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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 25, 1997

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 7, 1997 was 18,457,968.

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NATIONAL BEVERAGE CORP.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JANUARY 25, 1997

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NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JANUARY 25, 1997 AND APRIL 27, 1996
(In thousands, except share amounts)

	(Unaudited) January 25, 1997	April 27, 1996
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	$ 22,107	$ 35,231
Trade receivables (net of allowance of $681 at January 25, 1997 and $694 at April 27, 1996)	33,588	33,726
Inventories	24,343	22,977
Deferred income taxes	2,617	3,630
Prepaid and other	5,570	6,056
Total current assets	88,225	101,620
PROPERTY - NET	55,531	56,226
INTANGIBLE ASSETS - NET	16,213	15,207
OTHER ASSETS	3,586	4,507
TOTAL	$ 163,555	$ 177,560
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 32,278	$ 38,201
Accrued liabilities	14,748	17,534
Income taxes payable	1,938	1,376
Current portion of long-term debt	721	929
Total current liabilities	49,685	58,040
LONG-TERM DEBT	49,576	62,568
DEFERRED INCOME TAXES	6,821	6,805
ACCRUED INSURANCE - NONCURRENT	3,190	3,095
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Preferred stock, 7% cumulative, $1 par value, aggregate liquidation preference of $15,000 (Authorized 1,000,000 shares; Issued 150,000 shares; no shares outstanding)	150	150
Common stock, $.01 par value (Authorized 50,000,000 shares; Issued: 21,982,732 shares in January 1997; 12,741,488 shares in April 1996; Outstanding: 18,452,008 shares in January 1997; 9,310,764 shares in April 1996)	220	127
Additional paid-in capital	14,911	14,873
Retained earnings	52,483	44,178
Treasury stock - at cost		
Preferred stock	(5,100)	(5,100)
Common stock	(8,381)	(7,176)
Total shareholders' equity	54,283	47,052
TOTAL	$ 163,555	$ 177,560

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 25, 1997 AND JANUARY 27, 1996
(In thousands, except per share amounts)

	(Unaudited) Three Months Ended 1997	Three Months Ended 1996	Nine Months Ended 1997	Nine Months Ended 1996
Net Sales	$ 75,113	$ 67,245	$ 280,285	$ 253,469
Cost of Sales	53,232	50,637	198,707	190,212
Gross Profit	21,881	16,608	81,578	63,257
Selling, General and Administrative Expenses	19,912	14,976	65,307	49,112
Interest Expense	1,118	1,119	3,834	3,722
Other Expense (Income) - Net	(145)	(198)	(745)	(861)
Income before Income Taxes	996	711	13,182	11,284
Provision for Income Taxes	368	271	4,877	4,288
Net Income	$ 628	$ 440	$ 8,305	$ 6,996
Earnings Applicable to Common Shares	$ 628	$ 177	$ 8,305	$ 6,208
Earnings per Common Share	$ 0.03	$ 0.01	$ 0.44	$ 0.33
Average Shares Outstanding	19,254	18,600	19,041	18,600

See accompanying notes to condensed consolidated financial statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED JANUARY 25, 1997
(In thousands, except share amounts)

	(Unaudited) Shares	Amount
PREFERRED STOCK		
Beginning and end of period	150,000	$ 150
COMMON STOCK		
Beginning of period	12,741,488	$ 127
Stock options exercised	16,040	1
2 for 1 stock split	9,225,204	92
End of period	21,982,732	$ 220
ADDITIONAL PAID-IN CAPITAL		
Beginning of period		$ 14,873
Stock options exercised		130
2 for 1 stock split		(92)
End of period		$ 14,911
RETAINED EARNINGS		
Beginning of period		$ 44,178
Net income		8,305

End of period		$ 52,483
TREASURY STOCK-PREFERRED		
Beginning and end of period	150,000	$ (5,100)
TREASURY STOCK-COMMON		
Beginning of period	3,430,724	$ (7,176)
Purchase of common stock	100,000	(1,205)
End of period	3,530,724	$ (8,381)
TOTAL SHAREHOLDERS' EQUITY		$ 54,283

