

KOHLS Corp  
Form S-3ASR  
July 09, 2015

As filed with the Securities and Exchange Commission on July 9, 2015

Registration No. 333-

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

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**FORM S-3**  
**REGISTRATION STATEMENT**  
*Under*  
*The Securities Act of 1933*

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**KOHL S CORPORATION**

(Exact name of registrant as specified in its charter)

**Wisconsin** **39-1630919**  
(State or other jurisdiction of (I.R.S. Employer Identification No.)  
incorporation or organization)

**N56 W17000 Ridgewood Drive**

**Menomonee Falls, Wisconsin 53051**

**(262) 703-7000**

(Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Registrant's Principal Executive Offices)

**Wesley S. McDonald**

**Chief Financial Officer**

**N56 W17000 Ridgewood Drive**

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**Menomonee Falls, Wisconsin 53051**

**(262) 703-7000**

(Name, Address, Including Zip Code, and Telephone Number,

Including Area Code, of Agent for Service)

**Copies to:**

**Richard D. Schepp**

**Dennis F. Connolly**

**Chief Administrative Officer**

**Godfrey & Kahn, S.C.**

**N56 W17000 Ridgewood Drive**

**780 North Water Street**

**Menomonee Falls, Wisconsin 53051**

**Milwaukee, Wisconsin 53202**

**(262) 703-7000**

**(414) 273-3500**

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Amount to be registered</b>	<b>Proposed maximum offering price per unit</b>	<b>Proposed maximum aggregate offering price</b>	<b>Amount of registration fee</b>
Debt Securities (2)	(3)	(3)	(3)	(3)
Preferred Stock, \$0.01 par value (2)				
Depository Shares (1)(2)				

Common Stock, \$0.01 par value (2)

Warrants (2)

- (1) In the event the registrant elects to offer to the public fractional interests in shares of the preferred stock registered hereunder, depositary receipts will be distributed to those persons purchasing such fractional interests and the preferred stock will be issued to the depositary under the deposit agreement. No separate consideration will be received for the depositary shares.
- (2) This registration statement also covers such indeterminate amount of securities as may be issued in exchange for, or upon conversion or exercise of, as the case may be, the securities registered hereunder and delayed delivery contracts that may be issued by the registrant under which the counterparty may be required to purchase debt securities, preferred stock, depositary shares, common stock, or warrants pursuant to the anti-dilution provisions of any of the securities registered hereunder. In addition, any of the securities registered hereunder may be sold separately or as units with other securities registered hereunder.
- (3) An indeterminate amount of securities to be offered at indeterminate prices is being registered pursuant to this registration statement. In accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, as amended, the registrant is deferring payment of all of the registration fees.

**PROSPECTUS**

**Debt Securities**

**Preferred Stock**

**Depository Shares**

**Common Stock**

**Warrants**

**Offered by**

**KOHL S CORPORATION**

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Kohl s Corporation may offer to sell from time to time to sell, in one or more series, any of the securities, or any combination of the securities, described in this prospectus.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continued or delayed basis.

Our principal executive offices are located at N56 W17000 Ridgewood Drive, Menomonee Falls, Wisconsin 53051, and the telephone number is (262) 703-7000.

We will provide specific terms of these securities, and the manner in which they are being offered, in supplements to this prospectus. These securities cannot be sold unless this prospectus is accompanied by a prospectus supplement. You should read this prospectus and any supplement carefully before you invest.

Our common stock is traded on the New York Stock Exchange under the symbol **KSS** .

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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**This prospectus is dated July 9, 2015.**



**You should rely only on the information contained in or incorporated by reference in this prospectus and the applicable prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus or the applicable prospectus supplement is accurate as of any date after the dates on the front of this prospectus or the applicable prospectus supplement, as applicable, or for information incorporated by reference, as of the dates of that information.**

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## **ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) using a shelf registration process. Under this shelf registration process, we may from time to time sell any of the securities, or any combination of the securities, described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of those securities and their offering. The prospectus supplement also may add, update or change information contained in this prospectus. The registration statement that contains this prospectus (including the exhibits to the registration statement) contains additional information about us and the securities offered under this prospectus. That registration statement can be read at the SEC's web site or at the SEC's offices mentioned under the heading "Where You Can Find More Information About Kohl's".

Unless the context otherwise indicates, the terms "Kohl's", "we", and "our" mean Kohl's Corporation and its consolidated subsidiaries.

## **WHERE YOU CAN FIND MORE**

### **INFORMATION ABOUT KOHL'S**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. You can call the SEC at 1-800-SEC-0330 for further information about the operation of the Public Reference Room.

Our common stock is listed and traded on the New York Stock Exchange (the NYSE). You may also inspect the information we file with the SEC at the NYSE, 20 Broad Street, New York, New York 10005.

The SEC allows us to incorporate by reference into this prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update this prospectus. In the case of a conflict or inconsistency between information set forth in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later. We incorporate by reference the documents listed below, which we have already filed with the SEC, and any future filings we will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), on or after the date of this prospectus until we sell all of the securities offered by this prospectus or terminate this offering:

- (1) our annual report on Form 10-K for the fiscal year ended January 31, 2015;
- (2) our quarterly report on Form 10-Q for the fiscal quarter ended May 2, 2015;



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- (3) our current reports on Form 8-K dated February 26, 2015, April 17, 2015, May 14, 2015, June 10, 2015, June 11, 2015, June 29, 2015 and July 1, 2015;
- (4) the description of our common stock contained in our registration statement on Form 8-B dated June 28, 1993, as updated from time to time by our subsequent filings with the SEC.

Notwithstanding the foregoing, information furnished under Items 2.02 and 7.01 of any Current Report on Form 8-K, including the related exhibits under Item 9.01, is not incorporated by reference in this prospectus.

You may request a copy of these filings (excluding exhibits), at no cost, by writing or telephoning our chief financial officer at the following address:

Wesley S. McDonald

Chief Financial Officer

Kohl's Corporation

N56 W17000 Ridgewood Drive

Menomonee Falls, WI 53051

(262) 703-7000

### **CAUTIONARY STATEMENTS RELATING TO FORWARD-LOOKING INFORMATION**

This prospectus and any prospectus supplement, and the documents incorporated herein and therein by reference, may contain forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act ) and Section 21E of the Exchange Act. Additionally, we or our representatives may, from time to time, make other written or verbal forward-looking statements. Those statements relate to developments, results, conditions or other events we expect or anticipate will occur in the future. Words such as believes, anticipates, may, will, sh could, plans, expects and similar expressions identify forward-looking statements. Those statements may relate to future revenues, earnings, store openings, market conditions, new strategies and the competitive environment. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated by the forward-looking statements. These risks and uncertainties include, but are not limited to those described in Item 1A of our annual report on Form 10-K for the fiscal year ended January 31, 2015, which is incorporated into this prospectus by reference, and other factors as may periodically be described in our filings with the SEC. Forward-looking statements speak as of the date made, and we undertake no obligation to update them, except as required by law.

### **THE COMPANY**

Kohl's operates family-focused, value-oriented specialty department stores in 49 states and an e-Commerce website ([www.Kohls.com](http://www.Kohls.com)) that offer moderately priced private label, exclusive and national brand apparel, footwear, accessories, beauty and home products. Our stores generally carry a consistent merchandise assortment with some differences attributable to regional preferences. Our website includes merchandise which is available in our stores, as well as merchandise which is available only on-line.

