

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 DECEMBER 31, 1996

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)

(619) 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 X No
----- -----

5,394,375

(Number of shares of common stock of the registrant outstanding as of
January 31, 1997)

NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEETS

ASSETS

	December 31 1996 (Unaudited) -----	June 30 1996 -----
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,483,474	\$ 1,887,427
Accounts receivable - less allowance for doubtful accounts of \$408,000 at December 31, 1996 and \$319,000 at June 30, 1996	5,290,419	5,026,204
Accounts receivable - affiliated company	660,490	932,490
Inventory	6,924,523	6,399,592
Notes receivable - current portion	139,185	157,155
Prepaid income taxes	159,601	-0-
Deferred income taxes	520,000	425,000
Deposits	276,164	100,513
Other current assets	625,723	781,754
	-----	-----
TOTAL CURRENT ASSETS	18,079,579	15,710,135
	-----	-----
PROPERTY AND EQUIPMENT, at cost, less accumulated depreciation and amortization of \$5,229,348 at December 31, 1996 and \$4,641,640 at June 30, 1996	7,685,308	7,278,078
	-----	-----
OTHER ASSETS:		
Investment in affiliated company	200,000	-0-
Other investments	48,737	74,890
Notes receivable, less current portion	337,153	285,470
Other non-current assets	291,824	212,618
	-----	-----
TOTAL OTHER ASSETS	877,714	572,978
	-----	-----
TOTAL ASSETS	\$26,642,601 =====	\$23,561,191 =====

(continued)

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NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

CONSOLIDATED BALANCE SHEETS (continued)

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31 1996 (Unaudited) -----	June 30 1996 -----
CURRENT LIABILITIES:		
Accounts payable	\$ 4,906,973	\$ 3,658,897
Current installments of long-term debt	230,200	234,736
Current installments of capital lease obligations	24,202	22,860
Accrued compensation and employee benefits	327,578	280,340
Line of credit	443,959	-0-
Income taxes payable	-0-	520,246
Customer deposits	2,606	2,606

TOTAL CURRENT LIABILITIES	-----	-----
	5,935,518	4,719,685
Deferred income taxes	357,000	357,000
Long-term debt, less current installments	1,177,748	1,276,118
Capital lease obligations, less current installments	36,612	48,802
	-----	-----
TOTAL LIABILITIES	7,506,878	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 5,391,875 at December 31, 1996 and 5,351,875 at June 30, 1996	53,919	53,519
Additional paid-in capital	6,472,421	6,220,196
Retained earnings	12,650,758	10,901,093
Net unrealized losses on investments	(41,375)	(15,222)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	19,135,723	17,159,586
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$26,642,601	\$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 December 31	
	-----	-----
	1996	1995
	----	----
Net sales	\$12,630,234	\$11,753,954
Cost of goods sold	9,414,280	8,853,416
	-----	-----
GROSS PROFIT	3,215,954	2,900,538
Selling, general & administrative expenses	1,823,613	1,685,162
	-----	-----
OPERATING INCOME	1,392,341	1,215,376
	-----	-----
Other income (expense):		
Interest income	37,860	20,893
Interest expense	(34,560)	(39,373)
Other, net	(10,349)	2,500
	-----	-----
	(7,049)	(5,980)
	-----	-----

EARNINGS BEFORE INCOME TAXES	1,385,292	1,209,396
Income taxes	536,000	474,000
	-----	-----
NET EARNINGS	\$ 849,292	\$ 735,396
	=====	=====
NET EARNINGS PER COMMON SHARE:		
Primary and fully diluted	\$.15	\$.11
	=====	=====

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 Six Months Ended December 31,	
	(Unaudited)	
	1996	1995
	-----	-----
Net sales	\$24,067,255	\$22,107,755
Cost of goods sold	17,590,661	16,513,002
	-----	-----
GROSS PROFIT	6,476,594	5,594,753
Selling, general & administrative expenses	3,571,529	3,402,707
	-----	-----
OPERATING INCOME	2,905,065	2,192,046
	-----	-----
Other income (expense):		
Interest income	84,551	47,682
Interest expense	(77,102)	(67,652)
Other, net	(8,849)	15,210
	-----	-----
	(1,400)	(4,760)
	-----	-----
EARNINGS BEFORE INCOME TAXES	2,903,665	2,187,286
Income taxes	1,154,000	863,000
	-----	-----
NET EARNINGS	\$ 1,749,665	\$ 1,324,286
	=====	=====
NET EARNINGS PER COMMON SHARE:		

