SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)
X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
For the fiscal year ended September 25, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
For the transition period from to

Commission File No. 0-14616

J & J SNACK FOODS CORP.
(Exact name of registrant as specified in its charter)

New Jersey	22-1935537
(State or other jurisdiction incorporation or organization)	(I.R.S. Employer Identification No.)

6000 Central Highway Pennsauken, New Jersey	08109
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number
including area code:(856-665-9533)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value: None	None
(Title of each class)	(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [ ]

As of November 30, 1999, the latest practicable date, 9,007,435 shares of the Registrant's common stock were issued and outstanding. The aggregate market value of shares held by non-affiliates of the Registrant on such date was $122,310,914 based on the last price on that date of $18.75 per share, which is an average of bid and asked prices.

DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's 1999 Annual Report to Shareholders for the fiscal year ended September 25, 1999 and Proxy Statement for its Annual Meeting of Shareholders to be held on February 3, 2000 are incorporated herein by reference into Parts I, II, III, and IV as set forth herein.

J & J SNACK FOODS CORP.
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Item 1. Business

General

J & J Snack Foods Corp. (the "Company" or "J & J") manufactures nutritional snack foods which it markets nationally to the food service and retail supermarket industries. Its principal snack food products are soft pretzels marketed principally under the brand name SUPERPRETZEL. J & J believes it is the largest manufacturer of soft pretzels in the United States. The Company also markets frozen beverages to the food service industry under the brand names ICEE and ARCTIC BLAST in the United States, Mexico and Canada. Other snack products include Italian ice and frozen juice treats and desserts, churros (a Hispanic pastry), funnel cake, popcorn and bakery products.

The Company's sales are made primarily to food service customers including snack bar and food stand locations in leading chain, department, discount, warehouse club and convenience stores; malls and shopping centers; fast food outlets; stadiums and sports arenas; leisure and theme parks; movie theatres; independent retailers; and schools, colleges and other institutions. The Company's retail supermarket customers are primarily supermarket chains. The Company sells direct to the public through its chains of specialty snack food retail outlets, BAVARIAN PRETZEL BAKERY and PRETZEL GOURMET, located primarily in the Mid-Atlantic States.

The Company was incorporated in 1971 under the laws of the State of New Jersey.

Products in the Snack Foods Segment

Soft Pretzels

The Company's soft pretzels are sold under many brand names; some of which are: SUPERPRETZEL, MR. TWISTER, SOFT PRETZEL BITES, SOFTSTIX, SOFT PRETZEL BUNS, HOT KNOTS, DUTCH TWIST, TEXAS TWIST and SANDWICH TWIST and; to a lesser extent, under private labels. The Company sells its soft pretzels to the food service and the retail supermarket industries and direct to the public through BAVARIAN PRETZEL BAKERY and PRETZEL GOURMET, its chains of specialty snack food retail outlets. The Company's soft pretzels qualify under USDA regulations as the nutritional equivalent of bread for purposes of the USDA school lunch program, thereby enabling a participating school to obtain partial reimbursement of the cost of the Company's soft pretzels

from the USDA. Soft pretzel sales, including those sold through the Company's retail stores, amounted to 32% and 34% of the Company's revenue in fiscals 1999 and 1998, respectively.

The Company's soft pretzels are manufactured according to a proprietary formula. Soft pretzels, ranging in size from one to ten ounces in weight are shaped and formed by the Company's proprietary twister machines. These soft pretzel tying machines are automated, high speed machines for twisting dough into the traditional pretzel shape. Soft pretzels in customized shapes and sizes and with fillings are extruded or shaped by hand. Soft pretzels, after processing, are primarily quick-frozen in either raw or baked form and packaged for delivery.

The Company's food service marketing program includes supplying ovens, mobil merchandisers, display cases, warmers and similar merchandising equipment to the retailer to prepare and promote the sale of soft pretzels. Some of this equipment is proprietary, including combination warmer and display cases that reconstitute frozen soft pretzels while displaying them, thus eliminating the need for an oven. The Company retains ownership of the equipment placed in customer locations and, as a result, customers are not required to make an investment in equipment.

Frozen Juice Treats and Desserts

The Company's frozen juice treats and desserts are marketed primarily under the ICEE, FROSTAR, SHAPE-UPS, MAZZONE'S, MAMA TISH'S and LUIGI'S brand names to the food service and to the retail supermarket industries. Frozen juice treat and dessert sales were 16% and 15% of the Company's revenue in fiscal years 1999 and 1998, respectively.

The Company's SHAPE-UPS and MAZZONE frozen juice bars are manufactured from an apple or pear juice base to which water, sweeteners, coloring (in some cases) and flavorings are added. The juice bars contain two to three ounces of apple or pear juice and the minimum daily requirement of vitamin C, and qualify as reimbursable items under the USDA school lunch program. The juice bars are produced in various flavors and are packaged in a sealed push-up paper container referred to as the Milliken M-pak, which the Company believes has certain sanitary and safety advantages.

The FROSTAR product line includes frozen juice and other frozen desserts on a stick and in a cup. The juice bar and FROSTAR products are sold primarily to the school portion of the food service industry.

LUIGI'S Real Italian Ice and MAMA TISH'S Italian Ice and

Sorbets are sold to the foodservice and to the retail supermarket industries. They are manufactured from water, sweeteners and fruit juice concentrates in various flavors and are packaged in plastic cups for retail supermarket and foodservice and in four and eight ounce squeeze up tubes for foodservice.

ICEE Squeeze Tubes are sold to the foodservice and to the retail supermarket industries. Designed to capture the carbonated frozen taste of a traditional ICEE drink, they are packaged in three and four ounce squeeze up tubes.

Churros

The Company sells frozen churros under the TIO PEPE'S brand name to both the food service and retail supermarket industries, primarily in the Western and Southwestern United States. Churro sales were 5% and 4% of the Company's sales in fiscal 1999 and 1998, respectively. Churros are Hispanic donuts in stick form which the Company produces in several sizes according to a proprietary formula. The churros are deep fried, frozen and packaged. At food service point-of-sale they are reheated and topped with a cinnamon sugar mixture. The Company also sells fruit and creme filled churros. The Company supplies churro merchandising equipment similar to that used for its soft pretzels.

Baked Goods

The Company has a contract and private label bakery business which manufactures cookies, muffins and other baked goods for third parties. In addition, the Company produces and markets these products under its own brand names, including MRS. GOODCOOKIE, CAMDEN CREEK BAKERY and PRETZELCOOKIE. Baked goods sales amounted to 12% and 10% of the Company's sales in fiscals 1999 and 1998, respectively.

Other Products

The Company also markets to the food service industry and direct to the public other products including soft drinks, funnel cakes sold under the FUNNEL CAKE FACTORY brand name, popcorn sold under the AIRPOPT brand name, as well as smaller amounts of various other food products.

Products in the Frozen Beverage Segment

Frozen Beverages

The Company markets frozen beverages to the food service

industry under the names ICEE and ARCTIC BLAST in the United States, Mexico and Canada. The Company sells direct to the public through BAVARIAN PRETZEL BAKERY and PRETZEL GOURMET, its chains of specialty snack food retail outlets. Frozen beverage business sales amounted to 32% of revenue in fiscal 1999 and 32% of revenue in fiscal 1998. Under the Company's marketing program, it installs frozen beverage dispensers at customer locations and thereafter services the machines, arranges to supply customers with ingredients required for production of the frozen beverages, and supports customer retail sales efforts with in-store promotions and point-of-sale materials. In most cases, the Company retains ownership of its dispensers and, as a result, customers are not required to make an investment in equipment or arrange for the ingredients and supplies necessary to produce and market the frozen beverages. In fiscal 1999 the Company began providing installation and maintenance service only to a large quick service restaurant, which resulted in the increase of Customer Owned beverage dispensers in 1999.

Each new customer location requires a frozen beverage dispenser supplied by the Company or by the customer. Company supplied dispensers are purchased from outside vendors, built new or rebuilt by the Company at an approximate cost of $6,000 each. The following shows the number of Company owned and customer owned frozen beverage dispensers at customer locations at the dates indicated:

	Company Owned	Customer Owned	Total
September 27, 1997	8,546	711	9,257
September 26, 1998	16,520	223	16,743
September 25, 1999	18,056	4,342	22,398

The Company has the rights to market and distribute frozen beverages under the name ICEE to all of the Continental United States, except for portions of eleven states.

Customers

The Company sells its products to two principal customer groups: food service and retail supermarkets. The primary products sold to the food service group are soft pretzels, frozen beverages, frozen juice treats and desserts, churros and baked goods. The primary products sold to the retail supermarket industry are soft pretzels and Italian ice. Additionally, the Company sells soft pretzels, frozen beverages and various other food products direct to the public through BAVARIAN PRETZEL BAKERY and PRETZEL GOURMET, its chains of specialty snack food retail outlets.

The Company's customers in the food service industry include snack bars and food stands in chain, department and discount stores such as KMart, Walmart, Bradlees and Target; malls and shopping centers; fast food outlets; stadiums and sports arenas; leisure and theme parks such as Disneyland, Walt Disney World, Opryland, Universal Studios, Sea World, Six Flags, Hershey Park and Busch Gardens; convenience stores such as 7-Eleven, Circle K, AM/PM, White Hen Pantry and Wawa; movie theatres; warehouse club stores such as Sam's Club, Costco and B.J.'s; schools, colleges and other institutions; and independent retailers such as Mrs. Fields. Food service concessionaires purchasing soft pretzels and other products from the Company for use in sports arenas and for institutional meal services include ARAMARK, Ogden, Service America, Sportservice, Marriott and Volume Services. Machines and machine parts are sold to other food and beverage companies. Within the food service industry, the Company's products are purchased by the consumer primarily for consumption at the point-of-sale.

