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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 25, 2014

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 February 26, 2014 was 46,332,515.

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**ITEM 1. FINANCIAL STATEMENTS**

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

	January 25, 2014	April 27, 2013
<b>Assets</b>		
Current assets:		
Cash and equivalents	\$ 27,115	\$ 18,267
Trade receivables - net	51,257	64,069
Inventories	42,463	39,234
Deferred income taxes - net	3,534	3,665
Prepaid and other assets	7,738	5,706
Total current assets	132,107	130,941
Property, plant and equipment - net	57,734	57,307
Goodwill	13,145	13,145
Intangible assets	1,615	1,615
Other assets	5,549	5,634
Total assets	<u>\$ 210,150</u>	<u>\$ 208,642</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 33,099	\$ 44,261
Accrued liabilities	15,333	19,142
Income taxes payable	90	34
Total current liabilities	48,522	63,437
Long-term debt	35,000	50,000
Deferred income taxes - net	14,272	14,327
Other liabilities	10,382	10,562
Shareholders' equity:		
Preferred stock, \$1 par value - 1,000,000 shares authorized:		
Series C - 150,000 shares issued	150	150
Series D - 400,000 shares issued, aggregate liquidation preference of \$20,000	400	400
Common stock, \$.01 par value - 75,000,000 shares authorized; 50,364,699 shares issued (50,361,799 shares at April 27, 2013)	504	504
Additional paid-in capital	50,419	50,398
Retained earnings	69,082	37,828
Accumulated other comprehensive loss	(581)	(964)
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	101,974	70,316
Total liabilities and shareholders' equity	<u>\$ 210,150</u>	<u>\$ 208,642</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 25, 2014	January 26, 2013	January 25, 2014	January 26, 2013
Net sales	\$ 136,774	\$ 144,723	\$ 476,793	\$ 494,140
Cost of sales	92,086	98,370	314,526	334,903
Gross profit	44,688	46,353	162,267	159,237
Selling, general and administrative expenses	34,461	33,930	114,228	106,310
Interest expense	153	116	515	179
Other (income) expense - net	(208)	23	(150)	145
Income before income taxes	10,282	12,284	47,674	52,603
Provision for income taxes	3,146	3,870	15,971	17,780
Net income	7,136	8,414	31,703	34,823
Less preferred dividends	(150)	(3)	(449)	(3)
Earnings available to common shareholders	\$ 6,986	\$ 8,411	\$ 31,254	\$ 34,820
Earnings per common share:				
Basic	\$ .15	\$ .18	\$ .67	\$ .75
Diluted	\$ .15	\$ .18	\$ .67	\$ .75
Weighted average common shares outstanding:				
Basic	46,331	46,321	46,330	46,304
Diluted	46,522	46,482	46,516	46,478

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 25, 2014	January 26, 2013	January 25, 2014	January 26, 2013
Net income	\$ 7,136	\$ 8,414	\$ 31,703	\$ 34,823
Other comprehensive gain, net of tax:				
Cash flow hedges	342	615	383	235
Comprehensive income	<u>\$ 7,478</u>	<u>\$ 9,029</u>	<u>\$ 32,086</u>	<u>\$ 35,058</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 25, 2014	January 26, 2013
<b>Series C Preferred Stock</b>		
Beginning and end of period	\$ 150	\$ 150
<b>Series D Preferred Stock</b>		
Beginning of period	400	-
Preferred stock issued	-	400
End of period	400	400
<b>Common Stock</b>		
Beginning of period	504	503
Other	-	1
End of period	504	504
<b>Additional Paid-In Capital</b>		
Beginning of period	50,398	30,425
Preferred stock issued	-	19,310
Stock-based compensation	56	183
Other	(35)	330
End of period	50,419	50,248
<b>Retained Earnings</b>		
Beginning of period	37,828	109,200
Net income	31,703	34,823
Common stock cash dividend	-	(118,139)
Preferred stock cash dividend	(449)	(3)
End of period	69,082	25,881
<b>Accumulated Other Comprehensive Loss</b>		
Beginning of period	(964)	(642)
Cash flow hedges, net of tax	383	235
End of period	(581)	(407)
<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>	<u>\$ 101,974</u>	<u>\$ 58,776</u>

See accompanying Notes to Consolidated Financial Statements.

