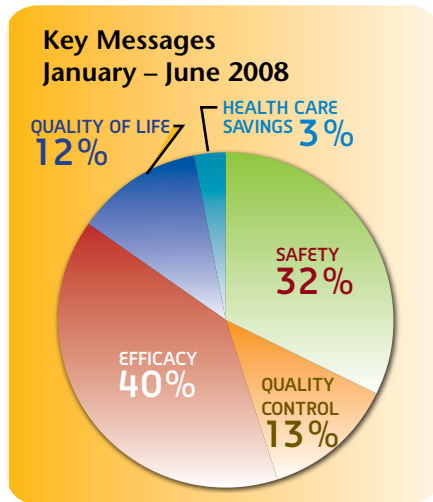


Media Coverage of Dietary Supplements Improves in 2008

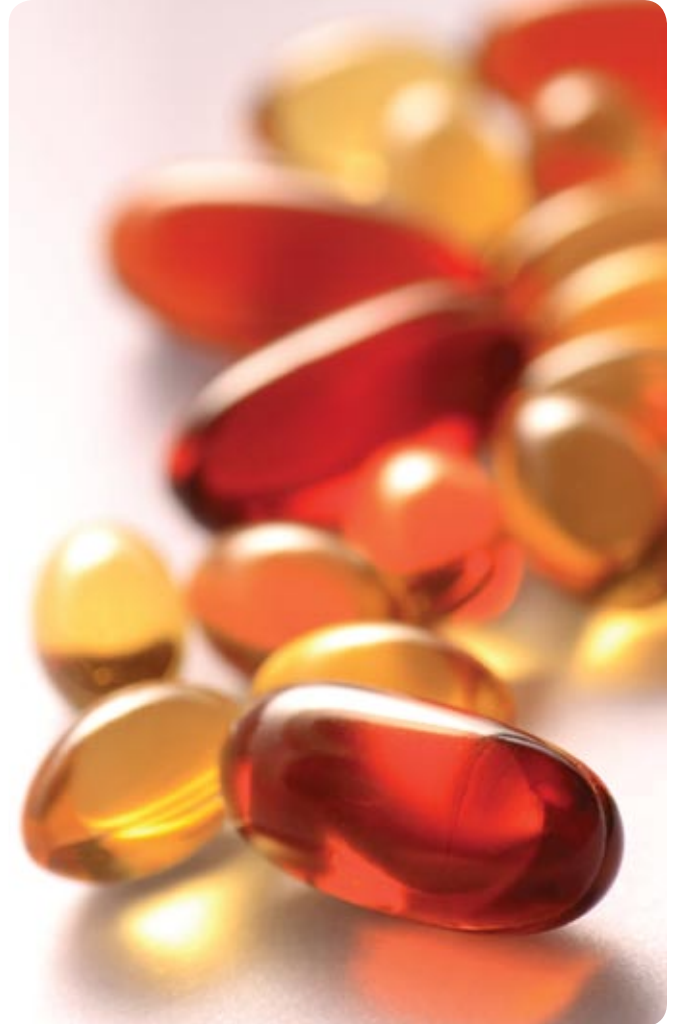
The Natural Products Foundation Media Monitoring Report for the first half of 2008 has just been released, and the numbers on the whole are very encouraging. The project tracked news articles across all English-speaking media, assessing the effect the current media climate has on the public perception of dietary supplements, vitamins, and herbal supplements.

The media coverage of supplements has become increasingly positive this year, which is very heartening, as consumers have had over 1.4 billion opportunities to view news about vitamins and supplements in the first half of the year alone. In particular, herbal supplements, which in the past have tended to get little attention from the press,



have seen a dramatic increase in positive coverage.

The overall number of news items appearing in the press has actually declined slightly so far this year when compared to last year, but this is in part due to the large spike in articles that was seen in May and June of '07 as a result of the new Food and Drug Administration (FDA) regulations on adverse events. No singular news event of this size has occurred within the industry so far this year, but the FDA regulations, which were seen as a constructive move, have continued to generate positive press for the industry.