The Company sells its products to over 90% of supermarkets in the United States. Products sold to retail supermarket customers are primarily soft pretzel products, including SUPERPRETZEL, LUIGI'S Real Italian Ice and MAMA TISH'S Italian Ice and sorbets and ICEE Squeeze Up Tubes. Within the retail supermarket industry, the Company's frozen and prepackaged products are purchased by the consumer for consumption at home.

Marketing and Distribution

The Company has developed a national marketing program for its products. For food service customers, this marketing program includes providing ovens, mobile merchandisers, display cases, warmers, frozen beverage dispensers and other merchandising equipment for the individual customer's requirements and point-of-sale materials as well as participating in trade shows and in-store demonstrations. The Company's ongoing advertising and promotional campaigns for its retail supermarket products include trade shows, newspaper advertisements with coupons, in-store demonstrations, billboards and, periodically, television advertisements.

The Company's products are sold through a network of about

180 food brokers and over 1,000 independent sales distributors and the Company's own direct sales force. The Company maintains frozen warehouse and distribution facilities in Pennsauken, New Jersey; Vernon (Los Angeles) California; Scranton, Pittsburgh, Hatfield and Lancaster, Pennsylvania; and Solon, Ohio. Frozen beverages are distributed from 96 warehouse and distribution facilities located in 41 states, Mexico and Canada which allow

the Company to directly service its customers in the surrounding areas. The Company's products are shipped in refrigerated and other vehicles from the Company's manufacturing and warehouse facilities on a fleet of Company operated tractor-trailers, trucks and vans, as well as by independent carriers.

Seasonality

The Company's sales are seasonal because frozen beverage sales and Italian ice sales are generally higher during the warmer months and sales of the Company's retail stores are generally higher in the Company's first quarter during the holiday shopping season.

Trademarks and Patents

The Company has numerous trademarks, the most important of which are SUPERPRETZEL, DUTCH TWIST, TEXAS TWIST, MR. TWISTER, SOFT PRETZEL BITES and SOFTSTIX for its soft pretzel products; FROSTAR, SHAPE-UPS, MAZZONE'S, MAMA TISH'S and LUIGI'S for its frozen juice treats and desserts; TIO PEPE'S for its churros; ARCTIC BLAST for its frozen beverages; FUNNEL CAKE FACTORY for its funnel cake products, and MRS. GOODCOOKIE and CAMDEN CREEK for its baked goods. The trademarks, when renewed and continuously used, have an indefinite term and are considered important to the Company as a means of identifying its products.

The Company markets frozen beverages under the trademark ICEE in all of the Continental United States, except for portions of eleven states, and in Mexico and Canada. Additionally, the Company has the international rights to the trademark ICEE.

The Company has numerous patents related to the manufacturing and marketing of its products.

Supplies

The Company's manufactured products are produced from raw materials which are readily available from numerous sources. With the exception of the Company's soft pretzel twisting equipment and funnel cake production equipment, which are made for J & J by independent third parties, and certain specialized packaging equipment, the Company's manufacturing equipment is readily available from various sources. Syrup for frozen beverages is purchased from the Coca Cola Company, the Pepsi Cola Company, and Western Syrup Company. Cups, straws and lids are readily available from various suppliers. Parts for frozen beverage dispensing machines are manufactured internally and purchased from other sources. Frozen beverage dispensers are

purchased from IMI Cornelius, Inc.

Competition

Snack food and baked goods markets are highly competitive. The Company's principal products compete against similar and different food products manufactured and sold by numerous other companies, some of which are substantially larger and have greater resources than the Company. As the soft pretzel, frozen juice treat and dessert, baked goods and related markets grow, additional competitors and new competing products may enter the markets. Competitive factors in these markets include product quality, customer service, taste, price, identity and brand name awareness, method of distribution and sales promotions.

The Company believes it is the only national distributor of soft pretzels. However, there are numerous regional and local manufacturers of food service and retail supermarket soft pretzels. Competition is also increasing in that there are several chains of retail pretzel stores which have been aggressively expanding over the past several years. These chains compete with the Company's products.

In Frozen Beverages the Company competes directly with other frozen beverage companies. These include several companies which have the right to use the ICEE name in portions of eleven states. There are many other regional frozen beverage competitors throughout the country and one large retail chain which uses its own frozen beverage brand.

The Company competes with large soft drink manufacturers for counter and floor space for its frozen beverage dispensing machines at retail locations and with products which are more widely known than the ICEE and ARCTIC BLAST frozen beverages.

The Company competes with a number of other companies in the frozen juice treat and dessert and baked goods markets.

Divestitures

During the third quarter of fiscal year 1995, the Company sold its syrup and flavor manufacturing subsidiary, Western Syrup Company, to an unrelated third party for cash and notes. The sale of Western did not have a material impact on the Company's operations or financial position.

Employees

The Company had approximately 2,050 full and part time employees as of September 25, 1999. Certain production and distribution

employees at the Pennsauken plant are covered by a collective bargaining agreement which expires in September 2002. The Company considers its employee relations to be good.

Year 2000

The Year 2000 ("Y2K") issue is the result of computer programs using a two-digit format, as opposed to four digits, to indicate the year. Such computer programs will be unable to interpret dates beyond the year 1999, which could cause a system failure or other computer errors, leading to disruptions in operations.

In 1997 the Company commenced a program to evaluate and determine the potential impact of Y2K issues on its operations and the need to modify or replace its existing computer systems. The scope of the program encompassed all phases of the operational activities of the Company and its subsidiaries. In 1998 the program was expanded to develop an action plan for the resolution of problem issues. The process of resolving problem issues is ongoing. The Company has identified the following areas to be critical for Y2K compliance: financial and informational systems, manufacturing applications, third-party relationships, and what was deemed to include environmental areas of concern to include HVAC, telephone and communication environments, and security systems.

The Company has been and is presently implementing enhanced financial and informational application systems. The software product is Y2K compliant and will satisfy the majority of the informational processing requirements when fully implemented. This process is in the final stages of implementation and it is anticipated to be fully completed early in 2000. Additionally, the Company is implementing a new, and fully Y2K compliant, financial reporting system to enhance our future ability to manage, control and report on the operation of the business. It is anticipated that this system will be in place by early 2000. Although completion of these non critical systems is not anticipated to be fully completed until early 2000, management believes that this will not cause a disruption in its normal business operations. In the manufacturing area, the Company has identified areas of exposure. The third party relationship area has been addressed by directly contacting major trading partners. Most of the parties who have so far responded to our inquiries indicate that they will be Y2K compliant no later than the end of 1999.

The Company has been utilizing outside consultants to augment the efforts of its internal staff to address the Y2K

problem. Specific areas of activity include the Y2K monitoring process and additional application programming effort.

The Company's Y2K compliance costs have not been significantly higher than its normal management information systems operating costs.

Item 2. Properties

The Company's primary east coast manufacturing facility is located in Pennsauken, New Jersey in a 70,000 square foot building on a two acre lot. Soft pretzels and churros are manufactured at this company-owned facility which also serves as the Company's corporate headquarters. This facility operates at approximately 80% of capacity. The Company leases a 101,200 square foot building adjacent to its manufacturing facility in Pennsauken, New Jersey through March 2012. The Company has constructed a large freezer within this facility for warehousing and distribution purposes. The warehouse has a utilization rate of 60-90% depending on product demand. The Company also leases through September 2000 16,000 square feet of office and warehouse space located next to the Pennsauken, New Jersey plant.

The Company owns a 150,000 square foot building on eight acres in Bellmawr, New Jersey. Approximately 30% of the facility is leased to a third party. The remainder is used by the Company to manufacture some of its products including funnel cake and pretzels.

The Company's primary west coast manufacturing facility is located in Vernon (Los Angeles), California. It consists of a 137,000 square foot facility in which soft pretzels, churros and various lines of baked goods are produced and warehoused. Included in the 137,000 square foot facility is a 30,000 square foot freezer used for warehousing and distribution purposes which was constructed in 1996. The facility is leased through November 2010. The Company leases an additional 15,000 square feet of warehouse space, adjacent to its manufacturing facility, through May 2002. The manufacturing facility operates at approximately 60% of capacity.

The Company owns a 52,700 square foot building located on five acres in Chicago Heights, Illinois which is leased to a third party.

The Company owns a 46,000 square foot frozen juice treat and dessert manufacturing facility located on three acres in Scranton, Pennsylvania. The facility, which was expanded from 26,000 square feet in 1998, operates at less than 50% of capacity.

The Company leases a 29,635 square foot soft pretzel manufacturing facility located in Hatfield, Pennsylvania. The lease runs through June 2017. The facility operates at approximately two thirds of capacity.

The Company leases a 19,200 square foot soft pretzel manufacturing facility located in Carrollton, Texas. The lease runs through April 2004. The facility operates at less than 50% of capacity.

The Company's Bavarian Pretzel Bakery headquarters and warehouse and distribution facilities are located in a 11,000 square foot owned building in Lancaster, Pennsylvania.

The Company owns a 25,000 square foot facility located on 11 acres in Hatfield, Pennsylvania which is leased to a third party.

The Company also leases 98 warehouse and distribution facilities.

Item 3. Legal Proceedings

The Company has no material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the Company or any of its subsidiaries is a party or of which any of their property is subject.

