National Beverage

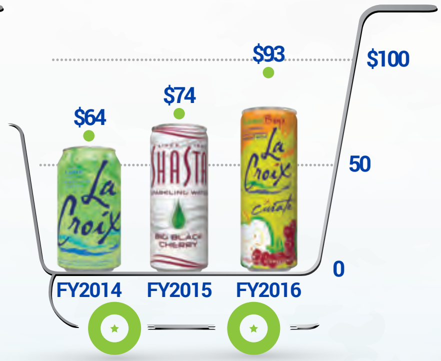
Indeterminable Value…

2016 Annual Report &
Proxy Statement

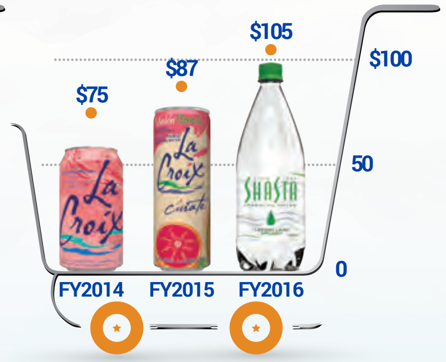
Shareholder Value

Carting Stats

Operating Margin
(in total percentage)



Operating Profit
(in millions)



EBITDA*
(in millions)

*EBITDA chart utilizes a non-GAAP measure

SUCCESS HAS A FRAMEWORK
BEGINS WITH . . . Sparkle

"With every package of Healthy Innocent LaCroix and Shasta Sparkling SDA (soft drink alternative) that is sold, we are accelerating the evolution – the transformation from once-upon-a-time acceptable – to today, technically great and smarter!"

Someone will feature a story in the future that portrays a beautiful can of sparkling water with the word *Innocent* printed on it, a Tesla electric car and a Smartphone with a Health App . . . *'The Beginning'* the story will read! Inevitable . . . sure thing!!

These last few years have witnessed a broad, startlingly chaotic transformation in our society, our planet, our lives and our Company. Yesteryear, if someone was opposing an acceptable trend, they were stuck-in-the-mud or a radical. Today, they are Gen Z or Millennials and *different* is praised and applauded for the courage provoking the change.

National Beverage deserves a tremendous amount of praise . . . not because I think so, but because consumers, retailers and investors say so! Why? . . . for the vision to accept the changing world and, far more importantly, to embrace the challenges and do something about them! Just recently, a major retailer selected brand LaCroix as its class partner due to its outstanding performance; and that same week our common stock reached a record high.

Today, our Company is an enterprising innovator, leaving the traditional superhighway behind. Our new course, our new pathway is called . . . *'Inevitable'* and our vehicle's name – *'Exponential!'* At destiny's resting place, we will have clearly resolved the magic of our mission . . . *'Indeterminable Value!'*

FY2016 was indeed our *'Breakout Year'* relative to innovation, creativity and financial results. Fundamentally, the financials speak for themselves. More important than the numbers, were the 'hard' decisions relative to strengthening the resolve and tweaking the focus on execution changes affecting the marketing and selling of sparkling water. A very significant marketing strategy was employed with a greater focus on our leadership role in the sparkling water category. Harnessing the team to the 'LaCroix Effect' and introducing the first clean label in the industry, Shasta Sparkling SDA (soft drink alternative), while expanding the use of *BrandED* and its consumer data intelligence, were all key in those 'hard' decisions.

We are blessed in many ways. We are also a highly determined, keenly aggressive, smartly led team that will not allow anything to stand between us and our charge. Our ultimate greatness is helping to make our America kinder, healthier and respected for its greatness!

So, what are we anticipating . . .

. . . an evolution, a revolutionary perfect scenario where the health/fitness population demands choices or they will not continue to purchase!

INNOCENT . . .

As a major part of fiscal resolution, America will demand of its citizens healthier lifestyles and this will involve goals and incentives to save and lower health care costs. This will work because debt-ridden America will not. This will work because it has to! The alternative is more than unhealthy. We, National Beverage, are perfectly ready and more – our assets, our brands and our philosophy are a fit with helping to make America healthier. Momentum will increase as exponential growth magnifies, initiated by the replacement of unhealthy choices with healthier options. Retailers will devote space to healthier products and a dynamic period will occur just like the beginning of the soda pop days. That's what we anticipate . . .

At present, we are in August and our first quarter has concluded – so we are anticipating spectacular results! Additionally, we want the momentum on all fronts to continue; innovation, creativity, sales and distribution to intensify; team harmony and courage to stand up to the challenges that an industry leader must confront; but, most notably . . . never, never focus on what others in our industry are doing. Instead, remain as vigilant on the space – the difference between us and the competition. If that space or difference gets bigger, we are doing the right things. If that space tightens, we must work to regain it – at whatever the cost!

INNOVATION

SHASTA
SPARKLING WATER

AGILITY . . .

We are Team National and our passion, agility and innovation will magnetize us to this leadership place – and here we will stay!

So, side-by-side with you, our shareholder, our teammate and our friend, let us continue to feel grateful for our good fortune. Our fiscal first quarter will redefine the caliber of our determined focus!

Joy, peace and goodness is on our minds and in our hearts. *Drink Healthy, Think Healthy and Be Healthy* and just maybe – a great habit is born!

Nick A. Caporella
Chairman and Chief Executive Officer

P.S. So, as one Salt Lake City *'believer'* sighed:
"I feel so fancy drinking from this elegant can!
I feel like I should have my pinky up!"

"Words rarely are spoken as precious as these," my heart smiled!

Financial Review

SELECTED FINANCIAL DATA

(In thousands, except per share and footnote amounts)	Fiscal Year Ended April 30, 2016	May 2, 2015	May 3, 2014(3)	April 27, 2013	April 28, 2012
SUMMARY OF OPERATIONS:					
Net sales	**$704,785**	$645,825	$641,135	$662,007	$628,886
Cost of sales	**463,348**	426,685	423,480	444,757	415,629
Gross profit	**241,437**	219,140	217,655	217,250	213,257
Selling, general and administrative expenses	**148,384**	145,157	153,220	146,223	146,169
Interest expense	**203**	371	660	403	107
Other expense (income)—net	**145**	(1,101)	666	173	85
Income before income taxes	**92,705**	74,713	63,109	70,451	66,896
Provision for income taxes	**31,507**	25,402	19,474	23,531	22,903
Net income	**$ 61,198**	$ 49,311	$ 43,635	$ 46,920	$ 43,993
PER SHARE DATA:					
Basic earnings per common share(1)	**$ 1.31**	$ 1.06	$ .93	$ 1.01	$ .95
Diluted earnings per common share(1)	**1.31**	1.05	.92	1.01	.95
Closing stock price	**46.74**	22.42	19.21	14.57	14.68
Dividends paid on common stock(2)	**—**	—	—	2.55	—
BALANCE SHEET DATA:					
Cash and equivalents(2)	**$105,577**	$ 52,456	$ 29,932	$ 18,267	$ 35,626
Working capital(2)	**148,057**	101,478	78,618	67,504	69,818
Property, plant and equipment—net	**61,932**	60,182	59,494	57,307	56,729
Total assets(2)	**305,498**	247,750	222,841	208,642	222,988
Long-term debt	**—**	10,000	30,000	50,000	—
Deferred income tax liability	**14,474**	15,245	13,873	14,327	14,214
Shareholders' equity(2)	**206,152**	147,782	106,201	70,316	121,636
Dividends paid on common stock(2)	**—**	—	—	118,139	—

(1) Basic earnings per common share is computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding. Diluted earnings per common share includes the dilutive effect of stock options.

(2) In Fiscal 2013, the Company paid special cash dividends on Common Stock of $118.1 million ($2.55 per share).

(3) Fiscal 2014 consisted of 53 weeks.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

National Beverage Corp. proudly refreshes America with a distinctive portfolio of Sparkling Waters, Juices, Energy Drinks and Carbonated Soft Drinks. We believe that our ingenious product designs, innovative packaging and imaginative flavors, along with our corporate culture and philosophy, makes National Beverage unique in the beverage industry. The Company's primary market focus is the United States, but our products are also distributed in various other countries. 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.

National Beverage is in an ongoing transition to meet the healthy hydration demands of the American consumer. Health and wellness awareness has increased significantly, resulting in growing demand for beverages with little or no calories and wholesome natural ingredients. Our brands emphasize distinctly-flavored beverages in attractive packaging that appeal to multiple demographic groups. The attentive, conscious and discriminating consumer is ever more alert to healthy choices and better-for-you ingredients that align to this transition and strategic focus.

Our brands consist of (i) beverages geared to the active and health-conscious consumer ("Power+ Brands") including sparkling waters, energy drinks, and juices, and (ii) Carbonated Soft Drinks in a variety of flavors including regular, sugar-free and reduced calorie options. To a lesser extent, we produce carbonated soft drinks for specific retailers ("Allied Brands") that endorse a strategic alliance concept of joint marketing to support growth of both brands. Our portfolio of Power+ Brands includes LaCroix®, LaCroix Cúrate™, LaCroix NiCola™ and Shasta® sparkling water products; Rip It® energy drinks and shots; and Everfresh®, Everfresh Premier Varietals™ and Mr. Pure® 100% juice and juice-based products. Our Carbonated Soft Drinks portfolio includes Shasta® and Faygo®, iconic brands whose flavor development spans more than 125 years.

To service a diverse customer base that includes numerous national retailers, as well as thousands of smaller "up-and-down-the-street" accounts, we utilize a hybrid distribution system to deliver our products primarily through the take-home, convenience and food-service channels.

Our strategy emphasizes the growth of our products by (i) developing healthier beverages in response to the global shift in consumer buying habits and tailoring the variety and types of beverages in our portfolio to satisfy the preferences of a diverse mix of 'crossover consumers' – a growing group desiring a change to better-for-you beverages; (ii) emphasizing flavor development and variety throughout our product lines and brands; (iii) producing and developing products of the highest quality that also appeal to the value expectations of the consumer; (iv) leveraging our efficient production and distribution systems, and our cost-effective social media and regionally focused marketing programs, to profitably deliver products at optimal consumer price-points; and (v) responding faster and more creatively to consumer trends than competitors who are burdened by production and distribution complexity as well as legacy costs.

The majority of our sales are seasonal with the highest volume typically realized during the summer and warmer 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

Net Sales Net sales for the fiscal year ended April 30, 2016 ("Fiscal 2016") increased 9.1% to $704.8 million compared to $645.8 million for the fiscal year ended May 2, 2015 ("Fiscal 2015"). The higher sales resulted from a 9.0% increase in case volume and a slight increase in average selling price. The volume increase includes 31.4% growth of our Power+ Brands, partially offset by a decline in branded carbonated soft drinks and Allied Brands.

Net sales for Fiscal 2015 increased .7% to $645.8 million compared to $641.1 million for the fiscal year ended May 3, 2014 ("Fiscal 2014"). The higher sales resulted from a 1.1% increase in case volume partially offset by a .4% decline in average selling price. The increase in case volume reflects a 2.9% increase in branded volume, including a 15.3% case volume growth for our Power+ Brands, partially offset by a decline in Allied Brands. The decline in average selling price is related to changes in product mix.

Gross Profit Gross profit for Fiscal 2016 increased 10.2% to $241.4 million compared to $219.1 million for Fiscal 2015. The increase in gross profit is primarily due to higher sales and a decline in cost of sales per case of .4%. The decrease in cost of sales per case was due to favorable product mix changes and lower raw material costs. As a result, gross margin improved to 34.3%.

Gross profit was 33.9% of net sales for Fiscal 2015 and Fiscal 2014. Cost of sales per unit declined .3% primarily due to product mix changes.

Shipping and handling costs are included in selling, general and administrative expenses, the classification of which is consistent with many beverage companies. However, our gross margin may not be comparable to companies that include shipping and handling costs in cost of sales. See Note 1 of Notes to Consolidated Financial Statements.

Selling, General and Administrative Expenses Selling, general and administrative expenses were $148.4 million or 21.1% of net sales for Fiscal 2016 compared to $145.2 million or 22.5% of net sales for Fiscal 2015. Fiscal 2016 expenses reflect higher distribution, selling and other volume related costs, partially offset by lower marketing costs.

Selling, general and administrative expenses were $145.2 million or 22.5% of net sales for Fiscal 2015 compared to $153.2 million or 23.9% of net sales for Fiscal 2014. Fiscal 2015 expenses reflect lower selling and marketing costs.

Interest Expense and Other Expense (Income) - Net Interest expense is comprised of interest on borrowings and fees related to maintaining lines of credit. Due to repayments on borrowings, interest expense decreased to $203,000 in Fiscal 2016 from

$371,000 in Fiscal 2015 and $660,000 in Fiscal 2014. Other expense is net of interest income of $107,000 for Fiscal 2016, $30,000 for Fiscal 2015 and $15,000 for Fiscal 2014. The change in interest income is due to changes in average invested balances. Other income for Fiscal 2015 includes a $1.3 million gain on sale of property.

Income Taxes Our effective tax rate was 34% for Fiscal 2016, 34% for Fiscal 2015 and 30.9% for Fiscal 2014. The difference between the effective rate and the federal statutory rate of 35% was primarily due to the effects of state income taxes, the domestic manufacturing deduction and, for Fiscal 2014, adjustment of unrecognized tax benefits related to the resolution of certain open tax years. See Note 7 of Notes to Consolidated Financial Statements.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity and Capital Resources Our principal source of funds is cash generated from operations and borrowings available under our credit facilities. At April 30, 2016, we maintained $100 million unsecured revolving credit facilities, no 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. See Note 4 of Notes to Consolidated Financial Statements.

We continually evaluate capital projects to expand our production capacity, enhance packaging capabilities or improve efficiencies at our production facilities. Expenditures for property, plant and equipment amounted to $12.1 million for Fiscal 2016. The Company expects to increase capital expenditures in Fiscal 2017 to support volume growth.

On January 25, 2013, the Company sold 400,000 shares of Special Series D Preferred Stock ("Series D Preferred"), par value $1 per share for an aggregate purchase price of $20 million. On May 2, 2014, the Company redeemed 160,000 shares of Series D Preferred, representing 40% of the amount outstanding, for an aggregate price of $8 million. 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. On April 29, 2016, the Company redeemed 120,000 shares of Series D Preferred, representing the remaining shares outstanding, for an aggregate price of $6 million. See Note 5 of Notes to Consolidated Financial Statements.

Pursuant to a management agreement, we incurred a fee to Corporate Management Advisors, Inc. ("CMA") of $7.0 million for Fiscal 2016, $6.5 million for Fiscal 2015 and $6.4 million for Fiscal 2014. At April 30, 2016, management fees payable to CMA were $1.8 million. See Note 5 of Notes to Consolidated Financial Statements.

