

NATIONAL BEVERAGE CORP

Form DEF 14A

August 28, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
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NATIONAL BEVERAGE CORP.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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NATIONAL BEVERAGE CORP.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME: 2:00 p.m. (local time)
DATE: October 5, 2007
PLACE: Hyatt Regency Orlando International Airport
9300 Airport Boulevard
Orlando, Florida 32827

At the Annual Meeting of Shareholders of National Beverage Corp. (the Company) and any adjournments or postponements thereof (the Meeting), the following proposals are on the agenda for action by the shareholders:

1. To elect two directors to serve as Class II directors for a term of three years.

2. To transact such other business as may properly come before the Meeting.

Only holders of record of common stock, par value \$.01 per share, of the Company, at the close of business on August 20, 2007 are entitled to notice of, and to vote at, the Meeting.

A complete list of the shareholders entitled to vote at the Meeting will be available for examination by any shareholder, for any proper purpose, at the Meeting and during ordinary business hours for a period of ten days prior to the Meeting at the principal executive offices of the Company at One North University Drive, Fort Lauderdale, Florida 33324.

All shareholders are cordially invited to attend the Meeting in person. Admittance to the Meeting will be limited to shareholders. Shareholders who plan to attend are requested to so indicate by marking the appropriate space on the enclosed proxy card. Shareholders whose shares are held in street name (the name of a broker, trust, bank or other nominee) should bring with them a legal proxy, a recent brokerage statement or letter from the street name holder confirming their beneficial ownership of shares.

Whether or not you plan to attend the Meeting, please complete and return the proxy in the enclosed envelope addressed to the Company or vote electronically by using the Internet or by telephone, since a majority of the outstanding shares entitled to vote at the Meeting must be represented at the Meeting in order to transact business. Shareholders have the power to revoke any such proxy at any time before it is voted at the Meeting and the giving of such proxy will not affect your right to vote in person at the Meeting. Your vote is very important.

By Order of the Board of Directors,

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

August 27, 2007
Fort Lauderdale, Florida

PROXY STATEMENT

This Proxy Statement is furnished to shareholders of National Beverage Corp., a Delaware corporation (the Company) in connection with the solicitation, by order of the Board of Directors of the Company (the Board of Directors), of proxies to be voted at the Annual Meeting of Shareholders of the Company to be held at the Hyatt Regency Orlando International Airport, 9300 Airport Boulevard, Orlando, Florida 32827 on October 5, 2007, at 2:00 p.m., local time, or any adjournment or postponement thereof (the Meeting). The accompanying proxy is being solicited on behalf of the Board of Directors. The mailing address of the principal executive offices of the Company is P.O. Box 16720, Fort Lauderdale, Florida 33318. The approximate date on which this Proxy Statement and the accompanying form of proxy were first sent to shareholders is August , 2007.

Only holders of record of common stock, par value \$.01 per share, of the Company (the Common Stock) at the close of business on August 20, 2007 (the Record Date) are entitled to notice of, and to vote at, the Meeting.

A shareholder who gives a proxy may revoke it at any time before it is exercised by sending a written notice to the Corporate Secretary, at the address set forth above, by returning a later dated signed proxy, or by attending the Meeting and voting in person. Unless the proxy is revoked, the shares represented thereby will be voted as specified at the Meeting or any adjournment or postponement thereof.

The Annual Report of the Company for the fiscal year ended April 28, 2007 (the Annual Report) is being mailed with this Proxy Statement to all holders of record of Common Stock. Additional copies of the Annual Report will be furnished to any shareholder upon request.

Any proposal of a shareholder intended to be presented at the Company s 2008 Annual Meeting of Shareholders must be received by the Company for inclusion in the Proxy Statement and form of proxy for that meeting no later than May 1, 2008. Additionally, the Company must receive notice of any shareholder proposal to be submitted at the 2008 Annual Meeting of Shareholders (but not required to be included in the Proxy Statement) by July 14, 2008, or such proposal will be considered untimely pursuant to Rule 14a-4 and 14a-5(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act) and the persons named in the proxies solicited by management may exercise discretionary voting authority with respect to such proposal.

SECURITY OWNERSHIP**PRINCIPAL SHAREHOLDERS**

Each holder of Common Stock is entitled to one vote for each share held of record at the close of business on the Record Date. As of such date, 45,601,634 shares of Common Stock were outstanding. As of the Record Date, the only persons known by the Company to own of record or beneficially more than 5% of the outstanding Common Stock were the following:

<i>Name and Address Of Beneficial Owner</i>	<i>Amount and Nature of Beneficial Ownership</i>	<i>Percent of Class</i>
Nick A. Caporella One North University Drive Fort Lauderdale, Florida 33324	34,241,529 ⁽¹⁾	75.1%
IBS Partners Ltd. 16000 Barkers Point Lane Suite 155 Houston, Texas 77079	33,302,246	73.0%

- (1) Includes 33,302,246 shares owned by IBS Partners Ltd. ("IBS"). IBS is a Texas limited partnership whose sole general partner is IBS Management Partners, Inc., a Texas corporation. IBS Management Partners, Inc. is owned by Mr. Nick A. Caporella. By virtue of Rule 13d-3 promulgated under the Exchange Act, Mr. Caporella would be deemed to

beneficially own
the shares of
Common Stock
owned by IBS.
Also includes
24,000 shares
held by the wife
of Mr. Caporella
as to which
Mr. Caporella
disclaims
beneficial
ownership.

