
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 July 30, 2005

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 an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

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 September 8, 2005 was 37,052,876.

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

ITEM 1. FINANCIAL STATEMENTS

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF JULY 30, 2005 AND APRIL 30, 2005

(In thousands, except share amounts)

	(Unaudited)	
	July 30, 2005	April 30, 2005
Assets		
Current assets:		
Cash and equivalents	\$ 70,707	\$ 54,557
Trade receivables — net of allowances of \$657 (\$585 at April 30, 2005)	49,529	46,135
Inventories	33,229	29,738
Deferred income taxes — net	1,818	1,759
Prepaid and other assets	5,442	7,657
Total current assets	160,725	139,846
Property — net	60,948	62,879
Goodwill	13,145	13,145
Intangible assets — net	1,924	1,939
Other assets	11,668	6,778
	<u>\$248,410</u>	<u>\$224,587</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 43,361	\$ 38,012
Accrued liabilities	21,958	18,290
Income taxes payable	6,293	1,582
Total current liabilities	71,612	57,884
Deferred income taxes — net	16,169	15,958
Other liabilities	7,547	7,449
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 41,037,260 shares (41,018,960 shares at April 30, 2005)	410	410
Additional paid-in capital	19,782	19,679
Retained earnings	150,740	141,057
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	<u>153,082</u>	<u>143,296</u>
	<u>\$248,410</u>	<u>\$224,587</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 ENDED JULY 30, 2005 AND JULY 31, 2004
(In thousands, except per share amounts)

	(Unaudited)	
	2005	2004
Net sales	\$ 142,363	\$ 146,512
Cost of sales	<u>93,035</u>	<u>98,175</u>
Gross profit	49,328	48,337
Selling, general and administrative expenses	33,873	34,126
Interest expense	25	25
Other income — net	<u>162</u>	<u>75</u>
Income before income taxes	15,592	14,261
Provision for income taxes	<u>5,909</u>	<u>5,405</u>
Net income	<u>\$ 9,683</u>	<u>\$ 8,856</u>
Net income per share —		
Basic	<u>\$.26</u>	<u>\$.24</u>
Diluted	<u>\$.25</u>	<u>\$.23</u>
Average common shares outstanding — basic	37,619	37,560
Dilutive stock options	<u>640</u>	<u>704</u>
Average common shares outstanding — diluted	<u>38,259</u>	<u>38,264</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 THREE MONTHS ENDED JULY 30, 2005 AND JULY 31, 2004
(In thousands)

	(Unaudited)	
	2005	2004
Operating Activities:		
Net income	\$ 9,683	\$ 8,856
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,305	3,039
Deferred income tax provision (benefit)	152	(108)
Loss on sale of assets	176	5
Changes in assets and liabilities:		
Trade receivables	(3,394)	(4,112)
Inventories	(3,491)	(2,878)
Prepaid and other assets	(3,429)	2,289
Accounts payable	5,349	1,603
Accrued and other liabilities, net	8,503	2,513
Net cash provided by operating activities	<u>16,854</u>	<u>11,207</u>
Investing Activities:		
Marketable securities purchased	(72,850)	(32,000)
Marketable securities sold	72,850	23,000
Property additions	(1,518)	(2,277)
Proceeds from sale of assets	737	—
Net cash used in investing activities	<u>(781)</u>	<u>(11,277)</u>
Financing Activities:		
Proceeds from stock options exercised	77	47
Net cash provided by financing activities	<u>77</u>	<u>47</u>
Net Increase (Decrease) in Cash and Equivalents	16,150	(23)
Cash and Equivalents — Beginning of Year	<u>54,557</u>	<u>25,365</u>
Cash and Equivalents — End of Period	<u>\$ 70,707</u>	<u>\$ 25,342</u>
Other Cash Flow Information:		
Interest paid	\$ 26	\$ 26
Income taxes paid	200	198

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JULY 30, 2005
(UNAUDITED)

1. BASIS OF PRESENTATION

National Beverage Corp. develops, manufactures, markets and distributes a complete portfolio of quality non-alcoholic beverage products 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 30, 2005.