Cash Flows During Fiscal 2016, $79.0 million was provided by operating activities, $12.0 million was used in investing activities and $13.8 million was used in financing activities. Cash provided by operating activities increased $20.9 million primarily due to increased earnings and favorable changes in working capital. Cash used in investing activities increased $2.3 million reflecting higher capital expenditures and lower proceeds from the sale of property. Cash used in financing activities was $13.8 million which included a $6 million redemption of preferred stock and $10 million in principal repayments under credit facilities.

During Fiscal 2015, $58.0 million was provided by operating activities, $9.7 million was used in investing activities and $25.8 million was used in financing activities. Cash provided by operating activities increased $5.6 million primarily due to increased earnings. Cash used in investing activities decreased $2.3 million reflecting lower capital expenditures and proceeds of $1.9 from the sale of property. Cash used in financing activities was $25.8 million which included a $6 million redemption of preferred stock and $20 million in principal repayments under credit facilities.

Financial Position During Fiscal 2016, our working capital increased to $148.1 million from $101.5 million at May 2, 2015. The increase in working capital resulted from higher cash, trade receivables and inventory, partially offset by higher accounts payable and accrued liabilities. Trade receivables increased $1.1 million due to higher sales activity while days sales outstanding improved to 31.0 days from 33.1 days. Inventories increased $5.0 million as a result of the Company maintaining higher finished goods levels to support increases in sales and new product introductions. Annual inventory turns decreased to 9.5 from 10.2 times. At April 30, 2016, the current ratio was 3.0 to 1 compared to 2.5 to 1 at May 2, 2015.

During Fiscal 2015, our working capital increased $22.9 million to $101.5 million primarily due to cash generated from operating activities. Trade receivables increased $1.7 million due to higher sales activity and days sales outstanding improved to 33.1 days from 34.7 days. Inventories decreased $1.0 million and annual inventory turns improved to 10.2 from 9.4 times. At May 2, 2015, the current ratio was 2.5 to 1 compared to 2.2 to 1 at May 3, 2014.

CONTRACTUAL OBLIGATIONS

Contractual obligations at April 30, 2016 are payable as follows:

(In thousands)	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years
Operating leases	$26,033	$6,376	$10,034	$6,205	$3,418
Purchase commitments	50,553	50,553	—	—	—
Total	$76,586	$56,929	$10,034	$6,205	$3,418

As of April 30, 2016, we guaranteed the residual value of certain leased equipment in the amount of $4.4 million. If the proceeds from the sale of such equipment are less than the balance required by the lease when the lease terminates on August 1, 2017, the Company shall be required to pay the difference up to such guaranteed amount. The Company expects to have no loss on such guarantee.

We contribute to certain pension plans under collective bargaining agreements and to a discretionary profit sharing plan. Total contributions were $2.9 million for Fiscal 2016, $2.7 million for Fiscal 2015 and $2.7 million for Fiscal 2014. See Note 9 of Notes to Consolidated Financial Statements.

We maintain self-insured and deductible programs for certain liability, medical and workers' compensation exposures. Other long-term liabilities include known claims and estimated incurred but not reported claims not otherwise covered by insurance, based on actuarial assumptions and historical claims experience. Since the timing and amount of claim payments vary significantly, we are not able to reasonably estimate future payments for specific periods and therefore such payments have not been included in the table above. Standby letters of credit aggregating $2.2 million have been issued in connection with our self-insurance programs. These standby letters of credit expire through March 2017 and are expected to be renewed.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results. We believe that the critical accounting policies described in the following paragraphs comprise the most significant estimates and assumptions used in the preparation of our consolidated financial statements. For these policies, we caution that future events rarely develop exactly as estimated and the best estimates routinely require adjustment.

Credit Risk We sell products to a variety of customers and extend credit based on an evaluation of each customer's financial condition, generally without requiring collateral. Exposure to credit losses varies by customer principally due to the financial condition of each customer. We monitor our exposure to credit losses and maintain allowances for anticipated losses based on specific customer circumstances, credit conditions and historical write-offs.

Impairment of Long-Lived Assets All long-lived assets, excluding goodwill and intangible assets not subject to amortization, are evaluated for impairment on the basis of undiscounted cash flows whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impaired asset is written down to its estimated fair market value based on the best information available. Estimated fair market value is generally measured by discounting future cash flows. Goodwill and intangible assets not subject to amortization are evaluated for impairment annually or sooner if we believe such assets may be impaired. An impairment loss is recognized if the carrying amount or, for goodwill, the carrying amount of its reporting unit, is greater than its fair value.

Income Taxes Our effective income tax rate is based on estimates of taxes which will ultimately be payable. Deferred taxes are recorded to give recognition to temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. Valuation allowances are established to reduce the carrying amounts of deferred tax assets when it is deemed, more likely than not, that the benefit of deferred tax assets will not be realized.

Insurance Programs We maintain self-insured and deductible programs for certain liability, medical and workers' compensation exposures. Accordingly, we accrue for known claims and estimated incurred but not reported claims not otherwise covered by insurance based on actuarial assumptions and historical claims experience.

Sales Incentives We offer various sales incentive arrangements to our customers that require customer performance or achievement of certain sales volume targets. When the incentive is paid in advance, we amortize the amount paid over the period of benefit or contractual sales volume; otherwise, we accrue the expected amount to be paid over the period of benefit or expected sales volume. The recognition of these incentives involves the use of judgment related to performance and sales volume estimates that are made based on historical experience and other factors. Sales incentives are accounted for as a reduction of sales and actual amounts ultimately realized may vary from accrued amounts.

FORWARD-LOOKING STATEMENTS

National Beverage and its representatives may make written or oral statements relating to future events or results relative to our financial, operational and business performance, achievements, objectives and strategies. These statements are "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995 and include statements contained in this report, filings with the Securities and Exchange Commission and in reports to our stockholders. Certain statements including, without limitation, statements containing the words "believes," "anticipates," "intends," "plans," "expects," and "estimates" constitute "forward-looking statements" and involve known and unknown risk, uncertainties and other factors that may cause the actual results, performance or achievements of our 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 of new product and flavor introductions, fluctuations in the costs of raw materials and packaging supplies, ability to pass along cost increases to our customers, labor strikes or work stoppages or other interruptions in the employment of labor, continued retailer support for our products, changes in consumer preferences and our success in creating products geared toward consumers' tastes, success in implementing business strategies, changes in business strategy or development plans, government regulations, taxes or fees imposed on the sale of our products, unfavorable weather conditions and other factors referenced in this report, filings with the Securities and Exchange Commission and other reports to our stockholders. 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.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodities We purchase various raw materials, including aluminum cans, plastic bottles, high fructose corn syrup, corrugated packaging and juice concentrates, the prices of which fluctuate based on commodity market conditions. Our ability to recover increased costs through higher pricing may be limited by the competitive environment in which we operate. At times, we manage our exposure to this risk through the use of supplier pricing agreements that enable us to establish all, or a portion of, the purchase prices for certain raw materials. Additionally, we use derivative financial instruments to partially mitigate our exposure to changes in certain raw material costs.

Interest Rates During Fiscal 2016, the Company repaid $10 million in borrowings under its credit facilities. At April 30, 2016, the Company had no borrowings outstanding. Interest rate hedging products are not used to mitigate risk from interest fluctuations. If the interest rate on our debt changed by 100 basis points (1%), our interest expense for Fiscal 2016 would have changed by approximately $50,000.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)	April 30, 2016	May 2, 2015
ASSETS		
Current assets:		
Cash and equivalents	$105,577	$ 52,456
Trade receivables—net	61,046	59,951
Inventories	47,922	42,924
Deferred income taxes—net	4,454	4,348
Prepaid and other assets	4,672	8,050
Total current assets	223,671	167,729
Property, plant and equipment—net	61,932	60,182
Goodwill	13,145	13,145
Intangible assets	1,615	1,615
Other assets	5,135	5,079
Total assets	$305,498	$247,750
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 49,391	$ 44,896
Accrued liabilities	26,195	21,257
Income taxes payable	28	98
Total current liabilities	75,614	66,251
Long-term debt	—	10,000
Deferred income taxes—net	14,474	15,245
Other liabilities	9,258	8,472
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 (2015), aggregate liquidation preference of $6,000 (2015)	—	120
Common stock, $.01 par value—75,000,000 shares authorized; 50,588,734 shares (2016) and 50,418,019 shares (2015) issued	506	504
Additional paid-in capital	34,570	37,759
Retained earnings	190,733	129,773
Accumulated other comprehensive loss	(1,807)	(2,524)
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	206,152	147,782
Total liabilities and shareholders' equity	$305,498	$247,750

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)	Fiscal Year Ended April 30, 2016	Fiscal Year Ended May 2, 2015	Fiscal Year Ended May 3, 2014
Net sales	$704,785	$645,825	$641,135
Cost of sales	463,348	426,685	423,480
Gross profit	241,437	219,140	217,655
Selling, general and administrative expenses	148,384	145,157	153,220
Interest expense	203	371	660
Other expense (income)—net	145	(1,101)	666
Income before income taxes	92,705	74,713	63,109
Provision for income taxes	31,507	25,402	19,474
Net income	61,198	49,311	43,635
Less preferred dividends and accretion	(238)	(275)	(726)
Earnings available to common shareholders	$ 60,960	$ 49,036	$ 42,909
Earnings per common share:			
Basic	$ 1.31	$ 1.06	$ .93
Diluted	$ 1.31	$ 1.05	$ .92
Weighted average common shares outstanding:			
Basic	46,452	46,353	46,331
Diluted	46,671	46,559	46,519

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)	Fiscal Year Ended April 30, 2016	May 2, 2015	May 3, 2014
Net income	$61,198	$49,311	$43,635
Other comprehensive income (loss), net of tax:			
Cash flow hedges	783	(2,350)	610
Other	(66)	31	149
Total	717	(2,319)	759
Comprehensive income	$61,915	$46,992	$44,394

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Fiscal Year Ended					
	April 30, 2016		May 2, 2015		May 3, 2014	
(In thousands)	Shares	Amount	Shares	Amount	Shares	Amount
SERIES C PREFERRED STOCK						
Beginning and end of year	150	$ 150	150	$ 150	150	$ 150
SERIES D PREFERRED STOCK						
Beginning of year	120	120	240	240	400	400
Series D preferred redeemed	(120)	(120)	(120)	(120)	(160)	(160)
End of year	—	—	120	120	240	240
COMMON STOCK						
Beginning of year	50,418	504	50,368	504	50,362	504
Stock options exercised	171	2	50	—	6	—
End of year	50,589	506	50,418	504	50,368	504
ADDITIONAL PAID-IN CAPITAL						
Beginning of year		37,759		42,775		50,398
Series D preferred redeemed		(5,791)		(5,791)		(7,722)
Stock options exercised		846		228		47
Stock-based compensation		228		307		95
Stock-based tax benefits		1,528		240		17
Other		—		—		(60)
End of year		34,570		37,759		42,775
RETAINED EARNINGS						
Beginning of year		129,773		80,737		37,828
Net income		61,198		49,311		43,635
Preferred stock dividends & accretion		(238)		(275)		(726)
End of year		190,733		129,773		80,737
ACCUMULATED OTHER COMPREHENSIVE LOSS						
Beginning of year		(2,524)		(205)		(964)
Cash flow hedge		783		(2,350)		610
Other		(66)		31		149
End of year		(1,807)		(2,524)		(205)
TREASURY STOCK—SERIES C PREFERRED						
Beginning and end of year	150	(5,100)	150	(5,100)	150	(5,100)
TREASURY STOCK—COMMON						
Beginning and end of year	4,033	(12,900)	4,033	(12,900)	4,033	(12,900)
TOTAL SHAREHOLDERS' EQUITY		$206,152		$147,782		$ 106,201

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)	Fiscal Year Ended April 30, 2016	May 2, 2015	May 3, 2014
OPERATING ACTIVITIES:			
Net income	$ 61,198	$ 49,311	$ 43,635
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	12,056	11,580	11,708
Deferred income tax (benefit) provision	(1,299)	1,076	79
Loss (gain) on disposal of property, net	129	(1,188)	51
Stock-based compensation	228	307	95
Changes in assets and liabilities:			
Trade receivables	(1,095)	(1,746)	5,864
Inventories	(4,998)	990	(4,680)
Prepaid and other assets	(485)	(605)	(2,548)
Accounts payable	4,495	(710)	1,345
Accrued and other liabilities	8,726	(995)	(3,167)
Net cash provided by operating activities	78,955	58,020	52,382
INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(12,140)	(11,630)	(12,124)
Proceeds from sale of property, plant and equipment	116	1,905	62
Net cash used in investing activities	(12,024)	(9,725)	(12,062)
FINANCING ACTIVITIES:			
Dividends paid on preferred stock	(186)	(239)	(659)
Repayments under credit facilities, net	(10,000)	(20,000)	(20,000)
Redemption of preferred stock	(6,000)	(6,000)	(8,000)
Proceeds from stock options exercised	848	228	47
Stock-based tax benefits	1,528	240	17
Other	—	—	(60)
Net cash used in financing activities	(13,810)	(25,771)	(28,655)
NET INCREASE IN CASH AND EQUIVALENTS	53,121	22,524	11,665
CASH AND EQUIVALENTS—BEGINNING OF YEAR	52,456	29,932	18,267
CASH AND EQUIVALENTS—END OF YEAR	$105,577	$ 52,456	$ 29,932
OTHER CASH FLOW INFORMATION:			
Interest paid	$ 116	$ 380	$ 723
Income taxes paid	$ 29,473	$ 24,745	$ 23,079

See accompanying Notes to Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

National Beverage Corp. develops, produces, 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 have been prepared in accordance with United States generally accepted accounting principles ("GAAP") and rules and regulations of the Securities and Exchange Commission. The consolidated financial statements include the accounts of National Beverage Corp. and all subsidiaries. All significant intercompany transactions and accounts have been eliminated. Our fiscal year ends the Saturday closest to April 30 and, as a result, an additional week is added every five or six years. Fiscal 2016 and Fiscal 2015 consisted of 52 weeks while Fiscal 2014 consisted of 53 weeks.

Cash and Equivalents Cash and equivalents are comprised of cash and highly liquid securities (consisting primarily of short-term money-market investments) with an original maturity of three months or less.

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. 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 6.

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 amounting to 219,000 shares in Fiscal 2016, 206,000 shares in Fiscal 2015 and 188,000 shares in Fiscal 2014.

Fair Value The fair value of long-term debt approximates its carrying value due to its variable interest rate and lack of prepayment penalty. The estimated fair values of derivative financial instruments are calculated based on market rates to settle the instruments. These values represent the estimated amounts we would receive upon sale, taking into consideration current market prices and credit worthiness. See Note 6.

Impairment of Long-Lived Assets All long-lived assets, excluding goodwill and intangible assets not subject to amortization, are evaluated for impairment on the basis of undiscounted cash flows whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impaired asset is written down to its estimated fair market value based on the best information available.

