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 October 31, 1998

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 December 8, 1998 was 18,467,908.

NATIONAL BEVERAGE CORP.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED OCTOBER 31, 1998

INDEX

PART I - FINANCIAL INFORMATION

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF OCTOBER 31, 1998 AND MAY 2, 1998
(In thousands, except share amounts)

	(Unaudited) October 31, 1998	May 2, 1998
ASSETS		
Current assets:		
Cash and equivalents	$ 31,380	$ 40,447
Trade receivables - net of allowances of $733 (October 31, 1998) and $715 (May 2, 1998)	29,681	35,781
Inventories	24,181	23,402
Deferred income taxes	1,757	2,154
Prepaid and other	5,215	5,557
Total current assets	92,214	107,341
Property - net	55,337	55,945
Intangible assets - net	14,708	14,973
Other assets	4,783	4,068
	$ 167,042	$ 182,327
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 25,484	$ 37,065
Accrued liabilities	15,800	18,606
Income taxes payable	168	879
Current portion of long-term debt	333	393
Total current liabilities	41,785	56,943
Long-term debt	33,267	41,600
Deferred income taxes	8,109	8,332
Other liabilities	4,901	5,472
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 22,034,012 shares (October 31,1998) and 22,025,212 shares (May 2,1998)	220	220
Additional paid-in capital	15,171	15,118
Retained earnings	77,304	67,973
Treasury stock - at cost:		
Preferred stock - 150,000 shares	(5,100)	(5,100)
Common stock - 3,568,104 shares (3,530,724 shares-May 2, 1998)	(8,765)	(8,381)
Total shareholders' equity	78,980	69,980
	$ 167,042	$ 182,327

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED OCTOBER 31, 1998 AND NOVEMBER 1, 1997
(In thousands, except per share amounts)

	(Unaudited)			
	Three Months Ended		Six Months Ended	
	1998	1997	1998	1997
Net sales	$101,257	$100,044	$223,163	$216,246
Cost of sales	68,689	69,125	148,655	147,039
Gross profit	32,568	30,919	74,508	69,207
Selling, general and administrative expenses	27,292	24,987	58,543	53,004
Interest expense	940	1,152	1,864	2,270
Other income - net	434	427	805	810
Income before income taxes	4,770	5,207	14,906	14,743
Provision for income taxes	1,784	1,948	5,575	5,514
Net income	$ 2,986	$ 3,259	$ 9,331	$ 9,229
Earnings per common share -				
Basic	$ .16	$ .18	$ .50	$ .50
Diluted	$ .15	$ .17	$ .48	$ .48
Outstanding and dilutive shares -				
Average shares outstanding	18,486	18,470	18,491	18,466
Dilutive stock options	828	853	838	865
	19,314	19,323	19,329	19,331

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED OCTOBER 31, 1998 AND NOVEMBER 1, 1997
(In thousands)

	(Unaudited)	
	1998	1997

OPERATING ACTIVITIES:		
Net income	$ 9,331	$ 9,229
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,815	4,512
Deferred income tax provision	174	73
Loss on sale of property	76	69
Changes in:		
Trade receivables	6,100	(5,045)
Inventories	(779)	1,444
Prepaid and other assets	(1,736)	(1,517)
Accounts payable	(11,581)	(5,022)
Other liabilities, net	(4,066)	4,095
Net cash provided by operating activities	2,334	7,838
INVESTING ACTIVITIES:		
Property additions	(2,668)	(1,630)
Other, net	13	76
Net cash used in investing activities	(2,655)	(1,554)
FINANCING ACTIVITIES:		
Debt borrowings	0	8,300
Debt repayments	(8,393)	(21,627)
Repurchase of common stock	(384)	0
Proceeds from stock options exercised	31	21
Net cash used in financing activities	(8,746)	(13,306)
NET DECREASE IN CASH AND EQUIVALENTS	(9,067)	(7,022)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	40,447	37,257
CASH AND EQUIVALENTS - END OF PERIOD	$ 31,380	$ 30,235
OTHER CASH FLOW INFORMATION:		
Interest paid	$ 1,360	$ 3,216
Income taxes paid	6,612	2,408

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 1998
(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 May 2, 1998. 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 October 31, 1998 are comprised of finished goods of $12,239,000 and raw materials of $11,942,000. Inventories at May 2, 1998 are comprised of finished goods of $11,868,000 and raw materials of $11,534,000.