Item 4. Submission Of Matters To A Vote Of Security Holders

None.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following is a list of the executive officers of the Company and their principal past occupations or employment. All such persons serve at the pleasure of the Board of Directors and have been elected to serve until the Annual Meeting of Shareholders on February 3, 2000 or until their successors are duly elected.

Name	Age	Position
Gerald B. Shreiber	58	Chairman of the Board, President, Chief Executive Officer and Director
Dennis G. Moore	44	Senior Vice President, Chief Financial Officer, Secretary, Treasurer and Director
Robert M. Radano	50	Senior Vice President, Sales, Chief Operating Officer and Director
Robyn Shreiber Cook	39	Senior Vice President
Dan Fachner	39	President of The ICEE Company Subsidiary

Gerald B. Shreiber is the founder of the Company and has served as its Chairman of the Board, President, and Chief Executive Officer since its inception in 1971. His term as a director expires in 2000.

Dennis G. Moore joined the Company in 1984. He served in various controllership functions prior to becoming the Chief Financial Officer in June 1992. His term as a director expires in 2002.

Robert M. Radano joined the Company in 1972 and in May 1996 was named Chief Operating Officer of the Company. Prior to becoming Chief Operating Officer, he was Senior Vice President, Sales responsible for national foodservice sales of J & J. His term as a director expires in 2001.

Robyn Shreiber Cook joined the Company in 1982 and in February 1996 was named Senior Vice President, West with operating and sales responsibilities for the Company's West Coast foodservice and bakery business. Prior to becoming Senior Vice President, West she was responsible for Western region food service sales.

Dan Fachner has been an employee of ICEE-USA Corp., which was acquired by the Company in May 1987, since 1979. He was

named Senior Vice President of The ICEE Company in April 1994 and became President in May 1997.

PART II

Item 5. Market For Registrant's Common Stock And Related Stockholder Matters

The Company's common stock is traded on the over-the-counter market on the NASDAQ National Market System under the symbol JJSF. The following table sets forth the high and low final sale price quotations as reported by NASDAQ for the common stock for each quarter of the years ended September 26, 1998 and September 25, 1999.

	High	Low
Fiscal 1998		
First quarter ended December 30, 1997	17-3/8	13-1/2
Second quarter ended March 28, 1998	19-1/2	12-1/2
Third quarter ended June 27, 1998	20-3/4	17-7/8
Fourth quarter ended September 26, 1998	22-1/4	14-3/4
Fiscal 1999		
First quarter ended December 26, 1998	22-1/2	15-3/4
Second quarter ended March 27, 1999	25	19-5/16
Third quarter ended June 26, 1999	24	19-3/4
Fourth quarter ended September 25, 1999	24-7/16	20-1/4

On November 30, 1999, there were 9,007,435 shares of common stock outstanding. Those shares were held by approximately 2,200 beneficial shareholders and shareholders of record.

The Company has never paid a cash dividend on its common stock and does not anticipate paying cash dividends in the foreseeable future.

Item 6. Selected Financial Data

The information set forth under the caption "Financial Highlights" of the 1999 Annual Report to Shareholders is incorporated herein by reference.

Item 7. Management's Discussion And Analysis Of Financial Condition And Results Of Operations

The information set forth under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the 1999 Annual Report to Shareholders is incorporated herein by reference.

Item 7a. Quantitative And Qualitative Disclosures About Market Risk

The following is the Company's quantitative and qualitative analysis of its financial market risk:

Interest Rate Sensitivity

The table below provides information about the Company's derivative financial instruments and other financial instruments as of September 25, 1999 that are sensitive to changes in interest rates. These instruments include debt obligations and interest rate swaps. For debt obligations, the table presents principal cash flows and related weighted-average interest rates by expected maturity dates. For interest rate swaps, the table presents notional amounts and weighted-average interest rates by expected (contractual) maturity dates. The notional amounts are used to calculate the contractual payments to be exchanged under the swap contract. Weighted-average variable rates are based on implied forward rates in the yield curve at the reporting date.

Expected Maturity Date
($ in thousands)

	2000	2001	2002	2003	2004	There after	Total	Fair Value
Liabilities								
Long-term debt								
Fixed rate	$ 214	$ 178	$ 113	$ 369	$ -	$5,000	$ 5,874	$ 5,874
Average interest rate	8.18%	8.01%	8.50%	9.27%	-	7.25%	7.46%	
Variable rate	$8,000	$19,000	$8,000	$2,000	-	-	$37,000	$37,000
Average interest rate	5.88%	5.92%	5.88%	5.88%	-	-	5.90%	
Interest Rate Swaps								
Receive variable /pay fixed	$8,000	$ 8,000	$8,000	$2,000	$ -	$ -	$26,000	$ 60
Average pay rate	6.27%	6.27%	6.27%	6.27%	-	-	6.27%	
Average receive rate	6.11%	6.11%	6.11%	6.11%	-	-	6.11%	

Interest Rate Risk

The Company holds long-term debt with variable interest rates indexed to LIBOR, which exposes it to the risk of increased interest costs if interest rates rise. To reduce the risk related to unfavorable interest rate movements, the Company enters into interest rate swap contracts to pay a fixed rate and receive a variable rate that is indexed to LIBOR. The ratio of the swap notional amount to the principal amount of variable rate debt issued changes periodically based on the Company's ongoing assessment of the future trend in interest rate movements. At

September 25, 1999, this ratio was 70 percent and no change in the ratio is expected at the current time. The percentage of variable rate debt fixed under interest rate swap contracts is expected to decrease as scheduled debt payments are made.

Foreign Exchange Rate Risk

The Company has not entered into any forward exchange contracts to hedge its foreign currency rate risk as of September 25, 1999 because it does not believe its foreign exchange exposure is significant.

Item 8. Financial Statements And Supplementary Data

The following consolidated financial statements of the Company set forth in the 1999 Annual Report to Shareholders are incorporated herein by reference:

- Consolidated Balance Sheets as of September 25, 1999 and September 26, 1998
- Consolidated Statements of Earnings for the fiscal years ended September 25, 1999, September 26, 1998 and September 27, 1997
- Consolidated Statement of Stockholders' Equity for the three fiscal years ended September 25, 1999
- Consolidated Statements of Cash Flows for the fiscal years ended September 25, 1999, September 26, 1998 and September 27, 1997
- Notes to Consolidated Financial Statements
- Report of Independent Certified Public Accountants

Item 9. Changes In And Disagreements With Accountants On Accounting And Financial Disclosure

None.

PART III

Item 10. Directors And Executive Officers Of The Registrant

Information concerning directors, appearing under the captions "Information Concerning Nominee For Election To Board" and "Information Concerning Continuing Directors And Executive Officers" in the Company's Proxy Statement filed with the Securities and Exchange Commission in connection with the Annual Meeting of Shareholders to be held on February 3, 2000, is incorporated herein by reference. Information concerning the executive officers is included on page 10 following Item 4 in Part I hereof.

Item 11. Executive Compensation

Information concerning executive compensation appearing in the Company's Proxy Statement under the caption "Management Remuneration" is incorporated herein by reference.

Item 12. Security Ownership Of Certain Beneficial Owners And Management

Information concerning the security ownership of certain beneficial owners and management appearing in the Company's Proxy Statement under the caption "Principal Shareholders" is incorporated herein by reference.

Item 13. Certain Relationships And Related Transactions

Not applicable.

PART IV

Item 14. Exhibits, Financial Statement Schedules And Reports On Form 8-K

(a) Financial Statements

The following are incorporated by reference in Part II of this report:

Report of Independent Certified Public Accountants
Consolidated Balance Sheets as of September 25, 1999 and September 26, 1998
Consolidated Statements of Earnings for the fiscal years ended September 25, 1999, September 26, 1998 and September 27, 1997
Consolidated Statement of Stockholders' Equity for the three fiscal years ended September 26, 1998
Consolidated Statements of Cash Flows for the fiscal years ended September 25, 1999, September 26, 1998 and September 27, 1997
Notes to Consolidated Financial Statements

Financial Statement Schedule

The following are included in Part IV of this report:

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All other schedules are omitted either because they are not applicable or because the information required is contained in the financial statements or notes thereto.

Exhibits

3.1 Amended and Restated Certificate of Incorporation filed February 28, 1990. (Incorporated by reference from the Company's Form 10-Q dated May 4, 1990.)

3.2 Amended and Restated Bylaws adopted May 15, 1990. (Incorporated by reference from the Company's Form 10-Q dated August 3, 1990.)

4.1 New Jersey Economic Development Authority Economic Development Revenue Bonds Trust Indenture dated as of December 1, 1991. (Incorporated by reference from the Company's 10-K dated December 18, 1992.)

4.2 Credit Agreement dated as of December 5, 1997 by and among J & J Snack Foods Corp. and Certain of its Subsidiaries, as borrowers, Mellon Bank, N.A. and Corestates Bank, N.A., as lenders, and Mellon Bank, N.A. as Administrative Agent (Incorporated by reference from the Company's 10-K dated December 21, 1998).

10.1 Proprietary Exclusive Manufacturing Agreement dated July 17, 1984 between J & J Snack Foods Corp. and Wisco Industries, Inc.(Incorporated by reference from the Company's Form S-1 dated February 4, 1986, file no. 33-2296).

10.2*J & J Snack Foods Corp. Stock Option Plan. (Incorporated by reference from the Company's Form S-8 dated July 24, 1992, file no. 33-50036.)

