SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

FOR QUARTERLY AND TRANSITION REPORTS
PURSUANT TO SECTIONS 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1997

OR

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

For the transition period from ______________ to ______________

Commission file number 001-12421

Nu Skin Asia Pacific, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	87-0565309
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. 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

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 ___

As of July 15, 1997, 11,723,011 shares of the Company's Class A Common Stock, $.001 par value per share, 71,696,675 shares of the Company's Class B Common Stock, $.001 par value per share, and no shares of the Company's Preferred Stock, $.001 par value per share, were outstanding.

NU SKIN ASIA PACIFIC, INC.

1997 FORM 10-Q QUARTERLY REPORT - SECOND QUARTER

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Nu Skin Asia Pacific, Inc.
Consolidated Balance Sheets (Unaudited)
(in thousands)

	June 30, 1997	December 31, 1996
ASSETS		
Current assets		
Cash and cash equivalents	$ 151,375	$ 207,106
Accounts receivable	9,407	8,937
Related parties receivable	5,785	7,974
Inventories, net	58,077	44,860
Prepaid expenses and other	28,892	11,281
	253,536	280,158
Property and equipment, net	9,679	8,884
Other assets, net	43,592	42,673
Total assets	$ 306,807	$ 331,715
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 6,705	$ 6,592
Accrued expenses	67,451	79,518
Related parties payable	61,405	46,326
Notes payable to stockholders	--	71,487
Note payable to NSI, current portion	10,000	10,000
	145,561	213,923
Note payable to NSI, less current portion	--	10,000
Commitments and contingencies		
Stockholders' equity		
Preferred stock - 25,000,000 shares authorized, $.001 par value, no shares issued and outstanding	--	--
Class A common stock - 500,000,000 shares authorized, $.001 par value, 11,723,011 shares issued and outstanding	12	12
Class B common stock - 100,000,000 shares authorized, $.001 par value, 71,696,675 shares issued and outstanding	72	72
Additional paid-in capital	137,876	137,876
Cumulative foreign currency translation adjustment	(5,857)	(5,963)
Retained earnings	55,287	11,493
Deferred compensation	(13,005)	(22,559)
Note receivable from NSI	(13,139)	(13,139)
	161,246	107,792
Total liabilities and stockholders' equity	$ 306,807	$ 331,715

The accompanying notes are an integral part of these consolidated financial statements.

Nu Skin Asia Pacific, Inc.
Consolidated Statements of Income (Unaudited)
(in thousands, except per share amounts)

	Three Months Ended	Three Months Ended	Six Months Ended	Six Months Ended

	June 30, 1997	June 30, 1996	June 30, 1997	June 30, 1996
Revenue	$230,016	$163,526	$441,010	$287,711
Cost of sales	65,458	46,148	126,199	80,963
Gross profit	164,558	117,378	314,811	206,748
Operating expenses				
Distributor incentives	88,589	60,909	169,132	107,090
Selling, general and administrative	33,255	24,524	67,738	44,551
Distributor stock expense	4,477	--	8,954	--
Total operating expenses	126,321	85,433	245,824	151,641
Operating income	38,237	31,945	68,987	55,107
Other income (expense), net	(1,243)	343	527	617
Income before provision for income taxes	36,994	32,288	69,514	55,724
Provision for income taxes (Note 3)	13,688	11,905	25,720	20,591
Net income	$ 23,306	$ 20,383	$ 43,794	$ 35,133
Net income per share (Note 4)	$ .27	$ .25	$ .51	$ .44
Weighted average common shares outstanding	85,426	80,518	85,421	80,518
Pro forma data:				
Income before pro forma provision for income taxes		$ 32,288		$ 55,724
Pro forma provision for income taxes (Note 3)		11,307		19,514
Income after pro forma provision for income taxes		$ 20,981		$ 36,210
Pro forma net income per share (Note 4)		$ .26		$ .45

The accompanying notes are an integral part of these consolidated financial statements.