MANAGEMENT

The table below reflects as of the Record Date, the number of shares of Common Stock beneficially owned by the directors and each of the executive officers named in the Summary Compensation Table hereinafter set forth, and the number of shares of Common Stock beneficially owned by all directors and executive officers as a group:

<i>Name of Beneficial Owner</i>	<i>Amount and Nature of Beneficial Ownership</i>	<i>Percent of Class</i>
Nick A. Caporella	34,241,529(1)	75.1%
Joseph G. Caporella	350,240(2)	*
Samuel C. Hathorn, Jr.	112,944(3)	*
S. Lee Kling	272,880(4)	*
Joseph P. Klock, Jr.	4,320(5)	*
Edward F. Knecht	83,904(6)	*
George R. Bracken	114,228(7)	*
Dean A. McCoy	57,984(8)	*
All executive officers and directors as a group (8 in number)	35,238,029(9)	76.8%

* Less than 1%

(1) Includes 33,302,246 shares held by IBS. The sole general partner of IBS is IBS Management Partners, Inc., a Texas corporation. IBS Management Partners, Inc. is owned by Mr. Nick A. Caporella. Also includes 24,000 shares held by the wife of Mr. Caporella, as to which Mr. Caporella disclaims beneficial ownership.

(2) Includes 53,040 shares issuable upon exercise of

currently exercisable options. Also includes 144,000 shares to be received pursuant to the exercise of options, the delivery of which was deferred.

- (3) Includes 5,760 shares issuable upon exercise of currently exercisable options and 384 shares held by Mr. Hathorn as custodian for his children.
- (4) Includes 10,080 shares issuable upon exercise of currently exercisable options.
- (5) Includes 720 shares issuable upon exercise of currently exercisable options.
- (6) Includes 18,144 shares issuable upon exercise of currently exercisable options.
- (7) Includes 9,108 shares issuable upon exercise of currently exercisable options. Also

includes 24,000 shares to be received pursuant to the exercise of options, the delivery of which was deferred.

(8) Includes 7,884 shares issuable upon exercise of currently exercisable options. Also includes 33,600 shares to be received pursuant to the exercise of options, the delivery of which was deferred.

(9) Includes 104,736 shares issuable upon exercise of currently exercisable options and 201,600 shares to be received pursuant to the exercise of options, the delivery of which was deferred.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's executive officers, directors and persons who own more than ten percent (10%) of a registered class of the Company's equity securities to file reports of ownership and changes in ownership with the Securities and Exchange

Commission (the Commission). Executive officers, directors and greater than ten percent (10%) beneficial owners are required by regulation of the Commission to furnish the Company with copies of all Section 16(a) forms so filed.

Based solely upon a review of the Forms 3, 4 and 5 and amendments thereto and certain representations furnished to the Company, the Company believes that, during the fiscal year ended April 28, 2007, its executive officers, directors and greater than ten percent (10%) beneficial owners complied with all applicable filing requirements.

MEMBERSHIP AND MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Our business is managed under the direction of the Board of Directors. The Board meets during our fiscal year to review significant developments affecting us and to act on matters requiring Board approval.

Current Committee membership and each Committee during fiscal year ended April 28, 2007 (Fiscal 2007) are shown in the table below.

<i>Name</i>	<i>Board</i>	<i>Audit</i>	<i>Compensation</i>	<i>Nominating</i>	<i>Strategic Planning</i>
Nick A. Caporella	Chairman			Member	Chairman
Joseph G. Caporella	Member		Member		
Samuel C. Hathorn	Member	Chairman	Member		Member
S. Lee Kling	Member	Member	Chairman		Member
Joseph P. Klock	Member	Member	Member	Chairman	
Cecil D. Conlee (1)					Member

- (1) Mr. Conlee is a not an officer, director, or employee of the Company.

INFORMATION REGARDING MEETINGS AND COMMITTEES OF THE BOARD

The Board of Directors held four meetings during Fiscal 2007. The Board of Directors has standing Audit, Compensation and Stock Option, Nominating and Strategic Planning Committees.

The members of the Company s Audit Committee are Messrs. Hathorn (Chairman), Kling and Klock. During Fiscal 2007, the Audit Committee held five meetings. The principal functions of the Audit Committee are to appoint the independent auditors of the Company and review with the independent auditors and the Company s internal audit department, the scope and results of audits, the internal accounting controls of the Company, audit practices and the professional services furnished by the independent auditors. The Company s Board of Directors has determined that Mr. Hathorn and Mr. Kling satisfy the requirements for an audit committee financial expert under the rules and regulations of the Securities and Exchange Commission. The Board of Directors has concluded

that all three members of the Audit Committee are independent as defined in the listing standards for the NASDAQ Stock Market (NASDAQ). None of such persons has a material business relationship with the Company (either directly or as a partner, shareholder or member of an organization that has a relationship with the Company).

The members of the Company's Compensation and Stock Option Committee are Messrs. Kling (Chairman), Klock, Hathorn and Joseph G. Caporella. During Fiscal 2007, the Compensation and Stock Option Committee held one meeting. The principal functions of the Compensation and Stock Option Committee are to consider, review and approve all compensation arrangements, including base salary, annual incentive awards and stock option grants, for officers and employees of the Company and to administer the Company's employee benefit programs. The Compensation and Stock Option Committee does not have a charter.