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	40,000	400	191,425	---	---	191,825
Income tax benefit from stock options exercised	---	---	60,800	---	---	60,800
Net unrealized gains (losses) on investments	---	---	---	---	(26,153)	(26,153)
Net Earnings	---	---	---	1,749,665	---	1,749,665
Balance at December 31, 1996	5,391,875	\$ 53,919	\$ 6,472,421	\$ 12,650,758	\$ (41,375)	\$19,135,723
	=====	=====	=====	=====	=====	=====

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 Six Months Ended December 31 -----	
	1996 ----	1995 ----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 1,749,665	\$ 1,324,286
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Bad debt expense	126,621	199,203
Tax benefit on option exercise	60,800	92,000
Depreciation and amortization	615,323	501,263
Deferred income taxes	(95,000)	167,000
Gain (loss) on disposal of assets	(9,099)	(11,161)
Other	(14,006)	-0-
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(64,954)	1,171,530
Inventory	(524,931)	(1,629,501)
Prepaid income taxes	(159,601)	-0-
Deposits	(175,651)	-0-
Other assets	48,451	7,439
(Decrease) increase in:		
Accounts payable	1,246,073	(73,763)
Accrued compensation and employee benefits	47,238	(298,209)
Income taxes payable	(520,246)	(712,000)
Other current liabilities	-0-	15,069
	-----	-----
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	2,330,683	753,156
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	-0-	55,338
Proceeds from sale of investments	-0-	30,375
Investment in affiliated company	(200,000)	-0-
Capital expenditures	(1,012,823)	(920,103)
Other investments	-0-	(15,838)
Issuance of notes receivable	(72,184)	(61,689)
Repayment of notes receivable	30,368	58,663
Other	(2,027)	-0-
	-----	-----
NET CASH (USED IN) INVESTING ACTIVITIES	(1,256,666)	(853,254)
	-----	-----

(continued)

NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(Unaudited)

	For the Six Months Ended December 31 -----	
	1996 ----	1995 ----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt and capital leases	\$ (113,754)	\$ (148,063)
Proceeds from issuance of common stock	191,825	192,517
Borrowings on line of credit	443,959	-0-
	-----	-----

NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	522,030	44,454
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,596,047	(55,644)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,887,427	2,526,839
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 3,483,474	\$ 2,471,195
	=====	=====

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 December 31, 1996 and 1995 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:

December 31

June 30

	1996 ----	1996 ----
Raw materials	\$ 2,912,159	\$ 2,865,438
Work in process	3,783,793	2,911,778
Finished goods	228,571	622,376
	-----	-----
	\$ 6,924,523	\$ 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 December 31 -----		For the Six Months Ended December 31 -----	
	1996 ----	1995 ----	1996 ----	1995 ----
Primary and fully diluted	5,626,514	5,616,895	5,641,592	5,576,927

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. 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. On September 9, 1993, 200,000 shares were granted at the fair market value price of \$4.875 per share. As of December 31, 1996, 98,220 options had been exercised and 101,780 options are exercisable.

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. As of December 31, 1996, 21,280 options had been exercised and 228,720 options are exercisable.

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. As of December 31, 1996, 24,000 options had been exercised and 476,000 options are exercisable.

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. No options had been exercised as of December 31, 1996.

NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

NOTES TO CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - MAJOR CUSTOMERS

The Company had substantial sales to three customers for the three months and six months ended December 31, 1996 and 1995. The loss of any of these customers would have an adverse impact on the Company's revenues and earnings in the short-term. Sales to these customers were as follows:

Industry Segment -----	Three Months Ended				Six Months Ended			
	December 31, 1996		December 31, 1995		December 31, 1996		December 31, 1995	
	Revenue	% (1)	Revenue	% (1)	Revenue	% (1)	Revenue	% (1)
Multi-level Distribution	\$8,595,437	68%	\$8,998,785	77%	\$15,325,263	64%	\$15,150,985	69%

(1) Percent of total revenue.