Nu Skin Asia Pacific, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
Cash flows from operating activities:		
Net income	$ 43,794	$ 35,133
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,300	1,285
Amortization of deferred compensation	9,554	--
Changes in operating assets and liabilities:		
Accounts receivable	(470)	(1,657)
Related parties receivable	2,189	(8,152)
Inventories, net	(13,217)	(5,721)
Prepaid expenses and other	(17,611)	(39)
Other assets	(1,506)	(1,432)
Accounts payable	113	3,706

Accrued expenses	(12,067)	16,359
Related parties payable	15,079	(7,716)
Net cash provided by operating activities	28,158	31,766
Cash flows from investing activities:		
Purchase of property and equipment	(2,477)	(2,859)
Payment to NSI for distribution rights	(10,000)	--
Payments for lease deposits	(167)	--
Receipt of refundable lease deposits	129	5
Net cash used in investing activities	(12,515)	(2,854)
Cash flows from financing activities:		
Payments to stockholders for S distribution notes (Note 2)	(71,487)	--
Dividends paid	--	(40,179)
Net cash provided by (used in) financing activities	(71,487)	(40,179)
Effect of exchange rate changes on cash	113	(482)
Net increase (decrease) in cash and cash equivalents	(55,731)	(11,749)
Cash and cash equivalents, beginning of period	207,106	63,213
Cash and cash equivalents, end of period	$ 151,375	$ 51,464
Supplemental cash flow information:		
Interest paid	$ --	$ 24

The accompanying notes are an integral part of these consolidated financial statements.

Nu Skin Asia Pacific, Inc.
Notes to Consolidated Financial Statements

1. THE COMPANY

Nu Skin Asia Pacific, Inc. (the "Company") is a network marketing company involved in the distribution and sale of premium quality, innovative personal care and nutritional products. The Company is the exclusive distribution vehicle for Nu Skin International, Inc. ("NSI") in the countries of Japan, Taiwan, Hong Kong (including Macau), South Korea and Thailand, where the Company currently has operations (collectively referred to as the "Subsidiaries"), and in Indonesia, Malaysia, the Philippines, the PRC, Singapore and Vietnam, where operations have not yet commenced. Additionally, the Company sells products to NSI affiliates in Australia and New Zealand.

The Company was incorporated on September 4, 1996. It was formed as a holding company and acquired the Subsidiaries through a reorganization which occurred on November 20, 1996. Prior to the reorganization, each of the Subsidiaries elected to be treated as an S corporation. In connection with the reorganization, the Subsidiaries' S corporation status was terminated on November 19, 1996, and the Company declared a distribution to the stockholders that included all of the Subsidiaries' previously earned and undistributed taxable S corporation earnings totaling $86.5 million (the "S Distribution Notes").

On November 27, 1996 the Company completed its initial public offerings of 4,750,000 shares of Class A common stock and received net proceeds of $98.8 million (the "Offerings").

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10- 01 of Regulation S-X. 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, the accompanying unaudited consolidated financial statements contain all adjustments, consisting of normal recurring adjustments, considered necessary for a fair statement of the Company's financial information as of June 30, 1997 and 1996 and for the three and six-month periods ended June 30, 1997 and 1996. The results of operations of any interim period are not necessarily indicative of the results of operations to be expected for the fiscal year. For further information, refer to the consolidated financial statements and accompanying footnotes included in the Company's annual report on Form 10-K for the year ended December 31, 1996.

2. RELATED PARTY TRANSACTION

On April 4, 1997, the Company paid the balance due on the S Distribution Notes of $71.5 million with the related accrued interest expense of $1.6 million. As described in Note 1, these notes originated in connection with the reorganization in which the Subsidiaries' S corporation status was terminated and the Company declared a distribution to the stockholders that included all of the Subsidiaries' previously earned and undistributed taxable S corporation earnings totaling $86.5 million.

3. INCOME TAXES

As a result of the Company's reorganization described in Note 1, the Company is no longer treated as an S corporation for U.S. Federal income tax purposes. The provision for income taxes for the three and six-month periods ended June 30, 1996 primarily represents income taxes in foreign countries as U.S. Federal income taxes were levied at the stockholder level. The consolidated statements of income include a pro forma presentation for income taxes which would have been recorded if the Company had been taxed as a C corporation rather than as an S corporation for the three and six-month periods ended June 30, 1996.

