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

FORM 10-Q

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

For the Quarterly Period Ended January 31, 2015

Commission file number 1-14170

**NATIONAL BEVERAGE CORP.**  
(Exact name of registrant as specified in its charter)



Delaware  
(State of incorporation)

59-2605822  
(I.R.S. Employer Identification No.)

8100 SW Tenth Street, Suite 4000, Fort Lauderdale, FL 33324  
(Address of principal executive offices including zip code)

(954) 581-0922  
(Registrant's telephone number including area code)

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  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of registrant's common stock outstanding as of March 6, 2015 was 46,371,715.

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**PART I - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**  
**NATIONAL BEVERAGE CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
(In thousands, except share data)

	January 31, 2015	May 3, 2014
<b>Assets</b>		
Current assets:		
Cash and equivalents	\$ 40,447	\$ 29,932
Trade receivables - net	51,301	58,205
Inventories	46,493	43,914
Deferred income taxes - net	2,925	2,685
Prepaid and other assets	7,785	8,405
Total current assets	148,951	143,141
Property, plant and equipment - net	58,197	59,494
Goodwill	13,145	13,145
Intangible assets	1,615	1,615
Other assets	5,122	5,446
Total assets	<u>\$ 227,030</u>	<u>\$ 222,841</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 33,478	\$ 45,606
Accrued liabilities	19,145	18,873
Income taxes payable	41	44
Total current liabilities	52,664	64,523
Long-term debt	15,000	30,000
Deferred income taxes - net	14,325	13,873
Other liabilities	7,568	8,244
Shareholders' equity:		
Preferred stock, \$1 par value - 1,000,000 shares authorized:		
Series C - 150,000 shares issued	150	150
Series D - 120,000 shares issued (240,000 shares at May 3), aggregate liquidation preference of \$6,000 (\$12,000 at May 3)	120	240
Common stock, \$.01 par value - 75,000,000 shares authorized; 50,404,499 shares issued (50,367,799 shares at May 3)	504	504
Additional paid-in capital	37,511	42,775
Retained earnings	117,628	80,737
Accumulated other comprehensive income (loss)	(440)	(205)
Treasury stock - at cost:		
Series C preferred stock - 150,000 shares	(5,100)	(5,100)
Common stock - 4,032,784 shares	(12,900)	(12,900)
Total shareholders' equity	137,473	106,201
Total liabilities and shareholders' equity	<u>\$ 227,030</u>	<u>\$ 222,841</u>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL BEVERAGE CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

(In thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	January 31, 2015	January 25, 2014	January 31, 2015	January 25, 2014
Net sales	\$ 143,021	\$ 136,774	\$ 481,233	\$ 476,793
Cost of sales	96,931	92,086	317,569	314,526
Gross profit	46,090	44,688	163,664	162,267
Selling, general and administrative expenses	32,593	34,461	108,201	114,228
Interest expense	81	153	311	515
Other expense (income) - net	70	(208)	(1,104)	(150)
Income before income taxes	13,346	10,282	56,256	47,674
Provision for income taxes	4,538	3,146	19,127	15,971
Net income	8,808	7,136	37,129	31,703
Less preferred dividends and accretion	(38)	(150)	(238)	(449)
Earnings available to common shareholders	<u>\$ 8,770</u>	<u>\$ 6,986</u>	<u>\$ 36,891</u>	<u>\$ 31,254</u>
Earnings per common share:				
Basic	<u>\$ .19</u>	<u>\$ .15</u>	<u>\$ .80</u>	<u>\$ .67</u>
Diluted	<u>\$ .19</u>	<u>\$ .15</u>	<u>\$ .79</u>	<u>\$ .67</u>
Weighted average common shares outstanding:				
Basic	<u>46,358</u>	<u>46,331</u>	<u>46,345</u>	<u>46,330</u>
Diluted	<u>46,580</u>	<u>46,522</u>	<u>46,550</u>	<u>46,516</u>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL BEVERAGE CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**  
(In thousands)

	Three Months Ended		Nine Months Ended	
	January 31, 2015	January 25, 2014	January 31, 2015	January 25, 2014
Net income	\$ 8,808	\$ 7,136	\$ 37,129	\$ 31,703
Other comprehensive (loss) income, net of tax:				
Cash flow hedges	(846)	342	(235)	383
Comprehensive income	<u>\$ 7,962</u>	<u>\$ 7,478</u>	<u>\$ 36,894</u>	<u>\$ 32,086</u>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL BEVERAGE CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)**  
(In thousands)

