

NATIONAL BEVERAGE CORP
Form 10-Q
March 10, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended January 29, 2011

Commission file number 1-14170

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

Delaware
(State of incorporation)

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes () No ()

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

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

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

The number of shares of registrant's common stock outstanding as of March 2, 2011 was 46,227,015.

NATIONAL BEVERAGE CORP.
QUARTERLY REPORT ON FORM 10-Q
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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except share amounts)

| | January 29, 2011 | May 1, 2010 |
|---|---------------------|----------------|
| Assets | | |
| Current assets: | | |
| Cash and equivalents | \$97,831 | \$68,566 |
| Trade receivables - net of allowances of \$604 (\$509 at May 1) | 44,270 | 53,834 |
| Inventories | 33,853 | 34,672 |
| Deferred income taxes - net | 2,315 | 3,367 |
| Prepaid and other assets | 7,453 | 4,184 |
| Total current assets | 185,722 | 164,623 |
| Property - net | 53,321 | 53,401 |
| Goodwill | 13,145 | 13,145 |
| Intangible assets - net | 1,615 | 1,615 |
| Other assets | 6,462 | 7,575 |
| | \$260,265 | \$240,359 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$35,311 | \$48,428 |
| Accrued liabilities | 23,961 | 23,170 |
| Income taxes payable | 167 | 127 |
| Dividends payable | 106,314 | - |
| Total current liabilities | 165,753 | 71,725 |
| Deferred income taxes - net | 15,416 | 15,597 |
| Other liabilities | 11,282 | 11,465 |
| Shareholders' equity: | | |
| Preferred stock, 7% cumulative, \$1 par value - 1,000,000 shares authorized; 150,000 shares issued; no shares outstanding | 150 | 150 |
| Common stock, \$.01 par value - 75,000,000 shares authorized; 50,258,899 shares issued (50,188,819 shares at May 1) | 503 | 502 |
| Additional paid-in capital | 28,901 | 28,150 |
| Retained earnings | 54,120 | 130,767 |
| Accumulated other comprehensive income | 2,140 | 3 |
| Treasury stock - at cost: | | |
| Preferred stock - 150,000 shares | (5,100) | (5,100) |
| Common stock - 4,032,784 shares | (12,900) | (12,900) |
| Total shareholders' equity | 67,814 | 141,572 |
| | \$260,265 | \$240,359 |

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND
SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS
OF INCOME

(Unaudited)

(In thousands, except per
share amounts)

| | Three Months Ended | | Nine Months Ended | |
|---|---------------------|---------------------|---------------------|---------------------|
| | January 29, 2011 | January 30, 2010 | January 29, 2011 | January 30, 2010 |
| Net sales | \$ 131,926 | \$ 131,462 | \$ 448,083 | \$ 443,864 |
| Cost of sales | 82,396 | 88,722 | 283,710 | 299,804 |
| Gross profit | 49,530 | 42,740 | 164,373 | 144,060 |
| Selling, general & administrative expenses | 38,013 | 34,106 | 118,252 | 106,940 |
| Interest expense | 31 | 32 | 82 | 89 |
| Other income (expense) - net | 15 | (23) | 27 | (320) |
| Income before income taxes | 11,501 | 8,579 | 46,066 | 36,711 |
| Provision for income taxes | 4,094 | 3,054 | 16,399 | 13,069 |
| Net income | \$ 7,407 | \$ 5,525 | \$ 29,667 | \$ 23,642 |
| Net income per share - | | | | |
| Basic | \$.16 | \$.12 | \$.64 | \$.51 |
| Diluted | \$.16 | \$.12 | \$.64 | \$.51 |
| Weighted average common shares outstanding - | | | | |
| Basic | 46,206 | 46,080 | 46,174 | 46,038 |
| Diluted | 46,383 | 46,307 | 46,368 | 46,281 |