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

	Nine Months Ended	
	January 25, 2014	January 26, 2013
<b>Operating Activities:</b>		
Net income	\$ 31,703	\$ 34,823
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,909	8,435
Deferred income tax benefit	(149)	(453)
Loss on disposal of property, net	10	56
Stock-based compensation	56	183
Changes in assets and liabilities:		
Trade receivables	12,812	10,413
Inventories	(3,229)	(800)
Prepaid and other assets	(1,814)	(1,540)
Accounts payable	(11,162)	(19,949)
Accrued and other liabilities	(4,829)	(4,198)
Net cash provided by operating activities	32,307	26,970
<b>Investing Activities:</b>		
Additions to property, plant and equipment	(8,009)	(6,025)
Proceeds from sale of property, plant and equipment	34	22
Net cash used in investing activities	(7,975)	(6,003)
<b>Financing Activities:</b>		
Dividends paid on common stock	-	(118,139)
Dividends paid on preferred stock	(449)	-
Borrowings (repayments) under credit facilities, net	(15,000)	60,000
Proceeds from sale of preferred stock, net	-	19,710
Other, net	(35)	331
Net cash used in financing activities	(15,484)	(38,098)
<b>Net Increase (Decrease) in Cash and Equivalents</b>	<b>8,848</b>	<b>(17,131)</b>
<b>Cash and Equivalents - Beginning of Year</b>	<b>18,267</b>	<b>35,626</b>
<b>Cash and Equivalents - End of Period</b>	<b>\$ 27,115</b>	<b>\$ 18,495</b>
<b>Other Cash Flow Information:</b>		
Interest paid	\$ 589	\$ 160
Income taxes paid	\$ 17,835	\$ 17,527

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 April 27, 2013. 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 25, 2014 are comprised of finished goods of \$24.0 million and raw materials of \$18.5 million. Inventories at April 27, 2013 are comprised of finished goods of \$23.2 million and raw materials of \$16.0 million.



## 2. PROPERTY, PLANT AND EQUIPMENT

Property consists of the following:

	(In thousands)	
	January 25, 2014	April 27, 2013
Land	\$ 9,779	\$ 9,779
Buildings and improvements	50,347	49,391
Machinery and equipment	147,289	141,314
Total	207,415	200,484
Less accumulated depreciation	(149,681)	(143,177)
Property, plant and equipment – net	<u>\$ 57,734</u>	<u>\$ 57,307</u>

Depreciation expense was \$2.5 million and \$7.5 million for the three and nine months ended January 25, 2014, respectively, and \$2.2 million and \$6.9 million for the three and nine months ended January 26, 2013, respectively.

## 3. DEBT

At January 25, 2014, a subsidiary of the Company maintained unsecured revolving credit facilities with banks aggregating \$100 million (the “Credit Facilities”). The Credit Facilities expire from November 22, 2015 to April 30, 2016 and current borrowings bear interest at .9% above one-month LIBOR (1.1% at January 25, 2014). At January 25, 2014, borrowings outstanding under the Credit Facilities were \$35 million, \$2.3 million of the Credit Facilities were used for standby letters of credit and \$62.7 million were 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 25, 2014, we were in compliance with all loan covenants.

## 4. STOCK-BASED COMPENSATION

During the nine months ended January 25, 2014, options to purchase 5,245 shares of common stock were granted (weighted average exercise price of \$7.43 per share), options to purchase 2,900 shares were exercised (weighted average exercise price of \$5.75 per share), and options to purchase 35,900 shares were cancelled (weighted average exercise price of \$7.66). At January 25, 2014, options to purchase 408,255 shares (weighted average exercise price of \$6.70 per share) were outstanding and stock-based awards to purchase 3,037,289 shares of common stock were available for grant.