4. NET INCOME PER SHARE

Net income per share is computed based on the weighted average number of common shares and common share equivalents outstanding during the periods presented assuming that the Company's reorganization and the resultant issuance of 80.3 million shares of Class B common stock occurred as of January 1, 1996.

5. FINANCIAL INSTRUMENTS

The Company's Subsidiaries enter into significant transactions with each other, NSI and third parties which may not be denominated in the respective Subsidiaries' functional currencies. The Company reduces its exposure to fluctuations in foreign exchange rates by creating offsetting positions through the use of foreign currency exchange contracts. The Company currently does not use such financial instruments for trading or speculative purposes. The Company regularly monitors its foreign currency exposures to minimize the impact of foreign exchange fluctuations on the Company's operating results.

At June 30, 1997 the Company held foreign currency forward contracts with notional amounts totaling approximately $51 million to hedge foreign currency items. The unrealized losses on these contracts were $1.4 million and $0.9 million for the three and six-month periods ended June 30, 1997, respectively. These contracts have maturities through May 1998.

6. NEW ACCOUNTING STANDARDS

The Company is required to adopt Statement of Financial Accounting Standards No. 128 ("SFAS 128"), Earnings per Share, during the fourth quarter of 1997. SFAS 128 specifies the computation, presentation and disclosure requirements for earnings per share. The Company does not believe that the adoption of SFAS 128 will have a material effect on the Company's method of calculation or display of earnings per share amounts.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

1997 Compared to 1996

Revenue increased 41% and 53% to $230.0 million and $441.0 million from $163.5 million and $287.7 million for the three and six-month periods ended June 30, 1997, respectively, compared with the same periods in 1996. This increase is primarily attributable to several factors. First, revenue in Japan increased by $53.6 million and $94.9 million, or 59% and 57%, for the three and six-month periods ended June 30, 1997, respectively, compared with the same periods in 1996. This increase in revenue was primarily a result of continued growth of the

IDN product line as well as increased sales following a distributor convention held in the first quarter of 1997. Second, revenue in Taiwan increased by $9.8 million and $23.8 million, or 28% and 35%, for the three and six-month periods ended June 30, 1997, respectively, compared with the same periods in 1996, primarily as a result of growth in IDN sales following the late 1996 introduction of LifePak. Third, the opening of Thailand in the first quarter of 1997 resulted in an additional $10.6 million and $13.4 million in revenue for the three and six-month periods ended June 30, 1997, respectively. Fourth, revenue in Hong Kong increased by $1.7 million and $1.6 million for the three and six-month periods ended June 30, 1997, respectively, compared with the same periods in 1996. The increase in revenue for the three months ended June 30, 1997 was partially offset by the decrease in South Korea revenue of $9.2 million due to a typical new market revenue cycle compounded by slowing economic growth in South Korea and unfavorable media and consumer group attention toward foreign direct selling companies. However, for the six months ended June 30, 1997, South Korea revenue increased $19.6 million, or 45% due to the Company's February 1996 opening in South Korea resulting in a shorter comparative period.

Gross profit as a percentage of revenue was 71.5% and 71.8% for the three months ended June 30, 1997 and 1996, respectively, and was 71.4% and 71.9% for the six months ended June 30, 1997 and 1996, respectively. This decrease reflected the strengthening of the U.S. dollar and the commencement of operations in South Korea in 1996. The Company purchases goods in U.S. dollars and recognizes revenue in local currency and is consequently subjected to exchange rate risks in its gross margins. The full quarter of operations in South Korea in 1997 also impacted gross profit as a percentage of revenue due to South Korean regulations which result in higher prices on imported products as compared to other markets.

Distributor incentives as a percentage of revenue increased to 38.5% and 38.4% for the three and six-month periods ended June 30, 1997 from 37.3% and 37.2%, respectively, compared with the same periods in 1996. The primary reasons for this increase were a more developed distributor network in Korea in 1997; where commissions are capped at 35% of revenues, along with the sales of a smaller percentage of non-commissionable items throughout the Company in 1997.