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

| | Nine Months Ended | |
|---|---------------------|---------------------|
| | January 29, 2011 | January 30, 2010 |
| Cash Flows From Operating Activities: | | |
| Net income | \$29,667 | \$23,642 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 8,867 | 9,852 |
| Deferred income tax benefit | (311) | (481) |
| Loss on disposal/impairment of property, net | 3 | 732 |
| Stock-based compensation | 355 | 278 |
| Changes in assets and liabilities: | | |
| Trade receivables | 9,564 | 8,751 |
| Inventories | 819 | 7,590 |
| Prepaid and other assets | (280) | 288 |
| Accounts payable | (13,117) | (9,934) |
| Accrued and other liabilities | 776 | 388 |
| Net cash provided by operating activities | 36,343 | 41,106 |
| Cash Flows From Investing Activities: | | |
| Additions to property, plant and equipment | (7,502) | (5,776) |
| Proceeds from sale of property, plant and equipment | 27 | 12 |
| Net cash used in investing activities | (7,475) | (5,764) |
| Cash Flows From Financing Activities: | | |
| Common stock cash dividend | - | (62,295) |
| Proceeds from stock options exercised | 189 | 247 |
| Stock-based tax benefits | 208 | 354 |
| Net cash provided by (used in) financing activities | 397 | (61,694) |
| Net Increase (Decrease) in Cash and Equivalents | 29,265 | (26,352) |
| Cash and Equivalents - Beginning of Year | 68,566 | 84,140 |
| Cash and Equivalents - End of Period | \$97,831 | \$57,788 |
| Other Cash Flow Information: | | |
| Interest paid | \$71 | \$87 |
| Income taxes paid | 16,702 | 13,623 |

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

National Beverage Corp. develops, manufactures, markets and distributes a complete portfolio of multi-flavored soft drinks, juice drinks, water and specialty beverages throughout the United States. 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.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) and rules and regulations of the Securities and Exchange Commission for interim financial information. The financial statements do not include all information and notes required by GAAP for complete financial statements. In our opinion, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Results for the interim periods presented are not necessarily indicative of results which might be expected for the entire fiscal year.

These interim financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended May 1, 2010.

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 Condensed Consolidated Balance Sheets. The estimated fair value of derivative financial instruments is calculated based on market rates to settle the instruments. Such valuation does not entail a significant amount of judgment and the inputs that are significant to the fair value measurement are Level 2 in the fair value hierarchy. There have been no changes in valuation methodologies. We do not use derivative financial instruments for trading or speculative purposes. See Note 6.

2. INVENTORIES

Inventories are stated at the lower of first-in, first-out cost or market. Inventories at January 29, 2011 are comprised of finished goods of \$20,388,000 and raw materials of \$13,465,000. Inventories at May 1, 2010 are comprised of finished goods of \$21,104,000 and raw materials of \$13,568,000.

3. PROPERTY

Property consists of the following:

| | (In thousands) | |
|-------------------------------|---------------------|----------------|
| | January 29, 2011 | May 1, 2010 |
| Land | \$9,779 | \$9,779 |
| Buildings and improvements | 44,656 | 44,415 |
| Machinery and equipment | 134,671 | 128,029 |
| Total | 189,106 | 182,223 |
| Less accumulated depreciation | (135,785) | (128,822) |
| Property – net | \$53,321 | \$53,401 |

Depreciation expense was \$2,430,000 and \$7,552,000 for the three-month and nine-month periods ended January 29, 2011, respectively, and \$2,781,000 and \$8,199,000 for the three-month and nine-month periods ended January 30, 2010, respectively.

4. DEBT

At January 29, 2011, a subsidiary of the Company maintained a \$50,000,000 unsecured revolving credit facility with a bank (the “Credit Facility”). The Credit Facility expires on April 30, 2013 and borrowings currently bear interest at .3% above LIBOR or, at our election, .5% below the bank’s reference rate. At January 29, 2011, \$2,449,000 of the Credit Facility was used for standby letters of credit and \$47,551,000 was available for borrowings.

The Credit Facility requires the subsidiary to maintain certain financial ratios, principally debt to net worth and debt to EBITDA (as defined in the loan agreement), and contains other restrictions, none of which are expected to have a material effect on our operations or financial position. At January 29, 2011, we were in compliance with all loan covenants and approximately \$1,225,000 of retained earnings was restricted from distribution.

5. STOCK-BASED COMPENSATION

During the nine months ended January 29, 2011, options to purchase 301,250 shares of common stock were granted (weighted average exercise price of \$11.35 per share), options to purchase 70,080 shares were exercised (weighted average exercise price of \$2.70 per share), and options to purchase 13,560 shares were cancelled (weighted average exercise price of \$4.60 per share). At January 29, 2011, options to purchase 631,730 shares (weighted average exercise price of \$7.55 per share) were outstanding and stock-based awards to purchase 2,994,414 shares of common stock were available for grant.