Estimated fair value is generally measured by discounting future cash flows. Goodwill and intangible assets not subject to amortization are evaluated for impairment annually or sooner if we believe such assets may be impaired. An impairment loss is recognized if the carrying amount or, for goodwill, the carrying amount of its reporting unit, is greater than its fair value.

Income Taxes Our effective income tax rate is based on estimates of taxes which will ultimately be payable. Deferred taxes are recorded to give recognition to temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. Valuation allowances are established to reduce the carrying amounts of deferred tax assets when it is deemed, more likely than not, that the benefit of deferred tax assets will not be realized.

Insurance Programs We maintain self-insured and deductible programs for certain liability, medical and workers' compensation exposures. Accordingly, we accrue for known claims and estimated incurred but not reported claims not otherwise covered by insurance based on actuarial assumptions and historical claims experience. At April 30, 2016 and May 2, 2015, other liabilities included accruals of $5.8 million and $5.9 million, respectively, for estimated non-current risk retention exposures, of which $4.8 million and $4.7 million were covered by insurance.

Intangible Assets Intangible assets as of April 30, 2016 and May 2, 2015 consisted of non-amortizable trademarks.

Inventories Inventories are stated at the lower of first-in, first-out cost or market. Inventories at April 30, 2016 were comprised of finished goods of $29.1 million and raw materials of $18.8 million. Inventories at May 2, 2015 were comprised of finished goods of $24.9 million and raw materials of $18.0 million.

Marketing Costs We are involved in a variety of marketing programs, including cooperative advertising programs with customers, to advertise and promote our products to consumers. Marketing costs are expensed when incurred, except for prepaid advertising and production costs which are expensed when the advertising takes place. Marketing costs, which are included in selling, general and administrative expenses, totaled $38.8 million in Fiscal 2016, $42.4 million in Fiscal 2015 and $50.2 million in Fiscal 2014.

New Accounting Pronouncements In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2016-09, "Compensation-Stock Compensation: Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09"). This amendment addresses several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for our fiscal year beginning April 30, 2017. Early adoption is permitted. We are currently evaluating the potential impact of adopting this guidance on our consolidated financial statements.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, "Leases" ("ASU 2016-02"). ASU 2016-02 requires the lease rights and obligations arising from lease contracts, including existing and new arrangements, to be recognized as assets and liabilities on the balance sheet. ASU 2016-02 is effective for our fiscal year beginning April 28, 2019. We are currently evaluating the potential impact of adopting this guidance on our consolidated financial statements.

In November 2015, the FASB issued Accounting Standards Update No. 2015-17, "Balance Sheet Classification of Deferred Taxes" ("ASU 2015-17"). ASU 2015-17 requires companies to classify all deferred tax liabilities and assets as noncurrent on the balance sheet. ASU 2015-17 is effective for our fiscal year beginning April 30, 2017. We are currently evaluating the potential impact of adopting this guidance on our consolidated financial statements.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"). ASU 2014-09 requires an entity to recognize revenue in an amount that reflects the consideration it expects to receive in exchange for goods or services. On August 12, 2015, the FASB issued ASU 2015-14 which deferred the effective date of ASU 2014-09 by one year and is effective for our fiscal year beginning April 29, 2018. We are currently evaluating the potential impact of adopting this guidance on our consolidated financial statements.

Property, Plant and Equipment Property, plant and equipment are recorded at cost. Additions, replacements and betterments are capitalized, while maintenance and repairs that do not extend the useful life of an asset are expensed as incurred. Depreciation is recorded using the straight-line method over estimated useful lives of 7 to 30 years for buildings and improvements and 3 to 15 years for machinery and equipment. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lease term or the estimated useful life of the improvement. When assets are retired or otherwise disposed, the cost and accumulated depreciation are removed from the respective accounts and any related gain or loss is recognized.

Revenue Recognition Revenue from product sales is recognized when title and risk of loss pass to the customer, which generally occurs upon delivery. Our policy is not to allow the return of products once they have been accepted by the customer. However, on occasion, we have accepted returns or issued credit to customers, primarily for damaged goods. The amounts have been immaterial and, accordingly, we do not provide a specific valuation allowance for sales returns.

Sales Incentives We offer various sales incentive arrangements to our customers that require customer performance or achievement of certain sales volume targets. When the incentive is paid in advance, we amortize the amount paid over the period of benefit or contractual sales volume; otherwise, we accrue the expected amount to be paid over the period of benefit or expected sales volume. The recognition of these incentives involves the use of judgment related to performance and sales volume estimates that are made based on historical experience and other factors. Sales incentives are accounted for as a reduction of sales and actual amounts ultimately realized may vary from accrued amounts.

Segment Reporting We operate as a single operating segment for purposes of presenting financial information and evaluating performance. As such, the accompanying consolidated financial statements present financial information in a format that is consistent with the internal financial information used by management. We do not accumulate revenues by product classification and, therefore, it is impractical to present such information.

Shipping and Handling Costs Shipping and handling costs are reported in selling, general and administrative expenses in the accompanying consolidated statements of income. Such costs aggregated $44.6 million in Fiscal 2016 and $44.4 million in Fiscal 2015 and Fiscal 2014. Although our classification is consistent with many beverage companies, our gross margin may not be comparable to companies that include shipping and handling costs in cost of sales.

Stock-Based Compensation Compensation expense for stock-based compensation awards is recognized over the vesting period based on the grant-date fair value estimated using the Black-Scholes model. See Note 8.

Trade Receivables We record trade receivables at net realizable value, which includes an appropriate allowance for doubtful accounts. We extend credit based on an evaluation of each customer's financial condition, generally without requiring collateral. Exposure to credit losses varies by customer principally due to the financial condition of each customer. We monitor our exposure to credit losses and maintain allowances for anticipated losses based on specific customer circumstances, credit conditions and historical write-offs. Activity in the allowance for doubtful accounts was as follows:

(In thousands)	Fiscal 2016	Fiscal 2015	Fiscal 2014
Balance at beginning of year	$ 330	$ 399	$ 454
Net charge to expense	232	117	95
Net charge-off	(78)	(186)	(150)
Balance at end of year	$ 484	$ 330	$399

As of April 30, 2016 and May 2, 2015, we did not have any customer that comprised more than 10% of trade receivables. No one customer accounted for more than 10% of net sales during any of the last three fiscal years.

Use of Estimates The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and anticipated future actions, actual results may vary from reported amounts.

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as of April 30, 2016 and May 2, 2015 consisted of the following:

(In thousands)	2016	2015
Land	$ 9,500	$ 9,500
Buildings and improvements	50,856	50,405
Machinery and equipment	162,195	156,702
Total	222,551	216,607
Less accumulated depreciation	(160,619)	(156,425)
Property, plant and equipment—net	$ 61,932	$ 60,182

Depreciation expense was $10.1 million for Fiscal 2016, $10.2 million for Fiscal 2015 and $9.8 million for Fiscal 2014.

3. ACCRUED LIABILITIES

Accrued liabilities as of April 30, 2016 and May 2, 2015 consisted of the following:

(In thousands)	2016	2015
Accrued compensation	$ 9,217	$ 7,473
Accrued promotions	5,888	3,801
Accrued insurance	2,786	1,651
Other	8,304	8,332
Total	$26,195	$21,257

4. DEBT

At April 30, 2016, a subsidiary of the Company maintained unsecured revolving credit facilities with banks aggregating $100 million (the "Credit Facilities"). The Credit Facilities expire from October 10, 2017 to June 18, 2018 and, currently, any borrowings would bear interest at .9% above one-month LIBOR. There were no borrowings outstanding under the Credit Facilities at April 30, 2016 and $10 million was outstanding at May 2, 2015. At April 30, 2016, $2.2 million of the Credit Facilities were reserved for standby letters of credit and $97.8 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 April 30, 2016, we were in compliance with all loan covenants.

5. CAPITAL STOCK AND TRANSACTIONS WITH RELATED PARTIES

On January 25, 2013, the Company sold 400,000 shares of Special Series D Preferred Stock, par value $1 per share ("Series D Preferred") for an aggregate purchase price of $20 million. Series D Preferred had a liquidation preference of $50 per share and accrued dividends on this amount at an annual rate of 3% through April 30, 2014 and, thereafter, at an annual rate equal to 370 basis points above the 3-Month LIBOR. Dividends were cumulative and payable quarterly. There were no accrued dividends at April 30, 2016 and $37,000 was accrued at May 2, 2015. The Series D Preferred was nonvoting and redeemable at the option of the Company beginning May 1, 2014 at $50 per share. In addition, the Company has 150,000 shares of Series C Preferred

Stock, par value $1 per share, which are held as treasury stock and, therefore, such shares have no liquidation value.

On May 2, 2014, the Company redeemed 160,000 shares of Series D Preferred, representing 40% of the amount outstanding, for an aggregate price of $8 million plus accrued dividends. In connection therewith, the Company accreted and charged to retained earnings $118,000 of original issuance costs, which was deducted from income available to common shareholders for earnings per share calculation. In conjunction with the partial redemption, the annual dividend rate on the outstanding Series D Preferred was reduced to 2.5% for the twelve month period beginning May 1, 2014. In evaluating the impact of the rate change, the Company determined that the related fair value change was immaterial and that no adjustment was required.

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.

On May 1, 2015, the Company and the holders of the Series D Preferred agreed to extend the 2.5% annual dividend rate on the outstanding Series D Preferred through April 30, 2016. In evaluating the impact of the rate change, the Company determined that the related fair value change was immaterial and that no adjustment was required.

On April 29, 2016, the Company redeemed the final remaining 120,000 shares of Series D Preferred 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.

In April 2012, the Board of Directors authorized an increase in the Company's Stock Buyback Program from 800,000 to 1.6 million shares of common stock. As of April 30, 2016, 502,060 shares were purchased under the program and 1,097,940 shares were available for purchase. There were no shares purchased during the last three fiscal years.

The Company is a party to a management agreement with Corporate Management Advisors, Inc. ("CMA"), a corporation owned by our Chairman and Chief Executive Officer. This agreement was originated in 1991 for the efficient use of management of two public companies at the time. In 1994, one of those public entities, through a merger, no longer was managed in this manner. Under the terms of the agreement, CMA provides, subject to the direction and supervision of the Board of Directors of the Company, (i) senior corporate functions (including supervision of the Company's financial, legal, executive recruitment, internal audit and management information systems departments) as well as the services of a Chief Executive Officer and Chief Financial Officer, and (ii) services in connection with acquisitions, dispositions and financings by the Company, including identifying and profiling acquisition candidates, negotiating and structuring potential transactions and arranging financing for any such transaction. CMA, through its personnel, also provides, to the extent possible, the stimulus and creativity to develop an innovative and dynamic persona for the Company, its products and corporate image. In order to fulfill its obligations under the management agreement, CMA employs numerous individuals, whom, acting as a unit, provide management, administrative and creative functions for the Company. The management agreement provides that the Company will pay CMA an annual base fee equal to one percent of the consolidated net sales of the Company, and further provides that the Compensation and Stock Option Committee and the Board of Directors may from time to time award additional incentive compensation to CMA. The Board of Directors on numerous occasions contemplated incentive compensation and, while shareholder value has increased over $2.5 billion (or 6,000%) since the inception of this agreement, no incentive compensation has been paid. We incurred management fees to CMA of $7.0 million for Fiscal 2016, $6.5 million for Fiscal 2015 and $6.4 million for Fiscal 2014. Included in accounts payable were amounts due CMA of $1.8 million at April 30, 2016 and $1.6 million at May 2, 2015.

6. 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 hedge was immaterial. The following summarizes the gains (losses) recognized in the Consolidated Statements of Income and AOCI relative to the cash flow hedge for Fiscal 2016, Fiscal 2015 and Fiscal 2014:

(In thousands)	Fiscal 2016	Fiscal 2015	Fiscal 2014
Recognized in AOCI:			
Loss before income taxes	$(5,743)	$(3,488)	$(1,059)
Less income tax benefit	(2,131)	(1,294)	(393)
Net	(3,612)	(2,194)	(666)
Reclassified from AOCI to cost of sales:			
(Loss) gain before income taxes	(6,987)	248	(2,028)
Less income tax (benefit) provision	(2,592)	92	(752)
Net	(4,395)	156	(1,276)
Net change to AOCI	$ 783	$(2,350)	$ 610

As of April 30, 2016, the notional amount of our outstanding aluminum swap contracts was $14.4 million and, assuming no change in the commodity prices, $2.5 million of unrealized loss before tax will be reclassified from AOCI and recognized in earnings over the next 12 months. See Note 1.

As of April 30, 2016, the fair value of the derivative liability was $2.5 million, which was included in accrued liabilities. As of May 2, 2015, the fair value of the derivative liability and derivative long-term liability was $3.0 million and $751,000, which was included in accrued liabilities and other liabilities, respectively. 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.

7. INCOME TAXES

The provision (benefit) for income taxes consisted of the following:

(In thousands)	Fiscal 2016	Fiscal 2015	Fiscal 2014
Current	$32,806	$24,326	$19,395
Deferred	(1,299)	1,076	79
Total	$31,507	$25,402	$19,474

Deferred taxes are recorded to give recognition to temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. Valuation allowances are established to reduce the carrying amounts of deferred tax assets when it is deemed more likely than not that the benefit of deferred tax assets will not be realized. Deferred tax assets and liabilities as of April 30, 2016 and May 2, 2015 consisted of the following:

(In thousands)	2016	2015
Deferred tax assets:		
Accrued expenses and other	$ 5,655	$ 5,281
Inventory and amortizable assets	538	417
Total deferred tax assets	6,193	5,698
Deferred tax liabilities:		
Property	14,049	14,364
Intangibles and other	2,164	2,231
Total deferred tax liabilities	16,213	16,595
Net deferred tax liabilities	$10,020	$10,897
Current deferred tax assets—net	$ 4,454	$ 4,348
Noncurrent deferred tax liabilities—net	$14,474	$15,245

The reconciliation of the statutory federal income tax rate to our effective tax rate is as follows:

	Fiscal 2016	Fiscal 2015	Fiscal 2014
Statutory federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	2.2	2.3	2.3
Domestic manufacturing deduction benefit	(3.0)	(3.0)	(3.0)
Adjustment of unrecognized tax benefit	(.1)	(.2)	(3.3)
Other differences	(.1)	(.1)	(.1)
Effective income tax rate	34.0%	34.0%	30.9%

During April 2014, the Company reached an agreement with the Internal Revenue Service with respect to its review of the Company's federal income tax returns for the three years ended April 2013. No material adjustments were proposed and, accordingly, the Company adjusted the related unrecognized tax benefits during the fourth quarter of Fiscal 2014.