Selling, general and administrative expenses as a percentage of revenue decreased to 14.5% and 15.4% for the three and six-month periods ended June 30, 1997 from 15.0% and 15.5%, respectively, compared with the same periods in 1996. This decrease was primarily due to economies of scale gained as the Company's revenue increased and was offset somewhat by increased promotion expenses of approximately $2 million resulting from the first quarter distributor conventions.

Distributor stock expense of $4.5 million and $9.0 million for the three and six-month periods ended June 30, 1997, respectively, reflects the one-time grant of the distributor stock options at an exercise price of 25% of the initial public offering price in connection with the Offerings completed on November 27, 1996. This non-cash expense is non-recurring and will be recorded each quarter in 1997.

Operating income increased 20% and 25% to $38.2 million and $69.0 million from $31.9 million and $55.1 million for the three and six-month periods ended June 30, 1997, respectively, compared with the same periods in 1996. This increase was caused primarily by an increase in revenue. Operating margin decreased to 16.6% and 15.6% from 19.5% and 19.2% for the three and six-month periods ended June 30, 1997, respectively, compared with the same periods in 1996. This margin decrease was caused primarily by the distributor stock expense and increased distributor incentives.

Other income decreased by $1.6 million and $0.1 million for the three and six-month periods ended June 30, 1997, respectively, compared with the same periods in 1996. The decrease was primarily caused by $1.4 million and $0.9 million for the three and six-month periods ended June 30, 1997, respectively, of unrealized exchange losses resulted from forward exchange contracts and $1.1 million and $0.2 million for the three and six-month periods ended June 30, 1997, respectively, of unrealized exchange losses resulted from an intercompany loan from Japan to Hong Kong.

Provision for income taxes increased to $13.7 million and $25.7 million from $11.9 million and $20.6 million for the three and six-month periods ended June 30, 1997, respectively, compared with the same periods in 1996 due to increased income. The effective tax rate was 37.0% for the three and six-month periods ended June 30, 1997 and 1996.

Net income increased by $2.9 million and $8.7 million to $23.3 million and $43.8 million from $20.4 million and $35.1 million for the three and six-month periods ended June 30, 1997, respectively, compared with the same periods in 1996 due primarily to increased revenue. Net income as a percentage of revenue decreased to 10.1% and 9.9% for the three and six-month periods ended June 30, 1997, respectively, compared to 12.5% and 12.2% for the same periods in 1996 due primarily to the distributor stock expense and increased distributor incentives.

Liquidity and Capital Resources

The Company underwent a reorganization and the Offerings in November 1996. During the Offerings, the Company raised $98.8 million in net proceeds. As of the date of the reorganization, the aggregate undistributed taxable S corporation earnings of the Subsidiaries were $86.5 million. The Subsidiaries' earned and undistributed S corporation earnings through the date of termination of the Subsidiaries' S corporation status were distributed in the form of the S Distribution Notes, promissory notes bearing interest at 6.0% per annum. From the proceeds of the Offerings, $15.0 million was used to pay a portion of the S Distribution Notes and the remaining balance of $71.5 million was paid in April 1997.

In November 1996, the Company purchased from NSI the distribution rights to seven new markets in the region. These markets include Thailand, where operations commenced in March 1997, and Indonesia, Malaysia, the Philippines, the PRC, Singapore and Vietnam, where operations have not yet commenced. These rights were purchased for $25.0 million of which $5.0 million was paid from the proceeds of the Offerings and an additional $10.0 million was paid in January 1997. At June 30, 1997, the Company had a $10.0 million short-term obligation, due January 15, 1998, related to the purchase of these rights. Interest accrues at a rate of 6.0% per annum on amounts due under this obligation.

The remaining $78.8 million in net proceeds from the Offerings are to be used for new market development, introducing new products, enhancing the Company's technological infrastructure, establishing additional office and distribution centers and for other general corporate purposes. Management anticipates using the remaining proceeds of the Offerings within the next three years.

The Company generates significant cash flow from operations due to its significant growth, high margins and minimal capital requirements. Additionally, the Company does not extend credit to distributors, but requires payment prior to shipping products. This process eliminates the need for accounts receivable from distributors. During the six months ended June 30, 1997, the Company generated $28.2 million from operations compared to $31.8 million during the six months ended June 30, 1996. This decrease in cash flows from operations is primarily due to the build up of inventories to support future market demands and the payment of income taxes during the first quarter of 1997.