10.3*J & J Snack Foods Corp. 401(k) Profit Sharing Plan, As Amended, Effective January 1, 1989. (Incorporated by reference from the Company's 10-K dated December 18, 1992.)

10.4*First, Second and Third Amendments to the J & J Snack Foods Corp. 401(k) Profit Sharing Plan. (Incorporated by reference from the Company's 10-K dated December 19, 1996).

10.6 Lease dated September 24, 1991 between J & J Snack Foods Corp. of New Jersey and A & H Bloom Construction Co. for the 101,200 square foot building next to the Company's manufacturing facility in Pennsauken, New Jersey. (Incorporated by reference from the Company's Form 10-K dated December 17, 1991).

10.7 Lease dated August 29, 1995 between J & J Snack Foods Corp. and 5353 Downey Associated Ltd for the lease of the Vernon, CA facility. (Incorporated by reference from the Company's Form 10-K dated December 21, 1995).

10.8*J & J Snack Foods Corp. Employee Stock Purchase Plan (Incorporated by reference from the Company's Form S-8 dated May 16, 1996).

13.1 Company's 1999 Annual Report to Shareholders (except for the captions and information thereof expressly incorporated by reference in this Form 10-K, the Annual Report to Shareholders is provided solely for the information of the Securities and Exchange Commission and is not deemed "filed" as part of the Form 10-K.) (Page 24.)

22.1 Subsidiaries of J & J Snack Foods Corp. (Page 57.)

24.1 Consent of Independent Certified Public Accountants. (Page 58.)

27.1 Financial Data Schedule. (Page 59.)

*Compensatory Plan

(b) Reports on Form 8-K

No reports on Form 8-K have been filed by the Company during the last quarter of the period covered by this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

J & J SNACK FOODS CORP.

December 21, 1999	By /s/ Gerald B. Shreiber Gerald B. Shreiber, Chairman of the Board, President, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

December 21, 1999	/s/ Robert M. Radano Robert M. Radano, Senior Vice President, Sales, Chief Operating Officer and Director
December 21, 1999	/s/ Dennis G. Moore Dennis G. Moore, Senior Vice President, Chief Financial Officer and Director
December 21, 1999	/s/ Stephen N. Frankel Stephen N. Frankel, Director
December 21, 1999	/s/ Peter G. Stanley Peter G. Stanley, Director
December 21, 1999	/s/ Leonard M. Lodish Leonard M. Lodish, Director

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SCHEDULE

Board of Directors
J & J Snack Foods Corp.

In connection with our audit of the consolidated financial statements of J & J Snack Foods Corp. and Subsidiaries referred to in our report dated November 2, 1999 which is included in the Annual Report to Shareholders and incorporated by reference in Part II of this form, we have also audited Schedule II for each of the three years in the period ended September 25, 1999. In our opinion, this schedule presents fairly, in all material respects, the information required to be set forth therein.

GRANT THORNTON LLP

Philadelphia, Pennsylvania
November 2, 1999

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Year	Description	Opening balance	Charged to expense	Deductions	Closing Balance
1999	Allowance for doubtful accounts	$597,000	$321,000	$112,000(1)	$806,000
1998	Allowance for doubtful accounts	392,000	250,000	45,000(1)	597,000
1997	Allowance for doubtful accounts	257,000	252,000	117,000(1)	392,000

(1) Write-off uncollectible accounts receivable.

J&J Snack Foods

1999 Annual Report

Niche Snack Foods & Beverages

6000 Central Highway Pennsauken, NJ 08109 (856) 665-9533
www.jjsnack.com

Profile

J&J Snack Foods Corp. is a manufacturer, marketer and distributor of an expanding variety of nutritional, popularly priced, branded niche snack foods and beverages for the food service and retail supermarket industries. The Company is listed on the NASDAQ exchange as "JJSF," and serves both national and international markets.

Our growing portfolio of products includes soft pretzels; frozen beverages; frozen juice bars and desserts; churros, a cinnamon pastry; funnel cakes; cookies and bakery goods; and other snack foods and drinks. Consumers can enjoy these tasty products in a variety of settings, including:

* Snack bars and food stands in leading chain, department, discount and convenience stores
* Malls and shopping centers
* Fast food outlets
* Stadiums and sports arenas
* Leisure and theme parks
* Movie theatres
* Schools and colleges
* Business and industry and other institutions
* Supermarkets and warehouse club stores

As we prepare for the future, J&J Snack Foods Corp. plans to continue expanding its unique product offerings and market niches, capitalizing on new opportunities wherever they may be found.

Contents

Financial Highlights

Fiscal year ended in September
(In thousands, except per share data)

	1999	1998	1997	1996	1995
Net Sales	$288,439	$262,390	$220,318	$186,018	$185,362
Net Earnings	$14,264	$11,850	$8,159	$5,843	$5,804
Total Assets	$213,680	$213,261	$136,827	$123,128	$123,309
Long-Term Debt	$34,660	$48,199	$5,028	$5,010	$5,011
Stockholders'Equity	$131,169	$119,681	$105,904	$96,708	$96,084
Common Share Data					
Earnings Per Diluted Share	$1.50	$1.26	$.91	$.65	$.61
Earnings Per Basic Share	$1.58	$1.32	$.93	$.65	$.62
Book Value Per Share	$14.57	$13.25	$11.97	$11.05	$10.53
Common Shares Outstanding At Year End	9,000	9,036	8,850	8,749	9,126

President's Letter

By most any standards, 1999 was a terrific year for J&J Snack Foods Corp. For the 28th consecutive year we achieved record sales, and earnings were the highest in our history. AGAIN!! Seems like I've started this same message before...and stated it proudly, too. Our performance and long-term vision, when viewed in the bigger picture, speaks for itself. Speaking of performance...for the last three years ended September 1999, sales have increased from $186 million to $288 million, an increase of 55%, while net earnings have grown at a compounded annual growth rate of over 34%. Our EBITDA (net earnings before income taxes, interest expense, depreciation and amortization) exceeded $50 million for fiscal year 1999.

1999 Results in Brief:

* Sales increased 10% to $288,439,000 from $262,390,000
* Net earnings jumped 20% to $14,264,000 from $11,850,000
* Operating income increased 22% to $24,963,000 from $20,461,000
* EPS climbed 19% to $1.50 per share from $1.26

GBS 101=Good Business Sense

That's what we use in fulfilling our mission. Good Business Sense. Without it, all the strategic modeling won't get you to the continued success and the kind of results we had in 1999. We achieved these results by applying the same grueling work standards and culture adherence we have established and followed for the last 28 years.

Criteria for Success

Long ago, we established simple but effective criteria that have been the cornerstone and pillars for our success. This strategy includes:

* Produce quality "niche" products
* Be the low cost producer
* Leadership in sales, marketing and distribution

A continued adherence and discipline to these criteria--now recognized clearly as strengths--have been the primary reasons for our overall business success. Last year, we continued our efforts in growing our niche products in each of our key business areas. This was led by SUPERPRETZEL soft pretzels and our ICEE frozen beverage business, as well as our other leading niche snack food products including TIO PEPE'S churros, FUNNEL CAKE FACTORY funnel cakes and frozen cookie dough under the brand names MRS. GOODCOOKIE and CAMDEN CREEK. Additionally, we increased category growth and leadership in specialty frozen juice bars and desserts.

Soft Pretzels--Hard Sales

Although experiencing modest growth, soft pretzel sales were enhanced by expansion of specialty line extension categories and more aggressive consumer marketing programs. Our BAVARIAN PRETZEL BAKERY stores improved profitability through more efficient operating performance. Internal growth of our fresh baked soft pretzels and potentially lucrative shelf stable business was further enhanced with our continued R&D efforts and an acquisition completed shortly after our fiscal year ended.

Dough Making

Both churro and funnel cake sales were expanded due in large part to improved manufacturing processes and product enhancements. Our Bakery had another good year with solid growth and increased profitability. Our raw cookie dough business, initiated just a year earlier under the MRS. GOODCOOKIE brand, grew significantly and was complemented by the acquisition of CAMDEN CREEK BAKERY in February of 1999.

A Hot Year

Frozen juice bars and desserts, under the SHAPE UPS, LUIGI'S, MAMA TISH'S and ICEE brands, had an excellent year. Volume and sales grew a healthy 13%. Manufacturing efficiencies from our newly expanded state-of-the-art facility generated increased profitability.

ICEE: The Vision and Opportunity--Part II

ICEE had another excellent year. Sales increased over 9% and profits grew significantly. The strategic alliance with The Coca-Cola Company, the world's leading soft drink company, is creating new and varied opportunities in building and expanding this niche beverage company.

During 1999 ICEE initiatives included...

* Establishing an infrastructure partnership with Coca-Cola to provide technical service and support for all Coca-Cola frozen beverage initiatives.
* New staff, equipment and technology that provided for the smooth installation of frozen drink machines in several thousand fast food restaurants.
* The introduction of several new beverage products including:
  - SMOOTHEE by ICEE: currently being test marketed in schools and food service locations.
  - JAVA FREEZE: a frozen beverage coffee drink being sold through restaurants and convenience stores.

Our Strengths: Past--Present--Future

Simple, but effective. Niche products, low cost producer, strong sales, marketing and distribution, complemented by strategic alliances and partnerships with world-class companies. These are the methods that have served us well in the past and present. And, even more excitingly, will serve us well for the future. We are building a strong company with solid and growing business skills. We are complementing these strengths with corresponding strategic relationships with world-class partners who are leaders in their categories and share similar values. We expect these partnerships and strengths to provide future benefits for our company and its shareholders.