### **USE OF PROCEEDS**

Unless we indicate a different use in the applicable prospectus supplement, the net proceeds from the sale of the securities will be added to our general funds and will be used for general corporate purposes, which may include funding our share repurchase program, meeting our working capital requirements, the repayment or refinancing of debt and funding capital expenditures related to our continued store growth and our store remodeling program.

Until we apply the proceeds from the sale of the securities, we may temporarily invest any proceeds that are not immediately applied to the above purposes in U.S. government or agency obligations, commercial paper, money

market accounts, short-term marketable securities, bank deposits or certificates of deposit, repurchase agreements collateralized by U.S. government or agency obligations or other short-term investments.

**RATIOS OF EARNINGS TO FIXED CHARGES**

Our ratio of earnings to fixed charges for the periods presented are shown in the table below.

	<b>13 Weeks Ended</b>	<b>Fiscal Year Ended (1)</b>				
		<b>January 31, 2015</b>	<b>February 1, 2014</b>	<b>February 2, 2013</b>	<b>January 28, 2012</b>	<b>January 29, 2011</b>
Ratio of earnings to fixed charges	2.5	3.6	3.7	4.1	4.8	4.6

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(1) All years presented were 52-week years except for the year ended February 2, 2013, which was a 53-week year.

Earnings consist of income before income taxes and fixed charges after eliminating capitalized interest. Fixed charges consist of interest expense, including capitalized interest, and amortization of deferred financing fees, plus the portion of rent expense representative of interest.

### **THE SECURITIES WE MAY OFFER**

We may sell from time to time in one or more offerings:

debt securities;

preferred stock;

depository shares;

common stock; and/or

warrants to purchase any of the securities listed above.

The summaries of certain provisions of the securities contained in this prospectus are not complete. You should refer to all the provisions of the securities and applicable indentures, articles of amendment, deposit agreements and warrant agreements for a complete description of the securities.

The particular terms of the securities offered by any prospectus supplement will be described in the prospectus supplement relating to those securities. If indicated in a prospectus supplement, the terms of any particular securities may differ from the terms we summarize below. The prospectus supplement will also contain information, where applicable, about material United States federal income tax considerations relating to the securities, and the securities exchange, if any, on which the securities will be listed.

### **DESCRIPTION OF DEBT SECURITIES**

This section describes the general terms and provisions of the debt securities. The prospectus supplement will describe the specific terms of the debt securities offered through that prospectus supplement and any general terms outlined in this section that will not apply to those debt securities.

The debt securities will be issued under an indenture dated as of December 1, 1995 between us and The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as successor to The Bank of New York, as Trustee, as amended. This indenture, as amended, is referred to in this prospectus as the indenture. The trustee of the indenture is referred to in this prospectus as the trustee, and the debentures, notes, bonds and other evidences of indebtedness that we issue and the trustee authenticates and delivers under the indenture are

referred to as debt securities.

We have summarized selected terms and provisions of the indenture in this section. The summary is not complete. You should read the indenture for additional information before you buy any debt securities. We have filed the indenture as an exhibit to the registration statement of which this prospectus is a part. Section references below are to the applicable section in the indenture.

As used under this heading Description of Debt Securities, the terms Kohl's, we, and our mean Kohl's Corporation, the issuer of the debt securities.

## General

The indenture does not limit the amount of debt securities that we may issue. The indenture provides that debt securities may be issued up to the principal amount authorized by us from time to time. The debt securities will be unsecured and will rank equally as to payments with all of our other unsecured and unsubordinated debt.

The debt securities constitute an obligation of Kohl's Corporation, not of our subsidiaries. Our subsidiaries, however, own substantially all of our consolidated assets and conduct substantially all of our consolidated operations. As a result, the debt securities are structurally subordinated to the prior claims of our subsidiaries' creditors (including trade creditors) and our subsidiaries' preferred stockholders, if any, except to the extent that Kohl's Corporation may itself be a creditor with recognized claims against a subsidiary.

The debt securities may be issued in one or more separate series. The applicable prospectus supplement relating to a particular series of debt securities will specify the particular amounts, prices and terms of those debt securities. These terms may include:

the title of the debt securities;

any limit on the aggregate principal amount of the debt securities;

the date or dates on which principal on the debt securities will be payable;

the interest rate or rates of the debt securities, or the method of determining those rates, the date from which interest will accrue, the interest payment dates and the record dates for the interest payable on any interest payment date;

the place or places where payments may be made on the debt securities or the method of such payment;

any mandatory or optional redemption provisions applicable to the debt securities;

any sinking fund or other provisions that would obligate us to repurchase or redeem the debt securities;

the denominations of the debt securities, if other than multiples of \$1,000;

the portion of principal amount of the debt securities payable upon acceleration of maturity, if other than the principal amount;

the currency or currencies in which payment of principal of and interest on the debt securities will be made;

the manner in which the amounts of principal, premium or interest payments on the debt securities will be determined, if those amounts may be determined by reference to an index based on a currency or currencies other than that in which the debt securities are denominated or designated to be payable or by reference to a commodity, commodity index, stock exchange index or financial

index;

if principal or interest payments on the debt securities are to be made in a currency other than the denominated currency, the manner in which the exchange rate with respect to those payments will be determined;

whether the debt securities will be issued in fully registered form or in bearer form;

whether the debt securities will be issued in definitive form or in book-entry form and, if in book-entry form, the depositary or depositaries;

any terms on which the debt securities may be converted into or exchanged for stock or other securities of Kohl's or other entities, any specific terms relating to the adjustment of the conversion or exchange ratio and the period during which the debt securities may be converted or exchanged;

any changes to or additional events of default or covenants; and

any other terms of the debt securities.

Unless we indicate otherwise in the applicable prospectus supplement, principal of and any premium and interest on the debt securities will be payable, and the debt securities will be exchangeable and transfers of debt securities will be registrable, at the corporate trust office of the trustee. At our option, we may pay interest by check mailed on or before the applicable interest payment date to the address of the person whose name and address appears in the security register. Unless we indicate otherwise in the applicable prospectus supplement, we will pay any interest due on any debt security to the person in whose name the debt security is registered at the close of business on the regular record date for that interest. (Sections 2.5 and 2.14)

Unless we indicate otherwise in the applicable prospectus supplement, the debt securities will be issued only in fully registered form without coupons in denominations of \$1,000 and in integral multiples of \$1,000. No service charge will be made for any transfer or exchange of the debt securities, but we may require payment of any tax or other governmental charge payable in connection with any transfer or exchange. (Sections 2.1, 2.3 and 2.8)

We may issue some of the debt securities as original issue discount securities to be offered and sold at a substantial discount below their stated principal amount. The prospectus supplement will also contain any special federal income tax, accounting or other information relating to original issue discount securities.

### **Certain Covenants**

*Restrictions on Liens.* The indenture contains a covenant that we will not, and we will not permit any of our restricted subsidiaries to, issue, assume or guarantee any indebtedness secured by any mortgage upon any operating property or operating asset of Kohl's Corporation or any restricted subsidiary without securing the debt securities (and, if we so determine, any other indebtedness ranking equally with the debt securities) equally and ratably with such indebtedness.