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 25, 1997 AND JANUARY 27, 1996
(In thousands)

	(Unaudited) 1997	1996
OPERATING ACTIVITIES:		
Net income	$ 8,305	$ 6,996
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,576	5,273
Deferred income tax provision (benefit)	1,029	(12)
Provision (benefit) for doubtful accounts	28	(75)
Loss on sale of property	73	11
Changes in:		
Trade receivables	713	10,419
Inventories	(285)	(6,709)
Prepaid and other assets	(1,700)	(3,031)
Accounts payable	(5,886)	(17,434)
Other liabilities	(2,929)	(3,447)
Net cash provided by (used in) operating activities	4,924	(8,009)
INVESTING ACTIVITIES:		
Property additions	(4,220)	(4,148)
Proceeds from disposal of property	387	1
Other, net	152	(569)
Net cash used in investing activities	(3,681)	(4,716)
FINANCING ACTIVITIES:		
Debt borrowings	20,200	10,000
Debt repayments	(33,400)	(8,481)
Preferred stock dividends paid	---	(1,313)
Purchase of common stock	(1,205)	---
Proceeds from stock options exercised	38	---
Net cash provided by (used in) financing activities	(14,367)	206
NET DECREASE IN CASH AND EQUIVALENTS	(13,124)	(12,519)
CASH AND EQUIVALENTS-BEGINNING OF YEAR	35,231	33,487
CASH AND EQUIVALENTS-END OF PERIOD	$ 22,107	$ 20,968
OTHER CASH FLOW INFORMATION:		
Interest paid	$ 4,118	$ 3,921
Income taxes paid	2,861	3,652

See accompanying notes to condensed consolidated financial statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 25, 1997
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of National Beverage Corp. ("NBC") and its subsidiaries 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 27, 1996. 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. NBC and its consolidated subsidiaries are referred to as the "Company".

2. INVENTORIES

Inventories, which are stated at the lower of first-in, first-out cost or market, are comprised of the following:

	(In thousands) Jan. 25, 1997	April 27, 1996
Finished goods	$11,354	$11,225
Raw materials and packaging supplies	12,989	11,752
Total	$24,343	$22,977

3. PROPERTY

Property consists of the following:

	(In thousands) Jan. 25, 1997	April 27, 1996
Land	$ 9,959	$ 9,959
Buildings and improvements	30,604	30,654
Machinery and equipment	71,055	69,501
Total	111,618	110,114
Less accumulated depreciation	(56,087)	(53,888)
Property-net	$ 55,531	56,226

Depreciation expense was $1,511,000 and $4,545,000 for the three and nine month periods ended January 25, 1997, respectively, and $1,621,000 and $4,809,000 for the three and nine month periods ended January 27, 1996, respectively.

4. DEBT

Debt consists of the following:

<CAPTION

	(In thousands) Jan. 25, 1997	April 27, 1996
Senior Notes (see below)	$33,333	$41,667
Credit Facility (see below)	7,500	17,783
Term Loan Facility (see below)	8,300	2,000
Other (including capital leases)	1,164	2,047
Total	50,297	63,497
Less current portion	(721)	(929)
Long-term portion	$49,576	$62,568

A subsidiary of NBC has outstanding 9.95% unsecured senior notes in the original principal amount of $50 million (the "Senior Notes") payable in annual principal installments of $8.3 million through November 1, 2000. Additionally, at January 25, 1997, the subsidiary had a $25 million unsecured revolving credit facility (the "Credit Facility") and a $16.6 million unsecured term loan facility ("Term Loan Facility") with a bank. The Credit Facility expires August 31, 1998, and bears interest at 1/2% below the bank's reference rate or 1% above LIBOR, at the subsidiary's election. The Term Loan Facility is repayable in quarterly installments beginning February 1, 1998 and bears interest at the bank's reference rate or 1 1/4% above LIBOR, at the

subsidiary's election. In February 1997, the subsidiary entered into an additional $10 million revolving credit facility with a bank which contains terms similar to the Credit Facility.

