
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 October 28, 2006

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.)

One North University Drive, Ft. Lauderdale, FL

(Address of principal executive offices)

33324

(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer

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 December 7, 2006 was 37,593,709.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF OCTOBER 28, 2006 AND APRIL 29, 2006

(In thousands, except share amounts)

	(Unaudited) October 28, 2006	April 29, 2006
Assets		
Current assets:		
Cash and equivalents	\$ 54,064	\$ 42,119
Trade receivables — net of allowances of \$470 (\$562 at April 29, 2006)	43,586	48,236
Inventories	38,468	34,429
Deferred income taxes — net	1,825	1,940
Prepaid and other assets	7,842	9,287
Total current assets	145,785	136,011
Property — net	55,328	56,027
Goodwill	13,145	13,145
Intangible assets — net	1,653	1,653
Other assets	11,694	11,503
	<u>\$ 227,605</u>	<u>\$ 218,339</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 30,678	\$ 38,041
Accrued liabilities	20,652	20,576
Income taxes payable	2,841	2,369
Total current liabilities	54,171	60,986
Deferred income taxes — net	17,430	17,783
Other liabilities	8,782	8,710
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 - 50,000,000 shares authorized; 41,626,493 shares issued (41,511,193 shares at April 29, 2006)	416	415
Additional paid-in capital	23,886	23,033
Retained earnings	140,770	125,262
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	147,222	130,860
	<u>\$ 227,605</u>	<u>\$ 218,339</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

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NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED OCTOBER 28, 2006
AND OCTOBER 29, 2005

(In thousands, except per share amounts)

	(Unaudited)			
	Three Months Ended		Six Months Ended	
	2006	2005	2006	2005
Net sales	\$ 135,818	\$ 131,502	\$ 285,954	\$ 273,865
Cost of sales	91,905	90,282	192,086	183,317
Gross profit	43,913	41,220	93,868	90,548
Selling, general and administrative expenses	35,361	34,306	70,433	68,179
Interest expense	27	25	51	50
Other income — net	444	293	809	455
Income before income taxes	8,969	7,182	24,193	22,774
Provision for income taxes	3,220	2,608	8,685	8,517
Net income	<u>\$ 5,749</u>	<u>\$ 4,574</u>	<u>\$ 15,508</u>	<u>\$ 14,257</u>
Net income per share -				
Basic	<u>\$.15</u>	<u>\$.12</u>	<u>\$.41</u>	<u>\$.38</u>
Diluted	<u>\$.15</u>	<u>\$.12</u>	<u>\$.40</u>	<u>\$.37</u>
Average common shares outstanding — basic	38,131	37,705	38,121	37,662
Dilutive stock options	254	561	261	601
Average common shares outstanding — diluted	<u>38,385</u>	<u>38,266</u>	<u>38,382</u>	<u>38,263</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

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NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED OCTOBER 28, 2006 AND OCTOBER 29, 2005
(In thousands)

	(Unaudited)	
	2006	2005
Operating Activities:		
Net income	\$ 15,508	\$ 14,257
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,135	6,689
Deferred income tax provision (benefit)	(238)	303
Loss (gain) on disposal of property, net	(41)	287
Stock-based compensation	163	147
Changes in assets and liabilities:		
Trade receivables	4,650	3,053
Inventories	(4,039)	(4,292)
Prepaid and other assets	(2,091)	(3,277)
Accounts payable	(7,363)	(4,153)
Accrued and other liabilities, net	2,927	5,201
Net cash provided by operating activities	<u>15,611</u>	<u>18,215</u>
Investing Activities:		
Marketable securities purchased	(233,825)	(165,750)
Marketable securities sold	233,825	165,750
Property additions	(4,416)	(3,302)
Proceeds from sale of assets	59	731
Net cash used in investing activities	<u>(4,357)</u>	<u>(2,571)</u>
Financing Activities:		
Proceeds from stock options exercised	230	316
Stock-based tax benefits	461	278
Net cash provided by financing activities	<u>691</u>	<u>594</u>
Net Increase in Cash and Equivalents	11,945	16,238
Cash and Equivalents — Beginning of Year	<u>42,119</u>	<u>54,557</u>
Cash and Equivalents — End of Period	<u>\$ 54,064</u>	<u>\$ 70,795</u>
Other Cash Flow Information:		
Interest paid	\$ 53	\$ 52
Income taxes paid	5,683	6,489

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 28, 2006
(UNAUDITED)

1. 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 April 29, 2006.