In December 1999 we entered into a long term strategic partnership with The Minute Maid Company whereby we will produce, sell and distribute our extended line of frozen juice products under the Minute Maid and Hi-C brand names. This is yet another example of our commitment to extend our niches and grow our businesses.

Gerald B. Shreiber
President and Chairman
December 1, 1999

SUPERPRETZEL: The Superpower of Soft Pretzels

J&J Snack Foods Corp. is a leader in the manufacturing, marketing and distribution of niche snack foods. As the world's largest manufacturer of soft pretzel products, we lead the category with our flagship brand, SUPERPRETZEL, America's Favorite Soft Pretzel. Leveraging SUPERPRETZEL's brand equity to provide value to our customers, we're pioneering new territory with a diverse menu of shaped, flavored and filled soft pretzel products. Responding to the public's increasingly adventurous taste for unique snacks that satisfy both the imagination and the appetite, this taste-tempting fare includes innovative products such as SUPERPRETZEL SOFTSTIX cheese-filled soft pretzel sticks, SUPERPRETZEL SOFT PRETZEL BITES and other proprietary and custom-shaped pretzels.

Consumers of all shapes and sizes snap up SUPERPRETZEL products every day at tens-of-thousands of high-traffic locations nationwide. Inside malls and shopping centers, in chain, convenience and warehouse club stores or supermarkets, SUPERPRETZEL soft pretzels are high on the snacking list. Loyal SUPERPRETZEL fans always have time for another bite --whether glued to the movie screen, cheering in sports arenas or taking a break at amusement, leisure and theme parks. And kids of all ages can enjoy our SUPERPRETZEL products in school, at work or on the way home after a busy day.

Continuing Our Growth

In fiscal year 1999, our food service soft pretzel business grew modestly through extensions of food service markets including fund-raising and home-delivery services. Additionally, our frozen sweet dough soft pretzel program is being expanded. The continually changing retail snack bar environment, where business continues to be concentrated into fewer, larger customers, remains a challenge to our Food Service Division.

We continue to invest in our manufacturing facilities to maintain our position and standard as the low cost producer. Our objectives are focused on increasing efficiencies from production processing through packaging.

Project 2000--A Vision

To grow our business by grabbing attention and stimulating appetites, we are updating our highly visible merchandising program. This program includes a complete array of brand-oriented point-of-sale materials, display cases and specially designed mobile merchandising units. To spark new life into the program, we're testing a redesigned display case, Project 2000, that retrofits our existing merchandising units. The new display case incorporates a more prominent SUPERPRETZEL logo and more eye-catching graphics. We expect it to enhance brand recognition and help increase impulse sales for SUPERPRETZEL.

A Pretzel for All Seasons...and Reasons

SUPERPRETZEL products continue to earn high grades in the school food service market, an important channel of distribution. Popular with children because they taste great, our soft pretzels also help them celebrate holidays and changing seasons through entertaining, themed promotions that include specialty soft pretzels in fun shapes such as shamrocks, snowmen, stars and turkeys. School food service directors appreciate the chance to liven up their menus, plus our soft pretzel products satisfy bread requirements for the U.S.D.A. National School Lunch/Breakfast Program.

The SUPERPRETZEL product line continues to lead the category in the supermarket freezer case as the number one brand of soft pretzels. Overall sales increased a solid 10% during fiscal year 1999, a reversal of the recent negative sales trend. We continue to provide marketing support for the SUPERPRETZEL brand to help maintain its strong leadership position.

Sales were fueled by consumer-driven marketing activities during fiscal 1999. We urged consumers to expand their snacking choices by offering them inventive, non-traditional soft pretzel experiences. This included television and billboard advertising in select markets and promotions with other leading brands such as Cheez Whiz* and French's** mustard. Consumers responded by enjoying soft pretzels with their favorite toppings, including melted cheese, flavored cream cheese, salsa and mustard.

One taste sensation, SUPERPRETZEL SOFTSTIX, which combines our soft pretzels with KRAFT*** cheese filling, generated a sharp 33% revenue gain during the past fiscal year. A continuing successful co-branding agreement with KRAFT helps provide support for this great tasting product.

Taking Shape for the Future

Our chain of retail stores, including BAVARIAN PRETZEL BAKERY and PRETZEL GOURMET, located in malls primarily in the Mid-Atlantic states, is operated by our Restaurant Group. Same-store sales improved slightly during fiscal 1999 as we have streamlined the chain to include only the highest performing stores. Administrative cost controls had a positive impact on the bottom line during the past year and we expect to enjoy continuing benefits in the years to come.

*Cheez Whiz is a registered trademark of Kraft Foods, Inc.
**French's is a registered trademark of Reckitt & Colman Inc.
***KRAFT and the KRAFT logo are registered trademarks owned and licensed by Kraft Foods, Inc.

Frozen Beverages

We'll Take the Heat

The ICEE Company, our frozen beverage division, is the world's largest distributor of frozen beverages, selling the ICEE brand across the country and pouring ICEE good taste across the border into Canada and Mexico. We sweeten the mix with ARCTIC BLAST and other brands in select markets and plan to expand the ICEE brand internationally. Sales for frozen beverages and related products this past fiscal year increased by 9%.

Kids of all ages enjoy our carbonated and uncarbonated semi-frozen beverages, which can be sipped through a straw or eaten with a spoon. Thirsty fans of these refreshing treats don't have to travel far to satisfy their taste buds. We're just around the corner in more than 18,000 food service locations, which serve drink after drink all day long from proprietary dispensing equipment. Many of these outlets also offer the perfect complement to a cold drink--SUPERPRETZEL soft pretzels and our other niche snack foods.

The ICEE Bear -- A Cool New Look

We broke the ice with a new ICEE image campaign during fiscal year 1999 incorporating a redesigned, contemporary look for the brand giving the ICEE Bear a cool new look. This new look, which has already surfaced in more than 6,000 locations, features new lighted merchandisers and compelling point-of-sale materials.

Building on the long-term marketing agreement we iced with The Coca-Cola Company in the previous year, we rolled out a national program across the U.S. that blends ICEE's operational and service system expertise with the marketing power of Coca-Cola*. We provide installation of the drink machines and continuous service for the ongoing rollout of FROZEN COKE* in over 7,000 Burger King** locations and Coca-Cola provides the syrup. We've already installed more than 4,000 units and plan to complete the project during fiscal year 2000.

Hot New Offerings

Three new frozen uncarbonated beverages skated into the marketplace during the past year: SMOOTHEE by ICEE, JAVA FREEZE and FROZEN COCKTAILS.

SMOOTHEE by ICEE, with its velvety consistency and exhilarating fruit flavors, expands the menu where ICEE frozen carbonated beverages already are sold. With real fruit juice and popular flavors, SMOOTHEE by ICEE also pleases palates in schools. JAVA FREEZE, in a variety of gourmet coffee flavors, satisfies the growing demand for coffee-flavored products. FROZEN COCKTAILS make it easy for restaurants and sporting and entertainment venues to dispense and serve some of the most popular frozen cocktails, with or without alcohol.

Putting the Heat on Profitability and Service

We continue to improve the division's operating efficiency and ability to serve our customers by implementing key organizational improvements. During the past fiscal year we consolidated the ICEE Company's corporate headquarters into the Ontario, California location and expanded the service infrastructure that installs and maintains our equipment by more than 25%.

*"Coca-Cola" and "Coke" are trademarks of The Coca-Cola Company.
**Burger King is a registered trademark of Burger King Corporation.

Frozen Desserts

Growth is Solid

The future is solid for our niche snack food line of frozen juice bars and desserts, including LUIGI'S, SHAPE UPS, MAMA TISH'S and ICEE brands. New product introductions, line extensions and increased sales of SHAPE UPS boosted frozen dessert sales in the food service market by a strong 10%.

An Upbeat Debut

This year we introduced ICEE Squeeze Tubes to the food service market. Capturing the carbonated fizz and taste of a traditional ICEE drink, they extend the ICEE brand's equity and awareness. Strong sales in food service channels, including club stores, helped to make ICEE Squeeze Tubes one of the leading frozen novelties this summer.

SHAPE UPS Make the Grade

Sales of SHAPE UPS frozen fruit juice bars, sold primarily through schools, continue to shape up nicely. With colorful packaging and

U.S.D.A. approved Child Nutrition (CN) labels, these treats are popular with children and food service directors because they satisfy federal juice requirements, are fun, and taste good, too. Themed promotions with SUPERPRETZEL soft pretzels helped SHAPE UPS rise in this important channel.

Cool Gains for Frozen Desserts

Retail supermarket sales of frozen desserts experienced a strong growth year with an increase of 19%. This was led by a sales gain of 17% for LUIGI'S, the number one selling Italian ice in the supermarket freezer. The introduction of ICEE Squeeze Tubes into retail test markets exceeded expectations and will be expanded nationally in fiscal year 2000.

Our modern and efficient Italian ice and frozen dessert plant in Scranton, PA, whose renovation was completed last year, supported this year's gains and paved the way for future growth.

Other Snacks

Batter Up!

Our niche snack food business of cookies, churros, funnel cakes and other bakery goods raised lots of dough this past year. Sales increased a sharp 15% for our Los Angeles-based West Coast Bakery, while its manufacturing efficiencies benefited from capital expenditures and production improvements. A combination of frozen cookie dough, commercial baking ingredients and contract private-label products, including organically certified baked goods, blended together for solid growth in our bakery goods business.