The members of the Company's Nominating Committee are Messrs. Joseph P. Klock, Jr. (Chairman) and Nick A. Caporella. During Fiscal 2007, the Nominating Committee held two meetings. The Nominating Committee recommends to the Board of Directors candidates for election to the Board of Directors. The Nominating Committee considers possible candidates from any sources, including shareholders, for nominees for Directors. In evaluating the qualifications of nominees for the Company's Board of Directors, the Nominating Committee considers a variety of factors, such as education, work experience, knowledge of the Company's industry, membership on the Board of Directors of other corporations and civic involvement. The Nominating Committee will consider any nomination made by any shareholder of the Company in accordance with the procedures set forth in the Company's Restated Certificate of Incorporation. Under the Company's Restated Certificate of Incorporation, any nomination shall generally (i) be made no earlier than sixty and no more than ninety days before the scheduled meeting by notice to the Secretary of the Company, (ii) include certain information relevant to the shareholder and their nominee and (iii) only be made at a meeting called for the purpose of electing directors of the Company. Recommendations, which shall include written materials with respect to the potential candidate, should be sent to Corporate Secretary, National Beverage Corp., P.O. Box 16720, Fort Lauderdale, Florida 33318. All shareholder nominees for director will be considered by the Nominating Committee in the same manner as any other nominee. All recommendations should be accompanied by a complete statement of such person's qualifications (including education, work experience, knowledge of the Company's industry, membership on the Board of Directors of another corporation, and civic activity) and an indication of the person's willingness to serve. The Nominating Committee does not have a charter.

The members of the Company's Strategic Planning Committee are Messrs. Nick A. Caporella (Chairman), Hathorn, Kling and Cecil D. Conlee. Mr. Conlee is Founding Partner of CGR Advisors and was a former member of the Burnup and Sims, Inc. board from 1973 through March 1994. One meeting was held during Fiscal 2007. The principal function of the Strategic Planning Committee is to provide the Chairman and Chief Executive Officer of the Company with additional advice and consultation on the long-term strategies of the Company.

Each director attended all of the meetings of the Board and Committees on which he serves.

Nick Caporella currently beneficially owns 75.1% of the Company's outstanding Common Stock. As a result, the Company is a controlled company within the meaning of the NASDAQ listing standards and is not currently required to have independent directors comprise a majority of its Board

of Directors or to have independent directors comprise its Compensation and Stock Option Committee or its Nominating Committee under the listing standards of NASDAQ. Notwithstanding, a majority of both the Board of Directors of the Company and the Company's Compensation and Stock Option Committee are independent. Messrs Hathorn, Kling and Klock qualify as independent directors within the meaning of the NASDAQ marketplace rules.

QUORUM AND VOTING PROCEDURE

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Common Stock entitled to vote at the Meeting is necessary to constitute a quorum. Votes cast by proxy or in person at the Meeting will be tabulated by the inspectors of elections appointed for the Meeting and will be counted in determining whether or not a quorum is present. A proxy submitted by a shareholder may indicate that all or a portion of the shares represented by such proxy are not being voted by such shareholder with respect to a particular matter (non-voted shares). This could occur, for example, when a broker is not permitted to vote shares held in street name on certain matters in the absence of instructions from the beneficial owner of the shares. Non-voted shares with respect to a particular matter will not be considered shares present and entitled to vote on such matter, although such shares may be considered present and entitled to vote for other purposes and will be counted for purposes of determining the presence of a quorum. Shares voting to abstain as to a particular matter and directions to withhold authority to vote for directors will not be considered non-voted shares and will be considered present and entitled to vote with respect to such matter. Non-voted shares and abstentions will have no effect on the matters brought to a vote at the Meeting. As a result of Mr. Caporella's beneficial ownership of approximately 75.1% of the outstanding shares of Common Stock of the Company, all of the proposals will be approved by vote of shareholders at the Meeting.

MATTER TO BE CONSIDERED AT ANNUAL MEETING

ELECTION OF DIRECTORS

The Board of Directors is currently comprised of five directors elected in three classes (the Classes), with two Class I directors, two Class II directors and one Class III director. Directors in each class hold office for three-year terms. The terms of the Classes are staggered so that the term of one Class terminates each year. The term of the current Class II directors expires at the 2007 Meeting and when their respective successors have been duly elected and qualified.

The Board of Directors has nominated S. Lee Kling and Joseph P. Klock, Jr. for election as directors in Class II, each with a term of office of three years expiring at the Annual Meeting of Shareholders to be held in 2010. In order to be elected as a director, a nominee must receive a plurality of affirmative votes cast by the shares present or represented at a duly convened meeting. Shareholders have no right to vote cumulatively.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE NOMINEES FOR THE CLASS II DIRECTORS.

INFORMATION AS TO NOMINEES AND OTHER DIRECTORS

The following information concerning principal occupation or employment during the past five years and age has been furnished to the Company by the nominees for the Class II directors, and by the directors in Classes III and I whose terms expire at the Company's Annual Meeting of Shareholders in 2008 and 2009, respectively, and when their respective successors have been duly elected and qualified.

NOMINEES FOR DIRECTOR**CLASS II**

<i>Name</i>	<i>Age</i>	<i>Principal Occupation or Employment</i>	<i>Director Since</i>	<i>Term Expires</i>
S. Lee Kling	78	Chairman of the Board of The Kling Company, a merchant banking company.	1993	2007
Joseph P. Klock, Jr.	58	Partner of Epstein, Becker & Green, a law firm in Miami, FL.	1987	2007

DIRECTORS WHOSE TERM OF OFFICE WILL CONTINUE AFTER THE ANNUAL MEETING**CLASS III**

<i>Name</i>	<i>Age</i>	<i>Principal Occupation or Employment</i>	<i>Director Since</i>	<i>Term Expires</i>
Nick A. Caporella	71	Chairman of the Board and Chief Executive Officer of National Beverage Corp.	1985	2008

CLASS I

<i>Name</i>	<i>Age</i>	<i>Principal Occupation or Employment</i>	<i>Director Since</i>	<i>Term Expires</i>
Joseph G. Caporella	47	President of National Beverage Corp.	1987	2009
Samuel C. Hathorn, Jr.	64	President of Trendmaker Homes, a subsidiary of Weyerhaeuser Company.	1997	2009

Additional information regarding the nominees for election as directors and the continuing directors of the Company is as follows:

NOMINEES

S. Lee Kling has served as Chairman of the Board of The Kling Company, a merchant banking company, since 2002 and prior thereto was Chairman of Kling Rechter & Company, a merchant banking company, since 1991. Mr. Kling served as Chairman of the Board of Landmark Bancshares Corp., a bank holding company located in St. Louis, Missouri, from 1974 through December 1991, when Landmark merged with Magna Group, Inc. Mr. Kling also serves on the Board of Directors of Bernard Chaus, Inc. and Electro Rent Corp.