6. DERIVATIVE FINANCIAL INSTRUMENTS

We have entered into aluminum swap contracts to partially mitigate our exposure to changes in the cost of aluminum cans through April 2012. The 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 (“AOCI”) and reclassified into earnings through Cost of sales in the period in which the hedged transaction affects earnings. The ineffective portion of the change in fair value of our cash flow hedges was immaterial. The following summarizes the gains (losses) recognized in the Condensed Consolidated Statements of Income and AOCI relative to the cash flow hedge for the third quarter and nine months ended January 29, 2011 and January 30, 2010:

| | (In thousands) | | | |
|--|---------------------|------------|-------------------|------------|
| | Third Quarter Ended | | Nine Months Ended | |
| | 2011 | 2010 | 2011 | 2010 |
| Recognized in AOCI: | | | | |
| Gain (loss) before income taxes | \$ 1,627 | \$(1,668) | \$ 2,059 | \$(1,071) |
| Less income tax provision (benefit) | 579 | (594) | 733 | (381) |
| Net | \$ 1,048 | \$(1,074) | \$ 1,326 | \$(690) |
| Reclassified from AOCI to cost of sales: | | | | |
| Gain (loss) before income taxes | \$ 133 | \$ 284 | \$(1,260) | \$ 390 |
| Less income tax provision (benefit) | 47 | 101 | (449) | 139 |
| Net | \$ 86 | \$ 183 | \$(811) | \$ 251 |
| Net change to AOCI | \$ 962 | \$(1,257) | \$ 2,137 | \$(941) |

As of January 29, 2011, the notional amount of our outstanding aluminum swap contracts was \$22,094,000 and, assuming no change in the commodity prices, \$2,990,000 of unrealized net gain (before tax) will be reclassified from AOCI and recognized in earnings over the next twelve months. See Notes 1 and 7.

As of January 29, 2011 and May 1, 2010, the fair value of the derivative asset was \$3,323,000 and \$4,000, respectively, which was included in Prepaid and other assets. Such valuation does not entail a significant amount of judgment and the inputs that are significant to the fair value measurement are Level 2 in the fair value hierarchy.

7. COMPREHENSIVE INCOME

Comprehensive income for the third quarter and nine months ended January 29, 2011 and January 30, 2010 was comprised of net income and changes in the fair value of our cash flow hedges (see Note 6 above) as follows:

| | (In thousands) | | | |
|------------------------------|---------------------|----------|-------------------|-----------|
| | Third Quarter Ended | | Nine Months Ended | |
| | 2011 | 2010 | 2011 | 2010 |
| Net income | \$ 7,407 | \$ 5,525 | \$ 29,667 | \$ 23,642 |
| Cash flow hedges, net of tax | 962 | (1,257) | 2,137 | (941) |
| Comprehensive income | \$ 8,369 | \$ 4,268 | \$ 31,804 | \$ 22,701 |

8. CASH DIVIDENDS

On December 6, 2010, the Company declared a special cash dividend of \$2.30 per share, aggregating \$106,314,000, payable to shareholders of record on December 16, 2010. The cash dividend was paid on February 14, 2011; approximately \$10,000,000 was funded by borrowings under a credit facility. The cash dividend is reported as a current liability in the accompanying Condensed Consolidated Balance Sheets.

On January 22, 2010, the Company paid a special cash dividend of \$1.35 per share, aggregating \$62,295,000, to shareholders of record on January 6, 2010.

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

OVERVIEW

National Beverage Corp. develops, manufactures, markets and distributes a complete portfolio of quality beverage products throughout the United States. Incorporated in Delaware in 1985, National Beverage Corp. is a holding company for various operating subsidiaries. In this report, the terms “we,” “us,” “our,” “Company” and “National Beverage” mean National Beverage Corp. and its subsidiaries.

We consider ourselves to be a leader in the development and sale of flavored beverage products in the United States, offering a wide selection of flavored soft drinks, juices, sparkling waters, energy drinks and nutritionally-enhanced waters. Our flavor development spans over 100 years originating with our flagship brands, Shasta® and Faygo®, each of which has over 50 flavor varieties. We also offer the health-conscious consumer a diverse line of flavored beverage products, including Everfresh®, Home Juice®, and Mr. Pure® 100% juice and juice-based products; LaCroix®, Crystal Bay® and ClearFruit® flavored, sparkling, and spring water products; and ÀSanté® nutritionally-enhanced waters. In addition, we produce and market Rip It® energy drinks, Ohana® fruit-flavored drinks, St. Nick's® holiday soft drinks, as well as effervescent powder beverage enhancers sold under the NutraFizz® brand name. Substantially all of our brands are produced in twelve manufacturing facilities that are strategically located near major metropolitan markets throughout the continental United States. To a lesser extent, we develop and produce soft drinks for certain retailers and beverage companies (“allied brands”).