The Goods on the Goodies

Our branded frozen cookie dough business grew into a meaningful business during the past fiscal year, due to the acquisition of the CAMDEN CREEK BAKERY cookie business in February. CAMDEN CREEK complements our growing MRS. GOODCOOKIE food service cookie line that was introduced to the marketplace last year. Additionally, it provides increased opportunities for J&J to expand our product lines in additional dayparts and menu settings.

Our success in the branded frozen cookie dough business in fiscal year 1999, egged on by this strategic mix of acquisition and expansion, comes largely because of the sensational aromas, tastes and textures of our products. Consumers who have experienced our delicious, fresh-baked from the oven cookies--in popular flavors like milk chocolate chunk, oatmeal raisin and peanut butter--agree: our cookies are simply irresistible!

How Sweet it is

TIO PEPE'S churros, crispy cinnamon doughnut-like snacks that traditionally have hit the sweet spot in the west and southwest U.S., continued to delight more and more palates elsewhere for significant sales growth.

The food service business for churros, including fruit-filled varieties, grew by 8% during fiscal year 1999. In one corner of this expanding market, wholesome fruit-filled churros have captured the enthusiasm of school food service directors because they fulfill bread and fruit requirements for the U.S.D.A. National School Lunch/Breakfast Program. Churro business in the retail supermarket grew this past fiscal year a strong 22% due to increased consumption and expanded distribution.

Big Gains by the Mouthful

Sales of one of our unique niche products--funnel cakes from THE FUNNEL CAKE FACTORY--surged by 25% primarily from expansion of our customer base. We have seized opportunities for cooking up more sweet results in short order in various venues this past year. This includes traditional channels such as amusement and theme parks and emerging outlets such as family restaurant chains seeking innovative dessert menu items.

Available as frozen pre-cooked, pre-shaped portions that only require warming, our funnel cakes make it easier than ever to prepare this delicious treat. No mixing, measuring or frying--you just heat 'em and eat 'em! THE FUNNEL CAKE FACTORY funnel cakes also have become increasingly popular as a fun way to meet bread standards for the U.S.D.A. National School Lunch/Breakfast Program.

A new millennium means new opportunity for growth. J&J Snack Foods Corp. will continue to expand its unique product offerings and market niches, capitalizing on new opportunities wherever they may be found.

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J&J Snack Foods Corp. and Subsidiaries

Management's Discussion & Analysis of Financial Condition and Results of Operations

In addition to historical information, this discussion and analysis contains forward-looking statements. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. Important factors that might cause such a difference include, but are not limited to, those discussed in the "Management's Discussion and Analysis of Financial Condition and Results of Operations." Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. The Company undertakes no obligation to publicly revise or update these forward-looking statements to reflect events or circumstances that arise after the date hereof.

Results of Operations

Fiscal 1999 Compared to Fiscal 1998

Net sales increased $26,049,000 or 10% to $288,439,000 in fiscal 1999 from $262,390,000 in fiscal 1998.

The Company has two reportable segments, as disclosed in the notes to the consolidated financial statements: Snack Foods and Frozen Beverages. The Snack Foods segment manufactures and distributes snack foods and bakery items, which includes sales to food service customers and retail supermarkets. The Frozen Beverages segment markets and distributes frozen beverage products. These segments are managed as strategic business units due to their distinct production processes and capital requirements.

Snack Foods

Sales to food service customers increased $9,737,000 or 9% to $113,207,000 in fiscal 1999. Soft pretzel sales to the food service market increased 2% to $61,833,000. Churro sales increased 8% to $12,075,000. Frozen juice bar and dessert sales increased 10% to $27,196,000. These sales increases were due primarily to increased unit volume to one customer in each of these categories. Sales of cookies to food service customers increased $4,458,000, or 167%, to $7,126,000 for the year. Approximately one-half of the cookies sales increase resulted from the acquisition of the Camden Creek Bakery cookie business.

Sales of products to retail supermarkets increased $5,335,000 or 14% to $43,929,000 in fiscal 1999 due in part to a new advertising campaign. Total soft pretzel sales to retail supermarkets were $24,027,000, an increase of 10% from fiscal 1998. Sales of our flagship SUPERPRETZEL brand soft pretzels, excluding SOFTSTIX, increased 9% to $18,816,000. SOFTSTIX sales increased $745,000 or 33% to $3,031,000 from the previous year. Sales of Italian ice increased $1,379,000 or 9% to $16,417,000 in 1999 from $15,038,000 in 1998.

Bakery sales increased $3,598,000 or 15% to $26,905,000 in fiscal 1999 due to increased unit sales across our customer base. Sales of our Bavarian Pretzel Bakery decreased 4% to $12,649,000 for the year due to fewer stores.

Frozen Beverages

Frozen beverage and related product sales increased $7,950,000 or 9% to $91,749,000 in fiscal 1999. Beverage sales alone increased 5% to $78,960,000 for the year, in part due to the December 1997 acquisition of National ICEE Corporation. Sales revenues were impacted by changes in billing practices resulting in lower revenues per gallon purchased by customers but which did not result in an overall drop in profit margin. Gross profit on product sales increased 12%, or $6,372,000 for the year. Service and lease revenue increased approximately $5,000,000 for the year.

Gross profit increased to 53% of sales in 1999 from 52% of sales in 1998. The gross profit percentage increase is primarily attributable to improved efficiencies at our Italian ice and frozen dessert plant in Scranton, PA and to increased gross profit percentages of frozen beverage sales.

Total operating expenses increased $13,396,000 to $128,513,000 in fiscal 1999 and as a percentage of sales increased less than 1% to 45% in 1999 from 1998. Marketing expenses were 30% of sales in both fiscal 1999 and 1998. Distribution expenses increased 1/4 of one percent to 10% of sales in 1999. Administrative expenses were 4% of sales in both fiscal 1999 and 1998.

Operating income increased $4,502,000 or 22% to $24,963,000 in fiscal 1999.

Interest expense increased $191,000 to $3,224,000 in fiscal 1999 due to the December 1997 purchase and assumption and subsequent refinancing of the debt of National ICEE Corporation.

Sundry income decreased by $393,000 in fiscal 1999 from $808,000 in fiscal 1998. The primary reason for the decrease was that 1998 included significant income resulting from the successful settlement of certain litigation.

The effective income tax rate was 37% in both fiscal 1999 and fiscal 1998.

Net earnings increased $2,414,000 or 20% in fiscal 1999 to $14,264,000.

Fiscal 1998 Compared to Fiscal 1997

Net sales increased $42,072,000 or 19% to $262,390,000 in fiscal 1998 from $220,318,000 in fiscal 1997. Approximately $31,000,000 of the increase in sales for the year resulted from the December 1997 acquisition of National ICEE Corporation.

The Company has two reportable segments, as disclosed in the notes to the consolidated financial statements: Snack Foods and Frozen Beverages. The Snack Foods segment manufactures and distributes snack foods and bakery items, which includes sales to food service customers and retail supermarkets. The Frozen Beverages segment markets and distributes frozen beverage products. These segments are managed as strategic business units due to their distinct production processes and capital requirements.

Snack Foods

Sales to food service customers increased $1,534,000 or 2% to $103,470,000 in fiscal 1998. Soft pretzel sales to the food service market increased 5% to $60,589,000. Churro sales increased 8% to $11,195,000. Frozen juice bar and dessert sales decreased 12% to $24,746,000 primarily due to lower sales to three customers.

Sales of products to retail supermarkets decreased $1,708,000 or 4% to $38,594,000 in fiscal 1998. Total soft pretzel sales to retail supermarkets were $21,849,000, a decrease of 11% from fiscal 1997. Sales of our flagship SUPERPRETZEL brand soft pretzels, excluding SOFTSTIX and CINNAMON RAISIN MINI'S, decreased 5% to $17,298,000. SOFTSTIX sales increased $268,000 or 13% to $2,286,000 from the previous year. Sales of Italian ice increased

$485,000 or 3% to $15,038,000 in 1998 from $14,553,000 in 1997; sales were impacted by limited production output during the expansion and modernization of the Company's Italian ice and frozen dessert plant in Scranton, PA.

Bakery sales increased $5,351,000 or 30% to $23,307,000 in fiscal 1998 due primarily to increased product sales to one customer. Sales of our Bavarian Pretzel Bakery increased 8% to $13,220,000 for the year.

Frozen Beverages

Frozen beverage and related product sales increased $35,884,000 or 75% to $83,799,000 in fiscal 1998. Beverage sales alone increased 72% to $75,191,000 for the year, including approximately $31,000,000 attributable to the December 1997 acquisition of National ICEE Corporation.

Gross profit increased to 52% of sales in 1998 from 49% of sales in 1997. The gross profit percentage increase is primarily attributable to higher gross profit percentages of the acquired National ICEE Corporation business and lower flour costs, net of higher manufacturing costs of approximately $1,300,000 incurred during the startup of operations in the third and fourth quarters at the Company's expanded Italian ice and frozen dessert plant in Scranton, PA.

Total operating expenses increased $18,598,000 to $115,117,000 in fiscal 1998 but as a percentage of sales were 44% in both 1998 and 1997. Marketing and distribution expenses were 30% and 9% of sales, respectively, in both fiscal 1998 and 1997. Administrative expenses decreased to 4% of sales in fiscal 1998 from 5% in fiscal 1997 due primarily to lower litigation costs in fiscal 1998.

Operating income increased $8,821,000 or 76% to $20,461,000 in fiscal 1998.

Interest expense increased $2,602,000 to $3,033,000 in fiscal 1998 due to the purchase and assumption and subsequent refinancing of the debt of National ICEE Corporation.

