

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 MARCH 31, 1997

OR

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

Commission file number 0-15701

NATURAL ALTERNATIVES INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State of other jurisdiction of incorporation or organization)

84-1007839
(I.R.S. Employer Identification No.)

1185 LINDA VISTA DRIVE, SAN MARCOS, CALIFORNIA 92069
(Address of principal executive offices)
(Zip Code)

(760) 744-7340
(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 No

5,429,764

(Number of shares of common stock of the registrant outstanding as of April 30, 1997)

NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEETS

ASSETS

March 31
1997 June 30

	(Unaudited)	1996
	-----	-----
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,280,994	\$ 1,887,427
Accounts receivable - less allowance for doubtful accounts of \$436,000 at March 31, 1997 and \$319,000 at June 30, 1996	4,237,826	5,026,204
Accounts receivable - affiliated company	580,490	932,490
Inventory	8,963,616	6,399,592
Notes receivable - current portion	126,213	157,155
Deferred income taxes	520,000	425,000
Deposits	252,854	100,513
Other current assets	827,283	781,754
	-----	-----
TOTAL CURRENT ASSETS	18,789,276	15,710,135
	-----	-----
PROPERTY AND EQUIPMENT, at cost, less accumulated depreciation and amortization of \$5,547,040 at March 31, 1997 and \$4,641,640 at June 30, 1996	7,940,856	7,278,078
	-----	-----
OTHER ASSETS:		
Receivable from affiliated company	200,000	-0-
Other investments	68,737	74,890
Notes receivable, less current portion	277,062	285,470
Other non-current assets	357,058	212,618
	-----	-----
TOTAL OTHER ASSETS	902,857	572,978
	-----	-----
TOTAL ASSETS	\$27,632,989	\$23,561,191
	=====	=====

(continued)

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NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEETS (continued)

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31 1997 (Unaudited)	June 30 1996
	-----	-----
CURRENT LIABILITIES:		
Accounts payable	\$ 5,330,429	\$ 3,658,897
Current installments of long-term debt	210,533	234,736
Current installments of capital lease obligations	24,392	22,860
Accrued compensation and employee benefits	246,465	280,340
Line of credit	350,000	-0-
Income taxes payable	139,599	520,246
Customer deposits	2,606	2,606
	-----	-----
TOTAL CURRENT LIABILITIES	6,304,024	4,719,685

Deferred income taxes	357,000	357,000
Long-term debt, less current installments	1,139,633	1,276,118
Capital lease obligations, less current installments	29,422	48,802
	-----	-----
TOTAL LIABILITIES	7,830,079	6,401,605
	-----	-----
STOCKHOLDERS' EQUITY:		
Preferred stock; \$.01 par value; 500,000 shares authorized; none issued or outstanding	--	--
Common stock; \$.01 par value; 8,000,000 shares authorized; issued and outstanding 5,408,875 at March 31, 1997 and 5,351,875 at June 30, 1996	54,089	53,519
Additional paid-in capital	6,578,801	6,220,196
Retained earnings	13,211,395	10,901,093
Net unrealized losses on investments	(41,375)	(15,222)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	19,802,910	17,159,586
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$27,632,989	\$23,561,191
	=====	=====

See accompanying notes to consolidated financial statements

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NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended March 31	
	1997	1996
	-----	-----
Net sales	\$11,406,325	\$12,782,137
Cost of goods sold	8,540,258	9,329,320
	-----	-----
GROSS PROFIT	2,866,067	3,452,817
Selling, general & administrative expenses	1,937,328	1,763,861
	-----	-----
OPERATING INCOME	928,739	1,688,956
	-----	-----
Other income (expense):		
Interest income	42,788	21,090
Interest expense	(34,890)	(48,861)
Other, net	--	17,217
	-----	-----
	7,898	(10,554)
	-----	-----

EARNINGS BEFORE INCOME TAXES	936,637	1,678,402
Income taxes	376,000	673,000
	-----	-----
NET EARNINGS	\$ 560,637	\$ 1,005,402
	=====	=====
NET EARNINGS PER COMMON SHARE:		
Primary and fully diluted	\$.10	\$.18
	=====	=====