This covenant will not prevent us or any of our restricted subsidiaries from issuing, assuming or guaranteeing:

any purchase money mortgage on such property simultaneously with or within 180 days after the later of (1) the acquisition or completion of construction or completion of substantial reconstruction, renovation, remodeling, expansion or improvement (each, a substantial improvement) of such property, or (2) the placing in operation of such property after the acquisition or completion of any such construction or substantial improvement;

an existing mortgage on property not previously owned by Kohl's Corporation or a restricted subsidiary, including in each case indebtedness incurred for reimbursement of funds previously expended for any substantial improvements to or acquisitions of property. However:



— the mortgage must be limited to any or all of (1) such acquired or constructed property or substantial improvement (including accretions thereto), (2) the real property on which any construction or substantial improvement occurs or (3) with respect to distribution centers, any equipment used directly in the operation of, or the business conducted on, the real property on which any construction or substantial improvement occurs; and

— the total amount of the indebtedness secured by the mortgage, together with all other indebtedness to persons other than Kohl's Corporation or a restricted subsidiary secured by mortgages on such property, shall not exceed the lesser of (1) the total costs of such mortgaged property, including

any costs of construction or substantial improvement, or (2) the fair market value of the property immediately following the acquisition, construction or substantial improvement;

any mortgage on real property or, with respect to distribution centers, on equipment used directly in the operation of, or the business conducted on, such mortgaged real property, which is the sole security for indebtedness:

— incurred within three years after the latest of (1) the date of issuance of the first series of debt securities under the indenture (February 6, 1996), (2) the date of the acquisition of the real property or (3) the date of the completion of construction or substantial improvement on such real property;

— incurred for the purpose of reimbursing us or our restricted subsidiary for the cost of acquisition and/or the cost of improvement of such real property and equipment;

— the amount of which does not exceed the lesser of the aggregate cost of the real property, improvements and equipment or the fair market value of that real property, improvements and equipment; and

— the holder of which shall be entitled to enforce payment of such indebtedness solely by resorting to the security for such mortgage, without any liability on the part of Kohl's Corporation or a restricted subsidiary for any deficiency;

mortgages existing on the date of the indenture, mortgages on assets of a restricted subsidiary existing on the date it became a subsidiary or mortgages on the assets of a subsidiary that is newly designated as a restricted subsidiary if the mortgage would have been permitted under the provisions of this paragraph if such mortgage was created while the subsidiary was a restricted subsidiary;

mortgages in favor of Kohl's Corporation or a restricted subsidiary;

mortgages securing only the indebtedness issued under the indenture; and

mortgages to secure indebtedness incurred to extend, renew, refinance or replace indebtedness secured by any mortgages referred to above, provided that the principal amount of the extended, renewed, refinanced or replaced indebtedness does not exceed the principal amount of indebtedness so extended, renewed, refinanced or replaced, plus transaction costs and fees, and that any such mortgage applies only to the same property or assets subject to the prior permitted mortgage (and, in the case of real property, improvements). (Section 4.5)

*Restrictions on Sale and Leaseback Transactions.* The indenture contains a covenant that we will not, and will not permit our restricted subsidiaries to, enter into any arrangement with any person providing for the leasing by Kohl's

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Corporation or any restricted subsidiary of any operating property or operating asset that has been or is to be sold or transferred by Kohl's Corporation or such restricted subsidiary to such person with the intention of taking back a lease of such property (a sale and leaseback transaction) without equally and ratably securing the debt securities (and, if we shall so determine, any other indebtedness ranking equally with the debt securities), unless the terms of such sale or transfer have been determined by our board of directors to be fair and arms-length and either:

within 180 days after the receipt of the proceeds of the sale or transfer, Kohl's Corporation or any restricted subsidiary applies an amount equal to the greater of the net proceeds of the sale or transfer or the fair value of such operating property or operating asset at the time of such sale or transfer to the prepayment or retirement (other than any mandatory prepayment or retirement) of our senior funded debt; or

Kohl's or such restricted subsidiary would be entitled, at the effective date of the sale or transfer, to incur indebtedness secured by a mortgage on such operating property or operating assets, in an amount at least equal to the attributable debt in respect of the sale and leaseback transaction, without equally and ratably securing the debt securities pursuant to the Restrictions on Liens described above.

The foregoing restriction will not apply to:

any sale and leaseback transaction for a term of not more than three years including renewals;

any sale and leaseback transaction with respect to operating property (and, with respect to distribution centers, equipment used directly in the operation of, or the business conducted on, such operating property) if a binding commitment with respect thereto is entered into within three years after the latest of (1) the date of issuance of the first series of debt securities under the indenture (February 6, 1996) or (2) the date such operating property was acquired;

any sale and leaseback transaction with respect to operating assets if a binding commitment with respect thereto is entered into within 180 days after the later of the date such property was acquired and, if applicable, the date such property was first placed in operation; or

any sale and leaseback transaction between Kohl's Corporation and a restricted subsidiary or between restricted subsidiaries provided that the lessor shall be Kohl's Corporation or a wholly owned restricted subsidiary. (Section 4.6)

*Exempted Debt.* Notwithstanding the restrictions in the indenture on mortgages and sale and leaseback transactions, Kohl's or its restricted subsidiaries may, in addition to amounts permitted under such restrictions, issue, assume or guarantee indebtedness secured by mortgages, or enter into sale and leaseback transactions, provided that, after giving effect thereto, the aggregate outstanding amount of all such indebtedness secured by mortgages plus attributable debt resulting from such sale and leaseback transactions does not exceed 15% of consolidated net tangible assets. (Sections 4.5 and 4.6)

*No Special Protection in the Event of a Highly Leveraged Transaction.* Unless we indicate otherwise in the applicable prospectus supplement, the terms of the debt securities will not afford the holders special protection in the event of a highly leveraged transaction.

### **Merger and Consolidation**

The indenture provides that we may, without the consent of the holders of the debt securities, consolidate with or merge into any other corporation, or convey, transfer or lease our properties and assets substantially as an entirety to any person, as long as:

the successor corporation is a domestic corporation that assumes by a supplemental indenture our obligations under the indenture and the debt securities; and

immediately after the transaction, no event of default shall have happened and be continuing.

Upon compliance with these requirements by a successor corporation (except in the case of a lease), we would be relieved of our obligations under the indenture and the debt securities. (Sections 5.1 and 5.2)

**Events of Default**

Event of default under the indenture means any of the following with respect to any series of debt securities:

default in payment of any interest on any debt security of that series when due and payable, continued for 30 days;

default in payment of all or any part of principal of or premium, if any, on any debt security of that series when due and payable, whether at its stated maturity or by declaration of acceleration, call for redemption or otherwise;

default in the deposit of any sinking fund payment, when and as due by the terms of a debt security of that series;

default in the performance or breach of any other covenant or warranty of Kohl's in the indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in the indenture specifically dealt with or which has been included in the indenture solely for the benefit of series of debt securities other than that series), continued for 60 days after written notice as provided in the indenture;

certain events in bankruptcy, insolvency or reorganization described in the indentures; and

any other event of default provided with respect to debt securities of that series.