Our strategy emphasizes the growth of our products by offering a branded beverage portfolio of proprietary flavors, supporting the franchise value of regional brands and expanding those brands with distinctive packaging and broader demographic emphasis, developing and acquiring innovative products tailored toward healthy lifestyles, and appealing to the “quality-value” expectations of the family consumer. We believe that the “regional share dynamics” of our brands results in more retailer sponsored promotional activities which perpetuate consumer loyalty within local regional markets.

Our focus is to increase penetration of our brands in the convenience channel through Company-owned and independent distributors. The convenience channel consists of convenience stores, gas stations and other smaller “up-and-down-the-street” accounts. Because of the higher retail prices and margins that typically prevail in this market, we have undertaken several measures to expand convenience channel distribution. These measures include development of new products and serving sizes specifically targeted for this market, such as ClearFruit, Crystal Bay, Rip It and ÀSanté. Additionally, we have created proprietary and specialized packaging with distinctive graphics for these products. We intend to continue our focus on enhancing growth in the convenience channel through both specialized packaging and innovative product development.

Beverage industry sales are seasonal with the highest volume typically realized during the summer months. Additionally, our operating results are subject to numerous factors, including fluctuations in the costs of raw materials, changes in consumer preference for beverage products and competitive pricing in the marketplace.

RESULTS OF OPERATIONS

Three Months Ended January 29, 2011 (third quarter of fiscal 2011) compared to
Three Months Ended January 30, 2010 (third quarter of fiscal 2010)

Net sales for the third quarter of fiscal 2011 increased .4% to \$131,926,000 compared to \$131,462,000 for the third quarter of fiscal 2010. The net sales improvement reflects a 3.9% increase in unit pricing largely due to favorable product mix changes. The product mix improvement included a 13.9% increase in the case volume of the Company's energy drinks, juices and waters which was offset by a decline in carbonated soft drink volume, resulting in a 1.8% decrease in total branded volume.

Gross profit approximated 37.5% of net sales for the third quarter of fiscal 2011 compared to 32.5% of net sales for the third quarter of fiscal 2010. The gross profit improvement was due primarily to the change in product mix and lower raw material costs. Cost of goods sold per unit decreased 3.8%.

Selling, general & administrative expenses were \$38,013,000 or 28.8% of net sales for the third quarter of fiscal 2011 compared to \$34,106,000 or 25.9% of net sales for the third quarter of fiscal 2010. The increase in expenses was due to higher marketing and distribution expenses.

Other income includes interest income of \$39,000 for fiscal 2011 and \$44,000 for fiscal 2010.

The Company's effective income tax rate, based upon estimated annual income tax rates, was 35.6% for the third quarter of fiscal 2011 and fiscal 2010. The difference between the effective rate and the federal statutory rate of 35% was primarily due to the combined effect of state income taxes, nondeductible expenses and nontaxable interest income.

Nine Months Ended January 29, 2011 (first nine months of fiscal 2011) compared to
Nine Months Ended January 30, 2010 (first nine months of fiscal 2010)

Net sales for the first nine months of fiscal 2011 increased 1.0% to \$448,083,000 compared to \$443,864,000 for the first nine months of fiscal 2010. The net sales improvement reflects a 12.9% increase in case volume of the Company's energy drinks, juices and waters which was partially offset by a decline in branded carbonated soft drink volume, resulting in a 1.5% increase in total branded volume. In addition, unit pricing increased 1.1% largely due to favorable product mix changes.

Gross profit approximated 36.7% of net sales for the first nine months of fiscal 2011 compared to 32.5% of net sales for the first nine months of fiscal 2010. The gross profit improvement was due primarily to the change in product mix and lower raw material costs. Cost of goods sold per unit decreased 5.2%.

Selling, general & administrative expenses were \$118,252,000 or 26.4% of net sales for the first nine months of fiscal 2011 compared to \$106,940,000 or 24.1% of net sales for the first nine months of fiscal 2010. The increase in expenses was due to higher marketing and distribution expenses.

