UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT
pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2005

000-15701
(Commission file number)

NATURAL ALTERNATIVES INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**84-1007839**
(State of incorporation)	**(IRS Employer Identification No.)**
1185 Linda Vista Drive **San Marcos, California 92078**	**(760) 744-7340**
(Address of principal executive offices)	**(Registrant's telephone number)**

Indicate by check mark whether Natural Alternatives International, Inc. (NAI) (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 NAI was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
☒ Yes ☐ No

Indicate by check mark whether NAI is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
☐ Yes ☒ No

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

As of November 4, 2005, 6,038,567 shares of NAI's common stock were outstanding, net of 61,000 treasury shares.

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SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

Certain statements in this report, including information incorporated by reference, are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect current views about future events and financial performance based on certain assumptions. They include opinions, forecasts, intentions, plans, goals, projections, guidance, expectations, beliefs or other statements that are not statements of historical fact. Words such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “believes,” “anticipates,” “intends,” “estimates,” “approximates,” “predicts,” or “projects,” or the negative or other variation of such words, and similar expressions may identify a statement as a forward-looking statement. Any statements that refer to projections of our future financial performance, our anticipated growth and trends in our business, our goals, strategies, focus and plans, and other characterizations of future events or circumstances, including statements expressing general optimism about future operating results, are forward-looking statements. Forward-looking statements in this report may include statements about:

- future financial and operating results, including projections of net sales, revenue, income, net income per share, profit margins, expenditures, liquidity and other financial items;
- inventories and the adequacy and intended use of our facilities;
- the adequacy of reserves and allowances;
- sources and availability of raw materials;
- personnel;
- operations outside the United States;
- overall industry and market performance;
- competition;
- current and future economic and political conditions;
- development of new products, brands and marketing strategies;
- distribution channels and product sales and performance;
- growth, expansion and acquisition strategies;
- the outcome of regulatory, tax and litigation matters;
- our ability to develop relationships with new customers and maintain or improve existing customer relationships;
- our ability to reduce costs and maintain profitability;
- the impact of accounting pronouncements;
- management’s goals and plans for future operations; and
- other assumptions described in this report underlying or relating to any forward-looking statements.

The forward-looking statements in this report speak only as of the date of this report and caution should be taken not to place undue reliance on any such forward-looking statements. Forward-looking statements are subject to certain events, risks, and uncertainties that may be outside of our control. When considering forward-looking statements, you should carefully review the risks, uncertainties and other cautionary statements in this report as they identify certain important factors that could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. These factors include, among others, the risks described under Items 2 and 3 and elsewhere in this report, as well as in other reports and documents we file with the SEC.

Unless the context requires otherwise, all references in this report to the “Company,” “NAI,” “we,” “our,” and “us” refer to Natural Alternatives International, Inc. and, as applicable, Natural Alternatives International Europe S.A. (NAIE) and our other wholly owned subsidiaries.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NATURAL ALTERNATIVES INTERNATIONAL, INC.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

	September 30, 2005	June 30, 2005
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 5,585	$ 1,916
Accounts receivable - less allowance for doubtful accounts of $185 at September 30, 2005 and $221 at June 30, 2005	5,929	10,834
Inventories, net	14,079	12,987
Deferred income taxes	451	421
Other current assets	1,120	1,012
Total current assets	27,164	27,170
Property and equipment, net	15,913	16,507
Other assets:		
Deferred income taxes	276	276
Other noncurrent assets, net	185	185
Total other assets	461	461
Total assets	$ 43,538	$44,138
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 7,322	$ 7,973
Accrued liabilities	1,931	1,923
Accrued compensation and employee benefits	995	1,351
Income taxes payable	718	664
Current portion of long-term debt	870	861
Total current liabilities	11,836	12,772
Long-term debt, less current portion	2,772	2,979
Deferred rent	1,266	1,264
Long-term pension liability	221	206
Total liabilities	16,095	17,221
Commitments and contingencies		
Stockholders' equity:		
Preferred stock; $.01 par value; 500,000 shares authorized; none issued or outstanding	—	—
Common stock; $.01 par value; 20,000,000 shares authorized; issue and outstanding 6,098,367 at September 30, 2005 and 6,064,467 at June 30, 2005	61	61
Additional paid-in capital	11,653	11,494
Accumulated other comprehensive loss	(182)	(137)
Retained earnings	16,204	15,792
Treasury stock, at cost, 61,000 shares at September 30, 2005 and June 30, 2005	(293)	(293)
Total stockholders' equity	27,443	26,917
Total liabilities and stockholders' equity	$ 43,538	$44,138

See accompanying notes to condensed consolidated financial statements.

NATURAL ALTERNATIVES INTERNATIONAL, INC.
Condensed Consolidated Statements Of Income And Comprehensive Income
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended September 30, 2005	Three Months Ended September 30, 2004
Net sales	$ 21,733	$ 22,727
Cost of goods sold	17,677	17,409
Gross profit	4,056	5,318
Selling, general & administrative expenses	3,378	3,924
Income from operations	678	1,394
Other income (expense):		
Interest income	10	4
Interest expense	(58)	(51)
Foreign exchange gain (loss)	21	(2)
Other, net	—	(1)
	(27)	(50)
Income before income taxes	651	1,344
Provision for income taxes	239	492
Net income	$ 412	$ 852
Unrealized loss resulting from change in fair value of derivative instruments, net of tax	(45)	(50)
Comprehensive income	$ 367	$ 802
Net income per common share:		
Basic	$ 0.07	$ 0.14
Diluted	$ 0.06	$ 0.13
Weighted average common shares outstanding:		
Basic shares	6,013,390	5,923,766
Diluted shares	6,469,104	6,447,677

See accompanying notes to condensed consolidated financial statements.