As of April 30, 2016, the gross amount of unrecognized tax benefits was $1.7 million and $59,000 was recognized as a tax benefit in Fiscal 2016. If we were to prevail on all uncertain tax positions, the net effect would be to reduce our tax expense by approximately $1.2 million. A reconciliation of the changes in the gross amount of unrecognized tax benefits, which amounts are included in other liabilities in the accompanying consolidated balance sheets, is as follows:

(In thousands)	Fiscal 2016	Fiscal 2015	Fiscal 2014
Beginning balance	$1,801	$ 2,123	$4,349
Increases due to current period tax positions	145	122	268
Decreases due to lapse of statute of limitations and audit resolutions	(268)	(444)	(2,494)*
Ending balance	$1,678	$ 1,801	$2,123

* Includes $1,907 related to the Internal Revenue Service review of the Company's federal income tax returns for the three years ended April 2013 noted above.

We recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense. As of April 30, 2016, unrecognized tax benefits included accrued interest of $227,000, of which approximately $42,000 was recognized as a tax benefit in Fiscal 2016.

We file annual income tax returns in the United States and in various state and local jurisdictions. A number of years may elapse before an uncertain tax position, for which we have unrecognized tax benefits, is resolved. While it is often difficult to predict the final outcome or the timing of resolution of any particular uncertain tax position, we believe that our unrecognized tax benefits reflect the most probable outcome. We adjust these unrecognized tax benefits, as well as the related interest, in light of changing facts and circumstances. The resolution of any particular uncertain tax position could require the use of cash and an adjustment to our provision for income taxes in the period of resolution. Federal income tax returns for fiscal years subsequent to 2013 are subject to examination. Generally, the income tax returns for the various state jurisdictions are subject to examination for fiscal years ending after fiscal 2010.

8. STOCK-BASED COMPENSATION

Our stock-based compensation program is a broad-based program designed to attract and retain employees while also aligning employees' interests with the interests of the shareholders.

The 1991 Omnibus Incentive Plan (the "Omnibus Plan") provides for compensatory awards consisting of (i) stock options or stock awards for up to 4,800,000 shares of common stock, (ii) stock appreciation rights, dividend equivalents, other stock-based awards in amounts up to 4,800,000 shares of common stock and (iii) performance awards consisting of any combination of the above. The Omnibus Plan is designed to provide an incentive to officers and certain other key employees and consultants by making available to them an opportunity to acquire a proprietary interest or to increase such interest in National Beverage. The number of shares or options which may be issued under stock-based awards to an individual is limited to 1,680,000 during any year. Awards may be granted for no cash consideration or such minimal cash consideration as may be required by law. Options generally have an exercise price equal to the fair market value of our common stock on the date of grant, vest over a five-year period and expire after ten years.

The Special Stock Option Plan provides for the issuance of stock options to purchase up to an aggregate of 1,800,000 shares of common stock. Options may be granted for such consideration as determined by the Board of Directors. The vesting schedule and exercise price of these options are tied to the recipient's ownership level of common stock and the terms generally allow for the reduction in exercise price upon each vesting period. Also, the Board of Directors authorized the issuance of options to purchase up to 50,000 shares of common stock to be issued at the direction of the Chairman.

The Key Employee Equity Partnership Program ("KEEP Program") provides for the granting of stock options to purchase up to 240,000 shares of common stock to key employees, consultants, directors and officers. Participants who purchase shares of stock in the open market receive grants of stock options equal to 50% of the number of shares purchased, up to a maximum of 6,000 shares in any two-year period. Options under the KEEP Program are forfeited in the event of the sale of shares used to acquire such options. Options are granted at an initial exercise price of 60% of the purchase price paid for the shares acquired and the exercise price reduces to the stock par value at the end of the six-year vesting period.

We account for stock options under the fair value method of accounting using a Black-Scholes valuation model to estimate the stock option fair value at date of grant. The fair value of stock options is amortized to expense over the vesting period. Stock options granted were 3,500 shares in Fiscal 2016, 276,800 shares in Fiscal 2015 and 5,245 shares in Fiscal 2014. The weighted average Black-Scholes fair value assumptions for stock options granted are as follows: weighted average expected life of 8.0 years for Fiscal 2016, 7.4 years for Fiscal 2015 and 8 years for Fiscal 2014; weighted average expected volatility of 29.0% for Fiscal 2016, 32.8% for Fiscal 2015 and 35.8% for Fiscal 2014; weighted average risk free interest rates of 2.1% for Fiscal 2016, 2.2% for Fiscal 2015 and 1.9% for Fiscal 2014; and expected dividend yield of 3.3% for Fiscal 2016, 4.6% for Fiscal 2015 and 4.6% for Fiscal 2014. The expected life of stock options was estimated based on historical experience. The expected volatility was estimated based on historical stock prices for a period consistent with the expected life of stock options. The risk free interest rate was based on the U.S. Treasury constant maturity interest rate whose term is consistent with the expected life of stock options. Forfeitures were estimated based on historical experience and ranged from 0% to 16% for Fiscal 2016, Fiscal 2015 and Fiscal 2014.

The following is a summary of stock option activity for Fiscal 2016:

	Number of Shares	Price[a]
Options outstanding, beginning of year	613,135	$11.23
Granted	3,500	9.53
Exercised	(170,715)	4.97
Cancelled	(27,025)	$15.62
Options outstanding, end of year	418,895	$12.44
Options exercisable, end of year	170,056	$ 9.64

(a) Weighted average exercise price.

Stock-based compensation expense was $228,000 for Fiscal 2016, $307,000 for Fiscal 2015 and $95,000 for Fiscal 2014. The total fair value of shares vested was $652,000 for Fiscal 2016, $371,000 for Fiscal 2015 and $90,000 for Fiscal 2014. The total intrinsic value for stock options exercised was $5,161,000 for Fiscal 2016, $917,000 for Fiscal 2015 and $76,000 for Fiscal 2014. Net cash proceeds from the exercise of stock options were $848,000 for Fiscal 2016, $228,000 for Fiscal 2015 and $47,000 for Fiscal 2014. Stock based income tax benefits aggregated $1,528,000 for Fiscal 2016, $240,000 for Fiscal 2015 and $17,000 for Fiscal 2014. The weighted average fair value for stock options granted was $20.09 for Fiscal 2016, $8.30 for Fiscal 2015 and $12.50 for Fiscal 2014.

As of April 30, 2016, unrecognized compensation expense related to the unvested portion of our stock options was $642,000, which is expected to be recognized over a weighted average period of 4.8 years. The weighted average remaining contractual term and the aggregate intrinsic value for options outstanding as of April 30, 2016 was 6.2 years and $14.4 million, respectively. The weighted average remaining contractual term and the aggregate intrinsic value for options exercisable as of April 30, 2016 was 5.0 years and $6.3 million, respectively.

We have a stock purchase plan which provides for the purchase of up to 1,536,000 shares of common stock by employees who (i) have been employed for at least two years, (ii) are not part-time employees and (iii) are not owners of five percent or more of our common stock. As of April 30, 2016, no shares have been issued under the plan.

9. PENSION PLANS

The Company contributes to certain pension plans under collective bargaining agreements and to a discretionary profit sharing plan. Total contributions (including contributions to multi-employer plans reflected below) were $2.9 million for Fiscal 2016, $2.7 million for Fiscal 2015 and $2.7 million for Fiscal 2014.

The Company participates in various multi-employer defined benefit pension plans covering certain employees whose employment is covered under collective bargaining agreements. If the Company chooses to stop participating in the multi-employer plan or if other employers choose to withdraw to the extent that a mass withdrawal occurs, the Company could be required to pay the plan a withdrawal liability based on the underfunded status of the plan.

Summarized below is certain information regarding the Company's participation in significant multi-employer pension plans including the financial improvement plan or rehabilitation plan status ("FIP/RP Status") and the zone status under the Pension Protection Act ("PPA"). The most recent PPA zone status available in Fiscal 2016 and Fiscal 2015 is for the plans' years ending December 31, 2014 and 2013, respectively.

	PPA Zone Status			
Pension Fund	**Fiscal 2016**	Fiscal 2015	FIP/RP Status	Surcharge Imposed
Central States, Southeast and Southwest Areas Pension Plan (EIN no. 36-6044243) (the "CSSS Fund")	**Red**	Red	Implemented	No
Western Conference of Teamsters Pension Trust Fund (EIN no. 91-6145047) (the "WCT Fund")	**Green**	Green	Not applicable	No

For the plan years ended December 31, 2014 and December 31, 2013, the Company was not listed in the Form 5500 Annual Returns as providing more than 5% of the total contributions for the above plans. The collective bargaining agreements for employees in the CSSS Fund and the WCT Fund expire on October 18, 2016 and May 14, 2016, respectively. The Company is presently negotiating the renewal of the WCT Fund collective bargaining agreement.

The Company's contributions for all multi-employer pension plans for the last three fiscal years are as follow:

(In thousands) Pension Fund	**Fiscal 2016**	Fiscal 2015	Fiscal 2014
CSSS Fund	**$1,172**	$1,103	$1,079
WCT Fund	**485**	637	476
Other multi-employer pension funds	**448**	306	295
Total	**$2,105**	$2,046	$1,850

The trustees of one of the multi-employer pension plans that is not considered individually significant have notified a subsidiary of the Company that a mass withdrawal has occurred and have provided the subsidiary with a notice of withdrawal liability. The Company disputes various aspects of the withdrawal liability calculations and is challenging them under applicable Federal laws. The Company anticipates that the amount of its liability will not have a material effect on its financial position or results of operations.

10. COMMITMENTS AND CONTINGENCIES

We lease buildings, machinery and equipment under various non-cancelable operating lease agreements expiring at various dates through 2026. Certain of these leases contain scheduled rent increases and/or renewal options. Contractual rent increases are taken into account when calculating the minimum lease payment and recognized on a straight-line basis over the lease term. Rent expense under operating lease agreements totaled $9.2 million for Fiscal 2016, $8.2 million for Fiscal 2015 and $7.9 million for Fiscal 2014.

Our minimum lease payments under non-cancelable operating leases as of April 30, 2016 were as follows:

(In thousands)

Fiscal 2017	$ 6,376
Fiscal 2018	5,350
Fiscal 2019	4,684
Fiscal 2020	3,968
Fiscal 2021	2,237
Thereafter	3,418
Total minimum lease payments	$26,033

As of April 30, 2016, we guaranteed the residual value of certain leased equipment in the amount of $4.4 million. If the proceeds from the sale of such equipment are less than the balance required by the lease when the lease terminates on August 1, 2017, the Company shall be required to pay the difference up to such guaranteed amount. The Company expects to have no loss on such guarantee.

We enter into various agreements with suppliers for the purchase of raw materials, the terms of which may include variable or fixed pricing and minimum purchase quantities. As of April 30, 2016, we had purchase commitments for raw materials of $45.5 million for Fiscal 2017.

As of April 30, 2016, we had purchase commitments for plant and equipment of $5.0 million for Fiscal 2017.

From time to time, we are a party to various litigation matters and claims arising in the ordinary course of business. We do not expect the ultimate disposition of such matters to have a material adverse effect on our consolidated financial position or results of operations.

11. QUARTERLY FINANCIAL DATA (UNAUDITED)

(In thousands, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
FISCAL 2016				
Net sales	**$185,386**	**$178,678**	**$161,687**	**$179,034**
Gross profit	**62,899**	**60,621**	**52,552**	**65,365**
Net income	**17,113**	**15,312**	**11,236**	**17,537**
Earnings per common share—basic	**$ .37**	**$ .33**	**$ .24**	**$ .37**
Earnings per common share—diluted	**$ .37**	**$ .33**	**$ .24**	**$ .37**
FISCAL 2015				
Net sales	$174,637	$163,575	$143,021	$164,592
Gross profit	59,842	57,732	46,090	55,476
Net income	15,363	12,958	8,808	12,182
Earnings per common share—basic	$ .33	$ .28	$ .19	$ .26
Earnings per common share—diluted	$ .33	$ .28	$ .19	$ .26

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of National Beverage Corp.

We have audited the accompanying consolidated balance sheets of National Beverage Corp. as of April 30, 2016 and May 2, 2015 and the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for each of the years in the three-year period ended April 30, 2016. We also have audited National Beverage Corp.'s internal control over financial reporting as of April 30, 2016, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. National Beverage Corp.'s management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Beverage Corp. as of April 30, 2016 and May 2, 2015 and the results of their operations and their cash flows for each of the years in the three-year period ended April 30, 2016, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, National Beverage Corp. maintained, in all material respects, effective internal control over financial reporting as of April 30, 2016, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013.

/s/ RSM US LLP
West Palm Beach, Florida
July 14, 2016

MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The common stock of National Beverage Corp., par value $.01 per share, ("Common Stock") is listed on The NASDAQ Global Select Market under the symbol "FIZZ". The following table shows the range of high and low prices per share of the Common Stock for the fiscal quarters indicated:

	Fiscal Year Ended			
	April 30, 2016		May 2, 2015	
	High	Low	High	Low
First Quarter	$24.94	$19.98	$19.97	$15.42
Second Quarter	$38.91	$23.05	$25.50	$17.58
Third Quarter	$48.01	$35.50	$27.32	$21.00
Fourth Quarter	$47.00	$32.35	$25.00	$21.00

At July 7, 2016 there were approximately 14,000 holders of our Common Stock, the majority of which hold their shares in the names of various dealers and/or clearing agencies.

The Company paid special cash dividends on Common Stock of $118.1 million ($2.55 per share) on December 27, 2012.

In April 2012, the Board of Directors authorized an increase in the Company's Stock Buyback Program from 800,000 to 1.6 million shares of Common Stock. As of April 30, 2016, 502,060 shares were purchased under the program and 1,097,940 shares were available for purchase. There were no shares of Common Stock purchased during the last three fiscal years.

