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FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

For the quarterly period ended January 27, 2001

or

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

Commission file number 1-14170

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

Delaware	59-2605822
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One North University Drive, Ft. Lauderdale, FL	33324
(Address of principal executive offices)	(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 [X] No [ ]

The number of shares of Registrant's common stock outstanding as of March 2, 2001 was 18,153,178.

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NATIONAL BEVERAGE CORP.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JANUARY 27, 2001

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PART I - FINANCIAL INFORMATION

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JANUARY 27, 2001 AND APRIL 29, 2000
(In thousands, except share amounts)

	(Unaudited) January 27, 2001	April 29, 2000
ASSETS		
Current assets:		
Cash and equivalents	$ 33,985	$ 38,482
Trade receivables - net of allowances of $468 ($534 at April 29, 2000)	35,468	39,116
Inventories	30,295	29,056
Deferred income taxes	1,574	1,465
Prepaid and other	5,283	5,554
Total current assets	106,605	113,673
Property - net	61,934	62,430
Intangible assets - net	15,326	15,754
Other assets	5,105	5,897
	$ 188,970	$ 197,754
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 24,560	$ 37,199
Accrued liabilities	20,087	19,646
Income taxes payable	970	1,921
Total current liabilities	45,617	58,766
Long-term debt	27,859	33,933
Deferred income taxes	7,983	8,011
Other liabilities	3,260	3,358
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, 7% cumulative, $1 par value, aggregate liquidation		

preference of $15,000 - 1,000,000 shares authorized; 150,000 shares issued; no shares outstanding	150	150
Common stock, $.01 par value - authorized 50,000,000 shares; issued 22,122,772 shares (22,117,332 shares at April 29, 2000)	221	221
Additional paid-in capital	15,584	15,556
Retained earnings	105,522	94,725
Treasury stock - at cost:		
Preferred stock - 150,000 shares	(5,100)	(5,100)
Common stock - 3,972,634 shares (3,939,034 shares at April 29, 2000)	(12,126)	(11,866)
Total shareholders' equity	104,251	93,686
	$ 188,970	$ 197,754

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED JANUARY 27, 2001 AND JANUARY 29, 2000
(In thousands, except per share amounts)

	(Unaudited)			
	Three Months Ended		Nine Months Ended	
	2001	2000	2001	2000
Net sales	$ 97,096	$ 83,130	$ 358,082	$ 318,326
Cost of sales	66,847	56,875	242,863	214,151
Gross profit	30,249	26,255	115,219	104,175
Selling, general and administrative expenses	29,234	25,788	97,299	87,720
Interest expense	448	636	1,736	2,136
Other income - net	292	354	1,258	998
Income before income taxes	859	185	17,442	15,317
Provision for income taxes	327	70	6,645	5,744
Net income	$ 532	$ 115	$ 10,797	$ 9,573
Net income per share -				
Basic	$ .03	$ .01	$ .59	$ .52
Diluted	$ .03	$ .01	$ .58	$ .50
Average common shares outstanding -				
Basic	18,150	18,278	18,160	18,365
Diluted	18,825	18,955	18,818	19,074

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED JANUARY 27, 2001 AND JANUARY 29, 2000
(In thousands)

	(Unaudited)	
	2001	2000

OPERATING ACTIVITIES:		
Net income	$ 10,797	$ 9,573
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,265	7,891
Deferred income tax provision (benefit)	(137)	154
Loss on sale of property	43	12
Changes in:		
Trade receivables	3,648	8,985
Inventories	2,238	716
Prepaid and other assets	(601)	(2,201)
Accounts payable	(12,999)	(6,380)
Other liabilities, net	(1,648)	(4,197)
Net cash provided by operating activities	9,606	14,553
INVESTING ACTIVITIES:		
Property additions	(3,698)	(5,409)
Acquisitions, net of cash acquired	(3,780)	(5,200)
Net cash used in investing activities	(7,478)	(10,609)
FINANCING ACTIVITIES:		
Debt borrowings	7,500	19,000
Debt repayments	(13,883)	(25,334)
Repurchase of common stock	(260)	(1,568)
Proceeds from stock options exercised	18	58
Net cash used in financing activities	(6,625)	(7,844)
NET DECREASE IN CASH AND EQUIVALENTS	(4,497)	(3,900)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	38,482	37,480
CASH AND EQUIVALENTS - END OF PERIOD	$ 33,985	$ 33,580
OTHER CASH FLOW INFORMATION:		
Interest paid	$ 2,013	$ 2,339
Income taxes paid	7,826	6,857

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 27, 2001
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of National Beverage Corp. and its subsidiaries (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information. The financial statements do not include all information and notes required by generally accepted accounting principles for complete financial statements. Except for the matters disclosed, however, there has been no material change in the information disclosed in the notes to consolidated financial statements for the fiscal year ended April 29, 2000. In the opinion of management, all adjustments (consisting of normal recurring accruals) 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. Certain prior year amounts have been reclassified to conform to the current year presentation.

