

NATURES SUNSHINE PRODUCTS INC  
Form 10-Q  
November 06, 2012  
[Table of Contents](#)

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2012

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 Number: 0-8707

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

(Exact name of Registrant as specified in its charter)

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

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

**2500 West Executive Parkway, Suite 100**

**Lehi, Utah 84043**

(Address of principal executive offices and zip code)

**(801) 341-7900**

(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 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 o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one).

Large accelerated filer o

Accelerated filer x

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Non-accelerated filer   
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No .

The number of shares of Common Stock, no par value, outstanding on October 31, 2012 was 15,763,560 shares.

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Table of Contents

NATURE'S SUNSHINE PRODUCTS, INC.

FORM 10-Q

For the Quarter Ended September 30, 2012

**Table of Contents**

**Part I. Financial Information**

<u>Item 1.</u>	<u>Financial Statements (Unaudited)</u>	3
	<u>Condensed Consolidated Balance Sheets</u>	3
	<u>Condensed Consolidated Statements of Operations</u>	4
	<u>Condensed Consolidated Statements of Comprehensive Income</u>	4
	<u>Condensed Consolidated Statements of Cash Flows</u>	6
	<u>Notes to Condensed Consolidated Financial Statements</u>	7
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	17
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	31
<u>Item 4.</u>	<u>Controls and Procedures</u>	34

**Part II. Other Information**

<u>Item 1.</u>	<u>Legal Proceedings</u>	35
<u>Item 1A.</u>	<u>Risk Factors</u>	35
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	35
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	35
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	35
<u>Item 5.</u>	<u>Other Information</u>	35
<u>Item 6.</u>	<u>Exhibits</u>	36

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS**

## NATURE S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands)

*(Unaudited)*

	September 30, 2012	December 31, 2011
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 72,543	\$ 58,969
Accounts receivable, net of allowance for doubtful accounts of \$607 and \$647, respectively	10,003	9,868
Investments available for sale	2,192	5,677
Inventories	43,655	41,611
Deferred income tax assets	4,668	4,395
Prepaid expenses and other	5,946	4,583
Total current assets	139,007	125,103
Property, plant and equipment, net	27,975	25,137
Investment securities	1,317	1,429
Intangible assets, net	1,040	1,151
Deferred income tax assets	16,610	16,576
Other assets	6,619	6,415
	\$ 192,568	\$ 175,811
<b>Liabilities and Shareholders Equity</b>		
Current Liabilities:		
Accounts payable	\$ 5,710	\$ 5,980
Accrued volume incentives	19,802	19,326
Accrued liabilities	27,224	27,938
Deferred revenue	3,005	2,603
Current installments of long-term debt	3,334	3,296
Income taxes payable	4,468	8,655
Total current liabilities	63,543	67,798
Liability related to unrecognized tax benefits	9,772	10,426
Long-term debt	3,392	5,894
Deferred compensation payable	1,317	1,429
Other liabilities	2,696	2,826
Total long-term liabilities	17,177	20,575
Commitments and Contingencies (Note 10)		

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Shareholders' Equity:

Common stock, no par value; 50,000 shares authorized, 15,761 and 15,569 shares issued and outstanding as of September 30, 2012 and December 31, 2011, respectively	75,612	71,628
Retained earnings	45,203	25,879
Accumulated other comprehensive loss	(8,967)	(10,069)
Total shareholders' equity	111,848	87,438
	\$ 192,568	\$ 175,811

See accompanying notes to the unaudited condensed consolidated financial statements.

Table of Contents

NATURE'S SUNSHINE PRODUCTS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands, except per share information)

*(Unaudited)*

	<b>Three Months Ended September 30,</b>	
	<b>2012</b>	<b>2011</b>
Net sales revenue (net of the rebate portion of volume incentives of \$10,460 and \$10,877, respectively)	\$ 91,232	\$ 91,102
Cost and expenses:		
Cost of goods sold	17,713	16,879
Volume incentives	33,155	32,733
Selling, general and administrative	31,659	31,845