Joseph P. Klock, Jr. has been a partner in the law firm of Epstein Becker & Green since February 2007. From September 2005 to January 2007, he was a partner in the international law firm of Squire, Sanders & Dempsey, L.L.P. Prior to that date he had been Chairman and Managing Partner of Steel, Hector & Davis, a law firm located in Miami, Florida, which merged into Squire, Sanders & Dempsey, L.L.P. in 2005.

CONTINUING DIRECTORS

Nick A. Caporella has served as Chairman of the Board and Chief Executive Officer of the Company since the Company was founded in 1985. He also served as President until September 2002. Mr. Caporella served as President and Chief Executive Officer (since 1976) and Chairman of the Board (since 1979) of Burnup & Sims Inc. until March 11, 1994. Since January 1, 1992, Mr. Caporella's services are provided to the Company through Corporate Management Advisors, Inc. (the Management Company), a company which he owns. See Certain Relationships and Related Party Transactions.

Joseph G. Caporella has served as President of the Company since September 2002 and, prior to that date, served as Executive Vice President since January 1991. He is the son of Mr. Nick A. Caporella.

Samuel C. Hathorn, Jr. has been employed by Trendmaker Homes since 1981 and has served as President since 1983. Trendmaker Homes is a Houston, Texas based homebuilding and land development subsidiary of Weyerhaeuser Company.

EXECUTIVE COMPENSATION AND OTHER INFORMATION
COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis is intended to provide an understanding of the actual compensation earned by each of our named executive officers (Executive Officers) from the Company. It should be noted that neither Mr. Nick Caporella nor Mr. Bracken receive compensation directly from the Company. The services of both are provided to the Company through a management company, Corporate Management Advisors, Inc., an entity owned by Mr. Nick Caporella (see Certain Relationships and Related Party Transactions section below).

COMPENSATION PHILOSOPHY

The objectives of the Company s compensation program are to (1) attract, motivate, develop and retain top quality executives who will increase long-term shareholder value and (2) deliver competitive total compensation packages based upon the achievement of both Company and individual performance goals. The Company expects its executives to balance the risks and related opportunities inherent in its industry and in the performance of his or her duties and share the upside opportunity and the downside risks once actual performance is measured.

To achieve the above goals, the Compensation and Stock Option Committee has set forth a compensation program for its Executive Officers that is reviewed annually. It includes the following elements:

Base annual cash salary;

Annual cash incentive bonuses;

Share-based compensation; and

Retirement, health and other benefits.

In order to maintain a competitive compensation program for its Executive Officers, the Compensation and Stock Option Committee, on an annual basis, performs the following: (a) reviews compensation practices to assure fairness, relevance, support of the strategic goals of the Company and contribution of the executive to the creation of long-term shareholder value, (b) considers the relevant mix of compensation based upon three components, each an important factor base salary, annual or intermediate incentives and long-term compensation, including stock options and (c) implements a compensation plan that reasonably allocates a portion of the executives total compensation through incentives and other forms of longer-term compensation linked to Company and individual performance and the creation of shareholder value, including stock option awards and programs.

FACTORS CONSIDERED IN DETERMINING COMPENSATION

The Compensation and Stock Option Committee reviews executive compensation levels for its Executive Officers on an annual basis to ensure that they remain competitive within the beverage industry. The overall value of the compensation package for an Executive Officer is based upon the achievement of certain Company and individual performance goals which are established by the Compensation and Stock Option Committee, in consultation with the Chief Executive Officer and the Board. Consideration is also given to comparable compensation data for individuals holding similarly responsible positions at other peer group companies in determining appropriate compensation levels. With respect to long-term incentive compensation to be awarded to Executive Officers, the Company maintains three equity based plans: (a) a 1991 Omnibus Incentive Stock Option Plan, (b) a 1995 Special Stock Option Plan and (c) a 1997 Key Employee Equity Partnership Program (each plan to be discussed in more detail below). The timing, amount and form of awards under these plans for each of the Executive Officers is made at the discretion of the Compensation and Stock Option Committee based on recommendations of the Chief Executive Officer. Any such awards are granted only upon the written approval of the Compensation and Stock Option Committee. No stock based awards or other equity rights have ever been granted to Mr. Nick A. Caporella since the Company's inception. All compensation awards comply with Section 162(m) of the Internal Revenue Code. Section 162(m) generally provides that a publicly held corporation will not be entitled to deduct for federal income tax purposes compensation paid to either its chief executive officer or any of its four other most highly compensated executive officers in excess of \$1 million in any year if that compensation is not performance related. The equity based plans described above were designed and implemented in such a manner so that most awards granted thereunder will be tax deductible because they qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code. Additionally, outstanding stock option grants under the equity based plans are performance-based for purposes of Section 162(m). We believe all compensation paid to the Executive Officers for fiscal year 2007, including profit sharing, is deductible under the Internal Revenue Code.

ELEMENTS OF EXECUTIVE COMPENSATION

As discussed above, the Company's compensation programs for its Executive Officers are based on four components: base salary, annual cash incentives, stock-based compensation and retirement, health and other benefits; each intended as an important piece of the overall compensation.