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NATURAL ALTERNATIVES INTERNATIONAL, INC.
Condensed Consolidated Statements Of Cash Flows
(in thousands)
(Unaudited)

	Three Months Ended September 30, 2005	Three Months Ended September 30, 2004
Cash flows from operating activities		
Net income	$ 412	$ 852
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provision (reduction) for uncollectible accounts receivable	(36)	27
Depreciation and amortization	724	663
Deferred income taxes	—	59
Non-cash compensation	11	20
Pension expense, net of contributions	15	6
Changes in operating assets and liabilities:		
Accounts receivable	4,941	(532)
Inventories, net	(1,092)	(1,019)
Other assets	(182)	(604)
Accounts payable and accrued liabilities	(589)	332
Accrued compensation and employee benefits	(355)	(1,375)
Net cash provided by (used in) operating activities	3,849	(1,571)
Cash flows from investing activities		
Capital expenditures	(130)	(2,617)
Repayment of notes receivable	—	13
Net cash used in investing activities	(130)	(2,604)
Cash flows from financing activities		
Payments on long-term debt	(198)	(201)
Proceeds from issuance of common stock	148	85
Net cash used in financing activities	(50)	(116)
Net increase (decrease) in cash and cash equivalents	3,669	(4,291)
Cash and cash equivalents at beginning of period	1,916	7,495
Cash and cash equivalents at end of period	$ 5,585	$ 3,204
Supplemental disclosures of cash flow information		
Cash paid during the period for:		
Interest	$ 58	$ 51
Taxes	$ 185	$ 88

See accompanying notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

A. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and applicable rules and regulations. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In management's opinion, all adjustments necessary for a fair presentation of the financial position, results of operations and cash flows have been included and are of a normal, recurring nature. The results of operations for the three months ended September 30, 2005 are not necessarily indicative of the operating results for the full fiscal year or any future periods.

You should read the financial statements and these notes, which are an integral part of the financial statements, together with our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2005 ("2005 Annual Report"). The accounting policies used to prepare the financial statements included in this report are the same as those described in the notes to the consolidated financial statements in our 2005 Annual Report unless otherwise noted below.

Stock- Based Compensation

We have an equity incentive plan under which we have granted nonqualified and incentive stock options to employees, non-employee directors and consultants. We also have an employee stock purchase plan. Prior to July 1, 2005, we accounted for stock-based awards to employees, including shares issued pursuant to the employee stock purchase plan, under the recognition and measurement provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25), and related interpretations, as permitted by Statement of Financial Accounting Standard No. 123, "Accounting for Stock-Based Compensation" (SFAS 123).

Effective July 1, 2005, we adopted the fair value recognition provisions of Statement of Financial Accounting Standards No. 123R, "Share Based Payment" (SFAS 123R), using the modified-prospective-transition method. Under that transition method, compensation cost is recognized (a) for all stock-based awards granted prior to, but not yet vested as of, July 1, 2005, based on the grant date fair value estimated in accordance with the original provisions of SFAS 123, and (b) for all stock-based awards granted after July 1, 2005, based on the grant-date fair value estimated in accordance with the provisions of SFAS 123R. Results for prior periods have not been restated.

We estimated the fair value of the stock option awards at the date of grant and employee stock purchase plan shares at the beginning of the offering period using the Black-Scholes option valuation model. The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. Option valuation models require the input of highly subjective assumptions, including expected life and stock price volatility.

Effective April 27, 2005, our Board of Directors approved the acceleration of the vesting of all outstanding and unvested options held by directors, officers and other employees under our 1999 Omnibus Equity Incentive Plan. As a result of the acceleration, options to acquire 827,932 shares of our common stock, which otherwise would have vested over the next 36 months, became immediately exercisable. This action was taken to eliminate, to the extent permitted, the transition expense that we otherwise would have incurred in connection with the adoption of SFAS 123R.

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The following table illustrates the effect on net income and net income per common share as if the fair value method had been applied to all outstanding and unvested awards in each period (in thousands, except per share data):

	Three Months Ended September 30,	
	2005	2004
Net income - as reported	$ 412	$ 852
Plus: Reported stock-based compensation	11	20
Less: Fair value stock-based compensation	(11)	(308)
Net income - pro forma	$ 412	$ 564
Reported basic net income per common share	$ 0.07	$ 0.14
Pro forma basic net income per common share	$ 0.07	$ 0.10
Reported diluted net income per common share	$ 0.06	$ 0.13
Pro forma diluted net income per common share	$ 0.06	$ 0.09

Net Income per Common Share

We compute net income per common share in accordance with SFAS 128, “Earnings Per Share.” This statement requires the presentation of basic income per common share, using the weighted average number of common shares outstanding during the period, and diluted net income per common share, using the additional dilutive effect of all dilutive securities. The dilutive impact of stock options account for the additional weighted average shares of common stock outstanding for our diluted net income per common share computation. We calculated basic and diluted net income per common share as follows (in thousands, except per share data):

	Three Months Ended September 30,	
	2005	2004
Numerator		
Net income	$ 412	$ 852
Denominator		
Basic weighted average common shares outstanding	6,013	5,924
Dilutive effect of stock options	456	524
Diluted weighted average common shares outstanding	6,469	6,448
Basic net income per common share	$ 0.07	$ 0.14
Diluted net income per common share	$ 0.06	$ 0.13

Shares related to stock options of 202,000 for the three months ended September 30, 2005, and 184,000 for the three months ended September 30, 2004, were excluded from the calculation of diluted net income per common share, as the effect of their inclusion would have been anti-dilutive.