2. INVENTORIES

Inventories are stated at the lower of first-in, first-out cost or market. Inventories at January 27, 2001 are comprised of finished goods of $15,542,000 and raw materials of $14,753,000. Inventories at April 29, 2000 are comprised of finished goods of $15,377,000 and raw materials of $13,679,000.

3. PROPERTY

Property consists of the following:

	(In thousands) January 27, 2001	April 29, 2000
Land	$ 10,625	$ 10,617
Buildings and improvements	34,795	34,416
Machinery and equipment	92,526	89,345
Total	137,946	134,378
Less accumulated depreciation	(76,012)	(71,948)
Property - net	$ 61,934	$ 62,430

Depreciation expense was $2,010,000 and $5,853,000 for the three and nine month periods ended January 27, 2001, respectively, and $1,873,000 and $5,490,000 for the three and nine month periods ended January 29, 2000, respectively.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 27, 2001
(UNAUDITED)

4. DEBT

Debt consists of the following:

	(In thousands) January 27, 2001	April 29, 2000
Senior Notes	$ --	$ 8,333
Credit Facilities	7,500	5,000
Term Loan Facilities	20,050	20,600
Other	309	--
Total	$ 27,859	$ 33,933

A subsidiary of National Beverage Corp. had outstanding 9.95% unsecured senior notes in the original principal amount of $50 million (the "Senior Notes"), of which the final annual principal installment of $8.3 million was paid on November 1, 2000. Additionally, certain subsidiaries maintain unsecured revolving credit facilities aggregating $48 million (the "Credit Facilities") and unsecured term loan facilities ("Term Loan Facilities") with banks. The Credit Facilities expire through December 9, 2002 and bear interest at 1/2% below the banks' reference rate or 1% above LIBOR, at the subsidiaries' election. The Term Loan Facilities are repayable in installments through July 31, 2004, and bear interest at the banks' reference rate or 1 1/4% above LIBOR, at the subsidiaries' election. The Company intends to utilize its existing long-term credit facilities to fund the next principal payment due on its Term Loan Facilities.

Certain of the Company's debt agreements contain restrictions which require subsidiaries to maintain certain financial ratios and minimum net worth, and limit subsidiaries with respect to incurring additional indebtedness, paying cash dividends and making certain loans, advances or other investments. These restrictions are not expected to have a material adverse impact on the operations of the Company. At January 27, 2001, net assets of these subsidiaries totaling approximately $26 million were available for distribution and the Company was in compliance with all loan covenants.

5. CAPITAL STOCK

During the nine months ended January 27, 2001, options for 5,440 shares were exercised at prices ranging from $2.09 to $5.00 per share and options for 200,000 shares were granted at an exercise price of $7.38. At January 27, 2001, options to purchase 1,286,656 shares at a weighted average exercise price of $3.72 (ranging from $.13 to $9.88 per share) were outstanding and stock-based awards to purchase 386,024 shares of common stock were available for grant.

During the nine months ended January 27, 2001, the Company purchased 33,600 shares of its common stock. Such shares are classified as treasury stock.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 27, 2001
(UNAUDITED)

6. ACQUISITION

In September 2000, the Company acquired certain operations and assets of Beverage Canners International, Inc ("BCI"). The assets acquired include a leased manufacturing facility, inventory, and the Ritz(R) and Crystal Bay(R) brands. The BCI acquisition has been accounted for using the purchase method of accounting and, accordingly, the purchase price has been allocated to the assets acquired based upon their estimated fair values at the date of acquisition. Operating results of the acquired business, which are not material to consolidated results, have been included in the consolidated statements of income from the date of acquisition.