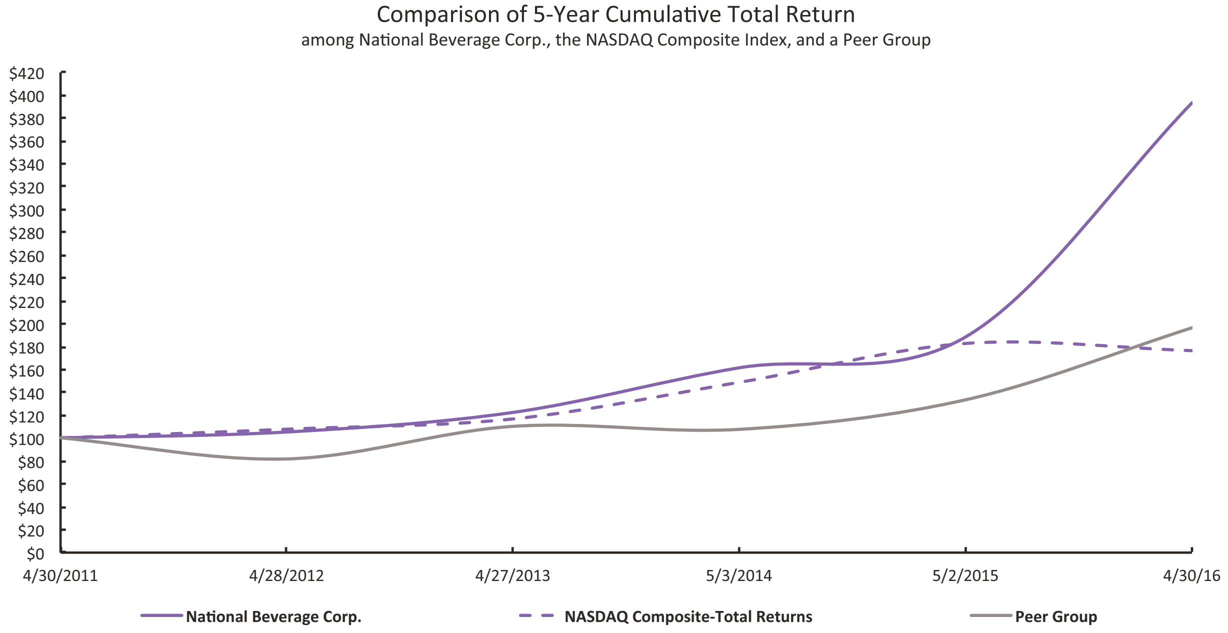
On January 25, 2013, the Company sold 400,000 shares of Special Series D Preferred Stock, par value $1 per share ("Series D Preferred") for an aggregate purchase price of $20 million. Series D Preferred had a liquidation preference of $50 per share and dividends were accrued on this amount at an annual rate of 3% through April 30, 2014 and, thereafter, at an annual rate equal to 370 basis points above the 3-Month LIBOR. Dividends were cumulative and payable quarterly. The net proceeds of $19.7 million were used to repay borrowings under the Credit Facilities. The Series D Preferred was issued by the Company pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

On May 2, 2014, the Company redeemed 160,000 shares of Series D Preferred for an aggregate price of $8 million plus accrued dividends. In conjunction with the partial redemption, the annual dividend rate on the outstanding Series D Preferred was reduced to 2.5% for the twelve-month period beginning May 1, 2014. On May 1, 2015, the Company and the holders of the Series D Preferred agreed to extend the 2.5% annual dividend rate on the outstanding Series D Preferred through April 30, 2016.

On August 1, 2014, the Company redeemed an additional 120,000 shares of Series D Preferred for an aggregate price of $6 million plus accrued dividends. The final redemption of the remaining 120,000 shares of Series D Preferred was made on April 29, 2016 for an aggregate price of $6 million plus accrued dividends.

PERFORMANCE GRAPH

The following graph shows a comparison of the five-year cumulative returns of an investment of $100 cash on April 30, 2011, assuming reinvestment of dividends, in (i) Common Stock, (ii) the NASDAQ Composite Index and (iii) a Company-constructed peer group consisting of Coca-Cola Bottling Company Consolidated and Cott Corporation. Based on the cumulative total return below, an investment in our Common Stock on April 30, 2011 provided a compounded annual return of approximately 31.5% as of April 30, 2016.



	4/30/11	4/28/12	4/27/13	5/3/14	5/2/15	4/30/16
National Beverage Corp.	$100.00	$105.46	$122.59	$161.64	$188.65	$393.28
NASDAQ Composite	100.00	107.92	116.89	148.92	182.88	176.59
Peer Group	100.00	81.90	110.40	107.78	133.63	196.56

Notice of 2016 Annual Meeting and Proxy Statement

NATIONAL BEVERAGE CORP.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME:	2:00 p.m. (local time)
DATE:	September 30, 2016
PLACE:	Hyatt Regency Orlando International Airport Hotel 9300 Jeff Fuqua Boulevard Orlando, FL 32827

At the Annual Meeting of Shareholders of National Beverage Corp. (the "Company") and any adjournments or postponements thereof (the "Meeting"), the following proposals are on the agenda for action by the shareholders:

1. To elect two directors to serve as Class II directors for a term of three years; and

2. To transact such other business as may properly come before the Meeting.

Only holders of record of common stock, par value $.01 per share, of the Company, at the close of business on August 8, 2016 are entitled to notice of, and to vote at, the Meeting.

A complete list of the shareholders entitled to vote at the Meeting will be available for examination by any shareholder for any proper purpose at the Meeting and during ordinary business hours for a period of ten days prior to the Meeting at the principal executive offices of the Company at 8100 Southwest Tenth Street, Suite 4000, Fort Lauderdale, Florida 33324.

All shareholders are cordially invited to attend the Meeting in person and those who plan to attend are requested to so indicate by marking the appropriate space on the accompanying proxy card. Shareholders whose shares are held in "street name" (the name of a broker, trust, bank or other nominee) should bring with them a legal proxy, a recent brokerage statement or other documentation of their beneficial ownership. Admittance to the Meeting will be limited to shareholders and our invited guests.

Whether or not you plan to attend the Meeting, please complete and return the proxy in the accompanying envelope addressed to the Company or vote electronically by using the Internet or by telephone, since a majority of the outstanding shares entitled to vote at the Meeting must be represented at the Meeting in order to transact business. Shareholders have the power to revoke any such proxy at any time before it is voted at the Meeting and the giving of such proxy will not affect your right to vote in person at the Meeting. Your vote is very important.

By Order of the Board of Directors,

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

August 26, 2016
Fort Lauderdale, Florida

PROXY STATEMENT

This Proxy Statement is furnished to shareholders of National Beverage Corp., a Delaware corporation (the “Company”, “NBC”, “we”, “us” or “our”), in connection with the solicitation, by order of the Board of Directors of the Company (the “Board of Directors” or the “Board”), of proxies to be voted at the Annual Meeting of Shareholders of the Company to be held at the Hyatt Regency Orlando International Airport Hotel, 9300 Jeff Fuqua Boulevard, Orlando, Florida 32827 on September 30, 2016, at 2:00 p.m., local time, or any adjournment or postponement thereof (the “Meeting”). The accompanying proxy is being solicited on behalf of the Board of Directors. The mailing address of the principal executive offices of the Company is P.O. Box 16720, Fort Lauderdale, Florida 33318. The approximate date on which this Proxy Statement and the accompanying form of proxy were first sent to shareholders is September 1, 2016.

Only holders of record of common stock, par value $.01 per share, of the Company (the “Common Stock”) at the close of business on August 8, 2016 (the “Record Date”) are entitled to notice of, and to vote at, the Meeting. Each holder of Common Stock is entitled to one vote for each share held at the close of business on the Record Date.

A shareholder who gives a proxy may revoke it at any time before it is exercised by sending a written notice to the Corporate Secretary, at the mailing address set forth above, by returning a later dated signed proxy or by attending the Meeting and voting in person. Unless the proxy is revoked, the shares represented thereby will be voted as specified at the Meeting.

The Annual Report of the Company for the fiscal year ended April 30, 2016 (the “Annual Report”) is being mailed with this Proxy Statement to all holders of record of Common Stock. Additional copies of the Annual Report will be furnished to any shareholder upon request.

SECURITY OWNERSHIP

Principal Shareholders

As of the Record Date, 46,558,250 shares of Common Stock were outstanding and, as of such date, the only persons known by the Company to beneficially own more than 5% of the outstanding Common Stock were the following:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Nick A. Caporella 8100 SW Tenth Street Fort Lauderdale, Florida 33324	34,244,585[1]	73.6%
IBS Partners Ltd. 1127 Eldridge Parkway Suite 300-0137 Houston, Texas 77077	33,302,246	71.5%

[1] Includes 33,302,246 shares owned by IBS Partners Ltd. ("IBS"). IBS is a Texas limited partnership whose sole general partner is IBS Management Partners, Inc., a Texas corporation. IBS Management Partners, Inc. is owned by Mr. Nick A. Caporella. By virtue of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), Mr. Caporella would be deemed to beneficially own the shares of Common Stock owned by IBS. Also includes 27,056 shares held by the wife of Mr. Caporella as to which Mr. Caporella disclaims beneficial ownership.

Directors and Executive Officers

The table below reflects, as of the Record Date, the number of shares of Common Stock beneficially owned by the directors and each of the executive officers named (the "Executive Officers") in the Summary Compensation Table that follows and the number of shares of Common Stock beneficially owned by all directors and Executive Officers as a group:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Nick A. Caporella	34,244,585[1]	73.6%
Joseph G. Caporella	434,568[2]	*
Cecil D. Conlee	45,048[3]	*
Samuel C. Hathorn, Jr.	92,228[4]	*
Stanley M. Sheridan	37,976[5]	*
George R. Bracken	140,558[6]	*
Gregory P. Cook	15,084[7]	*
All Executive Officers and directors as a group (7 in number)	35,010,047[8]	75.2%

* Less than 1%.

[1] Includes 33,302,246 shares held by IBS. Also includes 27,056 shares held by the wife of Mr. Caporella as to which Mr. Caporella disclaims beneficial ownership.

[2] Includes 26,968 shares issuable upon exercise of currently exercisable options.

[3] Includes 14,208 shares issuable upon exercise of currently exercisable options.

[4] Includes 17,040 shares issuable upon exercise of currently exercisable options.

[5] Includes 21,520 shares held by the Joyce M. Sheridan Family Trust dated January 12, 2009 of which Mr. Sheridan is trustee and the principal beneficiary. Also includes 11,184 shares held by the Stanley M. Sheridan Living Trust dated April 10, 1995 of which Mr. Sheridan is trustee and principal beneficiary and 5,272 shares issuable upon exercise of currently exercisable options.

[6] Includes 133,898 shares held by the George R. Bracken Trust dated February 6, 2015, a revocable trust of which Mr. Bracken is the grantor and trustee, and 6,660 shares issuable upon exercise of currently exercisable options.

[7] Includes 3,700 shares issuable upon exercise of currently exercisable options.

[8] Includes 73,848 shares issuable upon exercise of currently exercisable options.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's Executive Officers, directors and persons who own more than ten percent (10%) of a registered class of the Company's equity securities to file reports of ownership and changes in ownership with the United States Securities and Exchange Commission (the "SEC" or "Commission"). Executive Officers, directors and greater than ten percent (10%) beneficial owners are required by regulation of the Commission to furnish the Company with copies of all Section 16(a) forms so filed.

To our knowledge, based solely on review of Form 3, 4 and 5 reports and amendments thereto and certain representations furnished to the Company, during the fiscal year ended April 30, 2016 ("Fiscal 2016"), the Company's Executive Officers, directors and greater than ten percent (10%) beneficial owners complied with all applicable filing requirements.

MEMBERSHIP AND MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Company is managed under the direction of the Board of Directors. The Board meets to review significant developments affecting us and to act on matters requiring Board approval.

Current committee membership is shown in the table below.

Name	Board	Audit	Compensation and Stock Option	Nominating	Strategic Planning
Nick A. Caporella	Chairman	—	—	Chairman	Chairman
Joseph G. Caporella	Member	—	—	—	—
Cecil D. Conlee	Member	Member	Chairman	—	Member
Samuel C. Hathorn, Jr.	Member	Chairman	Deputy Chairman	Deputy Chairman	Member
Stanley M. Sheridan	Member	Deputy Chairman	Member	Member	—

INFORMATION REGARDING MEETINGS AND COMMITTEES OF THE BOARD

The Board of Directors held six meetings during Fiscal 2016. The Board of Directors has standing Audit, Compensation and Stock Option, Nominating and Strategic Planning committees.

The Audit Committee is currently comprised of three independent members – Messrs. Samuel C. Hathorn, Jr. (Chairman), Stanley M. Sheridan (Deputy Chairman) and Cecil D. Conlee. The Audit Committee held five meetings during Fiscal 2016. The principal functions of the Audit Committee are to appoint the independent auditors of the Company and to review with the independent auditors and the Company's internal audit department the scope and results of audits, the internal accounting controls of the Company, audit practices and the professional services furnished by the independent auditors. The Company's Board of Directors has determined that Messrs. Conlee, Hathorn and Sheridan satisfy the requirements for an audit committee financial expert under the rules and regulations of the Commission and that each member of the Audit Committee is "independent" as defined in the NASDAQ listing standards. The Audit Committee's charter is available on our website at www.nationalbeverage.com under "Investors – Corporate Governance."

The current members of the Company's Compensation and Stock Option Committee are Messrs. Cecil D. Conlee (Chairman), Samuel C. Hathorn, Jr. (Deputy Chairman) and Stanley M. Sheridan. During Fiscal 2016, the Compensation and Stock Option Committee held two meetings. The principal functions of the Compensation and Stock Option Committee are to consider, review and approve all compensation arrangements, including base salary, annual incentive awards and stock option grants, for officers and employees of the Company and to administer the Company's employee benefit programs. The Compensation and Stock Option Committee does not have a charter.

The current members of the Company's Nominating Committee are Messrs. Nick A. Caporella (Chairman), Samuel C. Hathorn, Jr. (Deputy Chairman) and Stanley M. Sheridan. During Fiscal 2016, the Nominating Committee held two meetings. The Nominating Committee recommends to the Board of Directors candidates for election to the Board. The Nominating Committee considers possible candidates from any source, including shareholders, for nominees for directors. In evaluating the qualifications of nominees, the Nominating Committee considers a variety of factors, such as education, work experience, knowledge of the Company and the beverage industry, membership on the board of directors of other corporations, civic involvement and diversity. The Nominating Committee does not have a specific policy with respect to diversity on the Board of Directors. Recommendations for director candidates, which shall include written materials with respect to the potential candidate, should be sent to Corporate Secretary, National Beverage Corp., P.O. Box 16720, Fort Lauderdale, Florida 33318. All shareholder nominees for director will be considered by the Nominating Committee in the same manner as any other nominee. All recommendations should be accompanied by a complete statement of such person's qualifications (including education, work experience, knowledge of the Company's industry, membership on the board of directors of another corporation and civic activity) and an indication of the person's willingness to serve. The Nominating Committee does not have a charter.

The current members of the Company's Strategic Planning Committee are Messrs. Nick A. Caporella (Chairman), Cecil D. Conlee and Samuel C. Hathorn, Jr. The Strategic Planning Committee did not meet separately during Fiscal 2016 as the election of Mr. Conlee to the Board in 2009 allowed the advice and consultation of the committee members to be obtained during the regular meetings of the Board.

In addition to the above standing committees, the Board of Directors from time to time has appointed certain ad hoc committees. During Fiscal 2016, such committees included the Special Committee, formed to evaluate capital deployment options, the Litigation Advisory Committee, formed to assist Company management with certain legal matters and the Strategic Transaction Committee, formed to evaluate strategic business opportunities.

Each director attended all of the meetings of the Board and standing committees on which he serves. We have no formal policy regarding directors' attendance at annual meetings of shareholders but all directors have attended past annual shareholder meetings and we anticipate that all directors will attend the 2016 Meeting.

Mr. Nick A. Caporella currently beneficially owns 73.6% of the Company's outstanding Common Stock. As a result, the Company is a "controlled company" within the meaning of the NASDAQ listing standards and is therefore not currently required to have independent directors comprise a majority of its Board of Directors or to have independent directors comprise its Compensation and Stock Option Committee or its Nominating Committee. However, independent directors comprise the majority of the Nominating Committee and the Compensation and Stock Option Committee is comprised of only independent directors. Messrs. Cecil D. Conlee, Samuel C. Hathorn, Jr. and Stanley M. Sheridan qualify as independent directors under the NASDAQ listing standards.