Reclassifications have been made to prior year amounts to conform to the current year presentation.

2. STOCK-BASED COMPENSATION

In the fourth quarter of fiscal 2006, the Company adopted SFAS No. 123R “Stock-Based Compensation” pursuant to the modified prospective application and, accordingly, prior period amounts have not been restated. Stock-based compensation expense was recorded based on the fair value method for all awards granted on or after the date of adoption and for the portion of previously granted awards that remained unvested at the date of adoption.

Prior to the fourth quarter of fiscal 2006, the Company applied the provisions of APB No. 25, “Accounting for Stock Issued to Employees,” as permitted under SFAS No. 148, “Accounting for Stock-Based Compensation — Transition and Disclosure — an amendment of FASB Statement No. 123.” Under APB 25, stock-based compensation expense was generally not recognized unless the exercise price of options granted was less than the market price on the date of grant.

Had compensation cost for options granted to employees been recorded based on the fair value method under SFAS No. 123, “Accounting for Stock-Based Compensation” prior to the adoption date, net income and earnings per share for the three months and six months ended October 29, 2005 would have been impacted on a pro forma basis by less than \$200,000 and \$.01 per share.

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During the six months ended October 28, 2006, options for 1,280 shares were granted at a weighted average exercise price of \$8.39 and options for 75,300 shares were exercised at a weighted average exercise price of \$3.05. At October 28, 2006, options to purchase 729,356 shares at a weighted average exercise price of \$5.12 were outstanding and stock-based awards to purchase 2,677,472 shares of common stock were available for grant.

3. INVENTORIES

Inventories are stated at the lower of first-in, first-out cost or market. Inventories at October 28, 2006 are comprised of finished goods of \$21,811,000 and raw materials of \$16,657,000. Inventories at April 29, 2006 are comprised of finished goods of \$18,997,000 and raw materials of \$15,432,000.

4. PROPERTY

Property consists of the following:

	(In thousands)	
	October 28, 2006	April 29, 2006
Land	\$ 8,915	\$ 8,915
Buildings and improvements	38,012	38,101
Machinery and equipment	119,200	115,379
Total	166,127	162,395
Less accumulated depreciation	(110,799)	(106,368)
Property — net	<u>\$ 55,328</u>	<u>\$ 56,027</u>

Depreciation expense was \$2,554,000 and \$5,097,000 for the three-month and six-month periods ended October 28, 2006, respectively, and \$2,577,000 and \$5,113,000 for the three-month and six-month periods ended October 29, 2005, respectively.

5. DEBT

A subsidiary maintains unsecured revolving credit facilities aggregating \$45 million (the "Credit Facilities") with banks. The Credit Facilities expire through May 1, 2008 and bear interest at $\frac{1}{2}\%$ below the banks' reference rate or .6% above LIBOR, at the subsidiary's election. At October 28, 2006, there was no debt outstanding under the Credit Facilities and approximately \$42 million was available for future borrowings.

The Credit Facilities require the subsidiary to maintain certain financial ratios and contain other restrictions, none of which are expected to have a material impact on our operations or financial position. Significant financial ratios and restrictions include: fixed charge coverage; net worth ratio; and limitations on incurrence of debt. At October 28, 2006, we were in compliance with all loan covenants and approximately \$25 million of retained earnings were restricted from distribution.

6. COMMON STOCK

In January 1998, the Board of Directors authorized the purchase of up to 800,000 shares of National Beverage common stock. There were no shares purchased during the six months ended October 28, 2006. Aggregate shares purchased since January 1998 were 502,060 and are classified as treasury stock.

7. FRUCTOSE SETTLEMENT

In June 2005, we received a partial payment of \$7.7 million from the settlement of our claim in a class action lawsuit known as “In re: High Fructose Corn Syrup Antitrust Litigation Master File No. 95-1477 in the United States District Court for the Central District of Illinois”. The lawsuit related to purchases of high fructose corn syrup made by the Company and others. The settlement amount was allocated to each class action recipient based on the proportion of its purchases to total purchases by all class action recipients. The amount received, less offsets and expenses of \$.5 million, was recorded as a reduction in cost of sales in the first quarter ended July 30, 2005. In November 2005, the Company received \$1.2 million, representing the final payment due under the settlement. Such amount was recorded in the third quarter ended January 28, 2006 as a reduction in cost of sales.