No event of default with respect to a particular series of debt securities issued under the indenture (except as to such events in bankruptcy, insolvency or reorganization) necessarily constitutes an event of default with respect to any other series of debt securities issued under the indenture. (Section 6.1)

In the case of an event of default arising from certain events of bankruptcy, insolvency or reorganization with respect to Kohl's Corporation, the principal of all outstanding debt securities will become due and payable without further action or notice. If any other event of default for any series of debt securities occurs and continues, the trustee or the holders of at least 25% in principal amount of the debt securities of that series may, by a notice in writing to us (and to the trustee if given by holders), declare the entire principal of all the debt securities of that series to be due and payable immediately (or, if the debt securities of that series are original issue discount securities, that portion of the principal amount as may be specified in the terms of that series). However, at any time after a declaration of acceleration with respect to debt securities of any series has been made, but before a judgment or decree for payment of the money due has been obtained by the trustee, the holders of a majority in principal amount of outstanding debt securities of that series may, subject to conditions described in the indenture, rescind and annul such declaration if all events of default, other than the non-payment of accelerated principal, with respect to debt securities of that series have been cured or waived as provided in the indenture. (Section 6.2) For information as to waiver of defaults, see **Modification and Waiver**. We refer you to the applicable prospectus supplement relating to any series of debt securities which are original issue discount securities for the particular provisions relating to acceleration of a portion of the principal amount of original issue discount securities upon the occurrence and continuation of an event of default.

The indenture provides that the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or discretion of any of the holders, unless those holders shall have offered to the trustee reasonable security and indemnity. (Section 7.1) Subject to such provisions for security and indemnification of the trustee and certain other rights of the trustee, the holders of a majority in principal amount of the outstanding debt securities of any series shall have the right to direct the time, method and place of conducting any proceedings for any

remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of that series. (Section 6.12)

No holder of any debt security of any series will have any right to institute any proceeding with respect to the indenture or for any remedy thereunder, unless:

the holder shall have previously given to the trustee under the indenture written notice of a continuing event of default with respect to debt securities of that series;

the holders of at least 25% in principal amount of the outstanding debt securities of that series shall have made written request, and offered reasonable security and indemnity, to the trustee to institute such proceeding as trustee;

the holder or holders have offered to the trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and

the trustee shall not have received from the holders of a majority in principal amount of the outstanding debt securities of that series a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. (Section 6.7)

Notwithstanding the foregoing, the holder of any debt security will have an absolute and unconditional right to receive payment of the principal of (and premium, if any) and any interest on the debt security on or after the due dates expressed in that debt security and to institute suit for the enforcement of that payment. (Section 6.8)

We are required to furnish to the trustee annually a statement regarding our compliance with the indenture. (Section 4.8) The indenture provides that the trustee may withhold notice to the holders of debt securities of any series of any default (except in payment of principal, any premium, interest or any sinking fund payments) with respect to debt securities of that series if it considers it in the interest of the holders of debt securities of that series to do so. (Section 7.5)

### **Modification and Waiver**

We and the trustee may modify and amend the indenture with respect to a series of debt securities with the consent of the holders of a majority in principal amount of the outstanding debt securities of that series. However, without the consent of each affected holder, no modification may:

change the stated maturity date of the principal of, or any installment of principal of or interest on, any debt security;

reduce the principal, premium (if any) or any interest on, any debt security or reduce the amount of principal of an original issue discount security that would be due and payable upon acceleration;

change the place or currency of payment of principal or interest on any debt security;

impair the right to institute suit to enforce any payment after the stated maturity date; or

reduce the percentage in principal amount of outstanding debt securities of any series, the consent of whose holders is required for modification or amendment of the indenture, for waiver of compliance with certain provisions of the indenture or for waiver of certain defaults. (Sections 9.2 and 9.3)

The holders of a majority in principal amount of the outstanding debt securities of any series may, on behalf of the holders of all debt securities of that series, waive, insofar as that series is concerned, our compliance with specified restrictive provisions of the indenture. (Section 9.2) The holders of a majority in principal amount of the outstanding debt securities of any series may, on behalf of the holders of all debt securities of that series, waive any past default



under the indenture with respect to that series. They may not waive a default in the payment of the principal of (or premium, if any) or any interest on any debt security of that series or in respect of a provision which under the indenture cannot be modified or amended without the consent of the holder of each outstanding debt security of that series affected. (Section 6.13)

**Defeasance of Debt Securities or Certain Covenants in Certain Circumstances**

*Defeasance and Discharge.* The indenture provides that, unless otherwise provided by the terms of the applicable series of debt securities, we may be discharged from any and all obligations with respect to such debt securities of any series upon the deposit with the trustee, in trust, of money and/or U.S. government obligations, which through the payment of interest and principal of those U.S. government obligations in accordance with their terms will provide money in an amount sufficient to pay any installment of principal (and premium, if any) and interest on and any mandatory sinking fund payments in respect of the debt securities of that series on the stated maturity of such payments in accordance with the terms of the indenture and the debt securities. A discharge may

only occur if we have received from, or there has been published by, the United States Internal Revenue Service a ruling, or there has been a change in the federal income tax law, in each case to the effect that holders of the debt securities of that series will not recognize income, gain or loss for United States federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred. A discharge will not be applicable to any debt securities of any series then listed on the NYSE or any other securities exchange if such deposit would cause the debt securities to be delisted. In addition, the discharge will not apply to our obligations to register the transfer or exchange of debt securities of the series, to replace stolen, lost or mutilated debt securities of the series, to maintain paying agencies and to hold moneys for payment in trust. (Section 8.3)

*Defeasance of Certain Covenants.* The indenture provides that unless otherwise provided by the terms of the applicable series of debt securities, we may omit to comply with certain restrictive covenants set forth in the indenture, including the restrictive covenants described under the caption Certain Covenants. In order to exercise such option, we will be required to deposit irrevocably with the trustee money and/or U.S. government obligations which through the payment of interest and principal of those U.S. government obligations in accordance with their terms will provide money in an amount sufficient to pay principal (and premium, if any) and interest on and any mandatory sinking fund payments in respect of the debt securities of the series on the stated maturity of such payments in accordance with the terms of the indenture and the debt securities. We will also be required to deliver to the trustee an opinion of counsel to the effect that the deposit and related covenant defeasance will not cause the holders of the debt securities of that series to recognize income, gain or loss for federal income tax purposes as a result of our deposit and related covenant defeasance and will be subject to United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit and related covenant defeasance had not occurred. (Section 8.4)

*Defeasance and Events of Default.* In the event we exercise our option to omit compliance with certain covenants of the indenture with respect to any series of debt securities and the debt securities of that series are declared due and payable because of the occurrence of any event of default, the amount of money and U.S. government obligations on deposit with the trustee will be sufficient to pay amounts due on the debt securities of that series at the time of their stated maturity but may not be sufficient to pay amounts due on the debt securities of that series at the time of the acceleration resulting from such event of default. However, we would remain liable for such payments.

### **Concerning the Trustee**

The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A., as successor to The Bank of New York, is the trustee under the indenture. The Bank of New York Mellon Trust Company, N.A. maintains normal banking relations with Kohls.

### **Certain Definitions**

For purposes of the indenture:

Attributable debt in respect of a sale and leaseback transaction means, at the time of determination, the present value (discounted at the imputed rate of interest of such transaction determined in accordance with generally accepted accounting principles) of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

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Capitalized lease obligations means obligations created pursuant to leases which are required to be shown on the liability side of a balance sheet in accordance with generally accepted accounting principles.

Consolidated net tangible assets means the total amounts of assets (less depreciation and valuation reserves and other reserves and items deductible from gross book value of specific asset accounts under generally accepted accounting principles) which under generally accepted accounting principles would be included on a

balance sheet of Kohl's Corporation and its restricted subsidiaries after deducting (1) all liability items except funded debt, capitalized lease obligations, stockholders' equity and reserves for deferred income taxes, (2) all goodwill, trade names, trademarks, patents, favorable lease rights, unamortized debt discount and expense and other like intangibles (other than leasehold costs and investments in so-called safe harbor leases), which in each such case would be so included on such balance sheet, net of accumulated amortization, and (3) all amounts which would be so included on such balance sheet in respect of investments (less applicable reserves) in unrestricted subsidiaries in excess of the amount of such investments at November 25, 1995 (approximately \$74.3 million).

