equity	\$ 6,673,559	\$ —	\$ —	\$ 6,673,559
Balanced	13,972,128	—	—	13,972,128
Fixed Income	2,422,997	—	—	2,422,997
International equity	1,486,784	—	—	1,486,784
Common/ collective trust	—	4,682,572	—	4,682,572
Common stock	2,379,326	—	—	2,379,326
Total assets at fair value	\$ 26,934,794	\$ 4,682,572	\$ —	\$ 31,617,366

## 6. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan document to amend or terminate the Plan subject to the terms of the Plan agreement and the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their employer matching contributions and these contributions become non-forfeitable.

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**NATURE S SUNSHINE PRODUCTS, INC.**

**TAX DEFERRED RETIREMENT PLAN**

**Notes to Financial Statements (continued)**

**7. Tax Status**

The Company received a determination letter dated April 27, 2010, from the Internal Revenue Service ( IRS ), informing the Company that the Plan is designed in accordance with applicable sections of the IRC. The Company believes that the Plan continues to be designed and operated in compliance with the applicable requirements of the IRC and the trust established under the Plan is tax-exempt under the IRC. Accordingly, an income tax provision is not recorded by the Plan.

Management evaluates tax positions taken by the Plan and recognizes a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would be sustained upon examination by taxing authorities. Plan management has concluded that as of December 31, 2010, there are no uncertain tax positions that require either recognition or disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities for tax years for which the applicable statutes of limitations have not expired. There are currently no audits of for any tax periods in progress. Plan management believes it is no longer subject to income tax examinations for years prior to 2007.

**8. Party-in-Interest Transactions**

Certain Plan investments include mutual funds and a common/collective trust fund managed by Principal. Principal has acted as the Plan trustee, and therefore is a party-in-interest. While transactions involving Plan assets with a party-in-interest are usually prohibited, these transactions are exempt under ERISA Section 408(b)(8).

Transactions associated with the shares of common stock of the Company are also considered exempt party-in-interest transactions. The Plan sold 49,600 shares of the Company s common stock during the year ended December 31, 2010, and sold 2,840 shares of the Company s common stock during the year ended December 31, 2009. As of December 31, 2010 and 2009, the Plan held 229,010 and 278,610 shares, respectively, of common stock of the Company.

**9. Contingencies**

The IRS is continuing an examination of the Company s tax returns for the taxable years 2006 through 2008. The Company s U.S. federal income tax returns are open from 2003 to 2008 and the Company has several foreign jurisdictions that have open years between 2003 and 2008. The Company is currently unable to determine the outcome of these examinations and their related impact, if any, on the Plan s financial statements or the market for the shares of the Company s common stock held by the Plan.

During 2006, multiple parties commenced prospective class action lawsuits against the Company. These suits were subsequently consolidated into one class action lawsuit. Given the Plan s ownership of shares of the Company s common stock for the accounts of certain Plan participants, the Plan engaged independent legal counsel to advise the Plan s investment fiduciary regarding the implications of the pending claims with respect to shares of the Company s common stock held by the Plan. Final judgment on the consolidated class action lawsuit was reached on February 9, 2010. The Plan participants participated in the settlement which is included in other income.

Table of Contents**NATURE S SUNSHINE PRODUCTS, INC.****TAX DEFERRED RETIREMENT PLAN****Notes to Financial Statements (continued)****10. Reconciliation of Financial Statements to Form 5500**

The financial statements are prepared on the accrual basis of accounting and the Form 5500 is prepared on the cash basis of accounting. In addition the Stable Value Fund holds fully benefit-responsive investment contracts. The Stable Value Fund is reported at contract value in the statement of changes in net assets available for benefits and fair value in the Form 5500. The following is a reconciliation of assets available for benefits of the financial statements to the Form 5500 as of and for the years ended December 31:

	2010	2009
Net assets available for benefits as presented in the financial statements	\$ 34,890,233	\$ 31,686,189
Employee contributions receivable	(55,247)	(56,987)
Employer contributions receivable	(20,807)	(43,273)
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	82,372	31,437
Net assets available for benefits as presented in Form 5500	\$ 34,896,551	\$ 31,617,366

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to Form 5500 for the year ended December 31, 2010:

Net increase in net assets available for benefits per the financial statements	\$ 3,204,044
Change in adjustment from fair value to contract value for fully benefit responsive investment contract	50,935
Employee contribution receivable not recorded on the Form 5500 at December 31, 2009	56,987
Employer contribution receivable not recorded on the Form 5500 at December 31, 2009	43,273
Employee contribution receivable not recorded on the Form 5500 at December 31, 2010	(55,247)
Employer contribution receivable not recorded on the Form 5500 at December 31, 2010	(20,807)
Net income per the Form 5500	\$ 3,279,185

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## NATURE S SUNSHINE PRODUCTS, INC.