8. CHANGES IN ACCOUNTING STANDARDS

Management has reviewed the current and proposed changes in accounting standards and does not expect any of these changes to have a material impact on the Company.

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.

Our lines of multi-flavored soft drinks, including those of our flagship brands, Shasta® and Faygo®, emphasize distinctive flavor variety. In addition, we offer an assortment of premium beverages geared to the health-conscious consumer, including Everfresh®, Home Juice®, and Mr. Pure® 100% juice and juice-based products; and LaCroix®, Mt. Shasta™, Crystal Bay® and ClearFruit® flavored and spring water products. We also produce energy drinks and powdered beverage products, including Rip It®, an energy drink in liquid and powdered form geared toward young consumers and PowerBlast™ Energy Fuel, a powdered nutritional beverage product for “on-the-go” consumers. Other products include Ohana® fruit-flavored drinks and St. Nick’s® holiday soft drinks. Substantially all of our brands are produced in thirteen manufacturing facilities that are strategically located in major metropolitan markets throughout the continental United States. To a lesser extent, we develop and produce soft drinks for retail grocery chains, warehouse clubs, mass-merchandisers and wholesalers (“allied brands”) as well as soft drinks for other beverage companies.

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

Over the last several years, we have focused on increasing penetration of our brands in the convenience channel through Company-owned and independent distributors. The convenience channel is composed 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, we have undertaken specific measures to expand distribution in this channel. These include development of products specifically targeted to this market, such as ClearFruit, Everfresh, Mr. Pure, Crystal Bay, Rip It and PowerBlast. Additionally, we have created proprietary and specialized packaging for these products with distinctive graphics. 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 October 28, 2006 (second quarter of fiscal 2007) compared to Three Months Ended October 29, 2005 (second quarter of fiscal 2006)

Led by higher sales of Rip It, the case volume of the Company's energy drinks, juices and waters increased by 11.6%. This increase was partially offset by a 5.7% volume decrease in traditional carbonated soft drinks, including a 12.5% decline in lower-margin allied brands. As a result of this mix shift and certain pricing increases, the net selling price per unit increased 6.5%.

Gross profit approximated 32.3% of net sales for the second quarter of fiscal 2007 compared to 31.3% of net sales for the second quarter of fiscal 2006. The improvement in gross margin was due to the effects of the pricing improvements mentioned above partially offset by higher manufacturing and raw material costs.

Selling, general and administrative expenses were \$35.4 million or 26.0% of net sales for the second quarter of fiscal 2007 compared to \$34.3 million or 26.1% of net sales for last year. The increase in expenses is due to higher marketing expenses related to new product introductions and an increase in cooperative advertising.

Other income includes interest income of \$444,000 (fiscal 2007) and \$404,000 (fiscal 2006). The increase in interest income is due to higher investment yields. Also, other income in the second quarter of fiscal 2006 includes a loss of \$111,000 on the disposal of property.

The Company's effective rate for income taxes, based upon estimated annual income tax rates, approximated 35.9% of income before taxes for the second quarter of fiscal 2007 and 36.3% for the comparable period in fiscal 2006. The difference between the effective rate and the federal statutory rate of 35% was primarily due to the effects of state income taxes, nondeductible expenses and nontaxable interest income.

Net income was \$5.7 million for the second quarter of fiscal 2007 compared to \$4.6 million for the second quarter of fiscal 2006.

Six Months Ended October 28, 2006 (first six months of fiscal 2007) compared to Six Months Ended October 29, 2005 (first six months of fiscal 2006)

In the first six months of fiscal 2006, the Company received a net fructose settlement of \$7.2 million, which was recorded as a reduction in cost of goods sold. Net income for the first six months of fiscal 2006 included an after tax gain of \$4.4 million related to the fructose settlement. See Note 7 of Notes to Condensed Consolidated Financial Statements.

The case volume of the Company's energy drinks, juices and waters increased by 11.5% primarily due to higher sales of Rip It. This increase was partially offset by a 4.8% volume decrease in traditional carbonated soft drinks, including an 11.1% decline in lower-margin allied brands. As a result of this mix shift and certain pricing increases, the net selling price per unit increased 7.0%.