Funded debt means indebtedness which matures more than one year from the date of creation, or which is extendable or renewable at the sole option of the obligor so that it may become payable more than one year from such date.

Funded debt does not include (1) obligations created pursuant to leases, (2) any indebtedness or portion thereof maturing by its terms within one year from the time of any computation of the amount of outstanding funded debt unless such indebtedness shall be extendable or renewable at the sole option of the obligor in such manner that it may become payable more than one year from such time, or (3) any indebtedness for the payment or redemption of which money in the necessary amount shall have been deposited in trust either at or before the maturity date thereof.

Indebtedness means indebtedness for borrowed money and indebtedness under purchase money mortgages or other purchase money liens or conditional sales or similar title retention agreements, in each case where such indebtedness has been created, incurred, or assumed by such person to the extent such indebtedness would appear as a liability upon a balance sheet of such person prepared in accordance with generally accepted accounting principles, guarantees by such person of such indebtedness, and indebtedness for borrowed money secured by any mortgage, pledge or other lien or encumbrance upon property owned by such person, even though such person has not assumed or become liable for the payment of such indebtedness.

Investment means and includes any investment in stock, evidences of indebtedness, loans or advances, however made or acquired, but shall not include accounts receivable of Kohl's Corporation or of any restricted subsidiary arising from transactions in the ordinary course of business, or any evidences of indebtedness, loans or advances made in connection with the sale to any subsidiary of accounts receivable of Kohl's Corporation or any restricted subsidiary arising from transactions in the ordinary course of business of Kohl's Corporation or any restricted subsidiary.

Mortgage means any mortgage, security interest, pledge, lien or other encumbrance.

Operating assets means all merchandise inventories, furniture and equipment (including all transportation and warehousing equipment, store racks and showcases but excluding office equipment and data processing equipment) owned by Kohl's Corporation or a restricted subsidiary.

Operating property means all real property and improvements thereon owned by Kohl's Corporation or a restricted subsidiary and constituting, without limitation, any store, warehouse, service center or distribution center wherever located. This term does not include any store, warehouse, service center or distribution center that our board of directors declares by resolution not to be of material importance to the business of Kohl's Corporation and its restricted subsidiaries.

Restricted subsidiary means Kohl's Department Stores, Inc. and any other subsidiary so designated by the board of directors or duly authorized officers of Kohl's Corporation in accordance with the indenture provided that (a) the board of directors or duly authorized officers of Kohl's Corporation may, subject to certain limitations, designate any unrestricted subsidiary as a restricted subsidiary and any restricted subsidiary (other than Kohl's Department Stores, Inc.) as an unrestricted subsidiary and (b) any subsidiary of which the majority of the voting stock is owned directly or

indirectly by one or more unrestricted subsidiaries shall be an unrestricted subsidiary. As of the date of this prospectus, Kohl's Department Stores, Inc. is the only restricted subsidiary.

Senior funded debt means all funded debt of Kohl's Corporation or any person (except funded debt, the payment of which is subordinated to the payment of the debt securities).

**Subsidiary** means any corporation of which at least a majority of the outstanding stock having voting power under ordinary circumstances to elect a majority of the board of directors of said corporation or business entity is at the time owned or controlled by Kohl's Corporation, or by Kohl's Corporation and one or more subsidiaries, or by any one or more subsidiaries.

**Unrestricted subsidiary** means any subsidiary other than a restricted subsidiary.

### **Conversion or Exchange of Debt Securities**

The prospectus supplement will include the terms of any provisions to convert or exchange a series of debt securities into or for other securities of ours. These terms will include whether conversion or exchange is mandatory, or is at our option or the option of the holder. We will also describe how we will calculate the number of securities that holders of debt securities would receive if they were to convert or exchange their debt securities.

### **DESCRIPTION OF CAPITAL STOCK**

We have summarized below certain provisions of our common stock and preferred stock. This summary is not complete. You should refer to all the provisions of our articles of incorporation and bylaws, which have been filed as exhibits to the registration statement, of which this prospectus is a part. You should also refer to the articles of amendment subsequently filed with the SEC regarding the terms of any series of preferred stock. As of the date of this prospectus, under our articles of incorporation, our authorized capital stock consists of 800,000,000 common shares, \$0.01 par value per share, and 10,000,000 preferred shares, \$0.01 par value per share. As of May 30, 2015, 197,876,457 shares of common stock and no shares of preferred stock were issued and outstanding.

#### **Common Stock**

*Voting.* For all matters submitted to a vote of shareholders, including the election of directors, each holder of common stock is entitled to one vote for each share registered in his or her name on the books of Kohl's. An action is approved if the votes cast in favor of the action exceed the votes cast opposing the action, subject to quorum requirements and any voting rights granted to holders of preferred stock. Our common stock does not have cumulative voting rights.

As a result, subject to the voting rights of any outstanding preferred stock and any voting limitations imposed by the Wisconsin Business Corporation Law, persons who hold more than 50% of the outstanding common stock can elect all of the directors who are up for election in a particular year.

*Dividends.* If our board declares a dividend, holders of common stock will receive payments from the funds of Kohl's that are legally available to pay dividends. However, this dividend right is subject to any preferential dividend rights we may grant to the persons who hold preferred stock, if any is outstanding.

*Liquidation.* If Kohl's is dissolved, the holders of common stock will be entitled to share ratably in all the assets that remain after we pay our liabilities and any amounts we may owe to the persons who hold preferred stock, if any is outstanding.

*Other Rights and Restrictions.* Holders of common stock do not have preemptive rights, and they have no right to convert their common stock into any other securities. Our common stock is not redeemable.

*Listing.* Our common stock is listed on the NYSE under the symbol KSS.

*Transfer Agent and Registrar.* The transfer agent and registrar for our common stock is Wells Fargo Shareowner Services.

*Fully Paid.* The outstanding shares of common stock are fully paid and nonassessable. Any additional common stock that we may issue in the future pursuant to an offering under this prospectus or upon the conversion or exercise of other securities offered under this prospectus will also be fully paid and nonassessable.

**Wisconsin Business Corporation Law**

Provisions of the Wisconsin Business Corporation Law (the "WBCL") could have the effect of delaying, deterring or preventing a change in control of Kohl's.

*Restrictions on Business Combinations.* Sections 180.1130 to 180.1134 of the WBCL provide generally that in addition to the vote otherwise required by law or the articles of incorporation of a resident domestic corporation, such as Kohl's, business combinations not meeting fair price standards specified in the statute must be approved by the affirmative vote of at least (1) 80% of the votes entitled to be cast by the outstanding voting shares of the corporation, and (2) two-thirds of the votes entitled to be cast by the holders of voting shares other than voting shares beneficially owned by a significant shareholder or an affiliate or associate of a significant shareholder who is a party to the transaction. The term "business combination" means, subject to certain exceptions, a merger or share exchange of the resident domestic corporation (or any subsidiary of that corporation) with, or the sale or other disposition of substantially all of the property and assets of the resident domestic corporation to, any significant shareholder or affiliate of a significant shareholder. "Significant shareholder" means a person that is the beneficial owner of 10% or more of the voting power of the outstanding voting shares of the resident domestic corporation. These statutory sections also restrict the repurchase of shares and the sale of corporate assets by a resident domestic corporation in response to a takeover offer.