Sundry income increased by $696,000 in fiscal 1998 from $112,000 in fiscal 1997 due to the successful settlement of certain litigation. In 1998, Sundry income was offset by $525,000 in write offs and accruals for the closing of unprofitable Bavarian Pretzel Bakery retail stores.

The effective income tax rate increased to 37% in fiscal 1998 from 32% in fiscal 1997. The lower rate in fiscal 1997 is due primarily to adjustments relating to settlements of federal tax matters.

Net earnings increased $3,691,000 or 45% in fiscal 1998 to $11,850,000.

Acquisitions, Liquidity and Capital Resources

In February 1999, the Company acquired the Camden Creek Bakery cookie business from Schwan's Sales Enterprises, Inc., Marshall, MN for cash. Camden Creek sells frozen ready-to-bake cookies to the food service industry with approximate annual sales of $5,000,000.

In December 1997, the Company acquired the common stock of National ICEE Corporation. National ICEE Corporation, with annual sales of approximately $40 million, markets and distributes frozen carbonated beverages primarily in the eastern half of the United States. The Company has incurred approximately $50 million of debt to complete the acquisition. The following are the unaudited pro forma results of operations for the fiscal years 1998 and 1997 assuming the above had occurred at the beginning of that fiscal year:

	1998	1997
	(In thousands, except per share amounts)	
Sales	$268,390	$259,952
Net Earnings	$11,346	$8,645
Earnings per diluted share	$1.21	$.96

In January 1997, the Company acquired the assets of Mama Tish's International Foods by assuming certain liabilities. Mama Tish's is a manufacturer and distributor of Italian ices, sorbets and other frozen juice products with annual sales of approximately $15 million.

In November 1996, the Company acquired all of the common stock of Pretzels, Inc. for cash. Trading as TEXAS TWIST, Pretzels, Inc. is a soft pretzel manufacturer selling to both the food service and retail supermarket industries.

In October 1996, the Company acquired the assets of Bakers Best Snack Food Corp. for cash. Bakers Best is a manufacturer of soft pretzels selling to both the food service and retail supermarket industries.

All of the Company's acquisitions were accounted for under the purchase method of accounting, and the operations are included in the consolidated financial statements from the respective acquisition date.

The Company's current cash and marketable securities balances and cash expected to be provided by future operations are its primary sources of liquidity. The Company believes that these sources, along with its borrowing capacity, are sufficient to fund future growth and service its debt.

Fluctuations in the value of the Mexican peso and the resulting revaluation of the net assets of the Company's Mexican frozen beverage subsidiary caused an increase of $93,000 and decreases of $285,000 and $53,000 in accumulated comprehensive income (loss) for the 1999, 1998 and 1997 fiscal years, respectively. In 1999, sales of the Mexican subsidiary were $2,475,000 as compared to $2,170,000 in 1998.

In April 1999, the Company purchased and retired 250,000 shares of its common stock at a cost of $5,625,000. The Company purchased the stock from its President and Chief Executive Officer.

An unsecured general-purpose bank line of credit totalling $30,000,000 is available to the Company. Available borrowings under the bank line of credit were $19,000,000 at September 25, 1999.

In fiscal year 1999, the Company adopted SFAS No. 130, "Reporting Comprehensive Income". SFAS No. 130 established standards for reporting and display of comprehensive income and its components in the financial statements. These financial statements have been reclassified to reflect the provisions of SFAS No. 130.

In fiscal year 1999, the Company adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". SFAS No. 131 superceded SFAS 14, "Financial Reporting for Segments of a Business Enterprise", replacing the "industry segment" approach with the "management approach". The management approach designates the internal organization that is used by management for making operating decisions and assessing performance as the source of the Company's reportable segments, as well as disclosures about products and services and major customers. The adoption of SFAS No. 131 did not affect the results of operations or the financial position of the Company (see Note P to the consolidated financial statements).

In June 1998, SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" was issued. Subsequent to this statement, SFAS No. 137 was issued, which amended the effective date of SFAS No. 133 to be all fiscal quarters of all fiscal years beginning after June 15, 2000. Based on the Company's minimal use of derivatives at the current time, management does not anticipate the adoption of SFAS No. 133 will have a significant impact on earnings or financial position of the Company. However, the impact from adopting SFAS No. 133 will depend on the nature and purpose of the derivatives instruments in use by the Company at that time.

Fiscal 1999 Compared to Fiscal 1998

Trade receivables decreased $1,279,000 or 4% to $31,404,000 in 1999, and inventories decreased $260,000 or 2% to $16,187,000 in 1999 from 1998 primarily because of increased efficiencies in the Company's operations.

Other receivables decreased $1,228,000 to $477,000 in 1999 due to changes in payment programs from certain suppliers.

Property, plant and equipment increased $19,689,000 to $232,253,000 primarily because of expenditures for dispensers required for the expansion of the frozen beverage business, for ovens and portable merchandisers required for the expansion of the food service business and for the expansion and upgrading of production and warehousing capability at the Company's manufacturing facilities.

Goodwill, trademarks and rights, net of accumulated amortization decreased $1,050,000 to $50,821,000 due to amortization, net of goodwill acquired in the Camden Creek Bakery acquisition.

Accounts payable and accrued liabilities decreased $446,000 in 1999 from $32,136,000 in 1998 due primarily to a reduction in income taxes payable.

Current maturities of long-term debt decreased by $209,000 to $8,214,000 and long-term debt, less current maturities decreased by $13,539,000 to $34,660,000 as a result of the use of available cash flow from operations to pay down other debt as well as make scheduled debt payments.

Deferred income taxes increased by $3,315,000 to $7,702,000 which related to disposals and depreciation of property, plant and equipment.

Common stock decreased $2,868,000 in 1999 to $36,252,000 because of the repurchase and retirement of common stock from the President and Chief Executive Officer of the Company, net of the exercise of incentive stock options.

Net cash provided by operating activities increased $11,189,000 to $48,368,000 in 1999 primarily due to increases in net earnings, deferred taxes and depreciation and amortization of fixed assets and a decrease in accounts receivable.

Net cash used in investing activities decreased $16,513,000 to $28,619,000 in 1999 primarily due to a decrease of $12,477,000 in payments for purchase of companies, net of cash acquired and debt assumed.

Net cash used in financing activities of $17,008,000 in 1999 compared to net cash provided by financing activities of $9,756,000 in 1998. The change of $26,764,000 was the result of a net paydown in borrowings in 1999 of $13,748,000 compared to an increase of $7,631,000 in borrowings to fund the acquisition of National ICEE Corporation and the subsequent refinancing of its debt in 1998.

Fiscal 1998 Compared to Fiscal 1997

Trade receivables increased $9,301,000 or 40% to $32,683,000 in 1998, and inventories increased $2,912,000 or 22% to $16,447,000 in 1998 from 1997 primarily because of higher sales levels attributable to the acquisition of National ICEE Corporation.

Other receivables decreased $371,000 to $1,705,000 in 1998 due to reimbursement received from the Company's insurance carrier on settlement of legal matters.

Property, plant and equipment increased $48,216,000 to $212,564,000 primarily because of expenditures for dispensers required for the expansion of the frozen beverage business, for ovens and portable merchandisers required for the expansion of the food service business and for the expansion and upgrading of production and warehousing capability at the Company's manufacturing facilities. Additionally, property, plant and equipment from the National ICEE Corporation acquisition accounted for approximately one-half of the overall increase.

Goodwill, trademarks and rights, net of accumulated amortization increased $30,412,000 to $51,871,000 due to goodwill acquired in the National ICEE Corporation acquisition.

Accounts payable and accrued liabilities increased $10,169,000 in 1998 from $21,967,000 in 1997 due primarily to the acquisition of National ICEE Corporation and higher sales levels.

Current maturities of long-term debt increased by $8,407,000 to $8,423,000 and long-term debt, less current maturities increased by $43,171,000 to $48,199,000 due to borrowings to fund the acquisition of National ICEE Corporation and the subsequent refinancing of its debt.

Deferred income decreased $97,000 to $435,000 primarily as a result of the reduction in the Company's guarantees related to the sale of its Hawaiian ICEE operations.

Deferred Income Taxes increased by $1,007,000 to $4,387,000 in 1998 which related to depreciation of property, plant and equipment.

Common stock increased $2,212,000 in 1998 to $39,120,000 primarily because of the exercise of incentive stock options.

Net cash provided by operating activities increased $16,808,000 to $37,179,000 in 1998 primarily due to increases in net earnings, depreciation and amortization of fixed assets, amortization of intangibles and deferred costs and accounts payable and accrued liabilities.

Net cash used in investing activities increased $14,659,000 to $45,132,000 in 1998 primarily due to purchases of property, plant and equipment which increased by $12,222,000 in 1998. Expenditures increased for dispensers for the expansion of the frozen beverage business and for the expansion and modernization of the Company's Italian ice and frozen dessert plant in Scranton, PA.

Net cash provided by financing activities of $9,756,000 in 1998 compared to $956,000 in 1997. The increase was due to a net increase in borrowings to fund the acquisition of National ICEE Corporation and the subsequent refinancing of its debt.

