

NATURAL ALTERNATIVES INTERNATIONAL INC  
 Form 4  
 December 05, 2006

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 REAVES JOHN

2. Issuer Name and Ticker or Trading Symbol  
 NATURAL ALTERNATIVES INTERNATIONAL INC [NAII]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 1185 LINDA VISTA DRIVE  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 12/01/2006

\_\_\_\_ Director  
 Officer (give title below)  
 \_\_\_\_ 10% Owner  
 \_\_\_\_ Other (specify below)  
 Chief Financial Officer

SAN MARCOS, CA 92078

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 \_\_\_\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	12/01/2006		M		22,737 (2) \$ 2.07	26,148	D
Common Stock	12/01/2006		M		12,176 (2) \$ 5.08	38,324	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	8. Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 2.07	12/01/2006		X	30,000	<u>(1)</u> 05/30/2007	Common Stock	30,000 (2)
Incentive Stock Option (right to buy)	\$ 5.08	12/01/2006		X	29,885	<u>(4)</u> 09/08/2008	Common Stock	29,885 (2)
Non-Qualified Stock Option (right to buy)	\$ 5.08	12/01/2006		X	115	<u>(4)</u> 09/08/2008	Common Stock	115

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
REAVES JOHN 1185 LINDA VISTA DRIVE SAN MARCOS, CA 92078			Chief Financial Officer	

## Signatures

/s/ John Reaves 12/05/2006

\*\*Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The securities vested 34% on May 31, 2003 and an additional 33% on May 31, 2004 and April 27, 2005.

(2) Stock option exercise was accomplished using a cashless, net exercise method that resulted in the issuance to Mr. Reaves of a number of shares of common stock that was less than the total number of shares exercised pursuant to the option. The remaining shares underlying the option were cancelled as payment for the exercise price based on a fair market value equal to the last reported sale price for the common stock on the transaction date.

(3) Represents an exercise of stock option.

(4) The securities vested 34% on September 8, 2004 and an additional 33% on September 8, 2005 and April 27, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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