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

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**FORM 8-K**

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

DATE OF REPORT (Date of earliest event reported): JUNE 29, 2006

000-15701  
(Commission file number)

**NATURAL ALTERNATIVES INTERNATIONAL, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of incorporation)

**84-1007839**  
(IRS Employer Identification No.)

**1185 Linda Vista Drive**  
**San Marcos, California 92078**  
(Address of principal executive offices)

**(760) 744-7340**  
(Registrant's telephone number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.02 Termination of a Material Definitive Agreement.**

On June 29, 2006, the employment agreements dated as of January 30, 2004, by and between Natural Alternatives International, Inc. (“NAI”) and Timothy E. Belanger, and by and between NAI and Mark E. Zimmerman, were terminated. Mr. Belanger had served as NAI’s Senior Vice President – Sales and Marketing, and Mr. Zimmerman had served as NAI’s Vice President – Operations. Copies of the employment agreements were previously filed as Exhibits 10.9 and 10.4, respectively, of NAI’s Annual Report on Form 10-K for the fiscal year ended June 30, 2004, filed with the United States Securities and Exchange Commission on September 14, 2004.

Under the terms of each employment agreement, upon execution of a separation agreement and general release of claims, Mr. Belanger and Mr. Zimmerman are each entitled to receive a severance benefit in an amount equal to one year’s compensation, which amount is approximately \$208,825 for Mr. Belanger and \$201,562 for Mr. Zimmerman. In addition, NAI will pay the premiums for continuing health insurance coverage for each of Mr. Belanger and Mr. Zimmerman for 12 months following their termination. If Mr. Belanger or Mr. Zimmerman elects not to execute a general release of claims, the employment agreement provides that the severance benefit would be reduced to one month’s compensation. Both Mr. Belanger and Mr. Zimmerman will remain subject to the provisions in their respective employment agreements regarding confidentiality and proprietary information. In the event of any dispute regarding either Mr. Belanger’s or Mr. Zimmerman’s employment or the termination of their respective employment agreements, Mr. Belanger or Mr. Zimmerman, as applicable, and NAI would be subject to the terms of a mediation and arbitration agreement entered into between the parties on January 30, 2004. As a result of any such dispute, the actual amount of the severance benefit paid to either Mr. Belanger or Mr. Zimmerman may be greater than the amount provided for under the terms of the employment agreement.

In addition, Mr. Belanger has vested options to purchase 106,000 shares of NAI’s common stock, 29,885 of which will expire on September 27, 2006, 16,000 of which will expire on May 30, 2007, and 60,115 of which will expire on June 28, 2007, if Mr. Belanger elects not to exercise such options within such time periods. Mr. Zimmerman has vested options to purchase 120,000 shares of NAI’s common stock, 29,885 of which will expire on September 27, 2006, 30,000 of which will expire on May 30, 2007, and 60,115 of which will expire on June 28, 2007, if Mr. Zimmerman elects not to exercise such options within such time periods.

**Item 2.02. Results of Operations and Financial Condition.**

On July 6, 2006, NAI issued a press release announcing net sales for the fourth quarter ended June 30, 2006. A copy of this press release is attached hereto as Exhibit 99.1.

The information in this report furnished pursuant to this Item 2.02 and the exhibits hereto shall not be deemed to be “filed” for the purposes of Section 18 of the Securities and Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this report shall not be incorporated by reference into any filing of NAI with the SEC, whether made before or after the date hereof, regardless of any general incorporation language in such filings.

**Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.**

As discussed under Item 1.02 above, on June 29, 2006, the employment of Timothy E. Belanger and Mark E. Zimmerman was terminated. Mr. Belanger had served as NAI’s Senior Vice President – Sales and Marketing, and Mr. Zimmerman had served as NAI’s Vice President – Operations.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

99.1 Press release dated July 6, 2006 of NAI.

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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 hereunto duly authorized.

**Natural Alternatives International, Inc.**

Date: **July 6, 2006**

By: /s/ John Reaves

**John Reaves**  
**Chief Financial Officer**



**Natural Alternatives International, Inc.  
Announces Record Fourth Quarter Net Sales  
and Changes to Executive Team**

**SAN MARCOS, CALIF**, July 6, 2006 /PRNewswire/ —Natural Alternatives International, Inc. (“NAI”) (Nasdaq: NAI), a leading formulator, manufacturer and marketer of customized nutritional supplements, today announced record net sales in excess of \$33 million for the three months ended June 30, 2006, surpassing the previous quarterly net sales record set in the fourth quarter of fiscal 2005.

NAI also announced changes to its executive team. John Dullea has assumed additional responsibilities as Executive Vice President of NAI and will be responsible for all sales and marketing activities of NAI. Mr. Dullea also serves as President of Real Health Laboratories, Inc., NAI’s recently acquired, wholly owned subsidiary. Tim Belanger, former Senior Vice President – Sales and Marketing, and Mark Zimmerman, former Vice President - Operations, are no longer with the company.

President Randell Weaver commented, “We wish Messrs. Belanger and Zimmerman well and appreciate their accomplishments at NAI. We are confident that the realignment of our executive management team will enable us to maintain our commitment to growing and strengthening relationships with both new and existing highly valued, contract manufacturing customers, and our strategic focus on marketing our own branded products in new distribution channels.”

NAI, headquartered in San Marcos, California, is a leading formulator, manufacturer and marketer of nutritional supplements and provides strategic partnering services to its contract manufacturing customers. Our comprehensive partnership approach offers a wide range of innovative nutritional products and services to our clients including: scientific research, clinical studies, proprietary

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ingredients, customer-specific nutritional product formulation, product testing and evaluation, marketing management and support, packaging and delivery system design, regulatory review and international product registration assistance. For more information about NAI, please see our website at [www.nai-online.com](http://www.nai-online.com).

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 that are not historical facts and information. These statements represent our intentions, expectations and beliefs concerning future events, including, among other things, the effects of personnel changes and our ability to grow and strengthen our relationships with contract manufacturing customers and to implement our strategic plans. We wish to caution readers these statements involve risks and uncertainties that could cause actual results and outcomes for future periods to differ materially from any forward-looking statement or views expressed herein. NAI's financial performance and the forward-looking statements contained herein are further qualified by other risks including those set forth from time to time in the documents filed by us with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

SOURCE – Natural Alternatives International, Inc.

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