While not every piece of news was a positive one, even topics that have generally been less than favorable to the industry have begun to sway toward a more moderate stance. Here are some of the most commonly reoccurring themes seen in the first half of the year:

- Articles reporting the beneficial aspects of Vitamin D were heavily circulated throughout the media, becoming one of the most discussed and uniformly positive topics for preventive health concerns.
- Scientific studies suggesting large-scale potential benefits of dietary supplements were widely reported in the first half of 2008.
- Many stories made a point to note that supplements are still seen as considerably more natural than pharmaceutical drugs, having fewer and far less severe side effects, as well as being substantially less expensive.

Continued on page 5

Natural Products Foundation Launches Social Networking Group



As part of our effort to expand communication among professionals in the field, the Natural Products Foundation has begun an initiative to link the industry together on the networking website Plaxo.com.

The aim of the initiative is to open up the lines of communication between natural products insiders. This will enable us to keep up to date with all the activity, issues, and concerns that are critical to our growing industry, as well as allowing group members to reach out to one another on an individual basis. As we familiarize ourselves with the other professionals from our industry, our platform will shore up its many planks into a strengthened, united foundation.

We are pleased to invite all industry professionals to participate in the Natural Products Foundation Group, a place to share news articles, web links, photos, video, and reviews with other like-minded people. It's a great way to reach out to others, and an even better way to stay in touch with those you

already know, new contacts and old friends.

To join everyone else in the NPF Plaxo group, just go to www.NaturalProductsFoundation.plaxogroups.com and get started. Show us what you're working on, what you're up to, what the future of the supplement industry is going to be! If you have any questions, just e-mail the group's administrator, Nathan Smith, at nathan@supplementinfo.org.

Fundraisers Work Hard to Finance Important Programs

The fundraising committee is hard at work raising money for vital foundation initiatives. As the foundation is a non-profit, we solely depend on the kind contributions of our supporters so that we may continue on our mission to enhance and promote the integrity of natural products through quality, science and education.

Our core fundraising group includes:

- Elliott Balbert, *Balbert and Associates*
- Randy Dennin, *Industry Consultant*
- Frank Lampe, *InnoVision Health Media*
- Jim Roza, *Reliance Vitamin Company*
- Suzanne Shelton, *The Shelton Group PR*
- Curt Valva, *Aubrey Organics*
- Pete Zambetti, *Capsugel*
- Loretta Zapp, *Applied Food Sciences*

The committee has begun making calls to colleagues summarizing NPF successes, explaining new projects, and asking for pledges. "We have many exciting new programs underway, and we need our supporters to help make it happen," said Elliott Balbert, board member.

The Natural Products Foundation is chartered as a not-for-profit 501 (c) (3) Corporation. Depending on the status of the donor (i.e., individual or corporation) all or part of contributions to the foundation are tax-deductible.

Please don't wait for us to call you! If you are interested in supporting the NPF by donating to the cause, please contact Deb Knowles, director of development, with your pledge today: debknowles@supplementinfo.org or (941) 349-9044.



Beyond Sales:

Overall Economic Impact of Supplement Industry to be Studied

The Natural Products Foundation has initiated an Economic Impact Study that will examine the current overall economic contribution of the dietary supplement industry to the United States economy.

To have an accurate idea of just how much the industry contributes to the economy, the study will look beyond sales revenues, back over the entire production process of supplements. In order to reach this understanding, the study will assess quantitative data for the financial impact of all aspects of the

industry, charting the importance of research, supply, and production monies, as well as retail sales.