2. STOCK-BASED COMPENSATION

As provided by SFAS 123, we use the intrinsic value method to account for stock based compensation awarded to employees, which generally does not recognize any compensation expense with respect to such awards unless the exercise price of options granted is less than the market price on the date of grant. SFAS 123R, which will be effective for fiscal 2007, requires the use of the fair value method for all share-based payments. Had the fair value method been used, net income and basic and diluted earnings per share for the three-month periods ended July 30, 2005 and July 31, 2004 would have been reduced on a pro forma basis by less than \$100,000 and \$.01 per share for each period.

During the three months ended July 30, 2005, options for 18,300 shares were exercised at a weighted average exercise price of \$4.20. At July 30, 2005, options to purchase 957,358 shares at a weighted average exercise price of \$2.72 were outstanding and stock-based awards to purchase 2,959,902 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 July 30, 2005 are comprised of finished goods of \$19,532,000 and raw materials of \$13,697,000. Inventories at April 30, 2005 are comprised of finished goods of \$17,411,000 and raw materials of \$12,327,000.

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4. PROPERTY

Property consists of the following:

	(In thousands)	
	July 30, 2005	April 30, 2005
Land	\$ 9,738	\$ 10,187
Buildings and improvements	38,504	38,743
Machinery and equipment	120,862	119,850
Total	169,104	168,780
Less accumulated depreciation	(108,156)	(105,901)
Property — net	<u>\$ 60,948</u>	<u>\$ 62,879</u>

Depreciation expense was \$2,536,000 and \$2,388,000 for the three-month periods ended July 30, 2005 and July 31, 2004, respectively.

5. DEBT AND LEASE COMMITMENTS

A subsidiary maintains unsecured revolving credit facilities aggregating \$45 million (the “Credit Facilities”) with banks. The Credit Facilities expire through May 1, 2007 and bear interest at $1/2\%$ below the banks’ reference rate or $3/4\%$ above LIBOR, at the subsidiary’s election. At July 30, 2005, there was no outstanding debt 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 July 30, 2005, we were in compliance with all loan covenants and approximately \$25 million of retained earnings were restricted from distribution.

In July 2005, the Company entered into an equipment lease. Under the terms of the lease, the Company has guaranteed a residual value of the equipment at the end of the lease term (approximately \$11.6 million). No liability has been recorded for the guarantee as management believes that the potential recovery of value from the equipment when sold will be greater than the residual value.

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 three months ended July 30, 2005 and aggregate shares purchased since January 1998 was 502,060. Such shares are classified as treasury stock.

7. FRUCTOSE SETTLEMENT

In June 2005, we received approximately \$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 proceeds less offsets and expenses

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of \$.5 million were recorded as a reduction in cost of sales in the first quarter ended July 30, 2005. The amount received to date represents approximately 90% of the expected recovery and payment of the remaining balance is subject to final resolution of all claims.

8. CHANGES IN ACCOUNTING STANDARDS

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

9. RECLASSIFICATIONS

Reclassifications have been made to prior year amounts to conform to the current year presentation, including reclassifications to our Condensed Consolidated Statements of Cash Flows for the first quarter of fiscal 2005 to reflect the gross purchases and sales of auction rate securities as investing activities rather than as a component of cash and equivalents.