3. PROPERTY

Property consists of the following:

	(In thousands) October 31, 1998	May 2, 1998
Land	$ 8,897	$ 8,897
Buildings and improvements	31,709	31,520
Machinery and equipment	79,505	77,888
Total	120,111	118,305
Less accumulated depreciation	(64,774)	(62,360)
Property - net	$ 55,337	$ 55,945

Depreciation expense was $1,626,000 and $3,187,000 for the three and six month periods ended October 31, 1998, respectively, and $1,586,000 and $3,197,000 for the three and six month periods ended November 1, 1997, respectively.

4. DEBT

Debt consists of the following:

	(In thousands) October 31, 1998	May 2, 1998
Senior Notes (see below)	$ 16,667	$ 25,000
Term Loan Facility (see below)	16,600	16,600
Other	333	393
Total	33,600	41,993
Less current portion	(333)	(393)
Long-term portion	$ 33,267	$ 41,600

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, the subsidiary has two unsecured revolving credit facilities aggregating $35 million (the "Credit Facilities") and a $16.6 million unsecured term loan facility ("Term Loan Facility") with banks. The Credit Facilities expire December 9, 2000 and August 31, 2000, and bear interest at 1/2% below the banks' reference rate or 1% above LIBOR, at the subsidiary's election. The Term Loan Facility is repayable in installments from May 1999 through November 1999, and bears interest at the bank's reference rate or 1 1/4% above LIBOR, at the subsidiary's election. The Company intends to utilize its existing long-term credit facilities to fund the next principal payment due on its Senior Notes and Term Loan Facility.

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 October 31, 1998, net assets of the subsidiary totaling approximately $54 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 the Company, 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 the Company, as its largest shareholder, breached their respective fiduciary duties in approving (i) the dividend by BSI of its shares of the Company common stock (the "Distribution") and (ii) the exchange of certain shares of BSI's common stock held by the Company for certain indebtedness of the Company held by BSI (the "Exchange"; the Distribution and the Exchange are hereafter referred to as the "1991 Transaction"), in allegedly placing the interests of the Company 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 the Company's operations on a current basis, and by permitting the

interests of BSI to be subordinated to those of the Company. 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 the Company, as BSI's largest shareholder, 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 the Company at the expense of BSI's shareholders. 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.

There has been no further discovery or other court proceedings since May 1995. Management 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, the ultimate disposition of the foregoing lawsuits will not have a material adverse effect on the Company's consolidated financial position or results 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

During the six months ended October 31, 1998, options for 8,800 shares were exercised at prices ranging from $2.09 to $5.00 per share and options for 108,050 shares were granted at an exercise price of $9.88. At October 31, 1998, options to purchase 1,217,336 shares at a weighted average exercise price of $3.25 (ranging from $.13 to $13.50 per share) were outstanding and stock-based awards to purchase 414,104 shares of common stock were available for grant.

During the six months ended October 31, 1998, the Company purchased 37,380 shares of its common stock. Such shares are classified as treasury stock.

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 market, manufacture and distribute a full line of beverage products: Shasta(R), Faygo(R) and Big Shot(R) multi-flavored and cola soft drinks; Everfresh(R) juice and juice-enriched products; LaCROIX(R) and Mt. Shasta(TM) spring and carbonated water products; ClearFruit (R), Spree(R) and nuAnce(R) flavored carbonated and non-carbonated beverages; and specialty items, VooDoo Rain(TM), Creepy Coolers(TM) and St. Nick's(TM). Substantially all of the Company's brands are produced in its fourteen manufacturing facilities that are strategically located throughout the continental United States. The Company also develops and produces branded soft drinks for retail grocery chains, warehouse clubs, mass-merchandisers and wholesalers ("allied brands") as well as soft drinks for other beverage companies ("manufacturing services").