	Nine Months Ended	
	January 31, 2015	January 25, 2014
<b>Series C Preferred Stock</b>		
Beginning and end of period	\$ 150	\$ 150
<b>Series D Preferred Stock</b>		
Beginning of period	240	400
Series D preferred redeemed	(120)	-
End of period	120	400
<b>Common Stock</b>		
Beginning and end of period	504	504
<b>Additional Paid-In Capital</b>		
Beginning of period	42,775	50,398
Series D preferred redeemed	(5,791)	-
Stock-based compensation	212	56
Other	315	(35)
End of period	37,511	50,419
<b>Retained Earnings</b>		
Beginning of period	80,737	37,828
Net income	37,129	31,703
Preferred stock dividends and accretion	(238)	(449)
End of period	117,628	69,082
<b>Accumulated Other Comprehensive Income (Loss)</b>		
Beginning of period	(205)	(964)
Cash flow hedges, net of tax	(235)	383
End of period	(440)	(581)
<b>Treasury Stock - Series C Preferred</b>		
Beginning and end of period	(5,100)	(5,100)
<b>Treasury Stock - Common</b>		
Beginning and end of period	(12,900)	(12,900)
<b>Total Shareholders' Equity</b>	<b>\$ 137,473</b>	<b>\$ 101,974</b>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL BEVERAGE CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
(In thousands)

	Nine Months Ended	
	January 31, 2015	January 25, 2014
<b>Operating Activities:</b>		
Net income	\$ 37,129	\$ 31,703
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,873	8,909
Deferred income tax provision (benefit)	350	(149)
(Gain) loss on disposal of property, net	(1,255)	10
Stock-based compensation	212	56
Changes in assets and liabilities:		
Trade receivables	6,904	12,812
Inventories	(2,579)	(3,229)
Prepaid and other assets	(301)	(1,814)
Accounts payable	(12,128)	(11,162)
Accrued and other liabilities	(491)	(4,829)
Net cash provided by operating activities	<u>36,714</u>	<u>32,307</u>
<b>Investing Activities:</b>		
Additions to property, plant and equipment	(7,161)	(8,009)
Proceeds from sale of property, plant and equipment	1,848	34
Net cash used in investing activities	<u>(5,313)</u>	<u>(7,975)</u>
<b>Financing Activities:</b>		
Dividends paid on preferred stock	(201)	(449)
Repayments under credit facilities	(15,000)	(15,000)
Redemption of preferred stock	(6,000)	-
Other, net	315	(35)
Net cash used in financing activities	<u>(20,886)</u>	<u>(15,484)</u>
<b>Net Increase in Cash and Equivalents</b>	<b>10,515</b>	<b>8,848</b>
<b>Cash and Equivalents - Beginning of Year</b>	<b>29,932</b>	<b>18,267</b>
<b>Cash and Equivalents - End of Period</b>	<b><u>\$ 40,447</u></b>	<b><u>\$ 27,115</u></b>
<b>Other Cash Flow Information:</b>		
Interest paid	<u>\$ 320</u>	<u>\$ 589</u>
Income taxes paid	<u>\$ 18,744</u>	<u>\$ 17,835</u>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL BEVERAGE CORP. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

National Beverage Corp. develops, manufactures, markets and sells a diverse portfolio of flavored beverage products primarily in North America. Incorporated in Delaware in 1985, National Beverage Corp. is a holding company for various operating subsidiaries. When used in this report, the terms “we,” “us,” “our,” “Company” and “National Beverage” mean National Beverage Corp. and its subsidiaries.

**1. SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The consolidated financial statements include the accounts of National Beverage Corp. and its subsidiaries. Significant intercompany transactions and accounts have been eliminated.

The consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (“GAAP”) and rules and regulations of the Securities and Exchange Commission for interim financial reporting. Accordingly, they do not include all information and notes presented in the annual consolidated financial statements. The consolidated financial statements should be read in conjunction with the annual consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended May 3, 2014. The accounting policies used in these interim consolidated financial statements are consistent with those used in the annual consolidated financial statements.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. In our opinion, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Results for the interim periods presented are not necessarily indicative of results which might be expected for the entire fiscal year.