NATURAL ALTERNATIVES INTERNATIONAL, INC.
PART I - FINANCIAL INFORMATION

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

RESULTS OF OPERATIONS

SECOND QUARTER OF FISCAL 1997 AND 1996

The Company's consolidated revenues for the quarter ending December 31, 1996, amounted to \$12.6 million, an increase of \$.9 million from the \$11.8 million generated during the quarter ending December 31, 1995. The 7% increase in revenue is primarily attributable to moderate increases in sales primarily from existing customers.

International sales for the quarter ending December 31, 1996, amounted to \$.5 million compared to \$.9 million for the quarter ending December 31, 1995. The decrease is the result of a customer build-up of inventories prior to the start of the current fiscal year coupled with a restructuring of European ownership for the same customer.

Gross profit margins were 25.4% for the quarter ending December 31, 1996, compared to 24.7% for the quarter ending December 31, 1995. The increase in margins was due to a change in sales mix for the quarter ending December 31, 1996.

Selling, general and administrative expenses increased moderately as a percentage of revenues to 14.4% for the quarter ending December 31, 1996 from 14.3% for the quarter ending December 31, 1995.

Net earnings for the quarter ending December 31, 1996, amounted to \$.8 million, a \$.1 million increase from the \$.7 million in net income produced for the quarter ending December 31, 1995. The increase in net earnings was due primarily to the slight increase in gross profit margins, noted above.

Earnings per share for the quarter ending December 31, 1996, was \$.15 compared to \$.13 for the quarter ending December 31, 1995. The increase 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 on the current quarter.

FIRST AND SECOND QUARTERS OF FISCAL 1997 AND 1996

The Company's consolidated revenues for the six months ending December 31, 1996, amounted to \$24.1 million, an increase of \$2.0 million from the \$22.1 million generated during the six months ending December 31, 1995. The increase was due, primarily, to increased sales to existing customers.

International sales for the six months ending December 31, 1996, amounted to \$.8 million compared to \$1.8 million for the six months ending December 31, 1995. The decrease is the result of a customer build-up of inventories prior to the start of the current fiscal year coupled with a restructuring of European ownership for the same customer.

Gross profit margins were 26.9% for the six months ending December 31, 1996, compared to 25.3% for the six months ending December 31, 1995. The increase in margins was due to a change in sales mix for the current period. Gross profits increased in real dollars by \$882,000, or 15.8% as a result of the 9% increase in sales and the increase in gross margins.

Selling, general and administrative expenses decreased moderately as a percentage of revenues to 14.8% for the six months ending December 31, 1996 from 15.4% for the six months ending December 31, 1995. In terms of real dollars, selling, general and administrative expenses for the six months ending December 31, 1996 increased \$168,000 or 4.96% over the six months ending December 31, 1995.

Net earnings for the six months ending December 31, 1996, amounted to \$1.7 million, a \$.4 million increase from the \$1.3 million in net income produced for the six months ending December 31, 1995. The increase in net earnings was due primarily to the 15.8% increase in gross profit, noted above, partially offset by the increase in selling, general and administrative expenses.

Earnings per share for the six months ending December 31, 1996, was \$.31 compared to \$.24 for the six months ending December 31, 1995. The increase 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 for the current period.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 1996, the Company had working capital of \$12,144,000 compared to \$10,990,000 as of June 30, 1996. The working capital items which represented the most significant increases were inventory, which increased by \$.5 million and accounts payable, which increased by \$1.2 million. Inventory levels at December 31, 1996, compared to sales, decreased moderately relative to historical levels, due principally to working off build-ups at the beginning of the fiscal year in anticipation of price increases.

The Company has purchase commitments approximating \$500,000 for additional production equipment which is expected to be placed in service in the third quarter. The Company will also be expending approximately \$200,000 in the third quarter, primarily for laboratory expansion and 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 December 31, 1996 was 8.25%. The lines of credit expire on December 5, 1997; management expects such lines to be renewed in the normal course of business. The company had borrowings of \$444,000 as of December 31, 1996, and no borrowings at June 30, 1996, under these credit lines.

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 December 31, 1996.

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.

/s/ MARK A. LE DOUX

Mark A. Le Doux
Chief Executive Officer

Date: February 13, 1997

/s/ WILLIAM P. SPENCER

William P. Spencer
President

Date: February 13, 1997

NATURAL ALTERNATIVES INTERNATIONAL, INC.