See accompanying notes to consolidated financial statements

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NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Nine Months Ended March 31	
	(Unaudited)	
	1997	1996
	-----	-----
Net sales	\$35,473,581	\$34,889,892
Cost of goods sold	26,130,920	25,842,322
	-----	-----
GROSS PROFIT	9,342,661	9,047,570
Selling, general & administrative expenses	5,508,856	5,166,568
	-----	-----
OPERATING INCOME	3,833,805	3,881,002
	-----	-----
Other income (expense):		
Interest income	127,334	68,771
Interest expense	(111,992)	(116,514)
Other, net	(8,845)	32,429
	-----	-----
	6,497	(15,314)
	-----	-----
EARNINGS BEFORE INCOME TAXES	3,840,302	3,865,688
Income taxes	1,530,000	1,536,000
	-----	-----

NET EARNINGS	\$ 2,310,302	\$ 2,329,688
	=====	=====

NET EARNINGS PER COMMON SHARE:

Primary and fully diluted	\$.41	\$.42
	=====	=====

See accompanying notes to consolidated financial statements

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NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Net Unrealized Gains (Losses)	Total
	Shares	Amount				
Balance at June 30, 1996	5,351,875	\$53,519	\$6,220,196	\$10,901,093	\$ (15,222)	\$17,159,586
Issuance of common stock upon exercise of employee stock options	57,000	570	273,005	--	--	273,575
Income tax benefit from stock options exercised	--	--	85,600	--	--	85,600
Net unrealized gains (losses) on investments	--	--	--	--	(26,153)	(26,153)
	--	--	--	2,310,302	--	2,310,302
Net earnings						
Balance at March 31, 1997	5,408,875	\$54,089	\$6,578,801	\$13,211,395	\$ (41,375)	\$19,802,910
	=====	=====	=====	=====	=====	=====

See accompanying notes to consolidated financial statements

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NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended March 31	
	1997	1996
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 2,310,302	\$ 2,329,688
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Bad debt expense	141,621	292,203
Tax benefit on option exercise	85,600	92,000
Depreciation and amortization	942,429	775,783
Deferred income taxes	(95,000)	140,000
(Gain) loss on disposal of assets	(9,099)	11,038
(Gain) loss on disposal of investments	(19,713)	(39,120)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	1,038,821	31,185
Inventory	(2,564,024)	(2,912,831)
Deposits	(152,341)	25,086
Other assets	(159,838)	109,628
(Decrease) increase in:		
Accounts payable	1,671,532	(126,388)
Accrued compensation and employee benefits	(33,875)	(360,043)
Income taxes payable	(380,647)	(211,054)
Other current liabilities	-0-	19,484
	-----	-----
	2,775,768	176,659
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	-0-	55,337
Proceeds from sale of investments	-0-	50,120
Receivable from affiliated company	(200,000)	--
Capital expenditures	(1,586,063)	(1,129,852)
	-----	-----
Other investments	(20,000)	(35,582)
Issuance of notes receivable	(82,409)	(65,489)
Repayment of notes receivable	88,948	94,580
Other	(27,716)	--
	-----	-----
NET CASH (USED IN) INVESTING ACTIVITIES	(1,827,240)	(1,030,886)
	-----	-----

(continued)

NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(Unaudited)

For the Nine Months
Ended March 31

	----- 1997 -----	----- 1996 -----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt and capital leases	\$ (178,536)	\$ (176,455)
Proceeds from issuance of common stock	273,575	197,397
Borrowings on line of credit, net	350,000	--
	-----	-----
Net Cash Provided by Financing Activities	445,039	20,942
	-----	-----
Net Increase (Decrease) in Cash and Cash Equivalents	1,393,567	(833,285)
Cash and Cash Equivalents at Beginning of Period	1,887,427	2,526,839
	-----	-----
Cash and Cash Equivalents at End of Period	\$3,280,994	\$1,693,554
	=====	=====

See accompanying notes to consolidated financial statements

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NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting of a normal recurring nature considered necessary for a fair presentation, have been included. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended June 30, 1996. The results of operations for the periods ended March 31, 1997 and 1996 are not necessarily indicative of the operating results for the full year.