***Derivative Financial Instruments***

We use derivative financial instruments to partially mitigate our exposure to changes in raw material costs. All derivative financial instruments are recorded at fair value in our Consolidated Balance Sheets. The estimated fair value of derivative financial instruments is calculated based on market rates to settle the instruments. We do not use derivative financial instruments for trading or speculative purposes. Credit risk related to derivative financial instruments is managed by requiring high credit standards for counterparties and frequent cash settlements. See Note 5.

***Earnings Per Common Share***

Basic earnings per common share is computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per common share is calculated in a similar manner, but includes the dilutive effect of stock options.

***Inventories***

Inventories are stated at the lower of first-in, first-out cost or market. Inventories at January 31, 2015 are comprised of finished goods of \$27.5 million and raw materials of \$19.0 million. Inventories at May 3, 2014 are comprised of finished goods of \$27.2 million and raw materials of \$16.7 million.



## 2. PROPERTY, PLANT AND EQUIPMENT

Property consists of the following:

	(In thousands)	
	January 31, 2015	May 3, 2014
Land	\$ 9,500	\$ 9,779
Buildings and improvements	49,809	51,494
Machinery and equipment	155,325	148,699
Total	214,634	209,972
Less accumulated depreciation	(156,437)	(150,478)
Property, plant and equipment – net	<u>\$ 58,197</u>	<u>\$ 59,494</u>

Depreciation expense was \$2.5 million and \$7.8 million for the three and nine months ended January 31, 2015, respectively, and \$2.5 million and \$7.5 million for the three and nine months ended January 25, 2014, respectively.

## 3. DEBT

At January 31, 2015, a subsidiary of the Company maintained unsecured revolving credit facilities with banks aggregating \$100 million (the “Credit Facilities”). The Credit Facilities expire from April 30, 2016 to October 10, 2017 and current borrowings bear interest at .9% above one-month LIBOR (1.1% at January 31, 2015). Borrowings outstanding under the Credit Facilities were \$15 million at January 31, 2015 and \$30 million at May 3, 2014. At January 31, 2015, \$2.2 million of the Credit Facilities was reserved for standby letters of credit and \$82.8 million was available for borrowings.

The Credit Facilities require the subsidiary to maintain certain financial ratios, including debt to net worth and debt to EBITDA (as defined in the Credit Facilities), and contain other restrictions, none of which are expected to have a material effect on our operations or financial position. At January 31, 2015, we were in compliance with all loan covenants.

## 4. STOCK-BASED COMPENSATION

During the nine months ended January 31, 2015, options to purchase 276,800 shares of common stock were granted (weighted average exercise price of \$17.84 per share), options to purchase 36,700 shares were exercised (weighted average exercise price of \$3.92 per share) and options to purchase 7,800 shares were cancelled (weighted average exercise price of \$17.35). At January 31, 2015, options to purchase 636,655 shares (weighted average exercise price of \$11.17 per share) were outstanding and stock-based awards to purchase 2,769,089 shares of common stock were available for grant.

## 5. DERIVATIVE FINANCIAL INSTRUMENTS

From time to time, we enter into aluminum swap contracts to partially mitigate our exposure to changes in the cost of aluminum cans. Such financial instruments are designated and accounted for as a cash flow hedge. Accordingly, gains or losses attributable to the effective portion of the cash flow hedge are reported in Accumulated Other Comprehensive Income (Loss) ("AOCI") and reclassified into earnings through cost of sales in the period in which the hedged transaction affects earnings. The ineffective portion of the change in fair value of our cash flow hedges were immaterial. The following summarizes the gains (losses) recognized in the Consolidated Statements of Income and AOCI relative to cash flow hedges for the three and nine months ended January 31, 2015 and January 25, 2014:

	(In thousands)			
	Three Months Ended		Nine Months Ended	
	2015	2014	2015	2014
<b>Recognized in AOCI:</b>				
Gain (loss) before income taxes	\$ (1,096)	\$ (53)	\$ 152	\$ (1,203)
Less income tax provision (benefit)	(407)	(20)	56	(447)
Net	<u>\$ (689)</u>	<u>\$ (33)</u>	<u>\$ 96</u>	<u>\$ (756)</u>
<b>Reclassified from AOCI to cost of sales:</b>				
Gain (loss) before income taxes	\$ 249	\$ (596)	\$ 526	\$ (1,811)
Less income tax provision (benefit)	92	(221)	195	(672)
Net	<u>\$ 157</u>	<u>\$ (375)</u>	<u>\$ 331</u>	<u>\$ (1,139)</u>
Net change to AOCI	<u>\$ (846)</u>	<u>\$ 342</u>	<u>\$ (235)</u>	<u>\$ 383</u>

As of January 31, 2015, the notional amount of our outstanding aluminum swap contracts was \$44.9 million and, assuming no change in the commodity prices, \$424,000 of unrealized loss before tax will be reclassified from AOCI and recognized in earnings over the next twelve months. See Note 1.