As of June 30, 1997, working capital was $108.0 million compared to $66.2 million as of December 31, 1996. Cash and cash equivalents at June 30, 1997 were $151.4 million compared to $207.1 million at December 31, 1996.

Historically, the Company's principal need for funds has been for distributor incentives, working capital (principally inventory purchases), capital expenditures and the development of new markets. The Company has generally relied entirely on cash flow from operations to meet its business objectives without incurring long-term debt to unrelated third parties.

Capital expenditures, primarily for equipment, computer systems and software, office furniture and leasehold improvements, were $2.5 million and $2.9 million for the six months ended June 30, 1997 and 1996, respectively. In addition, the Company anticipates capital expenditures through 1998 of an additional $22.5 million to further enhance its infrastructure, including computer systems and software, warehousing facilities and walk-in distributor centers in order to accommodate future growth.

As a part of the Company's and NSI's strategy to motivate distributors with equity incentives, the Company sold to NSI an option to purchase 1.6 million shares of the Company's Class A Common Stock. NSI purchased the option with a $13.1 million 10-year note payable to the Company bearing interest at 6.0% per annum. It is anticipated that the note will be repaid as distributors begin to exercise their options beginning in 1998.

Under its operating agreements with NSI, the Company incurs related party payables. The Company had related party payables of $61.4 million and $46.3 million at June 30, 1997 and December 31, 1996, respectively. In addition, the Company had related party receivables of $5.8 million and $8.0 million, respectively, at those dates. Related party balances outstanding in excess of 60 days bear interest at a rate of 2% above the U.S. prime rate. As of June 30, 1997, no material related party payables or receivables had been outstanding for more than 60 days.

Management considers the Company to be liquid and able to meet its obligations on both a short and long-term basis. Management believes existing cash balances together with future cash flows from operations will be adequate to fund cash needs relating to the implementation of the Company's strategic plans.

Currency Fluctuation and Exchange Rate Information

The Company's revenues and most of its expenses are recognized primarily outside of the United States. Each entity's local currency is considered the functional currency. All revenue and expenses are translated at weighted average exchange rates for the periods reported. Therefore, the Company's reported sales and earnings will be positively impacted by a weakening of the U.S. dollar and will be negatively impacted by a strengthening of the U.S. dollar.

The Company purchases inventory from NSI in U.S. dollars and assumes currency exchange rate risk with respect to such purchases. Local currency in Japan, Taiwan, Hong Kong, South Korea and Thailand is generally used to settle non-inventory transactions with NSI. Given the uncertainty of exchange rate fluctuations, the Company cannot estimate the effect of these fluctuations on its future business, product pricing, results of operations or financial condition. However, because nearly all of the Company's revenue is realized in local currencies and the majority of its cost of sales is denominated in U.S. dollars, the Company's gross profits will be positively affected by a weakening in the U.S. dollar and will be negatively affected by a strengthening in the U.S. dollar. The Company seeks to reduce its exposure to fluctuations in foreign exchange rates by creating offsetting positions through the use of foreign currency exchange contracts. The Company does not use such financial instruments for trading or speculative purposes. The Company regularly monitors its foreign currency risks and periodically takes measures to reduce the impact of foreign exchange fluctuations on the Company's operating results. The Company entered into significant hedging positions during the second quarter, which approximated $51.0 million of forward exchange contracts at June 30,1997. These forward exchange contracts, along with the intercompany loan from Japan to Hong Kong of approximately $40.0 million, were valued at the quarter end exchange rate of 114.6 yen to the dollar.

