

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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934.**

Date of Report: August 13, 2008
(Date of earliest event reported)

Natural Health Trends Corp.
(Exact name of registrant as specified in its charter)

TX
(State or other jurisdiction
of incorporation)

0-26272
(Commission File
Number)

59-2705336
(IRS Employer
Identification Number)

2050 Diplomat Drive
(Address of principal executive offices)

75234
(Zip Code)

(972) 241-4080
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if changed since last report)

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))

Item 2.02. Results of Operations and Financial Condition

On August 12, 2008, Natural Health Trends Corp. issued an earnings release announcing its results for the quarter ended June 30, 2008. The press release is attached hereto as exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(a) Financial statements:

None

(b) Pro forma financial information:

None

(c) Shell company transactions:

None

(d) Exhibits

99.1 [Press Release of Natural Health Trends Corp. dated August 12, 2008](#)

SIGNATURE

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.

Dated: August 13, 2008

NATURAL HEALTH TRENDS CORP.

By: /s/ Chris Sharng
Chris Sharng
President

Exhibit Index

Exhibit No.

Description

99.1

Press Release of Natural Health Trends Corp. dated
August 12, 2008

Natural Health Trends Announces Improved Operating Results in the Second Quarter

DALLAS, TX -- 08/12/2008 -- Natural Health Trends Corp. (NASDAQ: BHIP) today announced its financial results for the quarter ended June 30, 2008. The company demonstrated continued improvement quarter over quarter with sales in the second quarter of 2008 of \$12.3 million, compared with \$11.4 million in the first quarter of 2008. The second quarter operating loss of \$364,000 was also an improvement over an operating loss of \$698,000 in the first quarter of 2008.

Chris Sharnq, the company's president, said, "We were very pleased to see our cost-cutting and revenue-generating efforts begin to pay off in the second quarter. We stabilized our cash balance, and operating earnings of the business were positive, considering non-cash items such as depreciation and stock-based compensation totaled \$500,000. We believe that the nascent revenue momentum we gained through certain personnel changes, compensation plan changes and dynamic training sessions were the drivers of this improvement. We will continue our focus on measures that can improve our gross profit margin as well as maintain our revenue momentum. In the third quarter, the seasonal summer lull and the Olympic Games might present some challenges to our Hong Kong based business. However, we believe that our long-term prospects will continue to improve."

The company plans to host a conference call at 11:30 a.m. EDT, August 13, 2008. Those who wish to participate may call telephone number (866) 672-2663, or (973) 582-2772 for international callers, 15 minutes before 11:30 a.m. EDT. Callers will need to give the conference identification number, which is 59846857. If you cannot participate in the call, but wish to hear it, you may log in to the company's homepage at www.naturalhealthtrendscorp.com and click on the conference call 1 1/2 hours after the completion of the call.

About Natural Health Trends Corp.

Natural Health Trends Corp. is an international direct-selling and e-commerce company operating through its subsidiaries throughout Asia, North America, and Europe. The company markets premium quality personal care products under the NHT Global brand. Additional information can be found on the company's website, and management encourages interested parties to register for updated corporate information via email on the company's home page, www.naturalhealthtrendscorp.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 -- Forward-looking statements in this release do not constitute guarantees of future performance. Such forward-looking statements are subject to risks and uncertainties that could cause our actual results to differ materially from those anticipated. Such risks and uncertainties include the risks and uncertainties detailed under the caption "Risk Factors" in our Annual Report on Form 10-K filed on March 31, 2008, with the Securities and Exchange Commission. We assume no obligation to update any forward-looking information contained in this press release or with respect to the announcements described herein.

NATURAL HEALTH TRENDS CORP.