STATEMENT RE: COMPUTATION OF PER SHARE EARNINGS
(unaudited)

For the Three Months Ended December 31, 1996

	Outstanding		Days Out- stand- ing	Shares	Primary and Fully Diluted Weighted Average Shares Outstanding
	From	To			
Beginning shares	10/01/96	12/31/96	92	5,375,875	5,375,875
Dilutive effect of common stock equivalents: 906,500 stock options at average price per share					238,443
Exercise of employee stock options	10/21/96	12/31/96	71	15,000	11,576
Exercise of employee stock options	07/22/96	12/31/96	57	1,000	620
Ending shares				5,391,875	5,626,514
Net Earnings					\$ 849,292
Net Earnings Per Share					=====
					\$.15
					=====

(Continued)

NATURAL ALTERNATIVES INTERNATIONAL, INC.

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

For the Six Months Ended December 31, 1996

	Outstanding		Days Out- stand- ing	Shares	Primary and Fully Diluted Weighted Average Shares Outstanding
	From	To			
Beginning shares	07/01/96	12/31/96	184	5,351,875	5,351,875

Dilutive effect of common stock equivalents: 906,500 stock options at average price per share					260,375
Exercise of employee stock options	07/05/96	12/31/96	179	5,000	4,864
Exercise of employee stock options	07/22/96	12/31/96	162	4,000	3,522
Exercise of employee stock options	07/25/96	12/31/96	159	6,000	5,185
Exercise of employee stock options	08/07/96	12/31/96	146	4,000	3,174
Exercise of employee stock options	08/13/96	12/31/96	140	5,000	3,804
Exercise of employee stock options	10/21/96	12/31/96	102	15,000	8,315
Exercise of employee stock options	11/04/96	12/31/96	88	1,000	478
Ending shares				5,391,875	5,641,592
Net Earnings					\$ 1,749,665
Net Earnings Per Share					=====
					\$.31
					=====

(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 December 31, 1995

	From	To	Days Out- stand- ing	Shares	Primary and Fully Diluted Weighted Average Shares Outstanding
	-----	---	---	-----	-----
Beginning shares	10/01/95	12/31/95	92	5,279,875	5,279,875
Dilutive effect of common stock equivalents: 1,001,000 stock options at average price per share					326,966
Exercise of employee stock options	11/09/95	12/31/95	53	15,000	8,641
Exercise of employee stock options	11/10/95	12/31/95	52	2,500	1,413

Ending shares	5,297,375	5,616,895
Net Earnings		\$ 735,396
Net Earnings Per Share		=====
		\$.13
		=====

(Continued)

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EXHIBIT 11

NATURAL ALTERNATIVES INTERNATIONAL, INC.

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

For the Six Months Ended December 31, 1995

	Outstanding		Days Out- stand- ing	Shares	Primary and Fully Diluted Weighted Average Shares Outstanding
	From	To			
	-----	---	---	-----	-----
Beginning shares	07/01/95	12/31/95	184	5,257,875	5,257,875
Dilutive effect of common stock equivalents: 1,001,000 stock options at average price per share					301,472
Exercise of employee stock options	08/21/95	12/31/95	132	1,500	1,076
Exercise of employee stock options	09/20/95	12/31/95	103	20,500	11,476
Exercise of employee stock options	11/09/95	12/31/95	53	15,000	4,321
Exercise of employee stock options	11/10/95	12/31/95	52	2,500	707
				-----	-----
Ending shares				5,297,375	5,576,927
Net Earnings					\$ 1,324,286
Net Earnings Per Share					=====
					\$.24
					=====

<ARTICLE> 5

<LEGEND>

The schedule contains summary financial information extracted from the unaudited consolidated financial statements for the six months ended December 31, 1996, and is qualified in its entirety by reference to such financial statements.

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<TOTAL-REVENUES>		24,067,255
<CGS>		17,590,661
<TOTAL-COSTS>		3,571,529
<OTHER-EXPENSES>		0
<LOSS-PROVISION>		30,000
<INTEREST-EXPENSE>		77,102
<INCOME-PRETAX>		2,903,665
<INCOME-TAX>		1,154,000
<INCOME-CONTINUING>		1,749,665
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		1,749,665
<EPS-PRIMARY>		.31
<EPS-DILUTED>		.31