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Gross profit approximated 32.8% of net sales for the first six months of fiscal 2007 compared to 30.4% of net sales for the first six months of fiscal 2006, excluding the effect of the \$7.2 million fructose settlement received last year. The improvement in gross margin was due to the effects of the pricing improvements mentioned above partially offset by higher manufacturing and raw material costs. Excluding the fructose settlement, cost of goods sold per unit increased .8% over the comparable period last year.

Selling, general and administrative expenses were \$70.4 million or 24.6% of net sales for the first six months of fiscal 2007 compared to \$68.2 million or 24.9% of net sales for last year. The increase in expenses is due to higher marketing expenses related to new product introductions and an increase in cooperative advertising. The decline as a percent of sales was due to the effect of higher sales on fixed expenses.

Other income includes interest income of \$769,000 (fiscal 2007) and \$697,000 (fiscal 2006). The increase in interest income is due to higher investment yields. Also, other income in the first six months of fiscal 2006 includes a loss of \$287,000 on the disposal of property.

The Company's effective rate for income taxes, based upon estimated annual income tax rates, approximated 35.9% of income before taxes for the first six months of fiscal 2007 and 37.4% for the comparable period in fiscal 2006. The difference between the effective rate and the federal statutory rate of 35% was primarily due to the effects of state income taxes, nondeductible expenses and nontaxable interest income.

Net income was \$15.5 million for the first six months of fiscal 2007 compared to \$14.3 million for the first six months of fiscal 2006.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity and Capital Resources

Our current sources of capital are cash flows from operations and borrowings under existing credit facilities. We maintain unsecured revolving credit facilities aggregating \$45 million of which \$3 million was used for standby letters of credit at October 28, 2006. There was no debt outstanding under the credit facilities. We believe that our capital resources are sufficient to fund our capital expenditures, dividends and working capital requirements for the foreseeable future.

Cash Flows

During the first six months of fiscal 2007, \$15.6 million was provided from operating activities and \$691,000 was provided from financing activities, which was partially offset by \$4.4 million used for investing activities. Cash provided by operating activities decreased \$2.6 million due to an increase in working capital requirements. Cash used in investing activities increased \$1.8 million due to an increase in net property additions.

Financial Position

During the first six months of fiscal 2007, our working capital increased \$16.6 million to \$91.6 million primarily due to operating activities. Trade receivables decreased \$4.7 million due to timing of sales and collections. Inventory increased \$4.0 million due to new products introduced and inventory cost increases. Prepaid and other assets decreased \$1.4 million due to a decline in income tax refund receivables. Accounts payable decreased \$7.4 million due to the timing of

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payments made. At October 28, 2006, the current ratio was 2.7 to 1 compared to 2.2 to 1 at April 29, 2006.

FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q (this "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 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. 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.

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, 2006.

ITEM 4. CONTROLS AND PROCEDURES

National Beverage's Chief Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures are effective, based on their evaluation of these controls and procedures as of October 28, 2006. There has been no change in our internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the company's Annual Meeting of Shareholders held September 29, 2006, Mr. Joseph G. Caporella and Mr. Samuel C. Hathorn, Jr. were re-elected to the Board of Directors for a three-year term. Of the 35,814,181 shares voted, 34,299,499 shares were voted for the election of Mr. Joseph G. Caporella (1,514,682 shares were withheld) and 35,644,911 shares were voted for the election of Mr. Samuel C. Hathorn, Jr (169,270 shares were withheld).

ITEM 6. EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
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

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 12, 2006

National Beverage Corp.
(Registrant)

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

CERTIFICATION

I, Nick A. Caporella, certify that:

1. I have reviewed this quarterly report on Form 10-Q of National Beverage Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 12, 2006

/s/ Nick A. Caporella

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

CERTIFICATION

I, George R. Bracken, certify that:

1. I have reviewed this quarterly report on Form 10-Q of National Beverage Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosures controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 12, 2006

/s/ George R. Bracken

George R. Bracken

Senior Vice President — Finance

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of National Beverage Corp. (the "Company") on Form 10-Q for the period ended October 28, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nick A. Caporella, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 12, 2006

/s/ Nick A. Caporella

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

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of National Beverage Corp. (the "Company") on Form 10-Q for the period ended October 28, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, George R. Bracken, Senior Vice President — Finance of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: December 12, 2006

/s/ George R. Bracken

George R. Bracken
Senior Vice President — Finance
(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.