In compliance with NASDAQ listing standards, the independent directors hold meetings at which only independent directors are present.

QUORUM AND VOTING PROCEDURE

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Common Stock entitled to vote at the Meeting is necessary to constitute a quorum. Votes cast by proxy or in person at the Meeting will be tabulated by the inspectors of election appointed for the Meeting and will be counted in determining whether or not a quorum is present. A proxy submitted by a shareholder may indicate that all or a portion of the shares represented by such proxy are not being voted by such shareholder with respect to a particular matter ("non-voted shares"). This could occur, for example, when a broker is not permitted to vote shares held in "street name" on certain matters in the absence of instructions from the beneficial owner of the shares. Non-voted shares with respect to a particular matter will not be considered shares present and entitled to vote on such matter, although such shares may be considered present and entitled to vote for other purposes and will be counted for purposes of determining the presence of a quorum. Shares voting to abstain as to a particular matter and directions to "withhold authority" to vote for directors will not be considered non-voted shares and will be considered present and entitled to vote with respect to such matter. Non-voted shares and abstentions will have no effect on the matters brought to a vote at the Meeting. As a result of Mr. Nick A. Caporella's beneficial ownership of 73.6% of the outstanding shares of Common Stock of the Company, the election of the Class II directors will be approved by vote of shareholders at the Meeting.

MATTERS TO BE CONSIDERED AT ANNUAL MEETING

Election of Directors

Currently, the Board is comprised of five directors elected in three classes (the "Classes"). Directors in each class hold office for three-year terms and the terms of the Classes are staggered so that the term of one Class terminates each year. The term of the current Class II directors expires at the 2016 Meeting.

The Board of Directors has nominated Cecil D. Conlee and Stanley M. Sheridan for election as directors in Class II, with a term of office of three years expiring at the Annual Meeting of Shareholders to be held in 2019 and when his respective successor has been duly elected and qualified. In order to be elected as a director, a nominee must receive a plurality of affirmative votes cast by the shares present or represented at a duly convened meeting. Shareholders have no right to vote cumulatively.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE NOMINEES FOR THE CLASS II DIRECTORS.

INFORMATION AS TO NOMINEES AND OTHER DIRECTORS

The following information concerning principal occupation or employment, including any directorships with public companies or registered investment companies during the past five years, and age has been furnished to the Company by the nominees for Class II directors and by the directors in Classes III and I whose terms expire at the Company's Annual Meeting of Shareholders in 2017 and 2018, respectively, and when their respective successors have been duly elected and qualified.

Nominees for Director

CLASS II

Name	Age	Principal Occupation or Employment	Director Since	Term Expires
Cecil D. Conlee	80	Founding Partner of CGR Advisors. Former Director, Oxford Industries, Inc.	2009	2016
Stanley M. Sheridan	73	Retired President of Faygo Beverages, Inc., a wholly-owned subsidiary of National Beverage Corp.	2009	2016

Directors Whose Term of Office Will Continue After the Annual Meeting

CLASS III

Name	Age	Principal Occupation or Employment	Director Since	Term Expires
Nick A. Caporella	80	Chairman of the Board and Chief Executive Officer of National Beverage Corp.	1985	2017

CLASS I

Name	Age	Principal Occupation or Employment	Director Since	Term Expires
Joseph G. Caporella	56	President of National Beverage Corp.	1987	2018
Samuel C. Hathorn, Jr.	73	Retired President and Chief Executive Officer of Trendmaker Homes, Inc., a former subsidiary of Weyerhaeuser Company.	1997	2018

Additional information regarding the nominees for election as directors and the continuing directors of the Company, including a description of the specific experience, qualifications, attributes and skills that led the Board of Directors to conclude that each individual should serve as a director, is set forth below.

Nominees

Cecil D. Conlee is a partner of CGR Advisors, an Atlanta, Georgia based real estate investment advisory firm that he founded in 1990. He served as a director of Oxford Industries, Inc., an international apparel design, sourcing and marketing company from 1985 until June 2011, and was a member of the Executive Committee and Chairman of the Audit Committee. He also served as a director of Central Parking Corp. from 1996 to 2006. Mr. Conlee has been a member of the Company's Strategic Planning Committee since 1995 and was a lead director of Burnup & Sims Inc. (a former affiliate of the Company) for more than 20 years. As a result, he gained unique knowledge and experience during the formative years of the Company. In addition, Mr. Conlee holds an MBA from Harvard University and is a Trustee Emeritus of Vanderbilt University. Mr. Conlee's education, business acumen, leadership skills, civic involvement and his knowledge and experience related to our Company qualify him to serve on our Board.

Stanley M. Sheridan was employed by Faygo Beverages, Inc., a wholly-owned subsidiary of National Beverage Corp., from 1974 until his retirement in 2004. He joined Faygo Beverages, Inc. as Chief Financial Officer in 1974 and was promoted to President in May 1987 when Faygo Beverages, Inc. was acquired by National Beverage Corp. He holds an MBA in Accounting and has served on the boards of various private companies and charitable organizations. Mr. Sheridan's retirement in 2004 and his absence from Faygo Beverages, Inc. qualify him as an independent director for the Company. Mr. Sheridan's 30 years of experience in the beverage industry and his professional management expertise as a chief executive in the soft drink industry make him extremely familiar with our business. These qualifications and his financial and accounting expertise qualify him to serve on our Board.

Continuing Directors

Nick A. Caporella has served as Chairman of the Board and Chief Executive Officer of the Company since the Company was founded in 1985. He also served as President until September 2002. Since January 1992, Mr. Caporella's services have been provided to the Company through a management company, Corporate Management Advisors, Inc. ("CMA"), an entity which he owns. (See "Management Services Agreement – Compensation" and "Certain Relationships and Related Party Transactions".) Mr. Caporella previously served as President and Chief Executive Officer (since 1976) and Chairman of the Board (since 1979) of Burnup & Sims Inc. until March 1994. Throughout his more than 50-year business career, he has founded or managed as the Chief Executive Officer successful companies and has served as a public company Chairman, Chief Executive Officer or President since 1976. Mr. Caporella has achieved many awards as a businessman, including induction into the Institute of American Entrepreneurs and receipt of the Horatio Alger Award. He is involved in many research projects which endeavor to advance the cure of children's cancer and currently serves on the Professional Advisory Board of St. Jude Children's Hospital. The Company was founded as a result of Mr. Caporella's vision and entrepreneurial spirit and his extraordinary career, entrepreneurial spirit, business acumen and civic leadership qualify him to serve on the Board.

Joseph G. Caporella has served as President of the Company since September 2002 and, prior to that date, served as Executive Vice President since January 1991. He is the son of Mr. Nick A. Caporella. Since joining the Company in 1988, he has been involved in all aspects of the Company's operations, including procurement, supply chain management, distribution and sales leadership. Mr. Caporella's more than 25 years of experience in the beverage industry coupled with his extensive knowledge of the day-to-day business operations of the Company qualify him to serve on our Board.

Samuel C. Hathorn, Jr. was employed by Trendmaker Homes, Inc. from 1981 until his retirement in September 2007. He served as President since 1983 and was appointed Chief Executive Officer in January 2007. Trendmaker Homes, Inc. was a Houston, Texas-based homebuilding and land development subsidiary of Weyerhaeuser Company. Mr. Hathorn has also held senior executive and financial positions with several public corporations and served as a director of Burnup & Sims Inc. from 1981 until 1997 and of Hartman Commercial Properties REIT, a publicly-traded real estate investment trust, from 2000 to 2005. Mr. Hathorn first served on the Company's Board of Directors from its inception in 1985 to September 1993 while also serving as a Burnup & Sims director and representative during the Company's formative years. He returned to our Board in June 1997 and has served as a director since that time. Mr. Hathorn's extensive expertise as a seasoned financial executive, his professional business acumen and his intimate knowledge of our business qualify him to serve on our Board.

BOARD LEADERSHIP STRUCTURE

The Board of Directors does not have a policy addressing whether the same person should serve as both the Chief Executive Officer and Chairman of the Board or if the roles should be separate but believes that it should have the flexibility to make its determination based upon what it considers to be the appropriate leadership structure for the Company at the time. The Board further believes that having a single person serving as both Chief Executive Officer and Chairman of the Board, coupled with our use of individual chairmen for each of our Board committees, currently provides the best form of leadership for our Company. Accordingly, the Board has not deemed it necessary or appropriate to create the position of lead independent director, in that each Committee Chairman functions in the capacity akin to that of a lead director. Combining the Chairman and Chief Executive Officer roles fosters clear accountability, effective decision-making, alignment of our corporate strategies and has served the Company well for many years. As our Chief Executive Officer, Mr. Nick A. Caporella is and has been responsible for overseeing the operations of the Company and implementing the Company's corporate strategies. The Board believes that the breadth of Mr. Caporella's business experience, professional and successful track record in all of his undertakings in the Company, along with his position as founder and controlling shareholder of the Company, make him uniquely qualified to continue to preside over the entire Board, lead its strategies and discussions and set its agendas.

BOARD'S ROLE IN RISK OVERSIGHT

While management is primarily responsible for the day-to-day assessment and risk management programs, the Board of Directors is responsible for oversight of enterprise-wide exposures, including strategic, operational, financial, legal and regulatory risks. The Board performs its oversight function both directly and indirectly through Board committees that are chaired by professionals with varied and extensive business experience. The Audit Committee assists the Board in evaluating financial risks and risks related to the Company's financial reporting, internal controls and compliance with legal and regulatory requirements. The Compensation and Stock Option Committee assists the Board in evaluating risks associated with leadership assessment, management succession planning and our compensation philosophy and programs. In addition to committee reports, the Board receives regular presentations from senior management and senior department heads, which include presentations regarding the annual operating plan as well as long-term operational and strategic matters.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

Compensation Discussion and Analysis

The following discussion and analysis is intended to provide an understanding of the Company's compensation philosophy and policies and the actual compensation earned by each of our Executive Officers. It should be noted that neither Mr. Nick A. Caporella nor Mr. Bracken receives cash compensation from the Company. The services of both are provided to the Company by CMA and their cash compensation is based solely on and included within the management fee paid to CMA. (See "Management Services Agreement – Compensation" and "Certain Relationships and Related Party Transactions".)

At the 2014 Annual Meeting, 86% of the shares voted by our shareholders were voted to approve, on an advisory basis, the compensation of our Executive Officers. We believe this vote supports our view that the Company's compensation decisions and compensation philosophy and policy discussed below appropriately align the interests of our Executive Officers with the short and long-term goals of the Company. Also based on the advisory vote of our shareholders at the 2011 Annual Meeting, the Board determined that the Company will hold shareholder advisory votes on executive compensation every three years. The next shareholder advisory vote on executive compensation is scheduled to take place at the Annual Meeting of Shareholders to be held in 2017.

Compensation Philosophy

The objectives of the Company's compensation program are to (1) attract, motivate, develop and retain top quality executives who will increase long-term shareholder value and (2) deliver competitive total compensation packages based upon the achievement of both Company and individual performance goals. The Company expects its executives to balance the risks and related opportunities inherent in our industry and in the performance of his or her duties, and to adhere to the Company's philosophy and business principles in order to participate in any upside opportunity once actual performance is measured.

To achieve the above goals, the Compensation and Stock Option Committee has set forth a compensation program for its Executive Officers that includes the following elements:

- Base salary;
- Annual cash bonuses;
- Share-based compensation; and
- Retirement, health and other benefits.

In order to maintain a competitive compensation program for its Executive Officers, the Compensation and Stock Option Committee, on a semi-annual basis: (a) reviews compensation practices to assure fairness, relevance, support of the strategic goals of the Company and contribution of the executive to the creation of long-term shareholder value, (b) considers the relevant mix of compensation components and (c) implements a compensation plan that reasonably allocates a portion of each executive's total compensation to incentives and other forms of longer-term compensation linked to Company and individual performance, and the creation of shareholder value.

Factors Considered In Determining Compensation

The Compensation and Stock Option Committee reviews executive compensation levels for its Executive Officers on a semi-annual basis to ensure that they remain competitive within the beverage industry. The overall value of the compensation package for an Executive Officer is determined by the Compensation and Stock Option Committee in consultation with the Chief Executive Officer, other key officers and the Board. The factors considered by the Compensation and Stock Option Committee include those related to both the overall performance of the Company and the individual performance of the Executive Officer. Consideration is also given to comparable compensation data for individuals holding similarly responsible positions at other and peer group companies in determining appropriate compensation levels.

With respect to long-term incentive compensation to be awarded to Executive Officers, the Company maintains three equity-based plans: (a) the 1991 Omnibus Incentive Plan, (b) the Special Stock Option Plan and (c) the Key Employee Equity Partnership Program (each plan is discussed in more detail below).

The timing, amount and form of awards under these plans for each of the Executive Officers is made at the discretion of the Compensation and Stock Option Committee based on recommendations of the Chief Executive Officer. Any such awards are granted only upon the written approval of the Compensation and Stock Option Committee. No stock-based awards or other equity rights have been granted to Mr. Nick A. Caporella since the Company's inception.

Elements of Executive Compensation

Base Salary

Base salary is used to attract and retain Executive Officers and is determined using comparisons with industry competitors and other relevant factors including the seniority of the individual, the functional role of the position, the level of the individual's responsibility and the ability to replace the individual. Salaries for the Executive Officers are reviewed by the Compensation and Stock Option Committee, the Chief Executive Officer and the Board on a semi-annual basis. Changes to base salaries, if any, are affected primarily by individual performance.

Annual Cash Bonuses

Annual cash bonuses are intended to be a significant component of an Executive Officer's compensation package. The amount of annual bonus compensation to be awarded to the Executive Officers, if any, is determined by the Compensation and Stock Option Committee, upon recommendation by the Chief Executive Officer. While the Chief Executive Officer and the Compensation and Stock Option Committee consider the Company's overall performance and each individual's performance when determining the amount of bonus to award, there is no predefined written plan, acknowledged by the recipient, with respect to performance measures that obligates the Company to pay an annual cash bonus and the Compensation and Stock Option Committee retains absolute discretion to award bonuses and to determine the amount of such bonuses.

Share-Based Compensation (Long-Term Incentive Programs)

Share-based long-term incentive compensation is provided to Executive Officers through the award of stock options. The primary purpose of stock options is to provide Executive Officers and other employees with a personal and financial interest in the Company's success through stock ownership, thereby aligning their interests with those of our shareholders. The Compensation and Stock Option Committee believes that the value of stock options will reflect the Company's financial performance over the long-term. Because the Company's stock option programs require vesting periods before options may be exercised and an exercise price based on either the fair market value as of the date of grant or the amount of Common Stock held, the value of stock options and stock ownership increases when the market value of the Company's common shares increases over time.