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 Company seeks to utilize the strength of its brands and location of its manufacturing facilities to be a single source supplier of branded and allied branded beverages for national and large regional retailers. These "Strategic Alliances" provide for retailer promotional support for the Company's brands through in-store and point-of-sale advertising, and provide nationally integrated manufacturing and distribution services for the retailer's own branded products.

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 the sale of nationally distributed products.

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. During recent months, the Company has experienced heightened price competition within several of its key markets, and there can be no assurance that such conditions will not continue.

RESULTS OF OPERATIONS

THREE MONTHS ENDED OCTOBER 31, 1998 (SECOND QUARTER OF FISCAL 1999) COMPARED TO THREE MONTHS ENDED NOVEMBER 1, 1997 (SECOND QUARTER OF FISCAL 1998)

Net sales for the quarter ended October 31, 1998 increased approximately 1% over the second quarter of the prior year. This growth was primarily attributable to an increase in volume for the Company's brands and favorable changes in product mix. As part of the Company's Strategic Alliance program, sales of branded products are supported by expanded in-store advertising and merchandising which also had the effect of increasing net selling prices. These increases were partially offset by a decrease in manufacturing service revenues and decreases in net selling prices resulting from competitive pricing in certain markets.

Gross profit increased to approximately 32% of net sales for the second quarter of fiscal 1999 from 31% of net sales for the second quarter of fiscal 1998. This increase was due to the increased volume and favorable changes in product mix noted above, including an increase in products distributed through the convenience channel.

Selling, general and administrative expenses increased approximately $2.3 million to 27% of net sales for the second quarter of fiscal 1999 from 25% of net sales for the second quarter of fiscal 1998. This increase is due to higher delivery costs associated with the convenience channel growth noted above, and higher selling and marketing costs, including expanded in-store advertising and other merchandising programs related to the Company's Strategic Alliance program. Selling expenses also reflect an increase in the number of direct sales personnel.

Interest expense declined during the first quarter of fiscal 1999 compared to the prior year due to a reduction in debt outstanding. 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% of income before taxes for both the second quarter of fiscal 1999 and fiscal 1998. 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 decreased to $3.0 million, or $.16 per share, for the quarter ended October 31, 1998, from $3.3 million, or $.18 per share, for the quarter ended November 1, 1997.

SIX MONTHS ENDED OCTOBER 31, 1998 (FIRST SIX MONTHS OF FISCAL 1999) COMPARED TO SIX MONTHS ENDED NOVEMBER 1, 1997 (FIRST SIX MONTHS OF FISCAL 1998)

Net sales for the six months ended October 31, 1998 increased approximately $6.9 million, or 3%, over the first six months of the prior year. This is primarily the result of the product mix changes and effects of the Strategic Alliance program discussed above.

Gross profit increased to approximately 33% of net sales for the first six months of fiscal 1999 from 32% of net sales for the first six months of fiscal 1998. This increase is primarily due to the product mix change that contributed to the gross profit improvement for the second quarter of fiscal 1999 discussed above.

Selling, general and administrative expenses increased approximately $5.5 million to 26% of net sales for the first six months of fiscal 1999 from 25% of net sales for the first six months of fiscal 1998. This increase is primarily due to the higher shipping, selling and marketing costs discussed above.

Interest expense declined during the six months compared to the prior year due to a reduction in debt outstanding. 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% of income before taxes for both the first six months of fiscal 1999 and fiscal 1998. 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 $9.3 million or $.50 per share for the six months ended October 31, 1998, from $9.2 million or $.50 per share for the six months ended November 1, 1997.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

OCTOBER 31, 1998 COMPARED TO MAY 2, 1998

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 six months ended October 31, 1998, the Company generated EBITDA of $21.6 million, as compared to EBITDA of $21.5 million for the same period last year. EBITDA for the twelve-month period ended October 31, 1998 was $34.4 million, representing a 6% increase over EBITDA of $32.6 million for the prior twelve-month period.

For the six months ended October 31, 1998, net cash provided by operating activities of $2.3 million was comprised of income of $9.3 million plus non-cash charges of $5.1 million less cash used for seasonal working capital requirements of $12.1 million. Cash of $2.7 million was used for capital expenditures. At October 31, 1998, the Company's ratio of current assets to current liabilities was 2.2 to 1 and the Company had approximately $33.4 million available under its credit agreements.