Using IMPLAN (Impact Analysis for Planning) software and databases, the study will assess the overall impact of the industry through the direct, indirect, and induced financial effects resulting from dietary supplements. The study will be carried out by Dobson and DaVanzo, a Virginia-based economic research firm whose previous work has influenced numerous public policy decisions and fre-

quently appears in legislation and regulation. As a team, Dobson and DaVanzo have completed many studies about the role of nutritional supplements in maintaining health and reducing health care costs, including three Lewin Group studies for the Dietary Supplement Education Alliance (DSEA), an organization which is now part of the foundation.

The Economic Impact Study will be completed in January 2009. The results of the study will be unveiled at the Focus on the Future conference in Phoenix, Ariz.

What if you'd been at the very first Super Bowl?

The very first Indianapolis 500?

The very first board meeting of Microsoft?

Well, this is your chance to be at the very first dinner of a non-profit organization whose only mission is to improve YOUR industry! You can help and enjoy yourself all at the same time. It's the very first one and you can be there!

The Natural Products Foundation is a 501(c)(3) tax-exempt charitable foundation. Contributions received from individuals, foundations, corporations and partnerships are tax-deductible to the extent the law allows.

Please join us for
The Natural Products Foundation
Inaugural
Fundraising Dinner at SupplySide West

7:00 p.m.

Thursday, October 23

Wolfgang Puck's
Postrino Restaurant
at the Venetian Resort

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CAPSUGEL® 

Don't miss this opportunity to network with a small "A-list" of industry insiders at this exclusive dinner party.

Tickets are just \$250 per person and attendance is limited to just 100.

This is THE place to be at SupplySide West.
Don't miss it!

Call Deb Knowles at 941-349-9044 now,
or email debknowles@supplementinfo.org



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www.NaturalProductsFoundation.org



Foundation Website Now Features Industry Page

As you may have heard, the Dietary Supplement Education Alliance (DSEA) has merged into the Natural Products Foundation (NPF). We are moving ahead together as a strong, unified group meeting the mission: To enhance and promote the integrity of natural products through quality, science and education.

To better serve the industry, we have moved the DSEA's industry blog and news from www.supplementinfo.org to the NPF's website, www.NaturalProductsFoundation.org.

We are developing this as the page where you, as members of the industry, can find news, videos, and other important information. This also will be the place for you to communicate with other industry members through blogs and forums.

Furthermore, we're expanding our blogging presence online by featuring guest writers—industry friends and Internet favorites of ours—experts in their fields. We see this as a chance to



reach out to the community, expand the subject matter discussed, and to consider the many sides of any given discussion.

We have already had the pleasure of hosting columns by several industry experts, and there are future posts forthcoming by many new faces. Please let us know if you are interested in writing a guest column.

Thanks so much for everyone's involvement, and we look forward to new faces and columns soon to be appearing at www.NaturalProductsFoundation.org. See you there!

Pledge Form

I would like to help promote the integrity of natural products through quality, science and education as a contributor to the Natural Products Foundation.

My gift is for the total amount of \$ _____

Individual and/or corporate name as you wish it to be recognized in foundation materials:

- Paid in full by check payable to the Natural Products Foundation
 Please charge my credit card for the full amount of my gift. Visa MC AmEx

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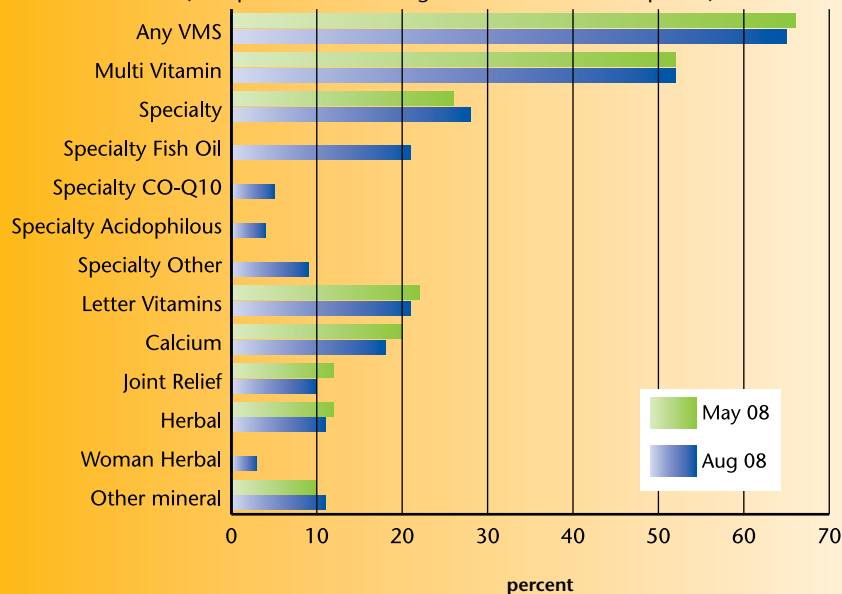
If not designated, gifts will be placed in the operations fund for needs throughout the foundation.