BASE SALARY

Base salary is used to attract and retain the Executive Officers and is determined using comparisons with industry competitors and other relevant factors including the seniority of the individual, the functional role of the position, the level of the individual's responsibility, and the ability to replace the individual. Salaries for the Executive Officers are reviewed by the Compensation and Stock Option Committee and the Chief Executive Officer, and the Board on an annual basis. Changes to base salaries, if any, are affected primarily by individual performance. The salaries paid to the Executive Officers during fiscal year 2007 are shown in the Summary Compensation Table presented in this proxy statement.

ANNUAL INCENTIVE BONUSES

Annual incentive bonuses are intended to be and are a significant component of the Executive Officer's compensation package, reflecting the Company's belief that management's contribution to long-term shareholder returns comes from maximizing earnings and the potential of the Company. The amount of annual incentive compensation to be awarded to the Executive Officers (if any) is determined by the Compensation and Stock Option Committee, upon recommendation by the Chief Executive Officer, in its sole and absolute discretion. The Compensation and Stock Option Committee considers certain objective and subjective factors when determining the amount of an annual incentive bonus award for an Executive Officer, including, without limitation, the Executive Officer's performance for the fiscal year to which the bonus relates.

SHARE BASED COMPENSATION (LONG-TERM INCENTIVE PROGRAMS)

Share based long-term incentive compensation awarded to Executive Officers has been and is provided through the issuance of stock options. Stock options are an important element of the Company's long-term incentives program. The primary purpose of stock options is to provide Executive Officers and other employees with a personal and financial interest in the Company's success through stock ownership, thereby aligning the interests of such persons with those of our shareholders. The Compensation and Stock Option Committee believes that the value of stock options will reflect the Company's financial performance over the long-term. Because the Company's stock option program provides for a vesting period before options may be exercised and, in general, an exercise price at fair market value as of the date of grant, employees benefit from stock options only when the market value of the common shares increases over time. Stock-based awards made under the Company's 1991 Omnibus Incentive Plan typically consist of options to purchase Common Stock which vest over 5 years and have a term of 10 years. Certain key executives of the Company also receive grants from time to time under the Company's Special Stock Option Plan. The vesting schedule and exercise price of these options are tied to the executive's ownership levels of Common Stock and achievement of Company objectives. Generally, the terms of the Special Stock Options allow for the reduction in exercise price upon each vesting date of the option. The Company issues stock awards with long-term vesting schedules to increase the level of the executive's stock ownership by continued employment with the Company.

In addition, share based compensation is awarded under the Company's 1997 Key Employee Equity Partnership Program (the *KEEP* Program). The *KEEP* Program is designed to positively align interests between the Company's executives and its shareholders beyond traditional option programs while, at the same time, intending to stimulate and reward management in partnering-up with the Company in its quest to create shareholder value. The *KEEP* Program provides for the granting of stock options to key employees, officers and directors of the Company who invest their personal funds in the Common Stock. Participants who purchase shares of the Common Stock in the open market receive grants of stock options equal to 50% of the number of shares purchased up to a maximum of 6,000 shares in any two-year period. Options under the *KEEP* Program are automatically forfeited in case of the sale of shares originally acquired by the participant. The options are granted at an initial exercise price of 60% of the purchase price paid for the shares acquired and reduce to the par value of the Common Stock at the end of the six-year vesting period.

The Company's long-term incentive programs are generally intended to provide rewards to executives only if value is created for shareholders over time and the executive continues in the employ of the Company. The Compensation and Stock Option Committee believes that employees should have sufficient holdings of the Company's Common Stock so that their decisions will appropriately foster growth in the value of the Company. The Compensation and Stock Option Committee reviews with the Chief Executive Officer the recommended individual awards and evaluates the scope of responsibility, strategic and operational goals of individual contributions in making final awards under the 1991 Omnibus Incentive Plan, the Special Stock Option Plan and determining participants in the *KEEP* Program. Options issued pursuant to the 1995 Special Stock Option Plan and the *KEEP* Program after December 31, 2004 are considered deferred compensation arrangements under Section 409A on the Internal Revenue Code of 1986. Accordingly, option recipients must make a written election to exercise option grants on specified future dates to avoid being subject to additional income taxes, interest and withholding. The election is irrevocable, but is subject to acceleration upon termination of employment, disability and certain other limited circumstances. All Executive Officers holding options granted under these plans have made such election.

With respect to the share based compensation, the Company recognizes stock compensation expense based on the Statement of Financial Accounting Standard 123R *Share-Based Payments* (SFAS 123R). The standard requires public companies to measure the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award. The Company uses the Black-Scholes option-pricing model to determine the grant date fair value.

The Company ensures that stock option awards approved by the Compensation and Stock Option Committee will be granted subsequent to any planned release of material non-public information. The Company does not engage in the backdating, cancellation or re-pricing of stock options and have not engaged in such practices in the past.

RETIREMENT, HEALTH AND OTHER BENEFITS

The Company provides retirement, health and other benefits as an additional incentive to retain employees. The Company maintains a defined contribution 401(k) plan that allows employees to make plan contributions on a pre-tax basis, and currently contributes an additional profit sharing contribution on behalf of each employee, the amount of which is dependent upon years of service and compensation levels, which amount is subject to change from year to year. Although Executive Officers are eligible to participate in the 401(k) plan, they are prevented from participating at the same level as non-executives, due to the rules under the Internal Revenue Code, Section 401(a)(17) which dictate the application of an annual limitation on contributions.

We currently make available to our Executive Officers and all employees a comprehensive health, dental, life and disability insurance program. The health care insurance offers a variety of coverage options, at the employee's discretion. The Company currently provides a basic term life insurance policy to all employees and makes additional coverage available at the employee's expense and discretion.

