

May 14, 2009



## Natural Health Trends Announces First Quarter 2009 Results

DALLAS, TX -- (MARKET WIRE) -- 05/14/09 -- Natural Health Trends Corp. (NASDAQ: BHIP) today announced its financial results for the quarter ended March 31, 2009. The company reported sales of \$9.9 million and an operating loss of \$808,000 for the quarter.

Chris Sharnq, president of Natural Health Trends, said, "In the past year, we have brought costs down significantly and focused on members' productivity in fewer core markets. From the cash flow statement, we can tell that our operational ability to preserve cash in a traditionally lighter-volume quarter has greatly improved year over year. Meanwhile, a number of new products were successfully launched. Along with the progress we have made in resolving legacy legal issues, our strategies are taking some time but are paying off. We believe that we are on track to position Natural Health Trends to grow in markets that we targeted as having incredible potentials."

The company plans to host a conference call at 11:30 a.m. EDT, May 15, 2009. Those who wish to participate may call telephone number (866) 672-2663, or (973) 582-2772 for international callers, 15 minutes before 11:30 a.m. EDT. Callers will need to give the conference identification number, 10178044. If you cannot participate in the call, but wish to hear it, you may log in to the company's homepage at [www.naturalhealthtrends.com](http://www.naturalhealthtrends.com) and click on the conference call 1 1/2 hours after the completion of the call.

About Natural Health Trends Corp.

Natural Health Trends Corp. is an international direct-selling and e-commerce company operating through its subsidiaries throughout Asia, North America, and Europe. The company markets premium quality personal care products under the NHT Global brand. Additional information can be found on the company's website, and management encourages interested parties to register for updated corporate information via email on the company's home page, [www.naturalhealthtrends.com](http://www.naturalhealthtrends.com).

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 -- Forward-looking statements in this release do not constitute guarantees of future

performance. Such forward-looking statements are subject to risks and uncertainties that could cause our actual results to differ materially from those anticipated. Such risks and uncertainties include the risks and uncertainties detailed under the caption "Risk Factors" in our Annual Report on Form 10-K filed on March 23, 2009, with the Securities and Exchange Commission. We assume no obligation to update any forward-looking information contained in this press release or with respect to the announcements described herein.

NATURAL HEALTH TRENDS CORP.

CONSOLIDATED BALANCE SHEETS  
(In Thousands, Except Share Data)

|                             | December<br>31, 2008 | March<br>31, 2009 |
|-----------------------------|----------------------|-------------------|
|                             | -----                | -----             |
|                             | (Unaudited)          |                   |
| <b>ASSETS</b>               |                      |                   |
| Current assets:             |                      |                   |
| Cash and cash equivalents   | \$ 3,491             | \$ 2,636          |
| Restricted cash             | 340                  | 390               |
| Accounts receivable         | 71                   | 102               |
| Inventories, net            | 2,141                | 2,057             |
| Other current assets        | 735                  | 792               |
|                             | -----                | -----             |
| Total current assets        | 6,778                | 5,977             |
| Property and equipment, net | 1,173                | 1,096             |
| Goodwill                    | 1,764                | 1,764             |
| Intangible assets, net      | 1,800                | 1,600             |
| Restricted cash             | 3,646                | 3,268             |
| Other assets                | 1,464                | 1,169             |
|                             | -----                | -----             |
| Total assets                | \$ 16,625            | \$ 14,874         |
|                             | =====                | =====             |

LIABILITIES AND STOCKHOLDERS' EQUITY

|   |          |          |
|---|----------|----------|
| Current liabilities:  |          |          |
| Accounts payable  | \$ 1,746 | \$ 2,722 |
| Income taxes payable  | 187      | 281      |
| Accrued distributor commissions   | 554      | 903      |
| Other accrued expenses  | 2,456    | 2,837    |
| Deferred revenue  | 2,841    | 1,098    |
| Current portion of convertible debentures,<br>net of discount of \$2,320 and \$1,677 at<br>December 31, 2008 and March 31, 2009,<br>respectively  | 1,534    | 1,687    |
| Deferred tax liability  | 351      | 351      |
| Other current liabilities   | 1,170    | 1,062    |
|   | -----    | -----    |
| Total liabilities   | 10,839   | 10,941   |
| Commitments and contingencies   |          |          |
| Stockholders' equity:   |          |          |
| Preferred stock, \$0.001 par value; 5,000,000<br>shares authorized; 1,761,900 shares<br>designated Series A convertible preferred<br>stock, 138,400 shares issued and outstanding<br>at December 31, 2008 and March 31, 2009, |          |          |

|  |           |           |
|--|-----------|-----------|
| aggregate liquidation value of \$267   | 124       | 124       |
| Common stock, \$0.001 par value; 50,000,000 shares authorized; 10,691,582 and 10,728,714 shares issued and outstanding at December 31, 2008 and March 31, 2009, respectively | 11        | 11        |
| Additional paid-in capital   | 79,711    | 79,822    |
| Accumulated deficit  | (74,853)  | (76,597)  |
| Accumulated other comprehensive income:  |           |           |
| Foreign currency translation adjustments   | 759       | 562       |
|  | -----     | -----     |
| Total Natural Health Trends stockholders' equity   | 5,752     | 3,922     |
| Noncontrolling interest  | 34        | 11        |
|  | -----     | -----     |
| Total stockholders' equity   | 5,786     | 3,933     |
|  | -----     | -----     |
| Total liabilities and stockholders' equity   | \$ 16,625 | \$ 14,874 |
|  | =====     | =====     |