Management 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. Presently, however, the Company has no material commitments for capital expenditures requiring cash outlays.

On January 23, 1998, the Company announced that its Board of Directors authorized the Company to repurchase up to 800,000 shares of its common stock. The Company expects to make such purchases from existing cash balances from time to time through open market purchases, block trades and/or privately negotiated transactions. During the six months ended October 31, 1998, the Company purchased 37,380 shares of its common stock. See Note 6 of Notes to Condensed Consolidated Financial Statements.

At October 31, 1998, the Company had outstanding long-term debt of $33.3 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 October 31, 1998, net assets of the subsidiary totaling approximately $54 million were restricted from distribution. Management believes that cash balances of the parent company, when combined with funds available from its subsidiary, provide sufficient liquidity to allow it to meet its current and expected cash obligations. The Company was in compliance with all loan covenants and restrictions at October 31, 1998, 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.

YEAR 2000

Many computer systems were designed using two digit date fields for purposes of determining the year. This raises the possibility that these systems will recognize a date using "00" as 1900 rather than 2000, which could result in improper processing of time sensitive data or system failure. The Company is in the process of reviewing its information technology (IT) systems and non-IT systems and modifying those that are subject to this problem. The Company is also in the process of surveying its major suppliers and customers to determine the status of their Year 2000 compliance programs. Based on available information, management believes that the required modifications of its software and equipment will be completed on a timely basis, and that the costs of the Year 2000 compliance program will not have a material effect on the Company's results of operations or financial position. However, due to the various uncertainties involved, the possibility remains that the unsuccessful resolution of Year 2000 issues by the Company or its important suppliers or customers could have a material adverse effect on the Company's results of operations 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; competition; 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; unanticipated costs or problems relating to Year 2000 compliance; 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 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

At the company's Annual Meeting of Shareholders held on October 9, 1998 ("the Annual Meeting"), Mr. S. Lee Kling was re-elected to the Board of Directors for a three-year term; 16,435,881 votes were cast for his election and 12,087 votes were withheld. Also at the Annual Meeting, Mr. Joseph P. Klock, Jr. was elected to the Board of Directors for a three-year term; 16,435,961 votes were cast for his election and 12,007 votes were withheld. Additionally, 16,052,736 shares were cast for the approval of an amendment to the Company's Special Stock Option Plan to increase by 160,000 shares the number of shares issuable thereunder; 385,603 shares were cast against such proposal and 9,629 shares abstained.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

Exhibit Number	Description
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: December 15, 1998

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)

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
UNAUDITED FINANCIAL STATEMENTS OF THE FILER FOR THE PERIOD ENDED OCTOBER 31,
1998 INCLUDED IN ITS QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED OCTOBER
31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL
STATEMENTS.
</LEGEND>
<MULTIPLIER> 1,000

<PERIOD-TYPE> 6-MOS
<FISCAL-YEAR-END> MAY-01-1999
<PERIOD-END> OCT-31-1998
<CASH> 31,380
<SECURITIES> 0
<RECEIVABLES> 30,414
<ALLOWANCES> 733
<INVENTORY> 24,181
<CURRENT-ASSETS> 92,214
<PP&E> 120,111
<DEPRECIATION> 64,774
<TOTAL-ASSETS> 167,042
<CURRENT-LIABILITIES> 41,785
<BONDS> 33,267
<PREFERRED-MANDATORY> 0
<PREFERRED> 150
<COMMON> 220
<OTHER-SE> 78,610
<TOTAL-LIABILITY-AND-EQUITY> 167,042
<SALES> 223,163
<TOTAL-REVENUES> 223,163
<CGS> 148,655
<TOTAL-COSTS> 148,655
<OTHER-EXPENSES> 0
<LOSS-PROVISION> 0
<INTEREST-EXPENSE> 1,864
<INCOME-PRETAX> 14,906
<INCOME-TAX> 5,575
<INCOME-CONTINUING> 9,331
<DISCONTINUED> 0
<EXTRAORDINARY> 0
<CHANGES> 0
<NET-INCOME> 9,331
<EPS-PRIMARY> .50
<EPS-DILUTED> .48