The Company does not provide any additional perquisites to the Executive Officers, other than a car allowance (as set forth in the Summary Compensation Table below). The Company values this car allowance benefit based upon the actual cost to the Company. The total of all perquisites to an Executive Officer did not equal or exceed \$10,000 for fiscal year 2007.

EMPLOYMENT, CHANGE IN CONTROL AND SEVERANCE AGREEMENTS

The Company does not typically enter into, and does not currently have, any formal employment, change in control, severance or other similar agreements with any of the Executive Officers. The Company may, from time to time, pay severance to an employee, including an Executive Officer, based on, among other things, years of service, functional role of position and level on individual's responsibility and reasons for terminating his or her services. The Company believes in trust, loyalty and commitment from both the Company and the Executive Officers, and believes that such agreements are not necessary to achieve its goals and meet the needs of the Executive Officers. The Company believes that the fact that most, if not all, of the executives of the Company have been with the Company for a long period of time demonstrates and proves this belief.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

The following table sets forth information concerning compensation awarded to, earned by or paid to our named executive officers during Fiscal 2007, for services rendered to us during Fiscal 2007.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Nick A. Caporella ⁽¹⁾ Chairman of the Board and Chief Executive Officer	2007					
Joseph G. Caporella President	2007	375,000	289,976		6,526	671,502
George R. Bracken ⁽¹⁾⁽²⁾ Senior Vice President-Finance	2007					
Dean A. McCoy ⁽³⁾ Senior Vice President and Chief Accounting Officer	2007	160,000	33,000		6,046	199,046
Edward F. Knecht ⁽⁴⁾ Executive Vice President Procurement	2007	152,300	102,788		946	256,034

(1) The services of Messrs. Nick Caporella and Bracken are provided to the Company through the Management Company, an entity owned by Mr. Caporella. See Certain Relationships and Related Party Transactions .

(2) Mr. Bracken, who is 62 years old, has served as Senior Vice President Finance of the Company since October 2000 and, prior to that

date, served as
Vice President
and Treasurer
since
October 1996.

- (3) Mr. McCoy, who
is 50 years old,
has served as
Senior Vice
President and
Chief Accounting
Officer since
October 2003;
Senior Vice
President
Controller of the
Company from
October 2000 to
September 2003;
and, prior to that
date, served as
Vice President
Controller since
July 1993.

- (4) Mr. Knecht, who
is 73 years old,
was elected
Executive Vice
President
Procurement in
October 2003.
Since May 1989,
Mr. Knecht has
served in various
capacities for
Shasta Sweetener
Corp., a
subsidiary of the
Company,
including
President from
May 1998 to
present.

GRANTS OF PLAN-BASED AWARDS IN FISCAL 2007

There were no equity or non-equity incentive plan-based awards granted during Fiscal 2007 to our named Executive Officers. The Company did not re-price any equity incentive plan based awards during Fiscal 2007.

OUTSTANDING EQUITY AWARDS AT END OF FISCAL 2007

The following table provides information about the number of outstanding equity awards held by our named Executive Officers at April 28, 2007. No equity awards have been granted to Nick A. Caporella since the inception of the Company.

OUTSTANDING EQUITY AWARDS AT APRIL 28, 2007

<i>Name</i>	<i>Number of Securities Underlying Unexercised Options Exercisable</i>	<i>Option Awards</i>		
		<i>Number of Securities Underlying Unexercised Options Unexercisable</i>	<i>Option Exercise Price (\$)</i>	<i>Option Expiration Date</i>
Joseph G. Caporella	14,400		\$ 4.11	06/21/08
	26,400	9,600	\$ 1.67(1)	07/05/11
		42,000	\$ 7.48(1)	02/13/16
	5,640	5,160	\$ 0.01(2)	(2)
George R. Bracken	8,316	84	\$ 1.20(1)	07/05/11
		4,800	\$ 7.48(1)	02/13/16
	120	180	\$ 0.01(2)	(2)
Dean A. McCoy	6,576	4,224	\$ 1.94(1)	07/05/11
		7,200	\$ 7.48(1)	02/13/16
	300	450	\$ 0.01(2)	(2)
Edward F. Knecht	7,200		\$ 4.11	06/22/08
	9,288	5,112	\$ 1.85(1)	07/05/11
		6,000	\$ 7.48(1)	02/13/16
	720	1,320	\$ 0.01(2)	(2)

(1) Options granted under the Company's Special Stock Option Plan vest over an 8 year period in relatively equal amounts at approximately 16 month intervals. The exercise price

can be reduced and the vesting schedule can be accelerated by the optionee purchasing and maintaining ownership of shares of Common Stock and/or the Company achieving performance objectives as determined by the Board. Based upon the maximum required ownership of Common Stock as provided in the Stock Option Agreement together with the Company achieving the performance targets previously established by the Board, the option can fully vest after approximately 54 months and the exercise price can be reduced to near the par value of the Common Stock, or \$.01 per share.

- (2) Options granted under the Company's KEEP Program. See

Compensation
Discussion and
Analysis Share
Based
Compensation
(Long Term
Incentive
Awards). These
options vest
over a six year
period, with the
current
expiration date
for full vesting
ranging from
December 31,
2007 to May 11,
2010.

OPTION EXERCISES AND STOCK VESTED IN FISCAL 2007

The following table shows all stock options exercised and the value realized upon exercise by the named executive officers during Fiscal 2007. There are no stock awards outstanding.