B. Inventories

Inventories, net consisted of the following (in thousands):

	September 30, 2005	June 30, 2005
Raw materials	$ 8,526	$ 8,068
Work in progress	3,874	3,230
Finished goods	1,679	1,689
	$ 14,079	$12,987

C. Property and Equipment

Property and equipment consisted of the following (dollars in thousands):

	Depreciable Life In Years	September 30, 2005	June 30, 2005
Land	N/A	$ 393	$ 393
Building and building improvements	7 –39	2,718	2,713
Machinery and equipment	3 –12	18,518	18,470
Office equipment and furniture	3 – 5	3,296	3,280
Vehicles	3	204	204
Leasehold improvements	1 –15	9,259	9,244
Total property and equipment		34,388	34,304
Less: accumulated depreciation and amortization		(18,475)	(17,797)
Property and equipment, net		$ 15,913	$ 16,507

D. Debt

We have a $12.0 million credit facility with a bank. The facility is comprised of an $8.0 million working capital line of credit and $4.0 million in term loans. The working capital line of credit expires in November 2006, is secured by our accounts receivable and other rights to payment, general intangibles, inventory and equipment, has an interest rate of Prime Rate or LIBOR plus 1.75%, as elected by the Company from time to time, and borrowings are subject to eligibility requirements for current accounts receivable and inventory balances. The term loans consist of a $700,000 ten year term loan with a twenty year amortization, secured by our San Marcos building, at an interest rate of LIBOR plus 2.25%; a $1.8 million four year term loan, secured by our accounts receivable and other rights to payment, general intangibles, inventory and equipment, at an interest rate of LIBOR plus 2.10%; and a $1.5 million five year term loan, secured by equipment, at an interest rate of LIBOR plus 2.10%. Monthly payments on the term loans are approximately $63,000 plus interest. As of September 30, 2005, the amount outstanding on the term loans was $3.1 million and we did not have an outstanding balance on the working capital line of credit. As of September 30, 2005, we had $7.0 million available under the line of credit, net of a $270,000 outstanding letter of credit issued to our landlord.

Additionally, we have a term loan agreement for $1.1 million, secured by our San Marcos building, at an annual interest rate of 8.25%. The loan is due in June 2011 and provides for principal and interest payable in monthly installments of $10,800. As of September 30, 2005, the amount outstanding on the term loan was $582,000.

The composite interest rate on all of our outstanding debt was 6.11% at September 30, 2005, and 4.32% at September 30, 2004.

E. Defined Benefit Pension Plan

We sponsor a defined benefit pension plan, which provides retirement benefits to employees based generally on years of service and compensation during the last five years before retirement. Effective June 21, 1999, we adopted an amendment to the plan to freeze benefit accruals to the plan's participants. We contribute an amount not less than the minimum funding requirements of the Employee Retirement Income Security Act of 1974 nor more than the maximum tax-deductible amount.

The components included in the net periodic benefit cost for the periods ended September 30 were as follows (in thousands):

	Three Months Ended September 30,	
	2005	2004
Interest cost	$ 20	$ 17
Expected return on plan assets	(23)	(18)
Net periodic benefit	$ (3)	$ (1)

F. Economic Dependency

We had substantial net sales to certain customers during the periods shown in the following table. The loss of any of these customers, or a significant decline in net sales or the growth rate of net sales to these customers could have a material adverse impact on our net sales and net income. Net sales to any one customer representing 10% or more of the respective period's total net sales were as follows (dollars in thousands):

	Three Months Ended September 30,			
	2005		2004	
	Net Sales by Customer	% of Total Net Sales	Net Sales by Customer	% of Total Net Sales
Customer 1	$ 10,332	48%	$ 8,273	36%
Customer 2	7,595	35	9,088	40
	$ 17,927	83%	$ 17,361	76%

We buy certain products from a limited number of raw material suppliers. The loss of any of these suppliers could have a material adverse impact on our net sales and net income. Raw material purchases from any one supplier representing 10% or more of the respective period's total raw material purchases were as follows (dollars in thousands):

	Three Months Ended September 30,			
	2005		2004	
	Raw Material Purchases by Supplier	% of Total Raw Material Purchases	Raw Material Purchases by Supplier	% of Total Raw Material Purchases
Supplier 1	$ 2,219	21%	$ (a)	(a) %
Supplier 2	1,320	13	4,188	34
Supplier 3	1,030	10	1,167	10
	$ 4,569	44 %	$ 5,355	44 %

(a) Purchases were less than 10% of the respective period's total raw material purchases.