Share-based awards made under the Company's 1991 Omnibus Incentive Plan (the "Omnibus Plan") typically consist of options to purchase Common Stock which vest over five years and have a term of ten years. Certain key executives of the Company also receive grants from time to time under the Company's Special Stock Option Plan (the "Special Option Plan"). The vesting schedule and exercise price of these options are tied to the executive's ownership levels of Common Stock. Generally, the terms of the Special Option Plan allows for the reduction in exercise price upon each vesting date of the option. The vesting schedule and exercise price reduction of such options may be accelerated at the discretion of the Compensation and Stock Option Committee. While the Compensation and Stock Option Committee considers the Company's overall financial performance during the respective vesting periods, there is no predefined written plan with respect to financial measures that obligates the Company to such acceleration, and the Compensation and Stock Option Committee has not elected to accelerate the vesting or price reduction of any options held by Executive Officers during the past three fiscal years. The Company issues share-based awards with long-term vesting schedules designed to increase the level of the executive's stock ownership, encourage long-term employment, promote adherence to the Company's principles and philosophy and create long-term value for shareholders, while inducing corporate compatibility within the management team.

In addition, share-based compensation is awarded under the Company's Key Employee Equity Partnership Program (the "KEEP Program"). The KEEP Program is designed to positively align interests between the Company's executives and its shareholders beyond traditional option programs while, at the same time, stimulating and rewarding management for "partnering-up" with the Company to create shareholder value. The KEEP Program provides for granting stock options to key employees, officers and directors of the Company who invest their personal funds in Common Stock. Participants who purchase shares of Common Stock in the open market receive grants of stock options equal to 50% of the number of shares purchased up to a maximum of 6,000 shares purchased in any two-year period. Options under the KEEP Program are automatically forfeited upon the sale of shares originally acquired by the participant. The options are granted at an initial exercise price of 60% of the purchase price paid for the shares acquired and reduce to the par value of Common Stock at the end of the six-year vesting period.

The Company's long-term incentive programs are generally intended to provide rewards to executives only if value is created for shareholders over time and the executive continues in the employ of the Company. The Compensation and Stock Option Committee believes that employees should have sufficient holdings of the Company's Common Stock so that their decisions will appropriately foster sound judgment in the exercise of their duties. The Compensation and Stock Option Committee reviews with the Chief Executive Officer the recommended individual awards and evaluates the scope of responsibility, strategic and operational goals and individual contributions in making final awards under the Omnibus Incentive Plan and the Special Option Plan, and determines participants in the KEEP Program.

Options issued pursuant to the Special Option Plan and the KEEP Program after December 31, 2004 are considered deferred compensation arrangements under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, option recipients must make a written election to exercise option grants on specified future dates to avoid being subject to additional income taxes, interest and withholding. The election is irrevocable, but may be subject to acceleration upon proper termination of employment, disability or in certain other limited circumstances, at the discretion of the Board of Directors. All Executive Officers holding options granted under these plans have made such an election.

With respect to share-based compensation, the Company recognizes stock compensation expense in accordance with FASB Accounting Standards Codification Topic 718 which requires public companies to measure the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award. The Company uses the Black-Scholes option-pricing model to determine the grant date fair value.

The Company ensures that stock option awards approved by the Compensation and Stock Option Committee will be granted subsequent to any planned release of material non-public information. The Company has not engaged in the backdating, cancellation or re-pricing of stock options awarded to its Executive Officers.

Retirement, Health and Other Benefits

The Company provides retirement, health and other benefits as an additional incentive to retain employees. The Company maintains a defined contribution 401(k) plan that allows employees to make plan contributions on a pre-tax basis and currently contributes an additional profit sharing contribution on behalf of each employee. Profit sharing contributions are allocated to all employees who meet certain minimum service requirements, based on a percentage of total compensation, which amount is subject to change from year to year. Although Executive Officers are eligible to participate in the 401(k) plan, they have been prevented from participating at the same level as non-executives, due to the rules under Section 401(a)(17) of the Code which dictate the application of an annual limitation on contributions.

We currently make available to our Executive Officers and all employees a comprehensive health, dental, life and disability insurance program. The health care insurance program offers a variety of coverage options, which may be selected at the employee's discretion. The Company currently provides a basic term-life insurance policy to all employees and makes additional coverage available at the employee's expense and discretion.

The Company does not provide any additional perquisites to Executive Officers, other than a car allowance, which is included in the Summary Compensation Table below. The total of all perquisites to any Executive Officer did not equal or exceed $10,000 for Fiscal 2016.

Employment, Change in Control and Severance Agreements

The Company does not typically enter into, and does not currently have, any formal employment, change in control, severance or other similar agreements with any Executive Officer. The Company's stock option plans, however, provide that unvested options held by all employees will fully vest if a change of control (as defined in the plans) occurs or if options of an equivalent value are not provided in the event the Company is not the surviving entity of a merger or consolidation. Based on the difference between the closing stock price of the Company's Common Stock on April 30, 2016 and the option exercise prices on that date, the values of unvested options held by our Executive Officers were: Joseph G. Caporella - $1,099,938; George R. Bracken- $538,695; and Gregory P. Cook - $132,999.

The Company may also, from time to time, pay severance to an employee, including an Executive Officer, based on, among other things, years of service, functional role or position and level of the individual's responsibility and reasons for terminating his or her services. The Company believes in trust, loyalty and commitment from both the Company and the Executive Officers and that employment agreements are not necessary to achieve its goals and meet the needs of the Executive Officers. The Company believes that the fact that most of the executives of the Company have been with the Company for a long period of time supports this belief.

REPORT OF THE COMPENSATION AND STOCK OPTION COMMITTEE

The Compensation and Stock Option Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis, required by Item 402(b) of Regulation S-K, with management of the Company. Based on this review and discussion, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement for the Company's 2016 Annual Meeting of Shareholders.

THE COMPENSATION AND STOCK OPTION COMMITTEE

Cecil D. Conlee (Chairman)
Samuel C. Hathorn, Jr. (Deputy Chairman)
Stanley M. Sheridan

MANAGEMENT SERVICES AGREEMENT – COMPENSATION

CMA, pursuant to a management agreement, provides the services of and compensates the Company's Chief Executive Officer, Chief Financial Officer and senior and other corporate personnel, who provide management, administrative and creative functions to the Company. Although management fees paid to CMA have been disclosed in "Certain Relationships and Related Party Transactions" since the inception of the management agreement in 1992, during 2009, the Commission requested that we modify the presentation of amounts paid to Mr. Nick A. Caporella and Mr. Bracken. In a comment letter dated February 9, 2009, the Commission staff requested that, due to Mr. Caporella's 100% ownership of CMA, the entire management fee paid to CMA be reflected as compensation to Mr. Caporella in the body of the Summary Compensation Table. As a result, we agreed (for reporting purposes) to include the management fee paid by the Company to CMA under the caption "All Other Compensation" with respect to Mr. Nick A. Caporella in the Summary Compensation Table. We believe this method of reporting constitutes an ultra-conservative and most probable misleading approach that could have the reader construe that these amounts are paid by the Company and/or CMA directly to him due to his ownership of CMA. These amounts paid by the Company to CMA, as reflected in the Summary Compensation Table, should not be interpreted as the actual amount of compensation paid to him by either the Company or CMA and are shown only to comply with the comment letter dated February 9, 2009. The cash compensation of Mr. Bracken, who serves as Principal Financial Officer of National Beverage Corp., is also paid by CMA and is included under the "All Other Compensation" caption in the Summary Compensation Table. (See "Certain Relationships and Related Party Transactions".)

SUMMARY COMPENSATION TABLE

The following table sets forth information concerning compensation awarded to, earned by or paid to our Executive Officers, and payments made to CMA, for services rendered during the past three fiscal years:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Total Salary and Bonus ($)	Grant Date Option Award Value ($)[2]	GAAP Option Expense ($)[3]	All Other Compensation ($)	Total ($)[4] SEC	Total ($)[4] GAAP
Nick A. Caporella[1] Chairman of the Board and Chief Executive Officer	2016	–	–	–	n/a	n/a	7,047,850[1]	7,047,850	[5]
	2015	–	–	–	n/a	n/a	6,458,254[1]	6,458,254	[5]
	2014	–	–	–	n/a	n/a	6,411,346[1]	6,411,346	[5]
Joseph G. Caporella President	2016	725,000	474,955	1,199,955	n/a	31,223	6,591	1,206,546	1,237,769
	2015	690,000	407,898	1,097,898	103,882	30,881	6,346	1,208,126	1,135,125
	2014	650,000	462,867	1,112,867	n/a	15,113	6,670	1,119,537	1,134,650
George R. Bracken[1] Executive Vice President-Finance	2016	–	–	–	n/a	19,070	470,400[1]	470,400	489,470
	2015	–	–	–	77,912	17,283	436,233[1]	514,145	453,516
	2014	–	–	–	n/a	2,991	441,490[1]	441,490	444,481
Gregory P. Cook Vice President-Controller & Chief Accounting Officer	2016	185,000	35,000	220,000	n/a	5,738	1,011	221,011	226,749
	2015	170,000	30,000	200,000	25,971	5,992	766	226,737	206,758

SEC Required → ← NBC (GAAP)

[1] Mr. Nick A. Caporella, our Chairman of the Board and Chief Executive Officer, and Mr. George R. Bracken, our Executive Vice President-Finance, do not receive any cash compensation from the Company as their services are provided to us through CMA. As described above in "Compensation Discussion and Analysis" and "Management Services Agreement – Compensation" and below in "Certain Relationships and Related Party Transactions", we pay an annual base management fee equal to one percent of our consolidated net sales for the services that CMA provides, which include, among other things, the services of Mr. Nick A. Caporella and Mr. Bracken, as well as senior and other corporate personnel who are not required to be included in the table above, and the supervision of the Company's financial, legal, executive recruitment, internal audit and management information systems departments. The amounts set forth with respect to Mr. Nick A. Caporella under the caption "All Other Compensation" represent the total management fees paid by us to CMA (which is compliant with the conservative presentation requested by the Commission) for the respective fiscal years and should not be construed to be actual compensation paid by either the Company or CMA to Mr. Caporella. The amounts set forth with respect to Mr. Bracken under the caption "All Other Compensation" represent payments to him by CMA.

[2] As prescribed by SEC regulations, amounts represent the grant date fair value for Special Option awards granted on August 27, 2014 computed in accordance with Accounting Standards Codification 718 based on the Black-Scholes option-pricing model. (See Note 8 to the Financial Statements included in the Company's Annual Report on Form 10-K for additional information regarding the assumptions utilized.) Special Options generally vest over five to nine-year periods and accordingly the Company recognizes compensation expense with respect to these options over the projected vesting periods. The gain realized by the recipient, if any, upon exercise is dependent upon future events and therefore, the amount reflected on this table is not necessarily the amount that will be realized. Accordingly, the Company believes that this methodology does not fully reflect the periodic cost to the Company or the value to the recipient and therefore has provided additional GAAP based option expense information. (See footnote 3 below.)

[3] Amounts represent the annual compensation expense recognized for stock option awards computed in accordance with Generally Accepted Accounting Principles ("GAAP") pursuant to Accounting Standards Codification 718 based on the Black-Scholes option pricing model. (See Note 8 to the Financial Statements included in the Company's Annual Report on Form 10-K for additional information regarding the assumptions utilized.) Options held by our Executive Officers generally vest over five to nine-year periods and are expensed in accordance with GAAP. The Company believes that the annual compensation expense provides a more meaningful measure of the value of these options for any given fiscal year than the grant date fair value amount prescribed by SEC regulations and therefore has been included as supplementary information.

[4] The Company's Board and management believe that anomalies exist in the request to conform with SEC requirements and therefore have aligned this presentation to more appropriately recognize expense in accordance with GAAP and more clearly inform the reader. As stated in the Summary Compensation Table, the amounts under Mr. Nick A. Caporella's SEC compensation column are more clearly defined in footnote 1 of this section.

[5] Mr. Nick A. Caporella has not been awarded stock options, therefore, his total does not differ from the SEC prescribed total.

GRANTS OF PLAN-BASED AWARDS IN FISCAL 2016

There were no equity or non-equity incentive plan based awards to Executive Officers during Fiscal 2016.

OUTSTANDING EQUITY AWARDS AT END OF FISCAL 2016

The following table sets forth information about the number of outstanding equity awards held by our Executive Officers at April 30, 2016. No equity awards have been granted to Nick A. Caporella since the inception of the Company.

	Option Awards			
Name	**Number of Securities Underlying Unexercised Options (# Exercisable)**	**Number of Securities Underlying Unexercised Options (# Unexercisable)**	**Option Exercise Price ($)**	**Option Expiration Date**
Joseph G. Caporella	24,168	13,832	5.68[1]	07/27/20
	2,800	17,200	15.81[1]	08/26/24
George R. Bracken	4,560	3,440	6.13[1]	07/27/20
	2,100	12,900	15.81[1]	08/26/24
Gregory P. Cook	3,000	—	11.35	05/04/20
	700	4,300	15.81[1]	08/26/24

[1] Options granted under the Company's Special Option Plan are exercisable for a ten-year period and vest in relatively equal amounts at approximately 16-month intervals. The exercise price can be reduced and the vesting schedule can be accelerated if the optionee purchases and maintains ownership of shares of Common Stock and the Company achieves performance objectives as determined by the Board. Based upon these factors, full vesting can occur from 64 to 104 months after issuance and the exercise price can range from 50% to 7% of the initial grant price if the options are held until the final vesting date.

OPTION EXERCISES AND STOCK VESTED IN FISCAL 2015

The following table sets forth all stock options exercised and the value received upon exercise by the Executive Officers during Fiscal 2016. There are no stock awards outstanding.

Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)[1]
Joseph G. Caporella	42,000	1,624,980
George R. Bracken	4,800	154,464
Gregory P. Cook	2,400	70,949

[1] The value realized on exercise was calculated by taking the difference between the fair market value per share on the date of the exercise less the option price, multiplied by the number of shares acquired.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information about shares of Common Stock that may be issued upon exercise of options and other stock-based awards under all of the Company's equity compensation plans as of April 30, 2016.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights ($)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column)
Equity compensation plans approved by shareholders	405,650	12.67	2,686,647
Equity compensation plans not approved by shareholders[1]	13,245	5.45	115,967
Total	418,895	12.44	2,802,614

[1] Includes shares issuable for outstanding options and shares available for grant under the Company's KEEP Program.

DIRECTOR COMPENSATION

Officers of the Company who are also directors do not receive any fee or remuneration for services as members of the Board of Directors or of any Committee of the Board of Directors. Non-management directors receive a retainer fee of $40,000 per annum, a fee of $2,000 for each Board meeting attended, a fee of $1,500 for each Audit Committee meeting attended ($2,500 in the case of the Chairman) and a fee of $1,000 ($1,700 in the case of a committee Chairman) for each other committee meeting attended. Set forth below are the amounts paid to non-management directors in Fiscal 2016.