Certain amounts in prior period financial statements have been reclassified to conform to the current period financial statements.

NOTE 2 - PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Millennium Health International, Inc. (formerly Pro-Lean, Inc. and prior to that Sonergy, Inc.), CellLife International, Inc. and CellLife Pharmaceuticals International, Inc. All significant intercompany accounts and transactions have been eliminated.

NOTE 3 - INVENTORIES

Inventories are comprised of:

	March 31 1997	June 30 1996
	-----	-----
Raw materials	\$4,493,131	\$2,865,438
Work in process	4,133,841	2,911,778
Finished goods	336,644	622,376
	-----	-----
	\$8,963,616	\$6,399,592
	=====	=====

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NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - NET EARNINGS PER SHARE

Primary earnings per share is computed based upon the weighted average number of shares outstanding during the period plus the dilutive effects of common shares contingently issuable from stock options. Fully diluted earnings per share reflect additional dilution related to common stock equivalents due to the use of the market price at the end of the period, when higher than the average price for the period. Common stock options and common stock purchase warrants are excluded from the computation of net earnings per share if their effect is anti-dilutive.

The weighted average number of shares outstanding and common stock equivalents are as follows:

	For the Three Months Ended March 31		For the Nine Months Ended March 31	
	-----	-----	-----	-----
	1997	1996	1997	1996
	-----	-----	-----	-----
Primary and fully diluted	5,666,313	5,607,120	5,644,542	5,586,692

NOTE 5 - STOCKHOLDERS' EQUITY

Effective June 5, 1992, the Company adopted the 1992 Incentive Stock Option Plan (Plan) and reserved a total of 200,000 common shares for issuance to key employees of the Company. The Plan provides that no option may be granted at an exercise price less than the fair market value of the common share of the Company on the date of grant. On September 9, 1993, 200,000 shares were granted at the fair market value price of \$4.875 per share. Effective December 9, 1994, the Shareholders approved an amendment to the Plan, increasing the number of common shares that may be granted thereunder from 200,000 to 500,000, to enable additional officers, directors, and employees to participate in the Plan.

Also effective June 5, 1992, the Company adopted the 1992 Nonqualified Stock Option Plan and reserved a total of 250,000 common shares for issuance to officers, employees, and consultants of the Company. On September 9, 1993, 250,000 options were granted at the fair market value price of \$4.875 per share.

Effective December 9, 1994, the Board of Directors approved the 1994 Nonqualified Stock Option Plan and reserved a total of 500,000 common shares for issuance to officers, employees, and consultants of the Company. On January 24, 1995, 500,000 options were granted at the fair market value price of \$4.625 per share.

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NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 - STOCKHOLDERS' EQUITY (continued)

Effective January 24, 1995, 100,000 options were granted pursuant to a consulting agreement at the fair market value price of \$4.625 per share. On September 20, 1996, 45,000 options were granted pursuant to a consulting agreement at prices ranging from \$9.00 to \$15.00 per share. None of these options had been exercised as of March 31, 1997.

Information regarding the Company's stock option plans is summarized below:

	1992 Incentive Plan -----	1992 Nonqualified Plan -----	1994 Nonqualified Plan -----
Outstanding at June 30, 1996	124,002	233,498	489,000
For the six months ended December 31, 1996-	22,222	4,778	13,000
Exercised			
For the three months ended March 31, 1997-	4,722	2,778	4,500
Exercised			
	97,058	225,942	471,500
	=====	=====	=====
Outstanding at March 31, 1997	97,058	225,942	471,500
	=====	=====	=====
Exercisable at March 31, 1997	300,000	-0-	-0-
Available for grant at March 31, 1997	=====	=====	=====

NOTE 6 - PENSION PLAN

Effective January 1, 1997, the Company adopted a defined benefit pension plan (the "Plan") covering substantially all of its employees. The benefits are based on years of service and the employee's compensation during the five years before retirement. The Company will make annual contributions to the Plan equal to the maximum amount that can be deducted for income tax purposes. For the three months ended March 31, 1997, the estimated current service cost (normal cost) is

\$44,000 and the amortized portion of the unfunded estimated accrued liability for prior service cost, using a 30-year funding period, is \$23,000. Such amounts have been accrued in the current period.

