

May 10, 2012



Natural Health Trends Announces Financial Results

DALLAS, May 10, 2012 (GLOBE NEWSWIRE) -- Natural Health Trends Corp. (OTCQB:NHTC) today announced its financial results for the quarter ended March 31, 2012. The Company reported sales of \$9.1 million, up 75% over a year ago, and earnings per share of \$0.04 for the quarter, compared to losses per share of \$0.04 during the comparable period in 2011.

"We are pleased with the quarterly results and the growth that our business is experiencing," said Chris Sharnq, President of Natural Health Trends. "This success can be attributed to the hard work and dedication of our field leaders and the fact that they are embracing the promotions, incentives and programs that we've put in place. We will build on our momentum with a robust calendar of exciting promotions and incentives geared toward attracting new members and rewarding those existing members for their hard work."

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, 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 27, 2012, 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.

CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Share Data)

| | December 31, 2011 | March 31, 2012 |
|---|----------------------|-------------------|
| | | (Unaudited) |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$1,617 | \$2,758 |
| Restricted cash | 494 | 248 |
| Accounts receivable | 93 | 338 |
| Inventories, net | 1,089 | 1,008 |
| Other current assets | <u>537</u> | <u>646</u> |
| Total current assets | 3,830 | 4,998 |
| Property and equipment, net | 68 | 76 |
| Goodwill | 1,764 | 1,764 |
| Restricted cash | 220 | 225 |
| Other assets | <u>241</u> | <u>241</u> |
| Total assets | <u>\$6,123</u> | <u>\$7,304</u> |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Accounts payable | \$2,208 | \$1,997 |
| Income taxes payable | 11 | 22 |
| Accrued distributor commissions | 1,177 | 1,271 |
| Other accrued expenses | 1,471 | 1,788 |
| Deferred revenue | 967 | 1,335 |
| Deferred tax liability | 148 | 148 |
| Other current liabilities | <u>950</u> | <u>974</u> |
| Total liabilities | 6,932 | 7,535 |
| Commitments and contingencies | | |
| Stockholders' deficit: | | |
| Preferred stock | 124 | 124 |
| Common stock | 11 | 11 |
| Additional paid-in capital | 80,493 | 80,513 |
| Accumulated deficit | (81,338) | (80,831) |
| Accumulated other comprehensive loss: | | |
| Foreign currency translation adjustments | <u>(99)</u> | <u>(48)</u> |
| Total stockholders' deficit | <u>(809)</u> | <u>(231)</u> |
| Total liabilities and stockholders' deficit | <u>\$6,123</u> | <u>\$7,304</u> |

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

| | Three Months Ended March 31, | |
|--|---------------------------------|---------|
| | 2011 | 2012 |
| Net sales | \$5,175 | \$9,090 |
| Cost of sales | 1,529 | 2,399 |
| Gross profit | 3,646 | 6,691 |
| Operating expenses: | | |
| Distributor commissions | 1,762 | 3,691 |
| Selling, general and administrative expenses | 2,030 | 2,437 |
| Depreciation and amortization | 232 | 12 |
| Total operating expenses | 4,024 | 6,140 |
| Income (loss) from operations | (378) | 551 |
| Other expense, net | (95) | (63) |
| Income (loss) before income taxes | (473) | 488 |
| Income tax provision (benefit) | 7 | (19) |
| Net income (loss) | (480) | 507 |
| Less: Net income attributable to the noncontrolling interest | 8 | — |
| Net income (loss) attributable to Natural Health Trends | (472) | 507 |
| | | |
| Preferred stock dividends | (4) | (4) |
| Net income (loss) attributable to common stockholders of Natural Health Trends | \$(476) | \$503 |
| | | |
| Income (loss) per share of Natural Health Trends: | | |
| Basic | \$(0.04) | \$0.05 |
| Diluted | \$(0.04) | \$0.04 |
| | | |
| Weighted-average number of shares outstanding: | | |
| Basic | 10,635 | 10,863 |
| Diluted | 10,635 | 11,181 |

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Source: Natural Health Trends Corp.