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. When used 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 specialty products, including Rip It™, an energy drink geared toward young consumers, Ohana® fruit-flavored drinks and St. Nick's® holiday soft drinks. Substantially all of our brands are produced in 14 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 new 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, and Rip It. 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 July 30, 2005 (first quarter of fiscal 2006) compared to Three Months Ended July 31, 2004 (first quarter of fiscal 2005)

Net sales for the three months ended July 30, 2005 decreased approximately 1.6% to \$142.4 million compared to the first quarter of fiscal 2005, after adjusting for the \$1.8 million received last year from a customer relative to a recovery of pricing and promotional allowances for product shipped in a previous period. This decrease was primarily the result of an 11.7% volume decline of allied branded product related to our decision to eliminate certain lower margin business. Branded volume declined 1.7% as a result of price increases initiated last year to offset raw material cost increases. However, the related sales decline was offset by pricing improvements and favorable product mix changes, including increased sales of our energy drink, Rip It. Excluding the \$1.8 million noted above, net sales per unit increased approximately 2.1% during the first quarter of fiscal 2006.

Gross profit approximated 34.6% of net sales for the first quarter of fiscal 2006 and 33.0% of net sales for the first quarter of fiscal 2005. This increase was due to net proceeds of \$7.2 million received from a fructose settlement partially offset by the effects of higher cost of goods sold, lower volume, and the \$1.8 million noted above. Excluding the fructose settlement, cost of goods sold per unit increased approximately 5.9%, primarily due to higher packaging and energy costs. See Note 7 of Notes to Condensed Consolidated Financial Statements.

Selling, general and administrative expenses were \$33.9 million or 23.8% of net sales for the first quarter of fiscal 2006, compared to \$34.1 million or 23.3% of net sales for last year. The decrease in expenses was due primarily to lower distribution and marketing costs of \$321,000 and \$482,000, respectively, related to the decline in sales volume.

Other income includes interest income of \$293,000 (fiscal 2006) and \$80,000 (fiscal 2005). The increase in interest income is due to higher invested balances and investment yields. Also, other income in the first quarter of fiscal 2006 includes a loss of \$176,000 on the disposal of property.

The Company's effective rate for income taxes, based upon estimated annual income tax rates, approximated 37.9% of income before taxes for the first quarter of fiscal 2006 and fiscal 2005. 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 \$9,683,000 for the first quarter of fiscal 2006, compared to \$8,856,000 for the first quarter of fiscal 2005.

LIQUIDITY AND FINANCIAL CONDITION

Capital Resources

Our current sources of capital are cash flow from operations and borrowings under existing credit facilities. We maintain unsecured revolving credit facilities aggregating \$45 million of which approximately \$42 million was available for future borrowings at July 30, 2005. We believe that existing capital resources are sufficient to meet our capital requirements and those of the parent company for the foreseeable future.

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Cash Flows

During the first three months of fiscal 2006, we generated cash of \$16.9 million from operating activities, which was partially offset by \$781,000 expended for investing activities. Cash provided by operating activities increased \$5.6 million primarily due to an increase in earnings and a decrease in working capital requirements. Cash used in investing activities decreased \$10.5 million due to a change in net marketable securities purchased and a decline in property additions.

Financial Position

During the first three months of fiscal 2006, our working capital increased \$7.2 million to \$89.1 million primarily due to cash generated from operations. The increase in trade receivables, inventories and accounts payable was due to higher sales volume related to seasonality. At July 30, 2005, the current ratio was 2.2 to 1 compared to 2.4 to 1 at April 30, 2005.

Liquidity

We continually evaluate capital projects designed to expand capacity and improve efficiency at our manufacturing facilities. In fiscal 2005, we incurred increased capital expenditures to enhance packaging capabilities and improve manufacturing efficiencies. Such programs are expected to continue in fiscal 2006; however, capital expenditures in fiscal 2006 should not exceed fiscal 2005 amounts.

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 30, 2005.

ITEM 4. CONTROLS AND PROCEDURES

As of July 30, 2005, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures. This evaluation was done under the supervision and with the participation of management, including our Chief Executive Officer ("CEO") and Principal

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Financial Officer (“PFO”). Based on that evaluation, our CEO and PFO concluded that our disclosure controls and procedures as of July 30, 2005 were effective in timely alerting them to material information required to be included in this report. 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 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits:
 - Exhibit 20.1 Audit Committee Charter
 - Exhibit 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
 - Exhibit 31.2 Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
 - Exhibit 32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
 - Exhibit 32.2 Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

- (b) Reports on Form 8-K:
 - On August 1, 2005, the Company filed a Form 8-K Current Report regarding a press release issued July 29, 2005, announcing the Company’s financial results for the fiscal year ended April 30, 2005.