Following are the weighted average currency exchange rates of $1 into local currency for each of the Company's markets for the quarters listed:

	1995				1996				1997	
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Japan(1)	96.2	84.4	94.2	101.5	105.8	107.5	109.0	112.9	121.4	119.1
Taiwan	26.2	25.6	27.0	27.2	27.4	27.4	27.5	27.5	27.5	27.7
Hong Kong	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
South Korea(1)	786.9	763.1	765.6	769.1	782.6	786.5	815.5	829.4	863.9	889.6
Thailand	24.9	24.6	24.9	25.1	25.2	25.3	25.3	25.5	26.0	25.4

(1) Between December 31, 1996 and July 15, 1997, the exchange rates of $1 into Japanese yen and South Korean won achieved highs of 127.13 yen and 899.0 won, respectively. Since January 1, 1992, the highest and lowest exchange rates for the Japanese yen have been 134.82 and 80.63, respectively, and for the South Korean won have been 899.0 and 755.8, respectively.

Outlook

Management anticipates continued strong results overall, with particular strength in Japan. Historically, the Company has experienced modest growth in the third quarter due primarily to the vacation season. Planned product introductions later this year include an aloe vera drink, developed specifically for the Japanese market, and Overdrive[TM], a leading Interior Design Sports Nutrition product, in Taiwan.

During the third quarter, the Company expects continued sequential softening in the South Korean market reflecting, in part, the market cycle experienced by the Company in other new markets where significant initial revenue is followed by market softening and declining revenue until strategic initiatives and product introductions generate renewed growth. However, this market cycle pattern has been exacerbated in South Korea by slowing economic growth and media and consumer campaigns against certain direct selling companies. Management currently anticipates that the South Korean market will resume sequential growth following the introduction of the Company's core nutritional product, LifePak, during the third quarter.

Gross margins are anticipated to improve following the price increases on sales to distributors ranging from 5% to 9% implemented during the second quarter. Additionally, lower revenue in Korea, where the import values on the Company's products are higher than import values in other markets, will lead to gross margin improvement for the Company. Distributor incentives as a percent of sales are expected to increase as Korean revenue, where distributor incentives are capped at 35% of revenue, decreases. Selling, general and administrative expenses are anticipated to be slightly higher in the third quarter due to a large distributor event planned in Thailand as well as an additional significant expense planned for spending on the sponsorship of two promotional basketball games in Japan featuring NBA stars. Additionally, management currently anticipates that the distributor equity program may heighten distributor enthusiasm throughout 1997 and that the distributor stock expense of $18.0 million in 1997 will not continue thereafter.

Other income will continue to vary based on the fluctuation in the Japanese yen as the Company currently has significant hedging positions. The Company's effective tax rate may continue to slightly increase as Japanese revenue, where statutory rates are the highest in the Company's markets, becomes a larger percent of total revenue for the Company.

Note Regarding Forward Looking Statements: The statements made above in this Outlook section are forward- looking statements as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties and are based on certain assumptions that may not be realized. Actual results and outcomes may differ materially from the those discussed or anticipated. Factors that might cause such differences include, but are not limited to, risks and uncertainties associated with management of the Company's growth, the Company's dependence on independent distributors and the effects on distributors of the NSI distributor equity program, potential adverse effects of the Company's planned price increases on sales and distributor growth, economic conditions in the Company's markets especially South Korea, the introduction and market acceptance in South Korea of LifePak, the Company's core IDN product, adverse publicity regarding the Company and other direct selling companies in South Korea, the Company's planned expansion into new markets and the introduction of new products in the Company's existing markets, regulatory action against the Company or its distributors in any of the Company's markets and particularly in South Korea, fluctuations in foreign currency values relative to the U.S. Dollar, and risks inherent in the importation, regulation and sale of products in the Company's markets. For a more detailed discussion of these and other risks and uncertainties, please refer to all of the documents filed by the Company with the Securities and Exchange Commission.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None. See Item 5 for a discussion of certain regulatory matters.

ITEM 2. CHANGES IN SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

The Company's Annual Meeting of Stockholders was held on May 15, 1997. At the Annual Meeting, Blake M. Roney, Steven J. Lund, Sandra N. Tillotson, Keith R. Halls, Brooke B. Roney, Max L. Pinegar, E.J. "Jake" Garn, Paula Hawkins and Daniel W. Campbell were elected to serve as directors of the Company until the next annual meeting of stockholders or until their successors are duly elected. Each director was elected by a plurality of votes in accordance with the Delaware General Corporation Law. There was no solicitation in opposition to management's director nominees. The following chart reflects the vote tabulation with respect to each director nominee. The figures reported reflect votes cast by holders of the Company's Class A Common Stock and Class B Common Stock. Each share of Class A Common Stock entitles its holder to one vote, and each share of Class B Common Stock entitles its holder to ten votes.