CONSOLIDATED BALANCE SHEETS (UNAUDITED) (In Thousands, Except Share Data)

	March 31, 2008	June 30, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,657	\$ 5,209
Restricted cash	196	201
Accounts receivable	357	314
Inventories, net	2,827	2,875
Other current assets	1,740	1,103
Total current assets	9,777	9,702
Property and equipment, net	1,363	1,343
Goodwill	1,764	1,764
Intangible assets, net	2,400	2,200
Restricted cash	4,356	3,766
Deferred tax assets	196	187
Other assets	2,204	2,002
Total assets	\$ 22,060	\$ 20,964

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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 1,879	\$ 1,472
Income taxes payable	412	391
Accrued distributor commissions	1,646	1,512
Other accrued expenses	3,276	2,980
Deferred revenue	2,570	2,598
Current portion of convertible debentures, net of discount of \$382 and \$541 at March 31, 2008 and June 30, 2008, respectively	503	876
Other current liabilities	3,147	3,362
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Total current liabilities	13,433	13,191
Convertible debentures, net of discount of \$3,365 and \$2,833 at March 31, 2008 and June 30, 2008, respectively	-	-
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Total liabilities	13,433	13,191
Commitments and contingencies		
Minority interest	37	37
Stockholders' equity:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized; 1,761,900 shares designated Series A convertible preferred stock, 138,400 shares issued and outstanding at March 31, 2008 and June 30, 2008, aggregate liquidation value of \$254	124	124
Common stock, \$0.001 par value; 50,000,000 shares authorized; 10,347,126 and 10,359,626 shares issued and outstanding at March 31, 2008 and June 30, 2008, respectively	10	10
Additional paid-in capital	79,322	79,451
Accumulated deficit	(71,697)	(72,766)
Accumulated other comprehensive income:		
Foreign currency translation adjustments	831	917
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Total stockholders' equity	8,590	7,736
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Total liabilities and stockholders' equity	\$ 22,060	\$ 20,964
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NATURAL HEALTH TRENDS CORP.

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

	Three Months Ended	
	March 31,	June 30,
	2008	2008
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Net sales	\$ 11,395	\$ 12,323
Cost of sales	3,090	3,445
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Gross profit	8,305	8,878
Operating expenses:		
Distributor commissions	3,997	4,600
Selling, general and administrative expenses (including stock-based compensation expense of \$164 and \$129 during the three months ended March 31, 2008 and June 30, 2008, respectively)	4,596	4,272
Depreciation and amortization	386	366
Impairment of long-lived assets	24	4

Total operating expenses	9,003	9,242
Loss from operations	(698)	(364)
Other income:		
Gain (loss) on foreign exchange	371	(118)
Interest income	35	33
Interest expense (including amortization of debt issuance costs and accretion of debt discount of \$362 and \$449 during the three months ended March 31, 2008 and June 30, 2008, respectively)	(387)	(556)
Other	8	(22)
Total other income (expense), net	27	(663)
Loss before income taxes and minority interest	(671)	(1,027)
Income tax provision	(37)	(42)
Net loss	(708)	(1,069)
Preferred stock dividends	(4)	(4)
Net loss attributable to common stockholders	\$ (712)	\$ (1,073)
Loss per share - basic and diluted	\$ (0.07)	\$ (0.11)
Weighted-average number of shares outstanding	9,567	9,619

NATURAL HEALTH TRENDS CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In Thousands)

Three Months Ended

 March 31, June 30,
 2008 2008

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (708)	\$ (1,069)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization of property and equipment	186	166
Amortization of intangibles	200	200
Amortization of debt issuance costs	62	76
Accretion of debt discount	300	373
Stock-based compensation	164	129
Impairment of long-lived assets	24	4
Changes in assets and liabilities:		
Accounts receivable	50	36
Inventories, net	781	(69)
Other current assets	(399)	638
Other assets	59	83
Accounts payable	(293)	(410)
Income taxes payable	18	(16)
Accrued distributor commissions	(374)	(121)
Other accrued expenses	(389)	(294)
Deferred revenue	(938)	46
Other current liabilities	(127)	84
Net cash used in operating activities	(1,384)	(144)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(6)	(140)		
Decrease in restricted cash	93	614		
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Net cash provided by investing activities	87	474		
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CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from debt	-	145		
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Net cash provided by financing activities	-	145		
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Effect of exchange rates on cash and cash equivalents (328) 77

Net (decrease) increase in cash and cash equivalents	(1,625)	552		
CASH AND CASH EQUIVALENTS, beginning of period			6,282	4,657
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CASH AND CASH EQUIVALENTS, end of period		\$ 4,657	\$ 5,209	
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Contact:

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