<i>Name</i>	<i>Option Awards</i>	
	<i>Number of Shares Acquired on Exercise(#)</i>	<i>Value Realized on Exercise(\$)</i>
Joseph G. Caporella	48,000(1)	\$ 495,600
George R. Bracken		
Dean A. McCoy		
Edward F. Knecht		

- (1) The value realized by Mr. Joseph Caporella upon exercise of his stock options was calculated by taking the difference between the fair market value per share of our common stock on the date of exercise (which was \$12.41) less the option exercise price (\$2.08), and multiply it by the number of shares acquired upon such exercise.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information about the Company's shares of Common Stock that may be issued upon exercise of options and other stock based awards under all of the Company's equity compensation plans as of April 28, 2007, including the 1991 Omnibus Incentive Stock Option Plan, the Special Stock Option Plan and the Key Employee Equity Partnership Program.

<i>Plan Category</i>	<i>Equity Compensation Plan Information</i>		
	<i>Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)</i>	<i>Weighted average exercise price of outstanding options, warrants and rights (b)</i>	<i>Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</i>
Equity compensation plans approved by shareholder	723,240	\$ 4.71	3,015,672
Equity compensation plans not approved by shareholders (1)	111,967	\$ 1.13	207,794
Total	835,207	\$ 4.23	3,223,466

(1) Reflects shares available for grant under the Company's Key Employee Equity Partnership Program.

DIRECTOR COMPENSATION

Officers of the Company who are also directors do not receive any fee or remuneration for services as members of the Board of Directors or of any Committee of the Board of Directors. In Fiscal 2007, non-management directors received a retainer fee of \$20,000 per annum, a fee of \$1,000 for each Board meeting attended and a fee of \$750 (\$1,000 in the case of a committee chairman) for each committee meeting attended. Each non-management member of the Strategic Planning Committee received a fee of \$1,250 for each meeting attended. Set forth below is the amount paid to non-management Directors in Fiscal 2007:

<i>Name</i>	<i>Fees Earned of Paid in Cash(\$)</i>	<i>Option Awards(\$)</i>	<i>All Other Compensation(\$)</i>	<i>Total(\$)</i>
Samuel C. Hathorn	\$ 29,750			\$ 29,750
S. Lee Kling	\$ 30,250			\$ 30,250
Joseph P. Klock, Jr.	\$ 30,500			\$ 30,500

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Mr. Joseph G. Caporella is both a member of the Compensation Committee and an officer of the Company.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors has furnished the following report:

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. The Company's management has the primary responsibility for the financial statements and reporting process, including the Company's systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited financial statements included in the Annual Report on Form 10-K for the fiscal year ended April 28, 2007. This review included a discussion of the quality and the acceptability of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee discussed with the Company's independent accountants, who are responsible for expressing an opinion on the conformity of the Company's audited financial statements with generally accepted accounting principles, all matters required to be discussed by Statement on Auditing Standards No. 61. In addition, the Committee discussed with the independent accountants their independence from management and the Company, including the matters in their written disclosures required by the Independence Standards Board Standard No. 1.

The Audit Committee discussed with the Company's Director of Internal Audit and independent accountants the overall plans for their respective audits, the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended April 28, 2007 for filing with the Securities and Exchange Commission.

Samuel C. Hathorn, Jr. Chairman

S. Lee Kling

Joseph P. Klock, Jr.

INDEPENDENT AUDITORS

The Company's financial statements for the Fiscal 2007 were examined by McGladrey & Pullen LLP, independent registered certified public accountants. Representatives of McGladrey & Pullen LLP are expected to be present at the Meeting to make a statement if they so desire and they are expected to be available to respond to appropriate questions. The Company's Board of Directors intends to review the appointment of independent certified public accountants during Fiscal 2008.

On September 5, 2006, the Company engaged McGladrey & Pullen LLP as the Company's independent registered public accounting firm, replacing PricewaterhouseCoopers LLP. The decision to change independent registered public accounting firms was recommended by the Company's management and approved by the Audit Committee of the Company's Board of Directors. The reports of PricewaterhouseCoopers LLP on the Company's financial statements for the fiscal years ended April 29, 2006 (Fiscal 2006) and April 30, 2005 (Fiscal 2005) did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principle. During Fiscal 2006 and Fiscal 2005 and through September 5, 2006, there were no disagreements with PricewaterhouseCoopers LLP on any matter of accounting principles or practices, financial statement disclosure or audit scope or procedure.

During Fiscal 2006 and Fiscal 2005 and through September 5, 2006, neither the Company nor anyone on its behalf consulted with McGladrey & Pullen LLP regarding either: (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report nor oral advice was provided to the Company by McGladrey & Pullen LLP that was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (as described in Item 304(a)(1)(v) of Regulation S-K).

The Company was billed an aggregate of \$619,900 and \$226,500 by its auditors for Fiscal 2007 and Fiscal 2006, respectively, as follows:

AUDIT FEES

For professional services rendered for the annual audit of the Company's consolidated financial statements, review of its interim financial statements included in the Company's Form 10-Q and services that are normally provided in connection with statutory and regulatory filings, \$188,900 for Fiscal 2007 and \$226,500 for Fiscal 2006.

AUDIT-RELATED FEES

For professional services rendered for fees associated with Sarbanes-Oxley Section 404 requirements, \$431,000 for Fiscal 2007 and none for Fiscal 2006.

During Fiscal 2007 and 2006, neither firm billed the Company for any tax consulting or other products or services. The Audit Committee pre-approves all audit and permitted non-audit fees before such service is rendered.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Company is a party to a management agreement with Corporate Management Advisors, Inc., a company owned by Nick A. Caporella. The management agreement originated with the need to employ professionals at the early stages of the Company's development, the cost of which could be shared with others, thus allowing the Company to have a more cost-effective structure.