As of January 31, 2015, the fair value of the derivative asset, derivative long-term asset and derivative liability was \$273,000, \$56,000 and \$697,000, which was included in prepaid and other assets, other assets and accrued liabilities, respectively. At May 3, 2014, the fair value of the derivative asset was \$5,000, which was included in prepaid and other assets. Such valuation does not entail a significant amount of judgment and the inputs that are significant to the fair value measurement are Level 2 as defined by the fair value hierarchy as they are observable market based inputs or unobservable inputs that are corroborated by market data.

## 6. PREFERRED STOCK REDEMPTION

On August 1, 2014, the Company redeemed 120,000 shares of Series D Preferred, representing 50% of the amount outstanding, for an aggregate price of \$6 million plus accrued dividends. In connection therewith, the Company accreted and charged to retained earnings \$89,000 of original issuance costs, which was deducted from income available to common shareholders for earnings per share calculation.

## 7. COMMITMENTS AND CONTINGENCIES

As of January 31, 2015, we guaranteed the residual value of certain leased equipment in the amount of \$5.0 million. On July 31, 2014, the lease term was extended for 36 months to August 1, 2017. If the proceeds from the sale of such equipment are less than the balance required by the lease when the lease terminates, the Company shall be required to pay the difference up to such guaranteed amount. The Company expects to have no loss on such guarantee.

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

### OVERVIEW

National Beverage Corp. is an acknowledged leader in the development, manufacturing, marketing and sale of a diverse portfolio of flavored beverage products. Our primary market focus is the United States, but our products are also distributed in Canada, Mexico, the Caribbean, Latin America, the Pacific Rim, Asia, Europe and the Middle East. A holding company for various operating subsidiaries, National Beverage Corp. was incorporated in Delaware in 1985 and began trading as a public company on the NASDAQ Stock Market in 1991. In this report, the terms "we," "us," "our," "Company" and "National Beverage" mean National Beverage Corp. and its subsidiaries unless indicated otherwise.

Our brands consist of (i) beverages geared toward the active and health-conscious consumer ("Power+ Brands"), including energy drinks and shots, juices, sparkling waters and enhanced beverages, and (ii) Carbonated Soft Drinks in a variety of flavors as well as regular, diet and reduced-calorie options. In addition, we produce soft drinks for certain retailers ("Allied Brands") that endorse the "Strategic Alliance" concept of having our brands and Allied Brands marketed to effectuate enhanced growth of both. We employ a philosophy that emphasizes vertical integration; our manufacturing model integrates the procurement of raw materials and production of concentrates with the manufacture of finished products in our twelve manufacturing facilities. To service a diverse customer base that includes numerous national retailers as well as thousands of smaller "up-and-down-the-street" accounts, we have developed a hybrid distribution system that promotes and utilizes customer warehouse distribution facilities and our own direct-store delivery fleet plus the direct-store delivery systems of independent distributors and wholesalers.

We consider ourselves to be a leader in the development and sale of flavored beverage products. The National Beverage Corp. brand portfolio contains a wide variety of beverages to meet consumer needs in a multitude of market segments. Our portfolio of Power+ Brands is targeted to consumers seeking healthier and functional alternatives to complement their active lifestyles, and includes LaCroix® and LaCroix Cûrate™ sparkling water products; Rip It® energy drinks and shots; and Everfresh® and Everfresh Premier Varietals™, 100% juice and juice-based products. Our carbonated soft drink flavor development spans 125 years originating with our flagship brands, Shasta® and Faygo®.

Our strategy emphasizes the growth of our products by (i) expanding our focus on healthier and functional beverages tailored toward healthy, active lifestyles, (ii) offering a beverage portfolio of proprietary flavors with distinctive packaging and broad demographic appeal, (iii) supporting the franchise value of regional brands, (iv) appealing to the "quality-value" expectations of the family consumer, and (v) responding to demographic trends by developing innovative products designed to expand distribution.