G. Segment Information

Our business consists of one segment, the development, manufacturing, marketing and distribution of nutritional supplements. Our products are sold both in the United States and in markets outside the United States, including Europe, Australia and Japan. Our primary market outside the United States is Europe.

Net sales by geographic region, based upon the customers' location, were as follows (in thousands):

	Three Months Ended September 30,	
	2005	2004
United States	$16,999	$16,051
Markets Outside the United States	4,734	6,676
Total Net Sales	$21,733	$22,727

Products manufactured by NAIE accounted for 50% of net sales in markets outside the United States for the three months ended September 30, 2005 and 43% for the three months ended September 30, 2004.

No products manufactured by NAIE were sold in the United States during the three months ended September 30, 2005 and 2004.

Assets and capital expenditures by geographic region, based on the location of the company or subsidiary at which they were located or made, were as follow (in thousands):

	Long-Lived Assets		Total Assets		Capital Expenditures	
					Three Months Ended	
	September 30, 2005	June 30, 2005	September 30, 2005	June 30, 2005	September 30, 2005	September 30, 2004
United States	$ 16,560	$17,144	$ 39,699	$40,470	$ 66	$ 2,611
Europe	1,044	1,053	3,839	3,668	64	6
	$ 17,604	$18,197	$ 43,538	$44,138	$ 130	$ 2,617

H. Contingencies

From time to time, we become involved in various investigations, claims and legal proceedings that arise in the ordinary course of our business. These matters may relate to product liability, employment, intellectual property, tax, regulation, contract or other matters. The resolution of these matters as they arise will be subject to various uncertainties and, even if such claims are without merit, could result in the expenditure of significant financial and managerial resources. While unfavorable outcomes are possible, based on available information, we generally do not believe the resolution of these matters, including that discussed below, will result in a material adverse effect on our business, consolidated financial condition, or results of operation. However, a settlement payment or unfavorable outcome could adversely impact our results of operation. Our evaluation of the likely impact of these actions, including that discussed below, could change in the future and we could have unfavorable outcomes that we do not expect.

On February 10, 2005, a complaint was filed against NAI on behalf of Novogen Research Pty. Ltd. in the United States District Court, Southern District of New York alleging a cause of action for patent infringement of a Novogen patent by products manufactured by NAI. Novogen has agreed to settle the matter for a one-time payment by NAI of $75,000. Final settlement documents are being negotiated.

As of November 4, 2005, other than as set forth above, neither NAI nor its subsidiaries were a party to any material pending legal proceeding nor was any of their property the subject of any material pending legal proceeding.

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

The following discussion and analysis is intended to help you understand our financial condition and results of operations for the three months ended September 30, 2005. You should read the following discussion and analysis together with our unaudited condensed consolidated financial statements and the notes to the condensed consolidated financial statements included under Item 1 in this report, as well as the information included in our 2005 Annual Report. Our future financial condition and results of operations will vary from our historical financial condition and results of operations described below.

Executive Overview

The following overview does not address all of the matters covered in the other sections of this Item 2 or other items in this report or contain all of the information that may be important to our stockholders or the investing public. This overview should be read in conjunction with the other sections of this Item 2 and this report.

Our primary business activity is to provide private label contract manufacturing services to companies that market nutritional supplements. Our revenue is dependent, to a large degree, on two customers who market nutritional supplements through the direct sales marketing channel. The timing of our customers' orders is impacted by their marketing programs, supply chain management, entry into new markets and new product introductions. All of these attributes have had and will have a significant impact on our business.

Private label contract manufacturing net sales decreased 4% from the comparable quarter last year. The increase in net sales from our largest customer was offset by a reduction in net sales from our second largest and other contract manufacturing customers. Net sales to our two largest customers as a percentage of total net sales increased to 83% from 76% in the comparable quarter last year.

Our strategy has focused upon long-term growth and diversification of net sales and our customer base. As a part of our long-term growth strategy, we made a considerable investment in our recent facility expansion and Therapeutic Goods Administration of Australia (TGA) recertification in an effort to develop new relationships with large, quality oriented contract manufacturing customers. We believe our long-term growth strategy is beginning to be rewarded. We have received initial purchase orders from two new customers who are leaders in the direct sales marketing channel. We expect to fill the initial orders in our fiscal third and fourth quarters and are optimistic our relationships with these new customers will grow.

We anticipate a further decline in our contract manufacturing revenue in the second quarter of fiscal 2006. We are responding appropriately to reduce our cost structure and remain profitable.

We are currently evaluating an acquisition opportunity that could diversify our net sales and customer base by increasing our branded product lines and expanding our distribution channels.

Additionally we are pursuing initiatives to market our own branded products through new distribution channels. During the first quarter of fiscal 2006 we developed a new direct mail campaign with a nationally recognized physician. The direct mail campaign was launched on a test basis in October 2005. The initial campaign features one of our proprietary formulas.

Critical Accounting Policies and Estimates

The preparation of our financial statements requires that we make estimates and assumptions that affect the amounts reported in our financial statements and their accompanying notes. We have identified certain policies that we believe are important to the portrayal of our financial condition and results of operations. These policies require the application of significant judgment by our management. We base our estimates on our historical experience, industry standards, and various other assumptions that we believe are reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions. An adverse effect on our financial condition, changes in financial condition, and results of operations could occur if circumstances change that alter the various assumptions or conditions used in such estimates or assumptions.