Name of Director Nominee	Votes For	Votes Against	Abstentions	Broker Non-Votes
Blake M. Roney	725,617,452	203,387	0	0
Steven J. Lund	725,617,452	203,387	0	0
Sandra N. Tillotson	725,617,352	203,487	0	0
Keith R. Halls	725,617,352	203,487	0	0
Brooke R. Roney	725,617,402	203,437	0	0

Kirk V. Roney	725,617,452	203,387	0	0
Max E. Esplin	725,617,452	203,387	0	0
Max L. Pinegar	725,617,302	6,039,271	0	0
E.J. "Jake" Garn	725,617,252	203,587	0	0
Paula Hawkins	725,616,218	203,621	0	0
Daniel W. Campbell	725,617,202	203,637	0	0

The stockholders also approved the Company's 1996 Stock Incentive Plan with 722,282,806 votes voted in favor of the Plan, 1,026,501 votes cast against or withheld, 29,941 votes abstaining and 2,481,591 broker non-votes. In addition, the stockholders ratified the appointment of Price Waterhouse L.L.P. as the Company's independent public accountants, with 725,802,912 votes being cast for, 3,515 votes being cast against, as well as 14,412 votes abstaining and 0 broker non-votes. Subsequent to the annual meeting, Max E. Esplin and Kirk V. Roney resigned from the Board of Directors for personal reasons.

ITEM 5. OTHER INFORMATION

The Company's subsidiaries are periodically subject to reviews and audits by various governmental agencies, particularly in new markets, where the Company has experienced high rates of growth. As previously disclosed, Nu Skin Korea has been subject to an audit by the South Korean Customs Service. Management believes that this audit was precipitated largely as a result of Nu Skin Korea's rapid growth and its position as the largest importer of cosmetics and personal care products in South Korea as well as by recent South Korean trade imbalances. The Customs Service has reviewed a broad range of issues relating to the operations of Nu Skin Korea, with a focus on reviewing customs valuation issues and intercompany payments.

Recently, the Customs Service has resolved certain issues related to its audit with no fines, import sanctions, or other restrictions being imposed. The intercompany payment issue was referred to various other government agencies, and the import valuation issues, which management considers to be routine, were referred to the valuation division of the Customs Service.

The Company continues to believe that its actions have been in compliance in all material respects with relevant regulations. Although the potential sanctions related to the investigations include warnings, fines, foreign exchange restrictions or potential criminal prosecution of managers, the Company believes that none of the sanctions would have a material adverse impact on operations. However, the investigations and any related sanctions could result in negative publicity that could have a material adverse impact on the Company and its operations. The Company is not aware of any negative publicity to date in South Korea regarding these developments. The Company intends to continue to vigorously contest these matters.

On July 17, 1997 the Company filed a pre-effective amendment No. 1 to its registration statement originally filed on June 4, 1997 on behalf of certain stockholders. The Company converted its registration statement to a resale shelf offering and deleted references to the underwriters. The registration statement has not been declared effective and the shares subject to the registration statement can only be resold by the selling stockholders once the registration statement has been declared effective and only in accordance with the plan of distribution outlined in the registration statement. The Company currently has no intention to proceed with the offering which is the subject of the registration statement.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) 27 Financial Data Schedule

(b) The Company filed no reports on Form 8-K dur1ing the three months ended June 30, 1997.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on this 18th day of August, 1997.

NU SKIN ASIA PACIFIC, INC.

By: /s/ Corey B. Lindley
Corey B. Lindley
Its: Chief Financial Officer
(Principal Financial and

Accounting Officer)

EXHIBIT INDEX

27   Financial Data Schedule

5

6-MOS
DEC-31-1997
JUN-30-1997
151,375
0
9,407
0
58,077
253,536
18,062
8,383
306,807
145,561
0
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0
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161,162
306,807
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441,010
126,199
372,023
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0
0
69,514
25,720
43,794
0
0
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43,794
.51
.51