Sections 180.1140 to 180.1144 of the WBCL prohibit certain "business combinations" between a resident domestic corporation and an interested stockholder within three years after the date such person became an interested stockholder, unless the business combination or the acquisition of the interested stockholder's stock has been approved before the stock acquisition date by the corporation's board of directors. ry 26, 2013

January 28,  
2012

January 26,  
2013

January 28,  
2012

Net income					
	\$8,414	\$7,904	\$34,823	\$32,462	
Cash flow hedges, net of tax					
		615	873	235	(2,736)
Comprehensive income					
	\$9,029	\$8,777	\$35,058	\$29,726	

See accompanying Notes to Consolidated Financial Statements.





NATIONAL BEVERAGE CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)  
(In thousands)

	Nine Months Ended	
	January 26, 2013	January 28, 2012
<b>Preferred Stock</b>		
Beginning of period	\$ 150	\$ 150
Preferred stock issued	400	-
End of period	550	150
<b>Common Stock</b>		
Beginning of period	503	503
Stock options exercised	1	-
End of period	504	503
<b>Additional Paid-In Capital</b>		
Beginning of period	30,425	29,725
Preferred stock issued	19,310	-
Stock options exercised	238	100
Stock-based compensation	183	224
Stock-based tax benefits	92	131
End of period	50,248	30,180
<b>Retained Earnings</b>		
Beginning of period	109,200	65,207
Net income	34,823	32,462
Common stock cash dividend	(118,139 )	-
Preferred stock cash dividend	(3 )	-
End of period	25,881	97,669
<b>Accumulated Other Comprehensive (Loss) Income</b>		
Beginning of period	(642 )	2,751
Cash flow hedges, net of tax	235	(2,736 )
End of period	(407 )	15
<b>Treasury Stock - Preferred</b>		
Beginning and end of period	(5,100 )	(5,100 )
<b>Treasury Stock - Common</b>		
Beginning and end of period	(12,900 )	(12,900 )
<b>Total Shareholders' Equity</b>	<b>\$ 58,776</b>	<b>\$ 110,517</b>

See accompanying Notes to Consolidated Financial Statements.



NATIONAL BEVERAGE CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)  
(In thousands)

	Nine Months Ended	
	January 26, 2013	January 28, 2012
<b>Operating Activities:</b>		
Net income	\$34,823	\$32,462
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization	8,435	7,963
Deferred income tax benefit	(453 )	(391 )
Loss (gain) on disposal of property, net	56	(12 )
Stock-based compensation	183	224
<b>Changes in assets and liabilities:</b>		
Trade receivables	10,413	5,726
Inventories	(800 )	(4,805 )
Prepaid and other assets	(1,540 )	(1,157 )
Accounts payable	(19,949 )	(12,346 )
Accrued and other liabilities	(4,198 )	(9,163 )
Net cash provided by operating activities	26,970	18,501
<b>Investing Activities:</b>		
Additions to property, plant and equipment	(6,025 )	(6,172 )
Proceeds from sale of property, plant and equipment	22	29
Net cash used in investing activities	(6,003 )	(6,143 )
<b>Financing Activities:</b>		
Common stock cash dividend	(118,139 )	-
Borrowings under credit facilities, net	60,000	-
Proceeds from sale of preferred stock, net	19,710	-
Proceeds from stock options exercised	239	100
Stock-based tax benefits	92	131
Net cash (used in) provided by financing activities	(38,098 )	231
<b>Net (Decrease) Increase in Cash and Equivalents</b>	<b>(17,131 )</b>	<b>12,589</b>
<b>Cash and Equivalents - Beginning of Year</b>	<b>35,626</b>	<b>7,372</b>
<b>Cash and Equivalents - End of Period</b>	<b>\$18,495</b>	<b>\$19,961</b>
<b>Other Cash Flow Information:</b>		
Interest paid	\$160	\$82
Income taxes paid	\$17,527	\$17,153

See accompanying Notes to Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

National Beverage Corp. develops, manufactures, markets and sells a diverse portfolio of multi-flavored soft drinks, juice drinks, water and specialty beverages primarily in North America. 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 consolidated financial statements include the accounts of National Beverage Corp. and all subsidiaries. All significant intercompany transactions and accounts have been eliminated.

The consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (“GAAP”) and rules and regulations of the Securities and Exchange Commission for interim financial reporting. Accordingly, they do not include all information and notes presented in the annual consolidated financial statements. The consolidated financial statements should be read in conjunction with the annual consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended April 28, 2012. The accounting policies used in these interim consolidated financial statements are consistent with those used in the annual consolidated financial statements.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. 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.

Presentation of Comprehensive Income

In June 2011, the Financial Accounting Standards Board (“FASB”) amended its guidance on the presentation of comprehensive income in financial statements to improve the comparability, consistency and transparency of financial reporting and to increase the prominence of items that are recorded in other comprehensive income. The new guidance requires entities to report components of comprehensive income in either a continuous statement of comprehensive income or two separate but consecutive statements. The new guidance was effective as of the beginning of fiscal 2013 and was applied retrospectively. The Company’s adoption of the new guidance resulted in a change in the presentation of the Company’s consolidated financial statements but did not have any impact on the Company’s results of operations, financial position or liquidity.

Derivative Financial Instruments

We use derivative financial instruments to partially mitigate our exposure to changes in raw material costs. All derivative financial instruments are recorded at fair value in our Consolidated Balance Sheets. The estimated fair value of derivative financial instruments is calculated based on market rates to settle the instruments. We do not use derivative financial instruments for trading or speculative purposes. Credit risk related to derivative financial instruments is managed by requiring high credit standards for counterparties and frequent cash settlements. See Note 7.

### Earnings Per Common Share

Basic earnings per common share is computed by dividing earnings applicable to common shares by the weighted average number of common shares outstanding during the period. Diluted earnings per common share is calculated in a similar manner, but includes the dilutive effect of stock options.

## 2. INVENTORIES

Inventories are stated at the lower of first-in, first-out cost or market. Inventories at January 26, 2013 are comprised of finished goods of \$25.2 million and raw materials of \$16.4 million. Inventories at April 28, 2012 are comprised of finished goods of \$24.4 million and raw materials of \$16.5 million.

## 3. PROPERTY, PLANT AND EQUIPMENT

Property consists of the following:

	(In thousands)	
	January 26, 2013	April 28, 2012
Land	\$9,779	\$9,779
Buildings and improvements	48,785	48,363
Machinery and equipment	140,727	136,019
Total	199,291	194,161
Less accumulated depreciation	(143,521 )	(137,432 )
Property – net	\$55,770	\$56,729

Depreciation expense was \$2.2 million and \$6.9 million for the three and nine months ended January 26, 2013, respectively, and \$2.1 million and \$6.4 million for the three and nine months ended January 28, 2012, respectively.

## 4. DEBT

At January 26, 2013, a subsidiary of the Company maintained unsecured revolving credit facilities with banks aggregating \$100 million (the “Credit Facilities”). The Credit Facilities expire from November 22, 2015 to April 30, 2016 and current borrowings bear interest at 1% above LIBOR (1.2% at January 26, 2013). At January 26, 2013, borrowings outstanding under the Credit Facilities were \$60 million, \$2.4 million of the Credit Facilities was used for standby letters of credit and \$37.6 million was available for borrowings.