Mail contributions to: Natural Products Foundation, 1773 T St. NW, Washington, DC 20009

The Natural Products Foundation is a registered 501(c)(3) non-profit organization. Tax ID # 61-1471460

Type of Supplements Purchased in the Past Six Months

(Comparison of answers given over three-month period)



Supplement Study Says Sales Stable to Strong

The TABS Group has released their most recent quarterly results tracking vitamin, mineral, and supplement usage and has allowed the Natural Products Foundation to share in dissemination of results. TABS Group, a marketing research and consulting company based in Shelton, Conn., is led by Kurt Jetta, Ph.D.

According to Jetta, the most surprising finding this quarter was the elevated sales for fish oil. The study found that 21 percent of all adults age 18-75 have purchased fish oil in the past six months, a rather dramatic increase, putting the supplement's sales on level with sales of letter vitamins (also at 21 percent). Such precipitous growth shows that this relatively new type of supplement has gained mainstream status.

Of the several other interesting trends noted in the study, here are the principal findings:

- Two-thirds of the public have purchased something from the vitamin, mineral, or supplement categories over the last six months, a relatively stable figure over the last several studies.
- Multivitamins continue to have the highest purchasing strength, with over half of all respondents reporting to have bought multivitamins in the last six months.
- Despite its reputation as a supplement to support women's susceptibility to osteoporosis, one-third of the purchasers of calcium are men.

The TABS Group Study is conducted quarterly, and examines consumer behavior over the six months previous to the study. Next quarter the TABS report will shift focus to the purchasing habits for all organic and natural products.



Media Coverage of Dietary Supplements Improves in 2008

Continued from page 1

- It was widely reported that taking select supplements in collaboration with a physician's advice was an important part of maintaining a healthy lifestyle. Articles dealing with preventative measures involving a combination of traditional and alternative practices were increasingly popular as the year progressed.
- Concern over the effectiveness of dietary supplements came to the forefront as the largest theme seen in the first six months of 2008. Stories suggested that some products either have no effect, or that they are being promoted by unsupportable claims, and a number of articles surfaced at the beginning of the year encouraging consumers to seek vitamins and nutrients in food rather than supplements after several studies were released stating that this was a more efficient practice.
- The general safety of supplements was another common concern. Much of the attention in these news items focused on poor quality control exercised over ingredients imported from Chinese manufacturers. After the FDA identified and announced that several foreign supplies were contaminated, stories in this vein spread throughout the media.

"Understanding the media's general attitude about vitamins and supplements is essential to our mission here," said Tracy Taylor, executive director of the Natural Products Foundation. "Knowing how the industry is being portrayed to the general public lets us address the specific issues raised in the media. It clearly shows where and when our message is being distorted. Judging by the results so far this year, I'd say we're on the right track."

As the NPF Media Monitoring progresses, the focus of the project is expanding to track data for all natural products, not just supplements, broadening our understanding of public perception and allowing us to sharpen our message in response.



The Natural Products Foundation's mission is to enhance and promote the integrity of natural products through quality, science and education.



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