Name	Fees Earned or Paid in Cash ($)	Grant Date Option Award Value ($)	All Other Compensation ($)	Total ($)[2]
Cecil D. Conlee	54,600	54,572[1]	—	109,172
Samuel C. Hathorn, Jr.	65,800	—	—	65,800
Stanley M. Sheridan	54,900	—	—	54,900

[1] As prescribed by SEC regulations, amount represents the aggregate grant date fair value for Special Options awarded during Fiscal 2016 computed in accordance with Accounting Standards Codification 718, based on the Black-Scholes option-pricing model. Compensation expense recognized for accounting purposes with respect to stock options held by directors during Fiscal 2016, computed in accordance with Accounting Standards Codification 718, is as follows: Mr. Conlee $42,382, Mr. Hathorn $28,018 and Mr. Sheridan $18,725. See footnotes 2 and 3 to the Summary Compensation Table for additional information.

[2] Totals, including compensation expense recognized for accounting purposes with respect to stock options held by directors, are as follows: Mr. Conlee $96,982, Mr. Hathorn $93,818 and Mr. Sheridan $73,625.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors has furnished the following report:

Pursuant to its charter, the Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. The Company's management has the primary responsibility for the financial statements and reporting process, including the Company's internal control systems. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited financial statements included in the Annual Report on Form 10-K for the fiscal year ended April 30, 2016. This review included a discussion of the quality and the acceptability of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

The Audit Committee discussed with the Company's independent auditors, who are responsible for expressing an opinion on the conformity of the Company's audited financial statements with generally accepted accounting principles, all matters required to be discussed by Auditing Standards No. 16, "Communications with Audit Committees" issued by the Public Company Accounting Oversight Board ("PCAOB"). In addition, our independent auditors provided the Committee with the written disclosures and the letter required by the applicable requirements of the PCAOB relating to the independent auditor's communications with the Committee concerning independence.

The Audit Committee discussed with the independent auditors the overall plans for their audits, the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2016 for filing with the Commission.

THE AUDIT COMMITTEE

Samuel C. Hathorn, Jr. (Chairman)
Stanley M. Sheridan (Deputy Chairman)
Cecil D. Conlee

INDEPENDENT AUDITORS

The Company's financial statements for Fiscal 2016 and the year ended May 2, 2015 ("Fiscal 2015") were examined by RSM LLP ("RSM"), independent registered public accountants. Representatives of RSM are expected to be present at the Meeting to make a statement if they so desire and they are expected to be available to respond to appropriate questions.

Audit and Other Fees

For professional services rendered for the annual audit of the Company's consolidated financial statements and internal controls, review of its interim financial statements included in the Company's Form 10-Q and services that are normally provided in connection with statutory and regulatory filings, the Company was billed $419,000 for Fiscal 2016 and $435,000 for Fiscal 2015. Included in such amounts are fees associated with Sarbanes-Oxley Section 404 requirements of $197,000 for Fiscal 2016 and $207,000 for Fiscal 2015.

During Fiscal 2016 and 2015, RSM did not bill the Company for any tax consulting or other products or services. The Audit Committee pre-approves all audit and permitted non-audit fees before such service is rendered.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Company is a party to a management agreement with CMA, a corporation owned by our Chairman and Chief Executive Officer. This agreement was originated in 1991 for the efficient use of management of two public companies at the time. In 1994, one of those public entities, through a merger, no longer was managed in this manner.

Under the terms of the management agreement, CMA provides, subject to the direction and supervision of the Board of Directors of the Company, (i) senior corporate functions (including supervision of the Company's financial, legal, executive recruitment, internal audit and management information systems departments) as well as the services of a Chief Executive Officer and Chief Financial Officer, and (ii) services in connection with acquisitions, dispositions and financings by the Company, including identifying and profiling acquisition candidates, negotiating and structuring potential transactions and arranging financing for any such transaction. CMA, through its personnel, also provides, to the extent possible, the stimulus and creativity to develop an innovative and dynamic persona for the Company, its products and corporate image. In order to fulfill its obligations under the management agreement, CMA employs numerous individuals, who, acting as a unit, provide management, administrative and creative functions for the Company. In connection with providing services under the management agreement, CMA is a twenty percent (20%) joint owner of an aircraft used by the Company. The management agreement provides that the Company will pay CMA an annual base fee equal to one percent of the consolidated net sales of the Company, and further provides that the Compensation and Stock Option Committee and the Board of Directors may from time to time award additional incentive compensation to CMA. The Board of Directors on numerous occasions contemplated incentive compensation and, while shareholder value increased to over $2.5 billion (or 6,000%) since the inception of this agreement, no incentive compensation has been paid. We incurred management fees to CMA of $7.0 million for Fiscal 2016, $6.5 million for Fiscal 2015, and $6.4 million for Fiscal 2014. The Company does not have written policies and procedures with respect to related party transactions, but the Company's practice has been that the services and performance of CMA are reviewed annually by the independent members of the Compensation and Stock Option Committee and the Board of Directors. During the course of such reviews, the independent directors on the Compensation and Stock Option Committee have, on numerous occasions, proposed that CMA be paid an incentive due to superior performance based on various criteria, including the favorable outcome of specific negotiations and the performance of the Company's Common Stock. However, no incentive compensation has been accepted by CMA and, as noted above, none has been paid since the inception of the management agreement.

On January 25, 2013, the Company sold 400,000 shares of Special Series D Preferred Stock (the "Series D Preferred"), par value $1.00 per share, for an aggregate amount of $20 million to 8100 Partners, LLC, a Florida limited liability company (the "LLC"). Members of the LLC include George R. Bracken, the Company's Principal Financial Officer, other members of management and a trust previously established by Mr. Nick A. Caporella. The Series D Preferred accrued cash dividends in an amount equal to 3% per year on a quarterly basis until April 30, 2014 and, thereafter, at an annual rate equal to 370 basis points above the 3-Month LIBOR on a quarterly basis. The Series D Preferred was a non-voting class of stock and redeemable at the option of the Company beginning May 1, 2014 at $50 per share. The terms of the Series D Preferred were reviewed and approved by a Special Committee which consisted of the independent members of the Board. After serious consideration of a more typical financial arrangement, the Board of Directors felt that the cost and expediency of issuing the Series D Preferred were favorable to the conventional method and decided that this method was of greater benefit to the Company. On May 2, 2014, the Company redeemed 160,000 shares of Series D Preferred, representing 40% of the amount outstanding, for an aggregate price of $8 million plus accrued dividends. In conjunction with the partial redemption, the annual dividend rate on the outstanding Series D Preferred was reduced to 2.5% for the twelve-month period beginning May 1, 2014. On August 1, 2014, the Company redeemed 120,000 additional shares of the Series D Preferred for an aggregate price of $6 million plus accrued dividends. On May 1, 2015, the Company and the members of the LLC agreed to extend the 2.5% annual dividend rate on the outstanding 120,000 shares of Series D Preferred through April 30, 2016. On April 29, 2016, the Company redeemed the final remaining shares of Series D Preferred for an aggregate price of $6 million plus accrued dividends.

PROXY SOLICITATION

The accompanying proxy is solicited by and on behalf of the Board of Directors of the Company. Proxies may be solicited by personal interview, mail, email, telephone or facsimile. The Company will also request banks, brokers and other custodian nominees and fiduciaries to supply proxy material to the beneficial owners of the Company's Common Stock of whom they have knowledge, and the Company will reimburse them for their expense in so doing. Certain directors, officers and other employees of the Company may solicit proxies without additional remuneration. The entire cost of the solicitation will be borne by the Company.

CONTACTING THE BOARD OF DIRECTORS

Shareholders who wish to communicate with the Board of Directors may do so by writing to Board of Directors, National Beverage Corp., P.O. Box 16720, Fort Lauderdale, Florida 33318. Such communications will be reviewed by the Secretary of the Company, who shall remove communications relating to solicitations, junk mail or correspondence relating to customer service issues. All other communications shall be forwarded to the Board of Directors or specific members of the Board as appropriate or as requested in the shareholder communication.

Any proposal of a shareholder intended to be presented at the Company's 2017 Annual Meeting of Shareholders must be received by the Company for inclusion in the Proxy Statement and form of proxy for that meeting no later than April 28, 2017. Additionally, the Company must receive notice of any shareholder proposal to be submitted at the 2017 Annual Meeting of Shareholders (but not required to be included in the Proxy Statement) by July 11, 2017, or such proposal will be considered untimely pursuant to Rule 14a-4 and 14a-5(e) of the Exchange Act and the persons named in the proxies solicited by management may exercise discretionary voting authority with respect to such proposal.

Our Restated Certificate of Incorporation contains an advance notice provision relating to shareholder nominations of directors at any meeting of the shareholders called for the election of directors. Under the Company's Restated Certificate of Incorporation, any nomination must (i) be received by our Secretary no earlier than 60 and no more than 90 days before the meeting by notice to the Secretary of the Company, provided, however, that if fewer than 70 days' notice of the meeting is given to stockholders, such written notice shall be received no later than 5:00 pm on the 10th calendar day following the first day following the day on which notice of the meeting was first mailed to stockholders and (ii) include certain information relevant to the shareholder and their nominee.

DISCRETIONARY VOTING OF PROXIES ON OTHER MATTERS

The Board of Directors does not now intend to bring before the Meeting any matters other than those disclosed in the Notice of Annual Meeting of Shareholders, and it does not know of any business which persons other than the Board of Directors intend to present at the Meeting. Should any other matter requiring a vote of the shareholders arise, the accompanying proxy form confers upon the person or persons entitled to vote the shares represented by any such proxy discretionary authority to vote the same in respect of any such other matter in accordance with their best judgment.

Please date, sign and return the proxy at your earliest convenience in the accompanying pre-addressed envelope (no postage is required for mailing in the United States) or vote electronically using the Internet or by telephone. A prompt return of your vote will be appreciated as it will save the expense of further mailings.

By Order of the Board of Directors,

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

August 26, 2016
Fort Lauderdale, Florida

CORPORATE DATA

DIRECTORS

Nick A. Caporella
Chairman of the Board & Chief Executive Officer
National Beverage Corp.

Joseph G. Caporella
President
National Beverage Corp.

Cecil D. Conlee*
Founding Partner
CGR Advisors

Samuel C. Hathorn, Jr.*
Retired Chief Executive Officer
Trendmaker Development Co.

Stanley M. Sheridan*
Retired President
Faygo Beverages, Inc.

*Member Audit Committee

CORPORATE MANAGEMENT

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

Joseph G. Caporella
President

George R. Bracken
Executive Vice President–Finance

Gregory P. Cook
Vice President–Controller & Chief Accounting Officer

Timothy C. Barker
Executive Director–Strategic IT

Brent R. Bott
Executive Director–Consumer Marketing

Gregory J. Kwederis
Executive Director–Beverage Analyst

Kenneth A. Finneran
Senior Director–Human Resources

Dominic H. Angelina
Director–Internal Audit

Richard S. Berkes
Director–Risk Management

Glenn G. Bryan
Director–Tax

Michael M. King
Special Corporate Counsel

SUBSIDIARY MANAGEMENT

Alan A. Chittaro
President
Faygo Beverages, Inc.

Michael J. Bahr
Executive Vice President
Shasta West

James C.T. Bolton
Executive Vice President
PACO, Inc.

Alan D. Domzalski
Executive Vice President
Sundance Beverage Company

James H. Erwin III
Executive Vice President–Sales
Shasta Beverages, Inc.

Stephen E. Flis
Executive Vice President
Shasta Sweetener, Inc.

Arthur D. Hanrehan
Executive Vice President
National BevPak

James M. Jones
Executive Vice President
Shasta Foodservice

John F. Hlebica
Vice President
Shasta Beverages International

Worth B. Shuman III
Vice President
Military Sales

SUBSIDIARIES

BevCo Sales, Inc.
Beverage Corporation Intl., Inc.
Big Shot Beverages, Inc.
Everfresh Beverages, Inc.
Faygo Beverages, Inc.
LaCroix Sparkling Water, Inc.
National Beverage Vending Company
National Retail Brands, Inc.
NewBevCo, Inc.
NutraFizz Products Corp.
PACO, Inc.
Shasta Beverages, Inc.
Shasta Beverages Intl., Inc.
Shasta Sales, Inc.
Shasta Sweetener Corp.
Shasta West, Inc.
Sundance Beverage Company

CORPORATE OFFICES

8100 Southwest Tenth Street
Fort Lauderdale, FL 33324
954-581-0922

ANNUAL MEETING

The Annual Meeting of Shareholders will be held on Friday, September 30, 2016 at 2:00 p.m. local time at the Hyatt Regency Orlando International Airport, 9300 Jeff Fuqua Boulevard, Orlando, FL 32827.

FINANCIAL AND OTHER INFORMATION

Copies of National Beverage Corp.'s Annual Report, Annual Report on Form 10-K and supplemental quarterly financial data are available free of charge on our website or by contacting our Shareholder Relations department at the Company's corporate address or at 877-NBC-FIZZ (877-622-3499).

Earnings and other financial results, corporate news and other Company information are available on National Beverage's website at www.nationalbeverage.com.

STOCK EXCHANGE LISTING

Common Stock is listed on The NASDAQ Global Select Market–symbol *FIZZ.*

TRANSFER AGENT AND REGISTRAR

Computershare
250 Royall Street
Canton, MA 02021
888-313-1476
www.computershare.com/investor

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

RSM US LLP
West Palm Beach, FL

National Beverage

Ballooning Momentum . . .
The Healthy Way!

Health and fitness are driving CSDs down and sparkling water up across the U.S.

35% of households in the U.S. are currently purchasing sparkling water, 78% bottled water and 94% CSDs

Since 1998, the per capita consumption of CSDs has declined 25% (650 oz. drinks vs. 864 oz.)

The average spending on health care per capita in the U.S. is the highest in the world among developing countries

Obesity rates have doubled among adults in America

America is experiencing an evolution away from sugary beverages toward healthier options

Bottled water sales will surpass CSDs for the very first time in 2016

U.S. health care costs are projected to exceed $4.4 trillion by 2020 up from $1.4 trillion in 2000

High blood-sugar levels are now considered an 'American epidemic'

CSDs - Carbonated Soft Drinks

Information from various sources: OECD, CMS, BevNET, Beverage Digest and HHS

Opportunity does not lie in wait
outlined in a script to be followed.

Chance is not an option available at wit's end.

Advantage is often just **Courage**.

Excellence is embedded in the character of **Sound Principles**.

Greatness comes only after being **Captured**.

Grand results – without pre-setting one's lens – never come into view.

Sound character settles: **Never*!***

Only the truly Blessed – Count Them . . .

nac

fizz

National Beverage Corp.
8100 Southwest Tenth Street, Fort Lauderdale, Florida 33324
954.581.0922
www.nationalbeverage.com