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Our critical accounting policies are discussed under Item 7 of our 2005 Annual Report. There have been no significant changes to these policies during the three months ended September 30, 2005.

Results of Operations

The results of our operations for the three months ended September 30 were as follows (dollars in thousands, except per share amounts):

	2005	2004	% Change
Private label contract manufacturing	$19,707	$20,596	(4)%
Direct-to-consumer marketing program	2,026	2,131	(5)%
Total net sales	21,733	22,727	(4)%
Cost of goods sold	17,677	17,409	2%
Gross profit	4,056	5,318	(24)%
Gross profit %	18.7%	23.4%	
Selling, general & administrative expenses	3,378	3,924	(14)%
% of net sales	15.5%	17.3%	
Other expense, net	27	50	(46)%
Income before taxes	651	1,344	(52)%
% of net sales	3.0%	5.9%	
Net income	$ 412	$ 852	(52)%
% of net sales	1.9%	3.7%	
Diluted net income per common share	$ 0.06	$ 0.13	(54)%

The percentage decrease in private label contract manufacturing net sales was attributed to the following:

NSA International, Inc. net sales growth	10%
Mannatech, Incorporated net sales reduction	(7%)
Discontinuation of two customer relationships	(3%)
Other customers net sales reduction	(4%)
Total	(4%)

- Net sales growth from NSA International, Inc over the comparable quarter last year resulted primarily from the following:
  - Higher volumes of established products in existing markets, which contributed 13 percentage points; partially offset by
  - Lower average price per unit which reduced our net sales growth by three percentage points.
- Net sales reduction from Mannatech, Incorporated over the comparable quarter last year resulted primarily from the following:
  - Lower volumes of established products in existing markets, which reduced our net sales growth six percentage points; and
  - A shift in sales mix to lower priced products, which resulted in three percentage points of the decrease; partially offset by the
  - Introduction of existing products into new markets, which contributed two percentage points.
- We discontinued relationships with two of our customers in March 2005 due to the disproportionate risks related to inventory levels and accounts receivable required to continue serving these customers.
- The remaining decrease in private label contract manufacturing net sales was from decreased volumes with existing customers, partially offset by growth in sales to new customers.

Gross profit margin decreased to 18.7% for the three months ended September 30, 2005 from 23.4%, or 4.7 percentage points, from the comparable quarter last year. The decrease in gross profit margin was primarily due to the following:

	Percentage Points
Incremental overhead expenses	(1.7)
Incremental inventory reserves	(1.6)
Incremental direct and indirect labor	(1.6)
Reduction in royalties paid to third parties	0.2
Total	(4.7)

- Overhead expenses as a percentage of net sales increased 1.7 percentage points, or $286,000, from the comparable quarter last year primarily due to the following:
  - Incremental outsourced lab testing of $61,000 as a result of increased testing for compliance with certain countries' regulatory requirements; and
  - The following incremental expenses related to our facility expansion in Vista, California:
    - Rent and facility related expenses of $80,000; and
    - Depreciation and amortization of $124,000.
- Direct and indirect labor increased as a percentage of net sales primarily due to producing higher volumes of products with a lower average price per unit.

Selling, general and administrative expenses decreased $546,000, or 14%, from the comparable quarter last year primarily attributable to the following:

- Reduced personnel costs of $204,000 primarily due to the termination of regulatory compliance and product formulation personnel in June 2005, including our former Vice President of Science & Technology.
- Reduced clinical study costs of $156,000 due to lowering our level of participation in clinical studies.
- Reduced compensation costs under our Management Cash Incentive Plan of $174,000.
- Reduced Sarbanes-Oxley (SOX) compliance costs of $115,000.
- Incremental litigation expense of $84,000 for legal fees and settlement costs associated with the Novogen lawsuit.
- Incremental direct-to-consumer marketing brand development spending of $50,000 primarily to establish a new direct mail campaign with a licensed persona scheduled to be launched on a test basis in the second quarter.

Our effective tax rate for the three months ended September 30, 2005 was consistent with the comparable quarter last year at 37%.

Liquidity and Capital Resources

Our primary sources of liquidity and capital resources are cash flows provided by operating activities and the availability of borrowings under our credit facility. Net cash provided by operating activities was $3.8 million in the three months ended September 30, 2005, compared to net cash used in operating activities of $1.6 million in the comparable quarter last year. Our operating cash flow during the three months ended September 30, 2005 was impacted by the following:

- Net income of $412,000;
- Reduction of accounts receivable of $4.9 million; and
- Incremental inventory of $1.1 million.

Cash used in operating activities of $1.6 million for the three months ended September 30, 2004 was principally due to payments of $1.6 million under our fiscal 2004 Management Cash Incentive Plan.

Approximately $459,000 of our operating cash flow was generated by NAIE during the three months ended September 30, 2005. As of September 30, 2005, NAIE's undistributed retained earnings are considered indefinitely reinvested.