The Company intends to utilize its existing long-term credit facilities to fund the next principal payment due on its Senior Notes.

Certain of the Company's debt agreements contain restrictions which require the subsidiary to maintain certain financial ratios and minimum net worth, and limit the subsidiary with respect to incurring certain additional indebtedness, paying cash dividends and making certain loans, advances or other investments. At January 25, 1997, net assets of the subsidiary totaling approximately $42 million were restricted from distribution. The Company was in compliance with all loan covenants and restrictions and such restrictions are not expected to have a material adverse impact on the operations of the Company.

5. COMMITMENTS AND CONTINGENCIES

Albert H. Kahn v. Nick A. Caporella, et al., Civil Action No. 11890 was filed in December 1990 by a shareholder of Burnup & Sims Inc. ("BSI"), now MasTec, Inc., in the Court of Chancery of the State of Delaware in and for New Castle County against NBC, the members of the Board of Directors of BSI and against BSI. In May 1993, plaintiff amended its class action and shareholder derivative complaint (the "Amended Complaint"). The class action claims allege, among other things, that the Board of Directors of BSI, and NBC, as its largest shareholder, breached their respective fiduciary duties in approving (i) the dividend by BSI of its shares of NBC common stock (the "Distribution") and (ii) the exchange of certain shares of BSI's common stock held by NBC for certain indebtedness of NBC held by BSI (the "Exchange"; the Distribution and the Exchange are hereafter referred to as the "1991 Transaction"), in allegedly placing the interests of NBC ahead of the interests of other shareholders of BSI. The derivative action claims allege, among other things, that the Board of Directors of BSI breached their fiduciary duties by approving executive officer compensation arrangements, by financing NBC's operations on a current basis, and by permitting the interests of BSI to be subordinated to those of NBC. In the lawsuit, plaintiff seeks to rescind the 1991 Transaction and to recover unspecified damages. The defendants, including the Company, have moved to dismiss the actions for failure to make a demand and state a claim upon which relief can be granted. The motion is still pending.

In November 1993, plaintiff filed a class action and derivative complaint, Civil Action No. 13248 (the "1993 Complaint") against the Company, BSI, the members of the Board of Directors of BSI, and certain other defendants (referred to as "Other Defendants"). In December 1993, plaintiff amended the 1993 Complaint (the "1993 Amended Complaint"). The 1993 Amended Complaint alleges, among other things, that the Board of Directors of BSI, and NBC, as BSI's largest stockholder, breached their respective fiduciary duties by approving an agreement dated October 15, 1993, as amended, between BSI and the Other Defendants (the "Acquisition Agreement") and the exchange of 3,153,847 shares of BSI common stock owned by the Company for certain indebtedness owed to BSI by the Company (the "Redemption") which, according to the allegations of the 1993 Complaint, benefits the President and Chief Executive Officer of NBC at the expense of BSI's stockholders. On November 29, 1993, plaintiff filed a

motion for an order preliminary and permanently enjoining the transactions under the Acquisition Agreement and the Redemption. On March 7, 1994, the court heard oral arguments with respect to plaintiff's motion to enjoin the transactions and, on March 10, 1994, the court denied plaintiff's request for injunctive relief finding that plaintiff had not established a likelihood of success on the merits and that, in any event, the equities did not favor the imposition of injunctive relief.

The Company believes that the allegations in the complaint, the Amended Complaint, the 1993 Complaint and the 1993 Amended Complaint are without merit, and intends to vigorously defend these actions.

The Company is a defendant in various other lawsuits arising in the ordinary course of business.

In the opinion of management, after taking into account provisions recorded for legal claims and related costs, the ultimate disposition of the foregoing lawsuits will not have a material adverse effect on the Company's consolidated financial position or result of operations.

In the ordinary course of its business, the Company enters into commitments for the supply of certain raw materials, none of which are material to the Company's financial position.

6. CAPITAL STOCK

In June 1996, the Company purchased 100,000 shares of common stock on the open market. Such shares are held in treasury.