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NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - MAJOR CUSTOMERS

The Company had substantial sales to five separate customers during one or more of the periods shown in the following table. The loss of any of these customers could have an adverse impact on the Company's revenues and earnings in the short-term. Sales to these customers, by industry segment, were as follows:

Industry Segment	Three Months Ended				Nine Months Ended			
	March 31, 1997		March 31, 1996		March 31, 1997		March 31, 1996	
	Sales by Customer	% (1)	Sales by Customer	% (1)	Sales by Customer	% (1)	Sales by Customer	% (1)
Multi-level Distribution:								
Customer 1	\$ 5,527,135	49%	\$ 3,686,737	29%	\$12,873,152	36%	\$10,891,634	31%
Customer 2	1,280,611	11%	4,421,224	35%	6,158,760	18%	10,125,883	29%
Customer 3	1,708,915	15%		NA	NA	NA	NA	NA
Customer 4	NA	NA	NA	NA	3,581,245	10%	NA	NA
	\$ 8,516,661	75%	\$ 8,107,961	64%	\$22,613,157	64%	\$21,017,517	60%
Weight Loss:								
Customer 5	NA	NA	\$ 1,744,896	14%	NA	NA	NA	NA

(1) Percent of total sales.

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NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

THIRD QUARTER OF FISCAL 1997 AND 1996

The Company's consolidated net sales for the quarter ending March 31, 1997, amounted to \$11.4 million, a decrease of \$1.4 million from the \$12.8 million generated during the quarter ending March 31, 1996. The 11% decrease in revenue is primarily attributable to a build-up of inventory by a major client in the prior quarter followed by a decline in the same client's demand for products purchased from the Company in the current quarter.

International sales for the quarter ending March 31, 1997, amounted to \$.5 million compared to \$.8 million for the quarter ending March 31, 1996. The decrease is the result of a major client restructuring its European operations coupled with a declining demand for the same client's products in Europe.

Gross profit margins were 25.1% for the quarter ending March 31, 1997, compared to 27.0% for the quarter ending March 31, 1996. The marginal decrease in margins was due to product mix skewed more to price sensitive bulk sales.

Selling, general and administrative expenses increased as a percentage of revenues to 17.0% for the quarter ending March 31, 1997 from 13.8% for the quarter ending March 31, 1996. The increase (\$173,000 in real dollars) was primarily due to expenses associated with conducting new clinical studies combined with the establishment of a new tablet manufacturing facility.

Net earnings for the quarter ending March 31, 1997, amounted to \$.6 million, a \$.4 million decrease from the \$1.0 million in net income produced for the quarter ending March 31, 1996. The decrease in net earnings was due primarily to a decline in sales, reduced margins and expenses associated with the installation of a new tablet manufacturing facility.

Earnings per share for the quarter ending March 31, 1997, was \$.10 compared to \$.18 for the quarter ending March 31, 1996. The decrease was due to the reasons discussed above and was only slightly impacted by the increase in the Company's weighted average number of shares outstanding and the dilutive effect of common stock equivalents.

NINE MONTHS ENDING MARCH 31, 1997 AND 1996

The Company's consolidated net sales for the nine months ending March 31, 1997, amounted to \$35.5 million, an increase of \$.6 million from the \$34.9 million generated during the nine months ending March 31, 1996. The increase was due, primarily, to increased sales to existing customers.

International sales for the nine months ending March 31, 1997, amounted to \$1.3 million compared to \$2.6 million for the nine months ending March 31, 1996. The decrease is the result of a major client restructuring its European operations coupled with a declining demand for the same client's products in Europe.

compared to 25.9% for the nine months ending March 31, 1996. The increase in margins was due to a change in sales mix for the current period. Gross profits increased by \$295,000, or 3.3% as a result of the 1.7% increase in sales and the increase in gross margins.