The Credit Facilities require the subsidiary to maintain certain financial ratios, including debt to net worth and debt to EBITDA (as defined in the loan agreements), and contain other restrictions, none of which are expected to have a material effect on our operations or financial position. At January 26, 2013, we were in compliance with all loan covenants.

## 5. STOCK-BASED COMPENSATION

During the nine months ended January 26, 2013, options to purchase 2,000 shares of common stock were granted (weighted average exercise price of \$8.39 per share), options to purchase 40,240 shares were exercised (weighted average exercise price of \$5.95 per share), and options to purchase 32,570 shares were cancelled (weighted average exercise price of \$4.90). At January 26, 2013, options to purchase 441,810 shares (weighted average exercise price of \$7.35 per share) were outstanding and stock-based awards to purchase 3,006,634 shares of common stock were available for grant.

## 6. PREFERRED STOCK

On January 25, 2013, the Company sold 400,000 shares of Special Series D Preferred Stock, par value \$1 per share (“Series D Preferred”) for an aggregate purchase price of \$20 million. Series D Preferred has a liquidation preference of \$50 per share and accrues dividends on this amount at an annual rate of 3% through April 30, 2014 and, thereafter, at an annual rate equal to 370 basis points above the 3-Month LIBOR. Dividends are cumulative and payable quarterly. The Series D Preferred is nonvoting and is redeemable at the option of the Company beginning May 1, 2014 at \$50 per share. The net proceeds of \$19.7 million were used to repay borrowings under the credit facilities. In addition, the Company has 150,000 shares of Series C Preferred Stock, par value \$1 per share, which are held as treasury stock and, therefore, has no liquidation value.

## 7. DERIVATIVE FINANCIAL INSTRUMENTS

We have entered into various aluminum swap contracts to partially mitigate our exposure to changes in the cost of aluminum cans through April 2013. The financial instruments were designated and accounted for as a cash flow hedge. Accordingly, gains or losses attributable to the effective portion of the cash flow hedge are reported in Accumulated Other Comprehensive Income (“AOCI”) and reclassified into earnings through cost of sales in the period in which the hedged transaction affects earnings. The ineffective portion of the change in fair value of our cash flow hedge was immaterial. The following summarizes the gains (losses) recognized in the Consolidated Statements of Income and AOCI relative to cash flow hedges for the three and nine months ended January 26, 2013 and January 28, 2012:

	(In thousands)			
	Three Months Ended		Nine Months Ended	
	2013	2012	2013	2012
<b>Recognized in AOCI:</b>				
Gain (loss) before income taxes	\$735	\$697	\$(1,408 )	\$(3,239 )
Less income tax provision (benefit)	272	265	(523 )	(1,169 )
Net	\$463	\$432	\$(885 )	\$(2,070 )
<b>Reclassified from AOCI to cost of sales:</b>				
Gain (loss) before income taxes	\$(242 )	\$(711 )	\$(1,788 )	\$1,008
Less income tax provision (benefit)	(90 )	(270 )	(668 )	342
Net	\$(152 )	\$(441 )	\$(1,120 )	\$666
Net change to AOCI	\$615	\$873	\$235	\$(2,736 )

As of January 26, 2013, the notional amount of our outstanding aluminum swap contracts was \$7.5 million and, assuming no change in the commodity prices, \$123,000 of unrealized net loss (before tax) will be reclassified from AOCI and recognized in cost of sales over the next three months. See Note 1.





As of January 26, 2013 and April 28, 2012, the fair value of the derivative liability was \$123,000 and \$503,000, respectively, which was included in Accrued liabilities. Such valuation does not entail a significant amount of judgment and the inputs that are significant to the fair value measurement are Level 2 in the fair value hierarchy as they are observable market based inputs or unobservable inputs that are corroborated by market data.

#### 8. COMMITMENTS AND CONTINGENCIES

As of January 26, 2013, the Company guaranteed the residual value of certain leased equipment in the amount of \$6.7 million. If the proceeds from the sale of such equipment are less than the balance required by the lease when the lease terminates on August 1, 2013, the Company shall be required to pay the difference up to such guaranteed amount. The Company expects to have no loss on such guarantee.

#### 9. COMMON STOCK CASH DIVIDENDS

On November 23, 2012, the Company declared a special cash dividend of \$2.55 per share payable to shareholders of record on December 7, 2012. The cash dividend, aggregating \$118.1 million, was paid from available cash and borrowings under credit facilities on December 27, 2012.

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

### OVERVIEW

National Beverage Corp. is a holding company for various subsidiaries that develop, manufacture, market and sell a diverse portfolio of beverage products. In this report, the terms “we”, “us”, “our”, “Company” and “National Beverage” mean National Beverage Corp. and its subsidiaries.

Our brands include soft drinks, energy drinks and shots, juices, teas, still and sparkling waters and nutritionally enhanced beverages, and span both carbonated and non-carbonated offerings. In addition, we produce soft drinks for certain retailers (“Allied Brands”) who also promote certain of our brands (“Strategic Alliances”). We employ a philosophy that demands vertical integration wherever possible and our vertically integrated manufacturing model unites the procurement of raw materials, production of concentrates and manufacturing of finished products in our twelve manufacturing facilities. To service a diverse customer base that includes numerous national retailers as well as hundreds of smaller “up-and-down-the-street” accounts, we developed a hybrid distribution system which promotes and utilizes customers’ warehouse distribution facilities and our own direct-store delivery fleet plus the direct-store delivery systems of independent distributors.

We consider ourselves to be a leader in the development and sale of flavored beverage products. Our soft drink flavor development spans over 100 years originating with our flagship brands, Shasta® and Faygo®, and includes our Ritz® and Big Shot® brands. For the health-conscious consumer, we offer a diverse line of flavored beverage products, including Everfresh®, Home Juice® and Mr. Pure® 100% juice and juice-based products; LaCroix®, Crystal Bay® and Clear Fruit® flavored, sparkling and spring water products; and Àsanté® nutritionally-enhanced beverages. In addition, we produce and market Rip It® energy drinks and shots, Ohana® fruit-flavored non-carbonated drinks, Sundance® teas and lemonades and St. Nick’s® holiday soft drinks. We refer to our portfolio of brands other than soft drinks as our “Power+ Brands”.

Our strategy emphasizes the growth of our products by (i) offering a beverage portfolio of proprietary flavors with distinctive packaging and broad demographic appeal, (ii) supporting the franchise value of regional brands, (iii) appealing to the “quality-value” expectations of the family consumer and (iv) responding to demographic trends by developing innovative products tailored toward healthy lifestyles or designed to expand distribution in higher-margin channels.

The majority of our sales are seasonal with the highest volume typically realized during the summer months. As a result, our operating results from one fiscal quarter to the next may not be comparable. Additionally, our operating results are affected by numerous factors, including fluctuations in the costs of raw materials, changes in consumer preference for beverage products, competitive pricing in the marketplace and weather conditions.

## RESULTS OF OPERATIONS

Three Months Ended January 26, 2013 (third quarter of fiscal 2013) compared to  
Three Months Ended January 28, 2012 (third quarter of fiscal 2012)

Net sales for the third quarter of fiscal 2013 increased 6.1% to \$144.7 million compared to \$136.4 million for the third quarter of fiscal 2012. The sales improvement is due to case volume growth of 2.8% for our Power+ Brands and 9.9% for carbonated soft drinks. This sales improvement was partially offset by a 1.7% decline in unit pricing, primarily due to product mix changes.