On October 25, 1996, the Company paid a 100% stock dividend to its shareholders of record on September 9, 1996 effected as a 2 for 1 stock split. Average shares outstanding, stock option data, and per share data presented in these financial statements have been adjusted for the effects of the stock dividend.

During the nine months ended January 25, 1997, the Company granted options to purchase 192,700 shares of common stock at an exercise price of $5 per share and there were 30,480 option shares exercised at an exercise price ranging from $.63 to $2.10 per share. At January 25, 1997, options to purchase 1,128,120 shares at a weighted average exercise price of $2.38 (ranging from $.13 to $5.00 per share) were outstanding and stock-based awards to purchase 449,600 stock-based awards were available for grant.

7. ACQUISITIONS

In October 1996, the Company concluded its acquisition of substantially all of the assets of a company which developed and marketed LaCroix (r) water and Cascadia (r) branded products. The acquisition of such assets has been accounted for using the purchase method of accounting and, accordingly, the purchase price has been preliminarily allocated to the assets acquired based upon their estimated fair values at the date of acquisition. Operating results of the acquired business, which have been included in the consolidated statement of income from the date of acquisition, do not materially impact results for the periods presented.

PART I - FINANCIAL INFORMATION

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

National Beverage Corp. ("NBC") and its subsidiaries produce, manufacture, market and distribute a full line of branded cola and multi-flavored soft drinks, juice products, and bottled water under the brand names Shasta (r), Faygo (r), Everfresh (r), LaCroix (r), Big Shot (r), nuAnce (r), Body Works (r), a Sante (r), Spree (r), Creepy Coolers (tm), and St. Nick's (tm). Substantially all of NBC's brands are produced in its fourteen manufacturing facilities which are strategically located throughout the continental United States. NBC 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. NBC and its consolidated subsidiaries are referred to as the "Company".

The Company's growth strategies include increasing its brand awareness through greater retailer sponsorship by entering into long-term alliances with national and regional retailers to supply both Company branded and allied branded soft drinks ("STRATEGIC ALLIANCES"). The Company believes that the strength of its regional brands and the location of its manufacturing facilities position the Company as one of the leading single-source suppliers for high quality, economically valued soft-drinks, such as Shasta (r) and Faygo (r), as well as allied-branded soft drinks in multiple flavors and packages throughout the United States.

The Company also plans to grow its revenues and brand portfolio by acquiring other regional beverage businesses that meet its strategic and financial objectives. Further, the Company plans to diversify its product lines and distribution channels through the acquisition of higher margin beverage products, such as Everfresh juice products and LaCroix spring and naturally-flavored carbonated waters, both which were acquired during the past 12 months.

Industry soft drink 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.

RESULTS OF OPERATIONS

Three Months Ended January 25, 1997 (third quarter of fiscal 1997) compared to

Three Months Ended January 27, 1996 (third quarter of fiscal 1996)

Net sales for the third quarter ended January 25, 1997 increased approximately $7.9 million or 11.7% over the third quarter of the prior year. During the period, the Company expanded production and distribution of branded and allied-branded product under STRATEGIC ALLIANCE agreements with a number of new customers. Implementation of existing and new STRATEGIC ALLIANCE agreements are anticipated to favorably impact revenues in future periods. Revenue growth for the third

quarter of fiscal 1997 also includes increased sales of Company branded products, including sales of Everfresh, and a change in product mix to larger package sizes. These increases were partially offset by reduced sales of certain lower-priced products and shorter than usual holiday selling period. As part of the Company's STRATEGIC ALLIANCE program, sales of product are supported by in-store and other product-related advertising, which has the effect of increasing both net sales and selling expenses.

Gross profit increased to approximately 29.1% of net sales for the third quarter of fiscal 1997 from 24.7% of net sales for the third quarter of fiscal 1996. As noted above, changes in promotions related to STRATEGIC ALLIANCE programs and expanded advertising had the effect of increasing net selling prices, which resulted in increased gross profit compared to the prior year. The increase in gross profit was also attributable to higher margins by greater focus on higher margin packages and juice related products and a slight reduction in the cost of raw materials. The Company believes that inflationary trends do not have a significant impact on operating results since fluctuations in raw material costs are typically influenced more by commodity market conditions than inflation. Although there can be no assurances as to future predictability, the Company does not expect any significant increases in raw material costs in fiscal 1997 and has generally been successful in passing through cost increases to maintain profit margins.