Other income includes interest income of \$120,000 for fiscal 2011 and \$198,000 for fiscal 2010. Also, included in other income (expense) for the first nine months of fiscal 2010 is a loss of \$232,000 from the disposal of property and \$250,000 from the write-off of other assets.

The Company's effective income tax rate, based upon estimated annual income tax rates, was 35.6% for the first nine months of fiscal 2011 and fiscal 2010. The difference between the effective rate and the federal statutory rate of 35% was primarily due to the combined effect of state income taxes, nondeductible expenses and nontaxable interest income.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity and Capital Resources

Our principal source of funds is cash generated from operations, which may be supplemented by borrowings under a credit facility. We maintain a \$50,000,000 unsecured revolving credit facility, of which \$2,449,000 was used for standby letters of credit at January 29, 2011. We believe that existing capital resources, including cash and equivalents aggregating \$97,831,000 as of January 29, 2011, will be sufficient to meet our liquidity and capital requirements for the foreseeable future.

On December 6, 2010, the Company declared a special cash dividend of \$2.30 per share, aggregating \$106,314,000, payable to shareholders of record on December 16, 2010. The cash dividend was paid on February 14, 2011; approximately \$10,000,000 was funded by borrowings under a credit facility.

Cash Flows

The Company's cash position for the first nine months of fiscal 2011 increased \$29,265,000 from May 1, 2010, which compares to a decrease of \$26,352,000 for the similar 2010 period.

Net cash provided by operating activities for the first nine months of fiscal 2011 amounted to \$36,343,000 compared to \$41,106,000 for the similar 2010 fiscal period. For the first nine months of fiscal 2011, cash flow was principally generated by net income of \$29,667,000, depreciation and amortization aggregating \$8,867,000 and a decrease in trade receivables of \$9,564,000, offset in part by a decrease in accounts payable of \$13,117,000.

Net cash used in investing activities for the first nine months of fiscal 2011, principally capital expenditures, amounted to \$7,475,000 compared to \$5,764,000 for the similar 2010 fiscal period.

Net cash used in financing activities for the first nine months of fiscal 2010 included a \$62,295,000 special cash dividend paid in January 2010.

Financial Position

During the first nine months of fiscal 2011, working capital decreased \$72,929,000 to \$19,969,000 due to the recognition of the \$106,314,000 cash dividend declared in December 2010. Trade receivables, inventory and accounts payable decreased due to lower volume related to seasonality, while prepaid and other assets increased due to an increase in derivative assets. The current ratio was 1.1 to 1 at January 29, 2011 and 2.3 to 1 at May 1, 2010. This decline was largely attributable to the effect of the cash dividend payable.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risks from those reported in our Annual Report on Form 10-K for the fiscal year ended May 1, 2010.

ITEM 4. CONTROLS AND PROCEDURES

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

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

FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q (the "Form 10-Q") constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the following: general economic and business conditions, pricing of competitive products, success in acquiring other beverage businesses, success of new product and flavor introductions, fluctuations in the costs of raw materials, our ability to increase selling prices, continued retailer support for our products, changes in consumer preferences, success of implementing business strategies, changes in business strategy or development plans, government regulations, regional weather conditions and other factors referenced in this Form 10-Q. For a further list and description of various risks, relevant factors and uncertainties that could cause future results or events to differ materially from those expressed or implied in our forward-looking statements, see the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections contained in our Annual Report on Form 10-K for the fiscal year ended May 1, 2010 and other filings with the Securities and Exchange Commission. We disclaim an obligation to update any such factors or to publicly announce the results of any revisions to any forward-looking statements contained herein to reflect future events or developments.

PART II - OTHER INFORMATION

ITEM 1A. RISK FACTORS

There have been no material changes in risk factors from those reported in our Annual Report on Form 10-K for the fiscal year ended May 1, 2010.

ITEM 6. EXHIBITS

The exhibits listed in the accompanying exhibit index are filed as part of this Quarterly Report on Form 10-Q.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: March 10, 2011

National Beverage Corp.
(Registrant)

By: */s/ Dean A. McCoy*
Dean A. McCoy
Senior Vice President and
Chief Accounting Officer

EXHIBIT INDEX

| | Exhibit No. | Description |
|------|-------------|---|
| 10.1 | | Second Amended and Restated Credit Agreement between NEWBEVCO, INC. and COMERICA BANK dated as of June 30, 2008 |
| 31.1 | | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | | Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | | Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |