

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) February 2, 1997

NU SKIN ASIA PACIFIC, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-12421
(Commission
File Number)

87-0565309
(IRS Employer
Identification No.)

75 West Center Street, Provo, Utah 84601
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (801) 345-6100

(Former Name or Former Address, if Changed Since Last Report)

Item 5. Other Events.

FEBRUARY 2, 1997 PRESS RELEASE

On February 2, 1997, Nu Skin Asia Pacific, Inc. (the "Company") issued a press release, a summary of which is set forth below, announcing growth in the number of distributors for the Company's fourth quarter of 1996 and new product introductions.

In the press release, the Company reported that the number of active distributors in the Company's markets increased by more than ten percent in its fourth quarter ended December 31, 1996. As of December 31, 1996, active distributors totaled more than 375,000, of which 20,000 achieved sales leadership positions. The Company stated that it planned to release figures for distributor growth by country along with year-end earnings on February 19, 1997.

The Company also announced that Nu Skin Japan anticipated the launch of two nutrition products and a new skin care system, and that Nu ColourJ cosmetics were introduced in South Korea in January 1997.

The Company noted in the press release that some statements contained in the release may include forward-looking statements that may involve risks and uncertainties, and that actual results and outcomes may also differ materially from those discussed. As the Company noted, factors that might cause such differences include, but are not limited to, management of growth, expansion of new markets, fluctuations in currency and risks associated with new products -- those risks inherent with the importation, regulation and sale of new product lines. The Company referred readers to its prospectus dated Nov. 21, 1996, for a complete discussion of associated risks.

FEBRUARY 19, 1997 PRESS RELEASE

On February 19, 1997, the Company issued a press release, a summary of which is set forth below, announcing 1996 earnings and plans to commence operations in Thailand.

In the press release, the Company reported that revenue for the year ended December 31, 1996 was \$678.6 million, up 89.2 percent from \$358.6 million for the year ended December 31, 1995. Net income for 1996 was \$81.7 million, up 103.2 percent from \$40.2 million for 1995. Earnings per share were \$1.01 for 1996, compared to earnings per share of \$0.50 for 1995.

The Company also reported that revenue in its fourth quarter ended December 31, 1996 was \$207.3 million, up 76.9 percent from \$117.2 million in the quarter ended December 31, 1995. Net income in the fourth quarter of 1996 was \$21.4 million, up 71.2 percent from \$12.5 million in the fourth quarter of 1995. Earnings per share for the fourth quarter of 1996 were \$0.26, as compared to

\$0.15 for the fourth quarter of 1995.

The Company noted that 1996 earnings per share were higher than analysts' forecasts. The Company attributed this increase to business growth and, in part, to a lower number of shares outstanding as computed in accordance with accounting standards.

The Company reported revenue for 1996 in each of its current markets. In Japan, revenue increased by \$148.5 million, or 64.1 percent, to \$380.0 million, which the Company attributed to sales growth in the nutrition, cosmetics and hair categories. In Taiwan, revenue increased by \$49.2 million, or 46.7 percent, to \$154.6 million, which the Company attributed to the introduction of new products, including Nu ColourJ cosmetics and LifePak(R) nutrition supplements. In South Korea, revenue increased to \$122.3 million, which the Company attributed to high levels of distributor sponsorship. In Hong Kong, revenue remained at \$17.0 million. The Company explained that the lack of growth in local revenue in Hong Kong was due to the fact that several leading Hong Kong distributors continued to focus their efforts on larger Asian markets.

The Company reported that gross profit as a percentage of revenue was 71.5 percent in 1996, down slightly from 73.1 percent in 1995. The Company attributed this decline to the strengthening of the U.S. dollar, higher import duties on nutrition products and the commencement of operations in South Korea, where local regulations require higher import prices than in other Asian countries. Operating income in 1996 increased to \$128.4 million, up 118.4 percent from \$58.8 million in 1995. Operating income as a percentage of revenue increased to 18.9 percent in 1996 from 16.4 percent in 1995. The Company attributed this increase primarily to lower selling, general and administrative expenses as a percentage of revenue, as well as to lower distributor incentives resulting from a prescribed maximum level of commissions in South Korea of 35 percent.

The Company reported that the total number of active distributors increased to 377,000 as of December 31, 1996, up 59.7 percent from 236,000 as of December 31, 1995. The Company noted that growth was particularly strong among executive distributors, those who achieved sales leadership positions. The total number of executive distributors increased to 20,483 as of December 31, 1996, up 171.3 percent from 7,550 as of December 31, 1995.

The Company also announced that it plans to launch several new products in 1997. The Company reported that 1997 product introductions already included Nu ColourJ cosmetics in South Korea, and FibrenetJ, Multi Hydroxy AcidsJ and Dermatic EffectsJ Body Contouring Lotion in Japan.