Selling, general and administrative expenses approximated 26.5% and 22.3% of net sales for the third quarter of fiscal 1997 and 1996, respectively. This increase is due in part to costs related to additional in-store and point of sale programs, and additional advertising expense.

Interest expense remained relatively constant during the third quarter compared to the prior year. See Note 4 of Notes to Condensed Consolidated Financial Statements.

The effective rate for income taxes, based upon estimated annual income tax rates, approximated 37% and 38% of income before taxes for the third quarter of 1997 and 1996, respectively. The difference between the effective rate and the federal statutory rate of 35% includes amortization of non-deductible goodwill and other intangibles, state income taxes and other non-deductible expenses.

Net income increased to $628 thousand or $.03 per share for the quarter ended January 25, 1997 from $440 thousand or $.01 per share for the quarter ended January 27, 1996. Earnings applicable to common shares for the third quarter of fiscal 1996 includes dividends of $263 thousand related to the Company's preferred stock which was repurchased during the fourth quarter of fiscal 1996.

Nine Months Ended January 25, 1997 (first nine months of fiscal 1997) compared to Nine Months Ended January 27, 1996 (first nine months of fiscal 1996)

Net sales for the nine months ended January 25, 1997 increased approximately $26.8 million or 10.6% over the nine months ended January 27, 1996. This is principally due to increased volume related to STRATEGIC ALLIANCE agreements and the Everfresh acquisition, and the higher unit selling prices noted above. These increases were partially offset by reduced sales of certain lower priced products.

Gross profit increased to 29.1% of net sales for the nine months ended January 25, 1997 from 25.0% of net sales for the nine months ended January 27, 1996 due to the higher net pricing noted above, as well as higher margins attained on Everfresh juice products.

Selling, general and administrative expenses approximated 23.3% and 19.4% of net sales for the first nine months of fiscal 1997 and 1996, respectively. This increase is due in part to costs related to additional in-store and point of sale programs, and additional advertising expense, as well as increased administrative costs related to acquired companies.

The effective rate for federal and state income taxes for the first nine months of fiscal years 1997 and 1996 approximated 37% and 38%, respectively, and is based upon estimated annual effective income tax rates.

Net income increased 18.7% to $8.3 million or $.44 per share for the nine months ended January 25, 1997 from $7.0 million or $.33 per share for the nine months ended January 27, 1996. Earnings applicable to common shares for the first nine months of fiscal 1996 includes dividends of approximately $ .8 million related to the Company's preferred stock, which was repurchased in the fourth quarter of fiscal 1996.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

January 25, 1997 compared to April 27, 1996

The Company views earnings before interest expense, taxes, depreciation and amortization ("EBITDA") as a key indicator of the Company's financial condition and enterprise value. During the nine months ended January 25, 1997, the Company generated EBITDA of $22.6 million, which represents an 11.4% increase from EBITDA of $20.3 million for the same period last year. EBITDA for the twelve month period ending January 25, 1997 was $29.0 million. The Company believes that additional cash flow, to support enhanced growth and debt capacity, can be achieved by favorably restructuring components of EBITDA through financing and other means.

For the nine months ended January 25, 1997, cash provided by operating activities of $4.9 million was comprised of net income of $8.3 million plus non-cash charges of $6.7 million less cash used for seasonal working capital requirements of $10.1 million. Cash of $3.7 million was used in investing activities, principally for capital expenditures. Cash of $14.4 million was used in financing activities, principally for net debt repayments of $13.2 million and the Company's $1.2 million repurchase of its common stock. At January 25, 1997, the Company's ratio of current

assets to current liabilities was 1.8 to 1 and net working capital approximated $39 million. The Company currently has credit lines of approximately $50 million of which $15.8 million was drawn at January 25, 1997.