Our consolidated debt decreased to $3.6 million at September 30, 2005 from $3.8 million at June 30, 2005. Our $12.0 million credit facility is comprised of an $8.0 million working capital line of credit and $4.0 million in term loans. The working capital line of credit expires in November 2006, is secured by our accounts receivable and other rights to payment, general intangibles, inventory and equipment, has an interest rate of Prime Rate or LIBOR plus 1.75%, as elected by the Company from time to time, and borrowings are subject to eligibility requirements for current accounts receivable and inventory balances. The term loans consist of a $700,000 ten year term loan with a twenty year amortization, secured by our San Marcos building, at an interest rate of LIBOR plus 2.25%; a $1.8 million four year term loan, secured by our accounts receivable and other rights to payment, general intangibles, inventory and equipment, at an interest rate of LIBOR plus 2.10%; and a $1.5 million five year term loan, secured by equipment, at an interest rate of LIBOR plus 2.10%. Monthly payments on the term loans are approximately $63,000 plus interest. As of September 30, 2005, we had $7.0 million available under the working capital line of credit, net of a $270,000 outstanding letter of credit issued to our landlord. Under our credit facility, we may not create, incur or assume additional indebtedness without the approval of our lender.

Additionally, we have a term loan agreement for $1.1 million, secured by our San Marcos building, at an annual interest rate of 8.25%. The loan is due in June 2011 and provides for principal and interest payable in monthly installments of $10,800. As of September 30, 2005, the amount outstanding on the term loan was $582,000.

On May 13, 2005, we purchased seven option contracts designated and effective as cash flow hedges to protect against the foreign currency exchange risk inherent in a portion of our forecasted transactions denominated in Euros. The seven options expire monthly beginning June 2005 and ending December 2005. The option contracts had a notional amount of $4.2 million, a weighted average strike price of $1.19, and a purchase price of $21,000. The risk of loss associated with the options is limited to the purchase price paid for the option contracts. As of September 30, 2005, we had not exercised any of the options and four of the options had expired.

On July 7, 2005, we purchased 12 option contracts designated and effective as cash flow hedges to protect against the foreign currency exchange risk inherent in a portion of our forecasted transactions denominated in Euros. The 12 options expire monthly beginning January 2006 and ending December 2006. The option contracts had a notional amount of $7.0 million, a weighted average strike price of $1.16, and a purchase price of $152,000. The risk of loss associated with the options is limited to the purchase price paid for the option contracts.

There are no other derivative financial instruments at September 30, 2005.

As of September 30, 2005, we had $5.6 million in cash and cash equivalents. We plan on funding our current working capital needs, capital expenditures and debt payments using available cash, cash flow from operations and our credit facility.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet debt nor do we have any transactions, arrangements, obligations (including contingent obligations) or other relationships with any unconsolidated entities or other persons that may have a material current or future effect on our financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenue or expenses.

Recent Accounting Pronouncements

Recent accounting pronouncements are discussed under Item 7 of our 2005 Annual Report. As of September 30, 2005, other than the pronouncements discussed in our 2005 Annual Report, we are not aware of any other pronouncements that materially affect our financial position or results of operations.

Risks

You should carefully consider the risks described under Item 7 of our 2005 Annual Report, as well as the other information in our 2005 Annual Report, this report and other reports and documents we file with the SEC, when evaluating our business and future prospects. If any of the identified risks actually occur, our business, financial condition and results of operations could be seriously harmed. In that event, the market price of our common stock could decline and you could lose all or a portion of the value of your investment in our common stock.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk, which is the potential loss arising from adverse changes in market rates and prices, such as foreign currency exchange and interest rates. We generally do not enter into derivatives or other financial instruments for trading or speculative purposes. We may, however, enter into financial instruments to try to manage and reduce the impact of changes in foreign currency exchange rates. We cannot predict with any certainty our future exposure to fluctuations in foreign currency exchange and interest rates or other market risks or the impact, if any, such fluctuations may have on our future business, product pricing, consolidated financial condition, results of operations or cash flows. The actual impact of any fluctuations in foreign currency exchange or interest rates may differ significantly from those discussed below.

Interest Rates

At September 30, 2005, we had fixed rate debt of $582,000 and variable rate debt of approximately $3.1 million. The interest rates on our variable rate debt range from LIBOR plus 1.75% to LIBOR plus 2.25%. As of September 30, 2005, the weighted average effective interest rate on our variable rate debt was 5.84%. An immediate one hundred basis point (1.0%) increase in the interest rate on our variable rate debt, holding other variables constant, would have increased our interest expense by $8,000 for the three months ended September 30, 2005. Interest rates have been at or near historic lows in recent years. There can be no guarantee that interest rates will not rise. Any increase in interest rates may adversely affect our results of operations and financial condition.

Foreign Currencies

To the extent our business continues to expand outside the United States, an increasing share of our net sales and cost of sales may be transacted in currencies other than the United States dollar. Accounting practices require that our non-United States dollar-denominated transactions be converted to United States dollars for reporting purposes. Consequently, our reported net earnings may be significantly affected by fluctuations in currency exchange rates. When the United States dollar strengthens against currencies in which products are sold or weakens against currencies in which we incur costs, net sales and costs could be adversely affected.

Our main exchange rate exposures are with the Swiss Franc and the Euro against the United States dollar. This is due to NAIE’s operations in Switzerland and the payment in Euros by our largest customer for finished goods. Additionally, we pay our NAIE employees and other expenses in Swiss Francs. We may enter into forward exchange contracts, foreign currency borrowings and option contracts to hedge our foreign currency risk. Our goal in seeking to manage foreign currency risk is to provide reasonable certainty to the functional currency value of foreign currency cash flows and to help stabilize the value of non-United States dollar-denominated earnings.

On May 13, 2005, we purchased seven option contracts designated and effective as cash flow hedges to protect against the foreign currency exchange risk inherent in a portion of our forecasted transactions denominated in Euros. The seven options expire monthly beginning June 2005 and ending December 2005. The option contracts had a notional amount of $4.2 million, a weighted average strike price of $1.19, and a purchase price of $21,000. The risk of loss associated with the options is limited to the purchase price paid for the option contracts. As of September 30, 2005, we had not exercised any of the options and four of the options had expired.

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On September 30, 2005, the Swiss Franc closed at 1.29 to 1.00 United States dollar and the Euro closed at 0.83 to 1.00 United States dollar. A 10% adverse change to the exchange rates between the Swiss Franc and the Euro against the United States dollar, holding other variables constant, would have decreased our net income for the three months ended September 30, 2005 by $79,000.

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ITEM 4. CONTROLS AND PROCEDURES

We maintain certain disclosure controls and procedures. They are designed to help ensure that material information is: (1) gathered and communicated to our management, including our principal executive and financial officers, on a timely basis; and (2) recorded, processed, summarized, reported and filed with the SEC as required under the Securities Exchange Act of 1934.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2005. Based on their evaluation, they concluded that our disclosure controls and procedures were effective for their intended purpose described above. There were no changes to our internal controls during the quarterly period ended September 30, 2005 that have materially affected, or that are reasonably likely to materially affect, our internal controls.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we become involved in various investigations, claims and legal proceedings that arise in the ordinary course of our business. These matters may relate to product liability, employment, intellectual property, tax, regulation, contract or other matters. The resolution of these matters as they arise will be subject to various uncertainties and, even if such claims are without merit, could result in the expenditure of significant financial and managerial resources. While unfavorable outcomes are possible, based on available information, we generally do not believe the resolution of these matters, including that discussed below, will result in a material adverse effect on our business, consolidated financial condition, or results of operation. However, a settlement payment or unfavorable outcome could adversely impact our results of operation. Our evaluation of the likely impact of these actions, including that discussed below, could change in the future and we could have unfavorable outcomes that we do not expect.

On February 10, 2005, a complaint was filed against NAI on behalf of Novogen Research Pty. Ltd. in the United States District Court, Southern District of New York alleging a cause of action for patent infringement of a Novogen patent by products manufactured by NAI. Novogen has agreed to settle the matter for a one-time payment by NAI of $75,000. Final settlement documents are being negotiated.

As of November 4, 2005, other than as set forth above, neither NAI nor its subsidiaries were a party to any material pending legal proceeding nor was any of their property the subject of any material pending legal proceeding.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

The following exhibit index shows those exhibits filed with this report and those incorporated by reference:

EXHIBIT INDEX

Exhibit Number	Description	Incorporated By Reference To
3(i)	Amended and Restated Certificate of Incorporation of Natural Alternatives International, Inc. filed with the Delaware Secretary of State on January 14, 2005	Exhibit 3(i) of NAI's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2004, filed with the commission on February 14, 2005
3(ii)	By-laws of Natural Alternatives International, Inc. dated as of December 21, 1990	NAI's Registration Statement on Form S-1 (File No. 33-44292) filed with the commission on December 21, 1992
4(i)	Form of NAI's Common Stock Certificate	Exhibit 4(i) of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2005, filed with the commission on September 8, 2005
10.1	1999 Omnibus Equity Incentive Plan as adopted effective May 10, 1999, amended effective January 30, 2004, and further amended effective December 3, 2004	Exhibit 10.1 of NAI's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2004, filed with the commission on February 14, 2005
10.2	1999 Employee Stock Purchase Plan as adopted effective October 18, 1999	Exhibit B of NAI's definitive Proxy Statement filed with the commission on October 21, 1999
10.3	Management Incentive Plan	Exhibit 10.3 of NAI's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003, filed with the commission on November 5, 2003
10.4	Amended and Restated Employment Agreement dated as of January 30, 2004, by and between NAI and Mark Zimmerman	Exhibit 10.4 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2004, filed with the commission on September 14, 2004
10.5	Amended and Restated Employment Agreement dated as of January 30, 2004, by and between NAI and Randell Weaver	Exhibit 10.5 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2004, filed with the commission on September 14, 2004
10.6	Amended and Restated Employment Agreement dated as of January 30, 2004, by and between NAI and Mark A. LeDoux	Exhibit 10.6 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2004, filed with the commission on September 14, 2004
10.7	Amended and Restated Employment Agreement dated as of January 30, 2004, by and between NAI and John Wise	Exhibit 10.7 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2004, filed with the commission on September 14, 2004
10.8	Amended and Restated Employment Agreement dated as of January 30, 2004, by and between NAI and John Reaves	Exhibit 10.8 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2004, filed with the commission on September 14, 2004
10.9	Amended and Restated Employment Agreement dated as of January 30, 2004, by and between NAI and Timothy E. Belanger	Exhibit 10.9 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2004, filed with the commission on September 14, 2004

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10.10	Amended and Restated Exclusive License Agreement effective as of September 1, 2004 by and among NAI and Dr. Reginald B. Cherry	Exhibit 10.11 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2004, filed with the commission on September 14, 2004
10.11	Exclusive License Agreement effective as of September 1, 2004 by and among NAI and Reginald B. Cherry Ministries, Inc.	Exhibit 10.12 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2004, filed with the commission on September 14, 2004
10.12	First Amendment to Exclusive License Agreement effective as of December 10, 2004 by and among NAI and Reginald B. Cherry Ministries, Inc.	Exhibit 10.3 of NAI's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2004, filed with the commission on February 14, 2005
10.13	Lease of Facilities in Vista, California between NAI and Calwest Industrial Properties, LLC, a California limited liability company dated October 27, 2003	Exhibit 10.10 of NAI's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2003, filed with the commission on November 5, 2003
10.14	Credit Agreement dated as of May 1, 2004 by and between NAI and Wells Fargo Bank, National Association	Exhibit 10.11 of NAI's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004, filed with the commission on May 17, 2004
10.15	First Amendment to Credit Agreement dated as of February 1, 2005 by and between NAI and Wells Fargo Bank, National Association	Exhibit 10.1 of NAI's Current Report on Form 8-K dated February 1, 2005, filed with the commission on February 7, 2005
10.16	Form of Indemnification Agreement entered into between NAI and each of its directors	Exhibit 10.15 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2004, filed with the commission on September 14, 2004
10.17	Amended and Restated Exclusive License Agreement effective as of February 5, 2003, by and among NAI, Chopra Enterprises, LLC, Deepak Chopra, M.D., and David Simon, M.D.	Exhibit 10.16 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2004, filed with the commission on September 14, 2004
10.18	Lease of Facilities in Manno, Switzerland between NAIE and Mr. Silvio Tarchini dated May 9, 2005 (English translation)	Exhibit 10.19 of NAI's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2005, filed with the commission on May 13, 2005
10.19	Lease of Facilities in Manno, Switzerland between NAIE and Mr. Silvio Tarchini dated July 25, 2003 (English translation)	Exhibit 10.19 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2005, filed with the commission on September 8, 2005
10.20	Lease of Facilities in Manno, Switzerland between NAIE and Mr. Silvio Tarchini dated June 8, 2004 (English translation)	Exhibit 10.20 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2005, filed with the commission on September 8, 2005
10.21	Lease of Facilities in Manno, Switzerland between NAIE and Mr. Silvio Tarchini dated February 7, 2005 (English translation)	Exhibit 10.21 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2005, filed with the commission on September 8, 2005

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10.22	License Agreement effective as of April 28, 1997 by and among Roger Harris, Mark Dunnett and NAI	Exhibit 10.22 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2005, filed with the commission on September 8, 2005
10.23	Amendment to License Agreement effective as of March 17, 2001 by and among Roger Harris, Mark Dunnett and NAI	Exhibit 10.23 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2005, filed with the commission on September 8, 2005
10.24	Amendment effective as of September 15, 2005 to Lease of Facilities in Manno, Switzerland between NAIE and Mr. Silvio Tarchini dated May 9, 2005 (English translation)	Filed herewith
21	Subsidiaries of the Company	Exhibit 21 of NAI's Annual Report on Form 10-K for the fiscal year ended June 30, 2005, filed with the commission on September 8, 2005
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer	Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer	Filed herewith
32	Section 1350 Certification	Filed herewith

SIGNATURES

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

Date: November 4, 2005

NATURAL ALTERNATIVES INTERNATIONAL, INC.

By: /s/ John R. Reaves
John R. Reaves, Chief Financial Officer

Mr. Reaves is the principal financial officer of Natural Alternatives International, Inc. and has been duly authorized to sign on its behalf.

Studio Tarchini
6928 Manno

NAIE
Centro Galleria
6928 Manno

Manno, September 15, 2005

Lease of space nr. 10 – 1st floor Centro Galleria 1

Dear Mr. Petrini,

As agreed with Mr. Silvio Tarchini during the meeting on Sept. 02, 2005 we take good note of your request to anticipate to Oct. 1, 2005 in place of January 1, 2006 the lease of space nr. 10 – 1st floor Galleria 1 (highlighted in yellow in the attached map).

As per your request, the surface will be enlarged with additional 39.34 sqm (highlighted in green on the attached map).

Therefore, the new yearly lease of space 10 of globally 564.19 sqm. is CHF 70'500,- / VAT excluded, with a first payment on October 1, 2005.

All the other clauses are as per the lease contract dated May 9, 2005.

Best regards,

Silvio Tarchini

For acceptance
____

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to
Rule 13a-14(a)/15d-14(a)

I, Mark A. LeDoux, Chief Executive Officer of Natural Alternatives International, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Natural Alternatives International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2005

/s/ Mark A. LeDoux
Mark A. LeDoux, Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to
Rule 13a-14(a)/15d-14(a)

I, John R. Reaves, Chief Financial Officer of Natural Alternatives International, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Natural Alternatives International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting;

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 4, 2005

/s/ John R. Reaves
John R. Reaves, Chief Financial Officer

Exhibit 32

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of Natural Alternatives International, Inc., a Delaware corporation, does hereby certify, to such officer's knowledge, that the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005 of Natural Alternatives International, Inc. fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Natural Alternatives International, Inc.

Date: November 4, 2005	/s/ Mark A. LeDoux
	Mark A. LeDoux, Chief Executive Officer
Date: November 4, 2005	/s/ John R. Reaves
	John R. Reaves, Chief Financial Officer

The foregoing certification is furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.