The management agreement states that the Management Company is to provide to the Company, subject to the direction and supervision of the Board of Directors of the Company, (i) senior corporate functions (including supervision of the Company's financial, legal, executive recruitment, internal audit and management information systems departments) as well as the services of a Chief Executive Officer, and (ii) services in connection with acquisitions, dispositions and financings by the Company, including identifying and profiling acquisition candidates, negotiating and structuring potential transactions and arranging financing for any such transaction. In July 2005, in connection with providing services under the management agreement, the Management Company became a twenty percent (20%) joint owner of an aircraft used by the Company. The Management Company receives an annual base fee from the Company equal to one percent of the consolidated net sales of the Company, plus incentive compensation based upon certain factors to be determined by the Compensation and Stock Option Committee of the Board of Directors. The Company has paid approximately \$5.4 million, \$5.2 million and \$5.0 million for services rendered by the Management Company for fiscal year 2007, 2006 and 2005 respectively. No incentive compensation has been incurred or approved under the management agreement since its inception in fiscal year 1992.

PROXY SOLICITATION

The accompanying proxy is solicited by and on behalf of the Board of Directors of the Company. Proxies may be solicited by personal interview, mail, email, telephone or facsimile. The Company will also request banks, brokers and other custodian nominees and fiduciaries to supply proxy material to the beneficial owners of the Company's Common Stock of whom they have knowledge, and the Company will reimburse them for their expense in so doing. Certain directors, officers and other employees of the Company may solicit proxies without additional remuneration. The entire cost of the solicitation will be borne by the Company.

CONTACTING THE BOARD OF DIRECTORS

Shareholders who wish to communicate with the Board of Directors may do so by writing to Board of Directors, National Beverage Corp., P.O. Box 16720, Fort Lauderdale, Florida 33318. Such communications will be reviewed by the Secretary of the Company, who shall remove communications relating to solicitations, junk mail, or other correspondence relating to customer service issues. All other communications shall be forwarded to the Board of Directors or specific members of the Board, as appropriate or as requested in the shareholder communication. The Company encourages, but does not require, that all members of the Board of Directors attend the Annual Meetings of Shareholders of the Company and all members attended last year's annual meeting.

DISCRETIONARY VOTING OF PROXIES ON OTHER MATTERS

The Board of Directors does not now intend to bring before the Meeting any matters other than those disclosed in the Notice of Annual Meeting of Shareholders, and it does not know of any business which persons other than the Board of Directors intend to present at the Meeting. Should any other matter requiring a vote of the shareholders arise, the proxies in the enclosed form confer upon the person or persons entitled to vote the shares represented by any such proxy discretionary authority to vote the same in respect of any such other matter in accordance with their best judgment.

Please date, sign and return the proxy at your earliest convenience in the enclosed envelope addressed to the Company (no postage is required for mailing in the United States) or vote electronically using the Internet or by telephone. A prompt return of your vote will be appreciated as it will save the expense of further mailings.

By Order of the Board of Directors,

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

August 27, 2007

Fort Lauderdale, Florida

NATIONAL BEVERAGE CORP.

**PROXY FOR ANNUAL MEETING OF SHAREHOLDERS OCTOBER 5, 2007
SOLICITED BY THE BOARD OF DIRECTORS OF THE COMPANY**

The undersigned hereby constitutes and appoints David J. Boden and Dean A. McCoy, and each of them, with full power of substitution, attorneys and proxies to represent and to vote all of the shares of Common Stock which the undersigned would be entitled to vote, with all powers the undersigned would possess if personally present, at the Annual Meeting of the Shareholders of NATIONAL BEVERAGE CORP. to be held at the Hyatt Regency Orlando International Airport, 9300 Airport Boulevard, Orlando, Florida 32827 on October 5, 2007 at 2:00 pm local time and at any adjournments or postponements thereof, on all matters coming before said meeting in the manner set forth below:

(Continued to be signed on reverse side)

Address Change/Comments (Mark the corresponding box on the reverse side)

(MARK ONLY ONE OF THE FOLLOWING BOXES)

Please Mark Here for Address Change or Comments
SEE REVERSE SIDE

1. Election of two Class II Directors for a term of three years:

(Mark only one of the following boxes)

VOTE FOR
the nominee
listed

VOTE WITHHELD
for the nominee
listed

NOMINEE:

S. Lee Kling

Joseph P. Klock, Jr.

2. In their discretion, upon any other matters which may properly come before the meeting or any adjournments or postponements thereof.

This proxy when properly executed will be voted in the manner directed herein by the undersigned shareholder. If no direction is made, this proxy will be voted FOR the election as Class II Director of the nominees of the Board of Directors, and with discretionary authority on all matters which may properly come before the meeting or any adjournments or postponements thereof.

The undersigned acknowledges receipt of the accompanying Proxy Statement dated August 27, 2007

Please mark here if you plan to attend the meeting

Dated: _____, 2007

Name of Shareholder

Signature

(When signing as attorney, trustee, executor, administrator, guardian, corporate officer or other representative, please give full title. If more than one trustee, all should sign. Joint owners must each sign.)

**Vote By Internet or Telephone or Mail
24 Hours a Day, 7 Days a Week**

Internet and telephone voting is available through 11:59 PM Eastern Time
the day prior to the annual meeting.

Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner
as if you marked, signed and returned your proxy card.

Internet

<http://www.proxyvoting.com/fiz>

Use the Internet to vote your proxy.
Have your proxy card in hand
when voting .

Telephone

1-866-540-5760

OR Use any touch-tone telephone to
vote your proxy. Have your proxy
card in hand when voting.

Mail

OR

Mark, sign and date
your proxy card and
return it in the
enclosed postage-paid
envelope.

If you vote your proxy by Internet or by telephone,
you do NOT need to mail back your proxy card.