Gross profit approximated 32.0% of net sales for the third quarter of fiscal 2013 compared to 33.2% of net sales for the third quarter of fiscal 2012. The gross profit decline is due to product mix changes and lower unit pricing mentioned above. Cost of sales per unit remained unchanged.

Selling, general & administrative expenses were \$33.9 million or 23.4% of net sales for the third quarter of fiscal 2013 compared to \$33.4 million or 24.5% of net sales for the third quarter of fiscal 2012. The increase in expenses was due to higher distribution and administrative expenses.

Interest expense increased to \$116,000 for the third quarter of fiscal 2013, primarily due to increased borrowings under credit facilities. Other expense includes interest income of \$9,000 for the third quarter of fiscal 2013 and \$18,000 for the third quarter of fiscal 2012.

The Company's effective income tax rate, based upon estimated annual income tax rates, was 31.5% for the third quarter of fiscal 2013 and 32.9% for the third quarter of fiscal 2012. The difference between the effective rate and the federal statutory rate of 35% was primarily due to the effect of state income taxes and the manufacturing deduction.

Nine Months Ended January 26, 2013 (first nine months of fiscal 2013) compared to  
Nine Months Ended January 28, 2012 (first nine months of fiscal 2012)

Net sales for the first nine months of fiscal 2013 increased 6.6% to \$494.1 million compared to \$463.5 million for the first nine months of fiscal 2012. The sales improvement is due to case volume growth of 7.3% for our Power+ Brands and 9.9% for carbonated soft drinks. This sales improvement was partially offset by a 2.4% decline in unit pricing, primarily due to product mix changes.

Gross profit approximated 32.2% of net sales for the first nine months of fiscal 2013 compared to 34.6% of net sales for the first nine months of fiscal 2012. The gross profit decline is due to product mix changes and lower unit pricing mentioned above. Cost of sales increased 1.2% on a per unit basis.

Selling, general & administrative expenses were \$106.3 million or 21.5% of net sales for the first nine months of fiscal 2013 compared to \$110.7 million or 23.9% of net sales for the first nine months of fiscal 2012. The decrease in expenses was due to lower marketing and administrative expenses.

Interest expense increased to \$179,000 for the first nine months of fiscal 2013, primarily due to increased borrowings under credit facilities. Other expense includes interest income of \$34,000 for the first nine months of fiscal 2013 and \$41,000 for the first nine months of fiscal 2012.

The Company's effective income tax rate, based upon estimated annual income tax rates, was 33.8% for the first nine months of fiscal 2013 and 34.5% for the first nine months of fiscal 2012. The difference between the effective rate and the federal statutory rate of 35% was primarily due to the effect of state income taxes and the manufacturing deduction.

## LIQUIDITY AND FINANCIAL CONDITION

### Liquidity and Capital Resources

Our principal source of funds is cash generated from operations and borrowings under our credit facilities. At January 26, 2013, we maintained \$100 million unsecured revolving credit facilities of which \$60 million of borrowings were outstanding and \$2.4 million was used for standby letters of credit. We believe that existing capital resources will be sufficient to meet our liquidity and capital requirements for the next twelve months.

On January 25, 2013, the Company sold 400,000 shares of Special Series D Preferred Stock, par value \$1 per share for an aggregate purchase price of \$20 million. See Note 6 of Notes to Consolidated Financial Statements.

On November 23, 2012, the Company declared a special cash dividend of \$2.55 per share payable to shareholders of record on December 7, 2012. The cash dividend, aggregating \$118.1 million, was paid from available cash and borrowings under credit facilities on December 27, 2012.

### Cash Flows

The Company's cash position for the first nine months of fiscal 2013 decreased \$17.1 million from April 28, 2012, which compares to an increase of \$12.6 million for the similar 2012 fiscal period.

Net cash provided by operating activities for the first nine months of fiscal 2013 amounted to \$27.0 million compared to \$18.5 million for the similar 2012 fiscal period. For the first nine months of fiscal 2013, cash flow was principally provided by net income of \$34.8 million and depreciation and amortization aggregating \$8.4 million, offset in part by a decline in accounts payable.

Net cash used in investing activities for the first nine months of fiscal 2013, principally capital expenditures, amounted to \$6.0 million compared to \$6.1 million for the similar 2012 fiscal period.

Net cash used in financing activities for the first nine months of fiscal 2013 amounted to \$38.1 million, which included cash dividends paid of \$118.1 million partially offset by \$60 million in borrowings under credit facilities and \$19.7 million in net proceeds from sale of preferred stock.

### Financial Position

During the first nine months of fiscal 2013, working capital decreased \$2.8 million to \$67.0 million. The decline in working capital resulted from lower cash and receivable levels, partially offset by a lower accounts payable balance. Due to seasonality, trade receivables decreased \$10.4 million and accounts payable decreased \$19.9 million. Trade receivables represented approximately 32.2 days sales outstanding at January 26, 2013, compared to 33.5 days sales outstanding at January 28, 2012. Inventories increased approximately \$3.5 million from the year ago quarter, which represents a decrease in inventory turnover from 9.6 times to 9.4 times. The increase in inventory is due primarily to higher finished goods levels to support increased sales volumes and planned customer promotions. The current ratio was 2.3 to 1 at January 26, 2013 and 1.9 to 1 at April 28, 2012.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risks from those reported in our Annual Report on Form 10-K for the fiscal year ended April 28, 2012.

### ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act). Based upon that evaluation, the Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective to ensure information required to be disclosed by us in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in SEC rules and (2) accumulated and communicated to our management, including our Chief Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q (the "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 selling 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. For a further list and description of various risks, relevant factors and uncertainties that could cause future results or events to differ materially from those expressed or implied in our forward-looking statements, see the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections contained in our Annual Report on Form 10-K for the fiscal year ended April 28, 2012 and other filings with the Securities and Exchange Commission. 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.

PART II - OTHER INFORMATION

ITEM 1A. RISK FACTORS

There have been no material changes in risk factors from those reported in our Annual Report on Form 10-K for the fiscal year ended April 28, 2012.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On January 25, 2013, the Company sold 400,000 shares of Special Series D Preferred Stock, par value \$1 per share (“Series D Preferred”) to 8100 Partners, LLC for an aggregate purchase price of \$20 million. Series D Preferred has a liquidation preference of \$50 per share and accrues dividends on this amount at an annual rate of 3% through April 30, 2014 and, thereafter, at an annual rate equal to 370 basis points above the 3-Month LIBOR. The net proceeds of \$19.7 million were used to repay borrowings under credit facilities. See Form 8-K Current Report, dated January 25, 2013, which is incorporated herein by reference, for additional information.

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1	First Amendment to Second Amended and Restated Credit Agreement dated January 16, 2013 between NewBevCo, Inc. and lender therein
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from National Beverage Corp. Quarterly Report on Form 10-Q for the quarterly period ended January 26, 2013, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Income; (iii) Consolidated Statements of Comprehensive Income; (iv) Consolidated Statements of Shareholders’ Equity; (v) Consolidated Statements of Cash Flows; and (vi) the Notes to Consolidated Financial Statements.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: March 7, 2013

National Beverage Corp  
(Registrant)

By: /s/Dean A. McCoy

Dean A. McCoy  
Senior Vice President and  
Chief Accounting Officer