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: September 13, 2005

National Beverage Corp.
(Registrant)

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

**NATIONAL BEVERAGE CORP.
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
CHARTER**

I. PURPOSE

The Audit Committee (the “Committee”) reports to the Board of Directors (the “Board”). Its primary function is to assist the Board in fulfilling its responsibilities to shareholders relating to financial accounting and reporting, the system of internal controls established by management and the adequacy of auditing relative to these activities. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Board, the independent auditors, and the financial management of the Company.

As with the Board, the Committee has oversight, not managerial duties and authorities, in discharging its responsibilities. Accordingly, it is not the responsibility of the Committee to plan or conduct audits or to determine whether the Company’s financial statements are complete and accurate or are in compliance with generally accepted accounting principles; rather, those matters are the responsibility of management and the outside auditor. Similarly, it is not the responsibility of the Committee to conduct investigations, to assure compliance by the Company with the federal securities laws or other legal requirements or to assure compliance with laws or the Company’s corporate compliance program or any code of ethics. The Committee will, of necessity, rely upon management and the outside auditors in carrying out the responsibilities specified in this Charter.

II. COMPOSITION

The Committee of the Board shall be comprised of at least three directors elected annually by the Board, each of whom shall be independent of management of the Company and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall have accounting or related financial management expertise.

III. RESPONSIBILITIES

Subject to Section I above, the Committee responsibilities are as follows:

- Holding such regular meetings as may be necessary and such special meetings as may be called by the Chairman of the Committee or at the request of the independent accountants;
 - Approving an agenda for the ensuing year for the internal audit department;
 - Reviewing the performance of the independent accountants and making recommendations to the Board regarding the appointment or termination of the independent accountants;
 - Conferring with the independent accountants and the internal auditors concerning the scope of their examinations of the books and records of the Company and its subsidiaries;
-

reviewing and approving the independent accountants' annual engagement letter; reviewing and approving the Company's internal audit charter, annual audit plans and budgets; having the ability to direct the special attention of the internal auditors to specific matters or areas deemed by the Committee or the auditors to be of specific significance; and authorizing the internal auditors to perform such supplemental reviews or audits as the Committee may deem desirable;

- Reviewing with management, the independent accountants and internal auditors significant risks and exposures, audit activities and significant audit findings;
- Reviewing the range and cost of audit and non-audit services performed by the independent accountants;
- Reviewing the Company's audited financial statements and the independent accountants' opinion rendered with respect to such financial statements, including reviewing the nature and extent of any significant changes in accounting principles or the application therein;
- Reviewing the reports of the independent auditors to assess the adequacy of the Company's system of internal control;
- Obtaining from the independent accountants and internal auditors their recommendations regarding internal controls and other matters relating to the accounting procedures and the books and records of the Company and its subsidiaries and reviewing the correction of controls deemed to be deficient;
- Providing an independent, direct communication between the Board, internal auditors and independent accountants;
- Reviewing with appropriate Company personnel the actions to ensure compliance with the Company's Code of conduct and the results of confirmations and violations of such Code;
- Reporting through its Chairman to the Board following the meetings of the Committee;
- Maintaining minutes or other records of meetings and activities of the Committee;
- Reviewing the powers of the Committee annually and reporting and making recommendations to the Board on these responsibilities;
- Conducting or authorizing investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation; and
- Considering such other matters in relation to the financial affairs of the Company and its accounts, and in relation to the internal and external audit of the Company as the Committee may, in its discretion, determine to be advisable.

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: September 13, 2005

/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: September 13, 2005

/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 July 30, 2005 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: September 13, 2005

/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 July 30, 2005 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: September 13, 2005

/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.