## 5. DERIVATIVE FINANCIAL INSTRUMENTS

We have entered into various aluminum swap contracts to partially mitigate our exposure to changes in the cost of aluminum cans through April 2014. The financial instruments were 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 Loss ("AOCL") 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 hedge was immaterial. The following summarizes the gains (losses) recognized in the Consolidated Statements of Income and Comprehensive Income relative to cash flow hedges for the three and nine months ended January 25, 2014 and January 26, 2013:

	(In thousands)			
	Three Months Ended		Nine Months Ended	
	2014	2013	2014	2013
<b>Recognized in AOCL:</b>				
Gain (loss) before income taxes	\$ (53)	\$ 735	\$ (1,203)	\$ (1,408)
Less income tax provision (benefit)	(20)	272	(447)	(523)
Net	<u>\$ (33)</u>	<u>\$ 463</u>	<u>\$ (756)</u>	<u>\$ (885)</u>
<b>Reclassified from AOCL to cost of sales:</b>				
Loss before income taxes	\$ (596)	\$ (242)	\$ (1,811)	\$ (1,788)
Less income tax benefit	(221)	(90)	(672)	(668)
Net	<u>\$ (375)</u>	<u>\$ (152)</u>	<u>\$ (1,139)</u>	<u>\$ (1,120)</u>
<b>Net change to AOCL</b>	<u><b>\$ 342</b></u>	<u><b>\$ 615</b></u>	<u><b>\$ 383</b></u>	<u><b>\$ 235</b></u>

As of January 25, 2014, the notional amount of our outstanding aluminum swap contracts was \$8.2 million and, assuming no change in the commodity prices, \$356,000 of unrealized loss before tax will be reclassified from AOCL and recognized in cost of sales over the next three months. See Note 1.

As of January 25, 2014 and April 27, 2013, the fair value of the derivative liability was \$356,000 and \$964,000, respectively, which was included in accrued liabilities. 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. COMMITMENTS AND CONTINGENCIES

As of January 25, 2014, we guaranteed the residual value of certain leased equipment in the amount of \$5.7 million. On August 1, 2013, the lease term was extended for 12 months to August 1, 2014. If the proceeds from the sale of such equipment are less than the balance required by the lease when the lease terminates, the Company will be required to pay the difference up to such guaranteed amount. The Company expects to have no loss on such guarantee.

## 7. COMMON STOCK CASH DIVIDENDS

On November 23, 2012, the Company declared a special cash dividend of \$2.55 per share payable to shareholders of record on December 7, 2012. The cash dividend, aggregating \$118.1 million, was paid from available cash and borrowings under credit facilities on December 27, 2012.

## 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) carbonated soft drinks in a variety of flavors as well as regular, diet and reduced-calorie options, and (ii) beverages geared toward the active and health-conscious consumer ("Power+ Brands"), including energy drinks and shots, juices, sparkling waters and enhanced beverages. In addition, we produce soft drinks for certain retailers ("Allied Brands") that endorse the concept ("Strategic Alliance") of having our brands and the Allied Brands marketed to produce the effect of enhanced growth of both. We employ a philosophy that emphasizes vertical integration; our vertically-integrated manufacturing model unites 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 hundreds of smaller "up-and-down-the-street" accounts, we have developed a hybrid distribution system that promotes and utilizes customers' 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. Our carbonated soft drink flavor development spans over 100 years originating with our flagship brands, Shasta® and Faygo®, and includes our Ritz® and Big Shot® brands along with St. Nick's® holiday soft drinks. Our portfolio of products we refer to as Power+ Brands are targeted to consumers seeking healthier and functional alternatives to complement their active lifestyles, and include LaCroix®, Crystal Bay® and Clear Fruit® flavored, sparkling and spring water products; Rip It® energy drinks and shots; Mega Sport® isotonic sports drinks; Everfresh®, Home Juice® and Mr. Pure® 100% juice and juice-based products and Ohana® fruit-flavored non-carbonated fruit drinks, lemonades and teas.

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

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 25, 2014 (third quarter of fiscal 2014) compared to Three Months Ended January 26, 2013 (third quarter of fiscal 2013)

Net sales for the third quarter of fiscal 2014 decreased 5.5% to \$136.8 million compared to \$144.7 million for the third quarter of fiscal 2013. The lower sales resulted from an 8.8% decline in carbonated soft drink volume, principally due to unfavorable weather conditions and industry-wide consumption decline. This decline was partially offset by case volume growth of 9.2% for our Power+ Brands.

Gross profit approximated 32.7% of net sales for the third quarter of fiscal 2014 compared to 32.0% of net sales for the third quarter of fiscal 2013. The gross profit margin improvement was due to favorable product mix changes and lower raw material costs. Cost of sales per unit declined 2.6%.

Selling, general & administrative expenses were \$34.5 million or 25.2% of net sales for the third quarter of fiscal 2014 compared to \$33.9 million or 23.4% of net sales for the third quarter of fiscal 2013. The increase in expenses was due to higher selling and marketing expenses.