The Company believes that its cash and equivalents, together with funds generated from operations and borrowing capabilities, will be sufficient to meet its operating cash requirements in the foreseeable future. The Company is evaluating various capital projects to expand capacity at certain manufacturing facilities; at the present time, the Company has no material commitments for capital expenditures requiring cash outlays.

At January 25, 1997, the Company had outstanding long-term debt of $49.6 million. Certain debt agreements contain restrictions which require a subsidiary to maintain certain financial ratios and minimum net worth, and limit the subsidiary with respect to incurring certain additional indebtedness, paying cash dividends and making certain loans, advances or other investments. At January 25, 1997, net assets of the subsidiary of approximately $42 million were restricted from distribution. Cash balances of NBC, when combined with funds available from its subsidiary, provide sufficient liquidity to allow NBC to meet its current and expected cash obligations. The Company was in compliance with all loan covenants and restrictions at January 25, 1997 and such restrictions are not expected to have a material adverse impact on the operations of the Company. See Note 4 of Notes to Condensed Consolidated Financial Statements.

FORWARD LOOKING STATEMENTS

Certain statements in this Quarterly Report of 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 express or implied by such forward-looking statements. Such factors include, but are not limited to, the following: general economic and business conditions; competition; success of the Company's STRATEGIC ALLIANCE objective; fluctuations in the costs of raw materials and the ability of the Company to maintain margins; continued retailer support of 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 will not undertake and specifically declines any obligation to publicly release the result of any revisions which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 5 of Notes to Condensed Consolidated Financial Statements.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

Exhibit Number	Description
10.1	Fifth Amendment to Credit Agreement, dated November 14, 1996
27	Financial Data Schedule (For SEC Use Only)

(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 11, 1997

NATIONAL BEVERAGE CORP.
(Registrant)

By: \s\ Dean A. McCoy

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

EXHIBIT 10.1

FIFTH AMENDMENT TO CREDIT AGREEMENT

This Fifth Amendment to Credit Agreement ("Fifth Amendment"), dated November 14, 1996, is by and between NEWBEVCO, INC., a Delaware corporation ("Borrower"), and BARNETT BANK, N.A., SUCCESSOR BY MERGER TO BARNETT BANK OF BROWARD COUNTY, N.A., a national banking association ("Bank").

WITNESETH

WHEREAS, Bank and Borrower have previously executed and entered into that certain Credit Agreement dated September 23, 1993 ("Credit Agreement") and certain other loan documents also dated September 23, 1993;

WHEREAS, pursuant to the Credit Agreement, Bank had previously extending a Line of Credit to Borrower of up to Fifteen Million and 00/100 Dollars ($15,000,000.00);

WHEREAS, on November 10, 1994, Bank and Borrower extended the term of the Line of Credit in that certain First Amendment to Credit Agreement;

WHEREAS, on November 21, 1995, Bank and Borrower modified and extended the terms of the Line of Credit in that certain Second Amendment to Credit Agreement;

WHEREAS, on February 29, 1996, Bank and Borrower further modified and amended the terms of the Line of Credit in that certain Third Amendment to Credit Agreement;

WHEREAS, on April 24, 1996, Bank and Borrower further modified and amended the terms of the Line of Credit in that certain Fourth Amendment to Credit Agreement and agreed to increase the Line of Credit to Twenty-Five Million and 00/100 Dollars as evidenced by that certain Master Revolving Promissory Note dated April 24, 1996 in the original principle amount of Twenty-Five Million and 00/100 Dollars ($25,000,000) ("Note"); and

WHEREAS, Borrower has requested that the Line of Credit be further modified and Bank is willing to do so upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, the parties agree, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, as follows:

1. INCORPORATION AND RECITALS. The above recitals are true and correct and are incorporated herein by reference as though set forth in full.

2. DEFINITIONS. All capitalized terms used herein shall, except as modified herein, have the meanings ascribed to them in the Credit Agreement.