PART I - FINANCIAL INFORMATION

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

National Beverage Corp. (the "Company") is a holding company for various subsidiaries that develop, manufacture, market and distribute a complete portfolio of quality beverage products throughout the United States. The Company's proprietary brands include Shasta(R), Faygo(R), Ritz(R) and Big Shot(R), complete lines of multi-flavored and cola soft drinks. In addition, the Company offers an assortment of premium "good-for-you" beverages geared toward the health-conscious consumer, including Everfresh(R), Home Juice(R) and Mr. Pure(R) 100% juice and juice-based products; and LaCROIX(R), Mt. Shasta(TM), Crystal Bay(R) and ClearFruit(R) flavored and spring water products. The Company also provides specialty products, including VooDoo Rain(TM), a line of alternative beverages geared toward young consumers, and St. Nick's(TM) holiday soft drinks. Substantially all of the Company's brands are produced in its sixteen manufacturing facilities, which are strategically located throughout the continental United States. The Company also develops and produces soft drinks for retail grocery chains, warehouse clubs, mass-merchandisers and wholesalers ("allied brands") as well as soft drinks for other beverage companies.

The Company's strategy emphasizes the growth of its branded products by offering a beverage portfolio of proprietary flavors; by supporting the franchise value of regional brands; by developing and acquiring innovative products tailored toward healthy lifestyles; and by appealing to the "quality-price" sensitivity factor of the family consumer. In addition, the strength of its brands and location of its manufacturing facilities distinguish the Company as a single-source supplier of branded and allied branded beverages for national and regional retailers that rely on the warehouse distribution system.

Various means are utilized by the Company to maintain its position as a cost-effective producer of its beverage products. These include vertical integration of the supply of raw materials for the manufacturing process, bulk delivery to customer distribution centers, regionally targeted media promotions and the use of multiple distribution systems. Management believes it is able to offer retailers a higher profit margin on Company branded products and allied brands than is typically available from those soft drink companies that utilize the direct-store delivery method.

Beverage industry sales are seasonal with the highest volume typically realized during the summer months. Additionally, the Company's 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. Management believes that brand recognition, quality, customer service, availability and value are primary factors affecting the Company's position in the marketplace.

RESULTS OF OPERATIONS

THREE MONTHS ENDED JANUARY 27, 2001 (THIRD QUARTER OF FISCAL 2001) COMPARED TO THREE MONTHS ENDED JANUARY 29, 2000 (THIRD QUARTER OF FISCAL 2000)

Net sales for the three months ended January 27, 2001 increased approximately $14.0 million, or 17%, over the three months ended January 29, 2000. This sales increase was due to broad-based volume growth, an improvement in pricing of branded products, and sales of Ritz and Crystal Bay brands recently acquired from Beverage Canners International, Inc. ("BCI"). See Note 6 of Notes to Condensed Consolidated Financial Statements.

Gross profit approximated 31.2% of net sales for the third quarter of fiscal 2001 and 31.6% of net sales for the third quarter of fiscal 2000. This change was the result of increases in certain raw material costs, higher utility costs, and costs related to the integration of operations acquired from BCI, which was partially offset by the pricing improvement mentioned above.

Selling, general and administrative expenses increased $3.4 million for the third quarter of fiscal 2001. This increase was primarily due to higher distribution and selling costs related to increased volume, increases in fuel costs, and incremental costs related to the acquired BCI operations.

Interest expense declined during the third quarter of fiscal 2001 compared to the prior year due to a reduction in average debt outstanding. Other income decreased to $292,000 primarily due to a decrease in interest income resulting from lower average investment balances. See Note 4 of Notes to Condensed Consolidated Financial Statements.

The Company's effective rate for income taxes, based upon estimated annual income tax rates, approximated 38.1% of income before taxes for the third quarter of fiscal 2001 and 37.8% for the third quarter of fiscal 2000. The difference between the effective rate and the federal statutory rate of 35% was primarily due to the effects of state income taxes and non-deductible expenses.

Net income amounted to $532,000 or $.03 per share for the three months ended January 27, 2001, compared to $115,000 or $.01 per share for the three months ended January 29, 2000.

NINE MONTHS ENDED JANUARY 27, 2001 (FIRST NINE MONTHS OF FISCAL 2001) COMPARED TO NINE MONTHS ENDED JANUARY 29, 2000 (FIRST NINE MONTHS OF FISCAL 2000)

Net sales for the nine months ended January 27, 2001 increased approximately $39.8 million, or 12%, over the first nine months of the prior year. This sales improvement was due to broad-based volume growth, an improvement in pricing of branded products, increased distribution in the convenience channel, and sales of newly acquired Ritz and Crystal Bay brands.