Selling, general and administrative expenses increased moderately as a percentage of revenues to 15.5% for the nine months ending March 31, 1997 from 14.8% for the nine months ending March 31, 1996. Selling, general and administrative expenses for the nine months ending March 31, 1997 increased \$342,000 or 6.6% over the nine months ending March 31, 1996.

Net earnings for the nine months ending March 31, 1997 and 1996, amounted to \$2.3 million. The increase in gross profit was offset by the increase in selling, general and administrative expenses.

Earnings per share for the nine months ending March 31, 1997, was \$.41 compared to \$.42 for the nine months ending March 31, 1996. The decrease was due to the reasons discussed above and the slight impact from the increase in the Company's weighted average number of shares outstanding and the dilutive effect of common stock equivalents.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 1997, the Company had working capital of \$12,485,000 compared to \$10,990,000 as of June 30, 1996. The working capital items which represented the most significant changes were inventory, which increased by \$2.6 million and accounts payable, which increased by \$1.7 million. Inventory levels at March 31, 1997, compared to sales, increased moderately relative to historical levels, due principally to forward purchase buys of raw materials.

The Company has purchase commitments approximating \$300,000 for additional production equipment which is expected to be placed in service in the fourth quarter. The Company will also be expending approximately \$400,000 in the fourth quarter, primarily for leasehold improvements. These expenditures are expected to be funded from a combination of cash flow from operating activities and draws on the Company's lines of credit.

The Company believes it has sufficient sources of funds to finance its ongoing operations and meet its capital asset purchases, as well as future growth through a combination of internally generated cash flow, revolving lines of credit and equipment financing. The Company has revolving line of credit agreements permitting borrowings up to \$3,000,000, which are secured by the Company's receivables, inventory, equipment, and vehicles and bear interest at the bank's prime rate. The bank's prime rate at March 31, 1997 was 8.5%. The lines of credit expire on December 5, 1997; however, management expects such lines to be renewed in the normal course of business. The company had borrowings of \$350,000 as of March 31, 1997, and no borrowings at June 30, 1996, under these credit lines.

NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, based in part on the advice of counsel, the ultimate disposition of these matters will not have a material adverse impact on the Company's consolidated financial position, operations or cash flows.

ITEM 2. CHANGES IN SECURITIES

None.

ITEM 3. DEFAULTS BY THE COMPANY ON ITS SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits: The following exhibits are filed herewith:

11.0. Computation of weighted average number common shares outstanding.

27.0. Financial Data Schedule

(b) No reports on Form 8-K were filed during the quarter ended March 31, 1997.

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SIGNATURES

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

NATURAL ALTERNATIVES INTERNATIONAL, INC.

MARK A. LE DOUX Date: May 14, 1997

Mark A. Le Doux
Chief Executive Officer

WILLIAM P. SPENCER Date: May 14, 1997

William P. Spencer
President

EXHIBIT 11

NATURAL ALTERNATIVES INTERNATIONAL, INC.
 STATEMENT RE: COMPUTATION OF PER SHARE EARNINGS
 (unaudited)

For the Three Months Ended March 31, 1997

	Outstanding		Days Out- stand- ing	Shares	Primary and Fully Diluted Weighted Average Shares Outstanding
	From	To			
Beginning shares	1/01/97	3/31/97	90	5,391,875	5,391,875
Dilutive effect of common stock equivalents: 889,500 stock options at average price per share					267,388
Exercise of employee stock options:					
	01/06/97	3/31/97	84	2,500	2,333
	02/07/97	3/31/97	52	2,000	1,156
	2/20/97	3/31/97	39	5,000	2,167
	03/06/97	3/31/97	25	3,000	833
	03/14/97	3/31/97	17	1,000	189
	03/18/97	3/31/97	13	1,500	216
	03/24/97	3/31/97	7	2,000	156
Ending shares				5,408,875	5,666,313
Net Earnings					\$ 560,637
Net Earnings Per Share					\$.10

(Continued)

EXHIBIT 11

NATURAL ALTERNATIVES INTERNATIONAL, INC.
 STATEMENT RE: COMPUTATION OF PER SHARE EARNINGS (continued)
 (unaudited)

For the Nine Months Ended March 31, 1997

Outstanding	Days Out-	Primary and Fully Diluted Weighted Average
-------------	--------------	--

	-----		stand- ing ---	Shares -----	Shares Outstanding -----
	From ----	To --			
Beginning shares	07/01/96	3/31/97	274	5,351,875	5,351,875
Dilutive effect of common stock equivalents: 889,500 stock options at average price per share					259,318
Exercise of employee stock options:					
	07/05/96	3/31/97	269	5,000	4,909
	07/22/96	3/31/97	252	4,000	3,679
	07/25/96	3/31/97	249	6,000	5,453
	08/07/96	3/31/97	236	4,000	3,446
	08/13/96	3/31/97	230	5,000	4,197
	10/21/96	3/31/97	162	15,000	8,814
	11/04/96	3/31/97	147	1,000	536
	01/06/97	3/31/97	84	2,500	766
	02/07/97	3/31/97	52	2,000	380
	02/20/97	3/31/97	39	5,000	712
	03/06/97	3/31/97	25	3,000	274
	03/14/97	3/31/97	17	1,000	62
	03/18/97	3/31/97	13	1,500	70
	03/24/97	3/31/97	7	2,000	51
Ending shares				5,408,875 =====	5,644,542 =====
Net Earnings					\$ 2,310,302 =====
Net Earnings Per Share					\$.41 =====

(Continued)

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EXHIBIT 11

NATURAL ALTERNATIVES INTERNATIONAL, INC.

STATEMENT RE: COMPUTATION OF PER SHARE EARNINGS (continued)
(unaudited)

For the Three Months Ended March 31, 1996

	Outstanding -----		Days Out- stand- ing ---	Shares -----	Primary and Fully Diluted Weighted Average Shares Outstanding -----
	From ----	To --			
Beginning shares	1/01/96	3/31/96	91	5,297,375	5,297,375
Dilutive effect of common stock equivalents: 1,000,000 stock options at average price per share					309,679
Exercise of employee stock options	3/25/96	3/31/96	6	1,000 -----	66 -----
Ending shares				5,297,375 =====	5,607,120 =====
Net Earnings					\$1,005,402 =====

Net Earnings Per Share

\$.18
=====

(Continued)

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EXHIBIT 11

NATURAL ALTERNATIVES INTERNATIONAL, INC.

STATEMENT RE: COMPUTATION OF PER SHARE EARNINGS (continued)
(unaudited)

For the Nine Months Ended March 31, 1996

	Outstanding		Days		Primary and
	From	To	Out-	Shares	Fully Diluted
	-----	-----	stand-	-----	Weighted
	----	--	ing	-----	Average
			-----		Shares
			-----		Outstanding
			-----		-----
Beginning shares	07/01/95	3/31/96	275	5,257,875	5,257,875
Dilutive effect of common stock equivalents: 1,000,000 stock options at average price per share					304,026
Exercise of employee stock options	08/21/95	3/31/96	223	1,500	1,216
Exercise of employee stock options	09/20/95	3/31/96	194	20,500	14,462
Exercise of employee stock options	11/09/95	3/31/96	143	15,000	7,800
Exercise of employee stock options	11/10/95	3/31/96	142	2,500	1,291
Exercise of employee stock options	3/25/96	3/31/96	6	1,000	22
				-----	-----
Ending shares				5,298,375	5,586,692
				=====	=====
Net Earnings					\$2,329,688
					=====
Net Earnings Per Share					\$.42
					=====

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<ARTICLE> 5

<LEGEND>

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 1997, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<PERIOD-TYPE>	3-MOS	
<FISCAL-YEAR-END>		JUN-30-1997
<PERIOD-START>		JUL-01-1996
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<PP&E>		13,487,896
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<CURRENT-LIABILITIES>		6,304,024
<BONDS>		1,139,633
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<COMMON>		54,089
<OTHER-SE>		19,748,821
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<SALES>		35,473,581
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<CGS>		26,130,920
<TOTAL-COSTS>		5,508,856
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<INTEREST-EXPENSE>		127,334
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<CHANGES>		0
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<EPS-PRIMARY>		.41
<EPS-DILUTED>		.41