The majority of our sales are seasonal with the highest volume typically realized during the summer months. As a result, our operating results from one fiscal quarter to the next may not be comparable. Additionally, our operating results are affected by numerous factors, including fluctuations in the costs of raw materials, changes in consumer preference for beverage products, competitive pricing in the marketplace and weather conditions.

## RESULTS OF OPERATIONS

### Three Months Ended January 31, 2015 (third quarter of fiscal 2015) compared to Three Months Ended January 25, 2014 (third quarter of fiscal 2014)

Net sales for the third quarter of fiscal 2015 increased 4.6% to \$143.0 million compared to \$136.8 million for the third quarter of fiscal 2014. The higher sales resulted from a 3.3% increase in case volume and a 1.2% increase in average selling price per unit. The improvement in case volume is due to a 5.4% increase in branded volume, including a 20.1% case volume growth in Power+ Brands, partially offset by a decrease in Allied Brands. The increase in selling price per unit is related to changes in product mix.

Gross profit approximated 32.2% of net sales for the third quarter of fiscal 2015 compared to 32.7% of net sales for the third quarter of fiscal 2014. The gross margin decline resulted from changes in product mix. Cost of sales per unit increased 1.9%.

Selling, general and administrative expenses were \$32.6 million or 22.8% of net sales for the third quarter of fiscal 2015 compared to \$34.5 million or 25.2% of net sales for the third quarter of fiscal 2014. The decline in expenses was primarily due to lower marketing costs.

Interest expense decreased to \$81,000 for the third quarter of fiscal 2015, primarily due to lower borrowings under credit facilities. Other expense includes interest income of \$8,000 for the third quarter of fiscal 2015 and \$3,000 for the third quarter of fiscal 2014.

The Company's effective income tax rate, based upon estimated annual income tax rates, was 34.0% for the third quarter of fiscal 2015 and 30.6% for the third quarter of fiscal 2014. The difference between the effective rate and the federal statutory rate of 35% was primarily due to the effect of state income taxes and the manufacturing deduction.

### Nine Months Ended January 31, 2015 (first nine months of fiscal 2015) compared to Nine Months Ended January 25, 2014 (first nine months of fiscal 2014)

Net sales for the first nine months of fiscal 2015 increased .9% to \$481.2 million compared to \$476.8 million for the nine months of fiscal 2014. The higher sales resulted from a 2.1% increase in case volume partially offset by a 1.1% decline in average selling price per unit. The increase in case volume reflects a 5.0% increase in branded volume, including a 17.5% case volume growth in Power+ Brands, partially offset by a decline in Allied Brands. The decline in selling price per unit is related to changes in product mix.

Gross profit approximated 34.0% of net sales for the first nine months of fiscal 2015 and the first nine months of fiscal 2014. Cost of sales per unit declined 1.1% primarily due to product mix changes.

Selling, general & administrative expenses were \$108.2 million or 22.5% of net sales for the first nine months of fiscal 2015 compared to \$114.2 million or 24.0% of net sales for the first nine months of fiscal 2014. The decrease in expenses was due to lower selling and marketing expenses.

Interest expense decreased to \$311,000 for the first nine months of fiscal 2015, primarily due to lower borrowings under credit facilities. Other income includes a \$1.3 million gain on sale of property in the first quarter of fiscal 2015.

The Company's effective income tax rate, based upon estimated annual income tax rates, was 34.0% for the first nine months of fiscal 2015 and 33.5% for the first nine months of fiscal 2014. The difference between the effective rate and the federal statutory rate of 35% was primarily due to the effect of state income taxes and the manufacturing deduction.

## **LIQUIDITY AND FINANCIAL CONDITION**

### **Liquidity and Capital Resources**

The Company's principal source of funds is cash generated from operations and borrowings available under our credit facilities. At January 31, 2015, we maintained \$100 million unsecured revolving credit facilities of which \$15 million of borrowings were outstanding and \$2.2 million was reserved for standby letters of credit. We believe that existing capital resources will be sufficient to meet our liquidity and capital requirements for the next twelve months.

On August 1, 2014, the Company redeemed 120,000 shares of Series D Preferred, representing 50% of the amount outstanding, for an aggregate price of \$6 million. See Note 6 of Notes to Consolidated Financial Statements.

### **Cash Flows**

The Company's cash position for the first nine months of fiscal 2015 increased \$10.5 million from May 3, 2014, which compares to an increase of \$8.8 million for the first nine months of fiscal 2014.