Gross profit approximated 32.2% of net sales for the first nine months of fiscal 2001 and 32.7% of net sales for the first nine months of fiscal 2000. This change was primarily due to an increase in certain raw material costs, higher utility costs, and costs related to the integration of operations acquired from BCI.

Selling, general and administrative expenses increased $9.6 million for the first nine months of fiscal 2001. This increase was primarily due to higher distribution and selling costs related to increased volume, increases in fuel costs, and incremental costs related to the acquired BCI operations.

Interest expense declined during the nine months ended January 27, 2001 compared to the prior year due to a reduction in average debt outstanding. Other income, primarily consisting of interest income, increased to $1.3 million due to higher average investment balances and yields.

The effective rate for income taxes, based upon estimated annual income tax rates, amounted to 38.1% and 37.5% of income before taxes for the first nine months of fiscal 2001 and fiscal 2000, respectively. The difference between the effective rate and the federal statutory rate of 35% was primarily due to the effects of state income taxes and non-deductible expenses.

Net income increased to $10.8 million or $.59 per share for the nine months ended January 27, 2001 from $9.6 million or $.52 per share for the nine months ended January 29, 2000.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

JANUARY 27, 2001 COMPARED TO APRIL 29, 2000

Management views earnings before interest expense, taxes, depreciation and amortization ("EBITDA") as a key indicator of the Company's operating performance and enterprise value, although not as a substitute for cash flow from operations or operating income. During the nine months ended January 27, 2001, the Company generated EBITDA of $27.4 million as compared to EBITDA of $25.3 million for the comparable period last year.

For the nine months ended January 27, 2001, net cash provided by operating activities of $9.6 million was comprised of net income of $10.8 million and non-cash charges of $8.2 million less cash used primarily for working capital requirements of $9.4 million. Cash of $7.5 million was used for capital expenditures and the BCI acquisition. At January 27, 2001, the Company's ratio of current assets to current liabilities was 2.3 to 1 and working capital amounted to $61.0 million.

The Company continually evaluates capital projects to expand capacity and improve efficiency at its manufacturing facilities. The Company presently has no material commitments for capital expenditures and expects that the capital expenditures for fiscal 2001 will be comparable to fiscal 2000.

In January 1998, the Board of Directors authorized the Company to repurchase up to 800,000 shares of its common stock and purchases to date aggregate 441,910 shares. During the nine months ended January 27, 2001 and January 29, 2000, the Company purchased 33,600 shares and 188,980 shares, respectively, of its common stock.

On November 1, 2000, a subsidiary of the Company paid the final annual principal installment due on its $50 million Senior Notes. At January 27, 2001, certain subsidiaries of the Company had outstanding long-term debt of $27.9 million. Debt agreements contain restrictions which require these subsidiaries to maintain certain financial ratios and minimum net worth, and limit the subsidiaries with respect to incurring additional indebtedness, paying cash dividends and making certain loans, advances or other investments. These restrictions are not expected to have a material adverse impact on the operations of the Company. At January 27, 2001, net assets of these subsidiaries totaling approximately $26 million were available for distribution and the Company was in compliance with all loan covenants. See Note 4 of Notes to Condensed Consolidated Financial Statements.

Management believes that cash and equivalents, together with funds generated from operations and borrowing capabilities, will be sufficient to meet the Company's operating cash requirements, and the cash requirements of the parent company, for the foreseeable future.

CHANGES IN ACCOUNTING STANDARDS

The Financial Accounting Standards Board issued statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" and statement No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities", which are effective for fiscal years beginning after June 15, 2000. These statements require that all derivatives be recorded on the balance sheet at fair value. The Company believes that the implementation of these statements will not materially affect its operating results or financial position.

FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q (this "Form 10-Q"), including statements under "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," 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 of the Company's Strategic Alliance objective; success of the Company in acquiring other beverage businesses; success of new product and flavor introductions; fluctuations in the costs of raw materials; the Company's ability to increase prices; continued retailer support for the Company's brands; changes in consumer preferences; changes in business strategy or development plans; government regulations; regional weather conditions; and other factors referenced in this Form 10-Q. The Company disclaims 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There are no material changes to the disclosures made on this matter in the Company's Annual Report on Form 10-K for the fiscal year ended April 29, 2000.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits: None

(b) Reports on Form 8-K: None

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 13, 2001

NATIONAL BEVERAGE CORP.
(Registrant)

By: \s\ Dean A. McCoy

Dean A. McCoy
Senior Vice President - Controller
(On behalf of the Registrant and as
Principal Accounting Officer)