3. AMENDMENTS TO CREDIT AGREEMENT.

(a) Section 1.1 of the Credit Agreement is amended to revise the definition of Loan Documents to read as follows: "Loan Documents" mean the Credit Agreement, the Note, the Guaranties, the Documentary Stamp and Intangible Tax Indemnification Agreement, the Reaffirmations of Guaranty of the Guaranties, the First Amendment to Credit Agreement, the Second Agreement to Credit Agreement, the Third Amendment to the Credit Agreement, the Fourth Amendment to the Credit Agreement and this Fifth Amendment.

(b) The first portion of the first sentence (up to the first comma) of Section 2.1(b) of the Credit Agreement is hereby deleted and replaced with the following: "Prior to August 31, 1998 (as may be extended pursuant to the terms hereof, the "Termination Date")..."

(c) Section 2.9 is hereby deleted in its entirety and the following is substitute in its place:

> 2.9 UNUSED FEE FOR REVOLVING CREDIT. As consideration for making the Revolving Credit available, the Borrower shall pay to the Bank an unused fee from the date hereof through the Termination Date equal to one-quarter of one percent (.25%) per annum of the unused portion of the Committed Amount under the Revolving Credit. Such fee shall be computed on the basis of the average daily unused portion of the Committed Amount and shall be payable quarterly in arrears beginning on November 10, 1996 and continuing on the 10th day of each of the following months thereafter during the term of the Revolving Credit: November, February, May and August.

4. REPRESENTATIONS AND WARRANTIES. To induce Bank to enter into this Fifth Amendment and to perform the transactions described herein, Borrower hereby makes the representations and warranties to Bank contained in the Credit Agreement on and as of the date of this Fifth Amendment.

5. RELIANCE UPON, SURVIVAL OF AND MATERIALLY OF REPRESENTATIONS AND WARRANTIES, AGREEMENTS, AND COVENANTS. All representations and warranties, agreements, and covenants made by Borrower herein are material and shall be deemed to have been relied upon by Bank, notwithstanding any investigation heretofore or hereafter made by Bank, shall survive the execution and delivery of this Fifth Amendment, and shall continue in full force and effect so long as any indebtedness subject to the Credit Agreement is owed to Bank. All statements contained in a certificate or other writing delivered to Bank at any time by or on behalf of Borrower pursuant hereto shall constitute representations and warranties by Borrower hereunder.

6. REQUIRED DOCUMENTS. On or prior to the date of the execution of this Amendment, Bank shall have received from Borrower the following:

(a) Reaffirmations of Continuing and Unconditional Guaranties by each Restricted Subsidiary ("Reaffirmations"); and

(b) Execution by Borrower of a Tax Indemnity Agreement.

7. INCORPORATION BY REFERENCE. Except as modified herein, the terms and conditions of the Credit Agreement are hereby incorporated by reference and remain in full force and effect, enforceable in accordance with the terms hereof.

8. WAIVER OF JURY TRIAL. BORROWER AND BANK HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE LOAN DOCUMENTS OR THIS AMENDMENT AND IN CONJUNCTION THEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY HERETO, THIS PROVISION IS A MATERIAL INDUCEMENT FOR BANK ENTERING INTO THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have executed this Fifth Amendment as of the day and year first above written.

Witnesses:	BORROWER:
	NEWBEVCO, INC., a Delaware corporation (SEAL)
- - ------------------------	By: \s\ Joseph G. Caporella ---------------------------------
- - ------------------------	Name: Joseph G. Caporella --------------------------
	Title: Executive Vice President

BANK:

BARNETT BANK, N.A. SUCCESSOR
BY MERGER TO BARNETT BANK
OF BROWARD COUNTY, N.A.
a national banking association

- - -------------------------

By: \s\ John J. Viadero

- - -------------------------

John J. Viadero
Vice President

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
UNAUDITED FINANCIAL STATEMENTS OF THE FILER FOR THE PERIOD ENDED JANUARY 25,
1997 INCLUDED IN ITS QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED
JANUARY 25, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH
FINANCIAL STATEMENTS.
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