NATURAL HEALTH TRENDS CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)  
(In Thousands, Except Per Share Data)

|   | Three Months Ended March 31, |          |
|---|------------------------------|----------|
|   | 2008                         | 2009     |
|   | -----                        | -----    |
| Net sales   | \$ 11,395                    | \$ 9,869 |
| Cost of sales   | 3,090                        | 2,797    |
|   | -----                        | -----    |
| Gross profit  | 8,305                        | 7,072    |
| Operating expenses:   |                              |          |
| Distributor commissions   | 3,997                        | 3,779    |
| Selling, general and administrative expenses (including stock-based compensation expense of \$164 and \$111 during 2008 and 2009, respectively)       | 4,596                        | 3,771    |
| Depreciation and amortization   | 386                          | 330      |
| Impairment of long-lived assets   | 24                           | -        |
|   | -----                        | -----    |
| Total operating expenses  | 9,003                        | 7,880    |
|   | -----                        | -----    |
| Loss from operations  | (698)                        | (808)    |
| Other income (expense), net:  |                              |          |
| Gain (loss) on foreign exchange   | 371                          | (2)      |
| Interest income   | 35                           | 14       |
| Interest expense (including amortization of debt issuance costs and accretion of debt discount of \$362 and \$775 during 2008 and 2009, respectively) | (387)                        | (866)    |
| Other   | 8                            | 11       |
|   | -----                        | -----    |
| Total other income (expense), net   | 27                           | (843)    |
|   | -----                        | -----    |
| Loss before income taxes  | (671)                        | (1,651)  |
| Income tax provision  | (37)                         | (114)    |
|   | -----                        | -----    |

|  |          |            |
|--|----------|------------|
| Net loss   | (708)    | (1,765)    |
| Plus: Net loss attributable to the noncontrolling interest | -        | 21         |
|  | -----    | -----      |
| Net loss attributable to Natural Health Trends             | \$ (708) | \$ (1,744) |
|  | =====    | =====      |

NATURAL HEALTH TRENDS CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)  
(In Thousands)

Three Months Ended March 31,

-----  
2008      2009  
-----

CASH FLOWS FROM OPERATING ACTIVITIES:

|   |          |            |
|---|----------|------------|
| Net loss  | \$ (708) | \$ (1,765) |
| Adjustments to reconcile net loss to net cash used in operating activities: |          |            |
| Depreciation and amortization of property and equipment                     | 186      | 130        |
| Amortization of intangibles   | 200      | 200        |
| Amortization of debt issuance costs   | 62       | 132        |
| Accretion of debt discount  | 300      | 643        |
| Stock-based compensation  | 164      | 111        |
| Impairment of long-lived assets   | 24       | -          |
| Changes in assets and liabilities:  |          |            |
| Accounts receivable   | 50       | (34)       |
| Inventories, net  | 781      | 31         |
| Other current assets  | (399)    | (61)       |
| Other assets  | 59       | 96         |
| Accounts payable  | (293)    | 977        |
| Income taxes payable  | 18       | 114        |
| Accrued distributor commissions   | (374)    | 362        |
| Other accrued expenses  | (389)    | 396        |
| Deferred revenue  | (938)    | (1,723)    |
| Other current liabilities   | (127)    | (95)       |
|   | -----    | -----      |
| Net cash used in operating activities                                       | (1,384)  | (486)      |

CASH FLOWS FROM INVESTING ACTIVITIES:

|   |       |       |
|---|-------|-------|
| Purchases of property and equipment       | (6)   | (58)  |
| Decrease in restricted cash               | 93    | 266   |
|   | ----- | ----- |
| Net cash provided by investing activities | 87    | 208   |

CASH FLOWS FROM FINANCING ACTIVITIES

|                                       |       |       |
|---------------------------------------|-------|-------|
| Payments on debt                      | -     | (490) |
|                                       | ----- | ----- |
| Net cash used in financing activities | -     | (490) |

|   |          |          |  |
|---|----------|----------|--|
| Effect of exchange rates on cash and cash equivalents | (328)    | (87)     |  |
|   | -----    | -----    |  |
| Net decrease in cash and cash equivalents             | (1,625)  | (855)    |  |
| CASH AND CASH EQUIVALENTS, beginning of period        | 6,282    | 3,491    |  |
|   | -----    | -----    |  |
| CASH AND CASH EQUIVALENTS, end of period              | \$ 4,657 | \$ 2,636 |  |
|   | =====    | =====    |  |

Contact:

Jean Bono  
Natural Health Trends Corp.  
[Email Contact](#)