## TAX DEFERRED RETIREMENT PLAN

Plan 002 EIN 87-0327982

Schedule H, Part IV, Item 4i  
Schedule of Assets (Held at End of Year)

December 31, 2010

(a) Party in Interest	(b) Identity of Issue	(c) Description of Investment	(d) Number of Units	(e) Cost	(f) Current Value
<b>Common/ Collective Trust:</b>					
*	Morley Financial Services, Inc.	Morley Financial Services Stable Value Fund (contract value of \$4,067,762)	227,276	** \$	4,150,134
<b>Mutual Funds:</b>					
*	Principal Global Investors	Principal LifeTime 2020 R4 Fund	484,322	**	5,618,138
*	Principal Global Investors	Principal LifeTime 2030 R4 Fund	358,560	**	4,241,768
*	Principal Global Investors	Principal LifeTime 2040 R4 Fund	208,403	**	2,436,230
	Capital Research and Management	American Funds Growth Fund of America R4 Fund	77,006	**	2,324,801
	PIMCO	PIMCO Total Return A Fund	186,537	**	2,023,924
	Columbia Management Advisors	Columbia Value & Restructuring R Fund	28,752	**	1,451,706
*	Principal Global Investors	Principal Life Time 2010 R4 Fund	119,577	**	1,328,505
	Columbia Management Advisors	Columbia Acorn A Fund	44,877	**	1,312,164
*	Principal Global Investors	Principal LargeCap S&P 500 Index R4 Fund	121,588	**	1,074,839
*	Principal Global Investors	Principal International Emerging Markets R4 Fund	27,604	**	738,676
*	Principal Global Investors	Principal Life Time Strategic Income R4 Fund	69,448	**	731,284
*	Principal Global Investors	Principal LifeTime 2050 R4 Fund	59,656	**	671,723
	Harbor Capital Advisors	Harbor International Inv Fund	11,144	**	668,667
*	Principal Global Investors	Principal Diversified International R4 Fund	58,069	**	595,204
*	Edge Asset Management, Inc.	SAM Balanced R4 Portfolio	35,591	**	448,442
	Fidelity Research & Management Co.	Fidelity Advisor Government Income T Fund	40,515	**	422,973
*	Principal Global Investors	Principal Real Estate Securities R4 Fund	26,737	**	420,580
*	Principal Global Investors	Principal MidCap S&P 400 Index R4 Fund	28,701	**	409,273
	Davis Selected Advisor	Davis New York Venture A Fund	9,723	**	333,878
	Capital Research and Management	American Funds Capital World Bond R4 Fund	16,264	**	331,953
	Goldman Sachs / LA Capital Management	Goldman Sachs MidCap Value I R4 Fund	20,000	**	259,605
*	Principal Global Investors	Principal SmallCap 600 Index R4 Fund	12,979	**	209,864
	Fidelity Research & Management Co.	Fidelity Advisor High Income Advantage T Fund	17,049	**	169,983
*	Principal Global Investors	SmallCap Value II R4 Fund	16,891	**	160,807
	Columbia Management Advisors	Columbia Select Small Cap R Fund	7,885	**	135,469
*	Edge Asset Management, Inc.	SAM Flexible Income R4 Portfolio	10,950	**	123,299
*	Edge Asset Management, Inc.	SAM Conservative Growth R4 Portfolio	1,415	**	18,858
*	Edge Asset Management, Inc.	SAM Strategic Growth R4 Portfolio	1,131	**	16,502
*	Edge Asset Management, Inc.	SAM Conservative Balanced R4 Portfolio	1,029	**	10,792
Total Mutual Funds					28,689,907
<b>Common Stock:</b>					
*	Nature s Sunshine Products Inc.	Common Stock	229,010	**	2,056,510

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Total Investments	\$	34,896,551
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\* Denotes a party-in-interest as defined by ERISA

\*\* Not required as investments are participant directed

See accompanying Report of Independent Registered Public Accounting Firm.



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**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>
23.1	Consent of Independent Registered Public Accounting Firm - Tanner LLC