The Company reported that, as a result of the weakening Japanese yen, management is implementing several strategies to offset the effects of currency fluctuations, including the implementation of modest price increases in all markets on most products and the increase of the Company's use of foreign exchange contracts. The Company stated that this price increase represents the first meaningful price increase in Japan since operations commenced.

The Company also announced plans to commence operations in Thailand on March 13, 1997. In addition to the opening of Thailand, the Company expects further geographic expansion by opening new distribution and walk-in centers in Japan and South Korea.

The Company stated that it also hopes to increase distributor productivity through participation in a global distributor equity incentive program, which will give distributors options to purchase 1.6 million shares of the company's currently outstanding shares of Class A common stock. The number of options each distributor receives will be based on the distributor's performance and productivity through August 31, 1997. The options are exercisable at a price of \$5.75 per share and will vest on December 31, 1997. The Company reported that, as anticipated, it recorded a \$2.0 million charge in 1996 and expects additional charges in 1997 of approximately \$18.0 million for the non-cash and non-recurring expenses associated with this distributor equity incentive program.

The Company noted in the press release that some statements contained in the release may include forward-looking statements that may involve risks and uncertainties, and that actual results and outcomes may differ materially from those discussed or anticipated. As the Company noted, factors that might cause such differences include, but are not limited to, risks associated with the management of growth, dependence on independent distributors, potential impacts of price increases on sales and distributor growth, expansion into new markets, fluctuations in currency, risks associated with new product introductions, and risks inherent with the importation, regulation and sale of new product lines. The Company referred readers to its prospectus dated Nov. 21, 1996, for a complete discussion of associated risks.

The Company included in the press release consolidated statements of

The Company also included in the press release consolidated statements of income for the years ended December 31, 1996 and 1995, as set forth below.

Nu Skin Asia Pacific, Inc.
Consolidated Statements of Income
For the Years Ended December 31, 1996 and 1995
(in thousands, except per share amounts)

	1996 -----	As a % of Revenue -----	1995 -----	As a % of Revenue -----
Revenue				
Japan	\$380,044	56.0 %	\$231,540	64.6 %
Taiwan	154,564	22.8 %	105,415	29.4 %
South Korea	122,337	18.0 %	--	--
Hong Kong	17,037	2.5 %	17,046	4.7 %
Sales to NSI affiliates	4,614	0.7 %	4,608	1.3 %
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Revenue	678,596	100.0 %	358,609	100.0 %
Cost of sales	193,158	28.5 %	96,615	26.9 %
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Gross profit	485,438	71.5 %	261,994	73.1 %
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Operating expenses				
Distributor incentives	249,613	36.8 %	135,722	37.9 %
Selling, general and administrative	105,477	15.5 %	67,475	18.8 %
Distributor stock expense	1,990	0.3 %	--	--
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Total operating expenses	357,080	52.6 %	203,197	56.7 %
Operating income	128,358	18.9 %	58,797	16.4 %
Other income	2,833	0.4 %	511	0.1 %
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Income before provision for income taxes	131,191	19.3 %	59,308	16.5 %
Provision for income taxes	49,494	7.3 %	19,097	5.3 %
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Net income	\$ 81,697	12.0 %	\$ 40,211	11.2 %
	=====	=====	=====	=====
Earnings per share	\$ 1.01		\$ 0.50	
Weighted average number of shares outstanding	81,060		80,518	

The Company also included in the press release condensed consolidated balance sheet data at December 31, 1996 and 1995, as set forth below.

Nu Skin Asia Pacific, Inc.
Condensed Consolidated Balance Sheet Data
December 31, 1996 and 1995 (in thousands)

	1996 ----	1995 ----
Cash and cash equivalents	\$207,106	\$ 63,213
Working capital	66,234	47,863
Total assets	331,714	118,228
Short term notes payable to stockholders	71,487	--
Short term note payable to NSI	10,000	--
Long term note payable to NSI	10,000	--
Stockholders' equity	107,791	61,771

MARCH 4, 1997 PRESS RELEASES

On March 4, 1997, the Company issued three press releases, each announcing the appointment of three new members of the Board of Directors. The new members are former U.S. Senators Paula Hawkins and E.J. "Jake" Garn, and Daniel W. Campbell. Mrs. Hawkins is a principal in the consulting firm of Paula Hawkins & Associates. Mr. Garn currently serves as Vice Chairman of Huntsman Corporation, one of the largest privately held chemical companies in the United States. Mr. Campbell, a certified public accountant and former Chief Financial Officer of WordPerfect Corporation, is currently Managing General Partner of EsNet, Ltd., a property development and management company.

SIGNATURE

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

NU SKIN ASIA PACIFIC, INC.

Dated: March 12, 1997

By: /s/ M. Truman Hunt
Name: M. Truman Hunt
Title: Vice President of Legal Affairs
and Investor Relations