Net cash provided by operating activities for the first nine months of fiscal 2015 amounted to \$36.7 million compared to \$32.3 million for the first nine months of fiscal 2014. For the first nine months of fiscal 2015, cash flow was principally provided by net income of \$37.1 million, depreciation and amortization aggregating \$8.9 million and a decline in trade receivables, offset in part by a decrease in accounts payable.

Net cash used in investing activities for the first nine months of fiscal 2015 reflects capital expenditures of \$7.2 million, compared to capital expenditures of \$8.0 million for the first nine months of fiscal 2014. The first nine months of fiscal 2015 includes proceeds of \$1.8 million from the sale of property.

Net cash used in financing activities for the first nine months of fiscal 2015 amounted to \$20.9 million, which included \$15 million in principal repayments under credit facilities and \$6 million for the redemption of preferred stock.

### **Financial Position**

During the first nine months of fiscal 2015, working capital increased \$17.7 million to \$96.3 million. The increase in working capital resulted primarily from higher cash and a decline in payables, partially offset by a lower receivables balance. Trade receivables decreased \$6.9 million as days sales outstanding declined from 34.7 days at May 3, 2014 to 32.6 days at January 31, 2015. Inventories increased approximately \$2.6 million primarily due to higher quantities to support new product introductions and sales growth in Power+ Brands. The current ratio was 2.8 to 1 at January 31, 2015 and 2.2 to 1 at May 3, 2014.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There have been no material changes in market risks from those reported in our Annual Report on Form 10-K for the fiscal year ended May 3, 2014.

### **ITEM 4. CONTROLS AND PROCEDURES**

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act). Based upon that evaluation, the Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective to ensure information required to be disclosed by us in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in SEC rules and (2) accumulated and communicated to our management, including our Chief Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **FORWARD-LOOKING STATEMENTS**

Certain statements in this Quarterly Report on Form 10-Q (the "Form 10-Q") constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the following: general economic and business conditions, pricing of competitive products, success in acquiring other beverage businesses, success of new product and flavor introductions, fluctuations in the costs of raw materials, our ability to increase selling prices, continued retailer support for our products, changes in consumer preferences, success of implementing business strategies, changes in business strategy or development plans, government regulations, regional weather conditions and other factors referenced in this Form 10-Q. For a further list and description of various risks, relevant factors and uncertainties that could cause future results or events to differ materially from those expressed or implied in our forward-looking statements, see the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections contained in our Annual Report on Form 10-K for the fiscal year ended May 3, 2014 and other filings with the Securities and Exchange Commission. We disclaim an obligation to update any such factors or to publicly announce the results of any revisions to any forward-looking statements contained herein to reflect future events or developments.

## PART II - OTHER INFORMATION

### ITEM 1A. RISK FACTORS

There have been no material changes in risk factors from those reported in our Annual Report on Form 10-K for the fiscal year ended May 3, 2014.

### ITEM 6. EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from National Beverage Corp. Quarterly Report on Form 10-Q for the quarterly period ended January 31, 2015, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Income; (iii) Consolidated Statements of Comprehensive Income; (iv) Consolidated Statements of Shareholders' Equity; (v) Consolidated Statements of Cash Flows; and (vi) the Notes to Consolidated Financial Statements.

**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 thereunto duly authorized.

Date: March 12, 2015

National Beverage Corp.  
(Registrant)

By: /s/ Gregory P. Cook  
Gregory P. Cook  
Vice President – Controller and  
Chief Accounting Officer



## CERTIFICATION

I, Nick A. Caporella, certify that:

1. I have reviewed this quarterly report on Form 10-Q of National Beverage Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 12, 2015

/s/ Nick A. Caporella

Nick A. Caporella  
Chairman of the Board and  
Chief Executive Officer

## CERTIFICATION

I, George R. Bracken, certify that:

1. I have reviewed this quarterly report on Form 10-Q of National Beverage Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 12, 2015

/s/ George R. Bracken

George R. Bracken

Executive Vice President – Finance

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of National Beverage Corp. (the "Company") on Form 10-Q for the period ended January 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nick A. Caporella, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 12, 2015

/s/ Nick A. Caporella

Nick A. Caporella  
Chairman of the Board and  
Chief Executive Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of National Beverage Corp. (the "Company") on Form 10-Q for the period ended January 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, George R. Bracken, Executive Vice President - Finance of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 12, 2015

/s/ George R. Bracken  
George R. Bracken  
Executive Vice President – Finance  
(Principal Financial Officer)