Interest expense increased to \$153,000 for the third quarter of fiscal 2014, primarily due to increased borrowings under credit facilities. Other expense includes interest income of \$3,000 for the third quarter of fiscal 2014 and \$9,000 for the third quarter of fiscal 2013.

The Company's effective income tax rate, based upon estimated annual income tax rates, was 30.6% for the third quarter of fiscal 2014 and 31.5% for the third quarter of fiscal 2013. 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 25, 2014 (first nine months of fiscal 2014) compared to Nine Months Ended January 26, 2013 (first nine months of fiscal 2013)

Net sales for the first nine months of fiscal 2014 decreased 3.5% to \$476.8 million compared to \$494.1 million for the nine months of fiscal 2013. The lower sales resulted from an 8.2% decline in carbonated soft drink volume, principally due to unfavorable weather conditions and industry-wide consumption decline. This decline was partially offset by case volume growth of 7.1% for our Power+ Brands and a .5% improvement in unit pricing related to favorable product mix changes.

Gross profit approximated 34.0% of net sales for the first nine months of fiscal 2014 compared to 32.2% of net sales for the first nine months of fiscal 2013. The gross profit improvement is due to favorable product mix changes and higher unit pricing mentioned above. Cost of sales per unit declined 2.2%.

Selling, general & administrative expenses were \$114.2 million or 24.0% of net sales for the first nine months of fiscal 2014 compared to \$106.3 million or 21.5% of net sales for the first nine months of fiscal 2013. The increase in expenses was due to higher selling and marketing expenses.

Interest expense increased to \$515,000 for the first nine months of fiscal 2014, primarily due to increased borrowings under credit facilities. Other expense includes interest income of \$10,000 for the first nine months of fiscal 2014 and \$34,000 for the first nine months of fiscal 2013.

The Company's effective income tax rate, based upon estimated annual income tax rates, was 33.5% for the first nine months of fiscal 2014 and 33.8% for the first nine months of fiscal 2013. 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**

Our principal sources of funds are cash generated from operations and borrowings under our credit facilities. At January 25, 2014, we maintained \$100 million unsecured revolving credit facilities of which \$35 million of borrowings were outstanding and \$2.3 million was used 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.

### **Cash Flows**

The Company's cash position for the first nine months of fiscal 2014 increased \$8.8 million from April 27, 2013, which compares to a decrease of \$17.1 million for the similar 2013 fiscal period. Fiscal 2013 includes a common stock cash dividend of \$118.1 million paid on December 27, 2012.

Net cash provided by operating activities for the first nine months of fiscal 2014 amounted to \$32.3 million compared to \$27.0 million for the similar 2013 fiscal period. For the first nine months of fiscal 2014, cash flow was principally provided by net income of \$31.7 million and depreciation and amortization of \$8.9 million, offset in part by an increase in inventory and decline in liabilities.

Net cash used in investing activities for the first nine months of fiscal 2014, consisting of capital expenditures, amounted to \$8.0 million compared to \$6.0 million for the similar 2013 fiscal period.

Net cash used in financing activities for the first nine months of fiscal 2014 amounted to \$15.5 million, which included \$15 million in principal payments under Credit Facilities.

### **Financial Position**

During the first nine months of fiscal 2014, working capital increased \$16.1 million to \$83.6 million. The increase in working capital consisted of higher cash and inventory levels and seasonal decreases in trade receivables and current liabilities. Days sales outstanding declined from 34.7 days at April 27, 2013 to 34.1 days at January 25, 2014. Inventories increased \$3.2 million primarily due to higher inventory levels related to new products and to support planned customer promotions. The current ratio was 2.7 to 1 at January 25, 2014 compared to 2.1 to 1 at April 27, 2013.

## **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 April 27, 2013.

## **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 April 27, 2013 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 April 27, 2013.

### 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 25, 2014, 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 5, 2014

National Beverage Corp.  
(Registrant)

By: /s/ George R. Bracken

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George R. Bracken  
Executive Vice President - Finance



## 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 5, 2014

/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 5, 2014

/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 25, 2014 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 5, 2014

/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 25, 2014 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 5, 2014

/s/ George R. Bracken

George R. Bracken

Executive Vice President – Finance

(Principal Financial Officer)