Consolidated Statements of Earnings

	Fiscal year ended		
	September 25, 1999	September 26, 1998	September 27, 1997
	(In thousands, except per share amounts)		
Net sales	$ 288,439	$ 262,390	$ 220,318
Cost of goods sold	134,963	126,812	112,159
Gross profit	153,476	135,578	108,159
Operating expenses			
Marketing	86,809	77,385	65,231
Distribution	28,066	24,846	19,197
Administrative	10,668	10,072	10,326
Amortization of intangibles and deferred costs	2,970	2,814	1,765
	128,513	115,117	96,519
Operating income	24,963	20,461	11,640
Other income (deductions)			
Investment income	487	573	630
Interest expense	(3,224)	(3,033)	(431)
Sundry	415	808	112
	(2,322)	(1,652)	311
Earnings before income taxes	22,641	18,809	11,951
Income taxes	8,377	6,959	3,792
NET EARNINGS	$ 14,264	$ 11,850	$ 8,159
Earnings per diluted share	$1.50	$1.26	$.91
Weighted average number of diluted shares	9,530	9,368	8,985
Earnings per basic share	$1.58	$1.32	$.93
Weighted average number of basic shares	9,025	8,947	8,781

The accompanying notes are an integral part of these statements.

Consolidated Balance Sheets

	September 25, 1999	September 26, 1998
	(In thousands, except share amounts)	
Assets		
Current Assets		
Cash and cash equivalents	$ 5,945	$ 3,204

Short-term investment securities held to maturity	924	--
Receivables		
Trade, less allowance of $806 and $597, respectively	31,404	32,683
Other	477	1,705
Inventories	16,187	16,447
Prepaid expenses and deposits	1,130	1,104
Total current assets	56,067	55,143
Property, Plant and Equipment, at cost	232,253	212,564
Less accumulated depreciation and amortization	130,292	112,444
	101,961	100,120
Other Assets		
Goodwill, trademarks and rights, less accumulated amortization of $11,406 and $9,712, respectively	50,821	51,871
Long-term investment securities held to maturity	1,925	3,127
Sundry	2,906	3,000
	55,652	57,998
	$ 213,680	$ 213,261
Liabilities and Stockholders' Equity		
Current Liabilities		
Current maturities of long-term debt	$ 8,214	$ 8,423
Accounts payable	23,272	23,222
Accrued liabilities	8,418	8,914
Total current liabilities	39,904	40,559
Long-Term Debt, less current maturities	34,660	48,199
Deferred Income Taxes	7,702	4,387
Other long-term liabilities	245	435
Commitments	--	--
Stockholders' Equity		
Capital stock		
Preferred, $1 par value; authorized, 5,000,000 shares; none issued	--	--
Common, no par value; authorized, 25,000,000 shares; issued and outstanding, 9,000,000 and 9,036,000 respectively	36,251	39,120
Accumulated other comprehensive loss	(1,601)	(1,694)
Retained earnings	96,519	82,255
	131,169	119,681
	$ 213,680	$ 213,261

The accompanying notes are an integral part of these statements.

Consolidated Statement of Changes in Stockholders' Equity

	Common Stock Shares	Common Stock Amount	Accumulated Other Comprehensive Loss	Retained Earnings	Total	Comprehensive Income
			(In thousands)			
Balance at September 29, 1996	8,749	$35,818	$(1,356)	$62,246	$96,708	
Issuance of common stock upon exercise of stock options	84	945	--	--	945	
Issuance of common stock for employee stock purchase plan	17	145	--	--	145	
Foreign currency translation adjustment	--	--	(53)	--	(53)	$ (53)
Net earnings for the fiscal year ended September 27, 1997	--	--	--	8,159	8,159	8,159
Comprehensive Income	--	--	--	--	--	$8,106

Balance at September 27, 1997	8,850	36,908	(1,409)	70,405	105,904	
Issuance of common stock upon exercise of stock options	171	2,017	--	--	2,017	
Issuance of common stock for employee stock purchase plan	15	195	--	--	195	
Foreign currency translation adjustment	--	--	(285)	--	(285)	$(285)
Net earnings for the fiscal year ended September 26, 1998	--	--	--	11,850	11,850	11,850
Comprehensive Income	--	--	--	--	--	$11,565
Balance at September 26, 1998	9,036	39,120	(1,694)	82,255	119,681	
Issuance of common stock upon exercise of stock options	200	2,487	--	--	2,487	
Issuance of common stock for employee stock purchase plan	14	269	--	--	269	
Foreign currency translation adjustment	--	--	93	--	93	$ 93
Repurchase of common stock	(250)	(5,625)	--	--	(5,625)	
Net earnings for the fiscal year ended September 25, 1999	--	--	--	14,264	14,264	14,264
Comprehensive Income	--	--	--	--	--	$14,357
Balance at September 25, 1999	9,000	$36,251	$(1,601)	$96,519	$131,169	

The accompanying notes are an integral part of this statement.

Consolidated Statements of Cash Flows

	Fiscal year ended September 25, 1999	September 26, 1998	September 27, 1997
	(In thousands)		
Operating activities:			
Net earnings	$ 14,264	$ 11,850	$ 8,159
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization of fixed assets	24,179	21,807	17,090
Amortization of intangibles and deferred costs	3,459	3,352	2,180
Losses (gains) from disposals of property and equipment	168	306	(26)
Increase (decrease) in deferred income taxes	3,315	1,007	(23)
Other adjustments	73	23	14
Changes in assets and liabilities, net of effects from purchase of companies:			
Decrease (increase) in accounts receivable	2,609	(6,378)	(6,615)
Decrease (increase) in inventories	700	958	(1,008)
(Increase) decrease in prepaid expenses	(21)	(71)	174
(Decrease) increase in accounts payable and accrued liabilities	(378)	4,325	426
Net cash provided by operating activities	48,368	37,179	20,371
Investing activities:			
Purchases of property, plant and equipment	(26,606)	(31,803)	(19,581)
Payments for purchases of companies, net of cash acquired and debt assumed	(2,336)	(14,813)	(18,601)
Proceeds from investments held to maturity	255	190	6,146
Proceeds from investments available for sale	--	495	1,710
Proceeds from disposals of property and equipment	518	1,000	273
Other	(450)	(201)	(420)
Net cash used in investing activities	(28,619)	(45,132)	(30,473)

Financing activities:

Proceeds from borrowings	4,000	56,150	35
Proceeds from issuance of common stock	2,365	2,125	930
Payments to repurchase common stock	(5,625)	--	--
Payments of long-term debt	(17,748)	(48,519)	(9)
Net cash provided by (used in) financing activities	(17,008)	9,756	956
Net increase (decrease) in cash and cash equivalents	2,741	1,803	(9,146)
Cash and cash equivalents at beginning of year	3,204	1,401	10,547
Cash and cash equivalents at end of year	$ 5,945	$ 3,204	$ 1,401

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Note A--Summary of Significant Accounting Policies

J&J Snack Foods Corp. and Subsidiaries (the Company) manufactures, markets and distributes a variety of nutritional snack foods and beverages to the food service and retail supermarket industries. A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows.

1. Principles of Consolidation
The consolidated financial statements include the accounts of J&J Snack Foods Corp. and its wholly-owned subsidiaries. Intercompany balances and transactions have been eliminated in the consolidated financial statements.

2. Revenue Recognition
The Company recognizes revenue when its product is shipped or its services are performed.

The Company sells service contracts covering frozen carbonated beverage machines sold. The terms of coverage range between 12 and 48 months. The Company records deferred income on service contracts which is amortized by the straight-line method over the term of the contracts.

During the years ended September 25, 1999 and September 26, 1998, the Company sold $836,000 and $509,000, respectively, of service contracts related to its frozen beverage machines. At September 25, 1999, deferred income on service contracts was $138,000, of which $137,000 is reflected as short-term and included in accrued liabilities on the consolidated balance sheet. Service contract income of $897,000, $578,000 and $179,000 was recognized for the fiscal years ended 1999, 1998 and 1997, respectively.

3. Foreign Currency
Assets and liabilities in foreign currencies are translated into U.S. dollars at the rate of exchange prevailing at the balance sheet date. Revenues and expenses are translated at the average rate of exchange for the period. The cumulative translation adjustment is recorded as a separate component of stockholders' equity.

4. Use of Estimates
In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5. Cash Equivalents
Cash equivalents are short-term, highly liquid investments with original maturities of three months or less.

6. Concentrations of Credit Risk
Concentrations of credit risk with respect to trade receivables are limited due to the dispersion of the Company's customers over different industries and geographies.

7. Inventories
Inventories are valued at the lower of cost (determined by the first-in, first-out method) or market.

8. Investment Securities
The Company classifies its investments in securities in one of three categories: held to maturity, trading and available for sale. Debt securities that the Company has the positive intent and ability to hold to maturity are classified as held to maturity and are reported at amortized cost. As the Company does not engage in securities trading, the balance of its debt securities and any equity securities are classified as available for sale. Net unrealized gains and losses, if significant on such securities, net of income tax, are reported as a separate component of stockholders' equity and excluded from the determination of net income.

9. Depreciation and Amortization
Depreciation of equipment and buildings is provided for by the straight-line and accelerated methods over the assets' estimated useful lives. Amortization of improvements is provided for by the straight-line method over the term of the lease or the assets' estimated useful life, whichever is shorter. Goodwill, trademarks and rights arising from acquisitions are amortized by the straight-line method over periods ranging from 5 to 30 years. Management reviews the realization of goodwill based upon past and expected performance of individual acquired businesses.

In fiscal year 1997, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," which provides guidance on when to recognize and how to measure impairment losses of long-lived assets and certain identifiable intangibles and how to value long-lived assets to be disposed of. There was no material impact as a result of the adoption of SFAS No. 121 on the financial position and results of operations of the Company.

10. Fair Value of Financial Instruments
The carrying value of the Company's short-term financial instruments, such as receivables and accounts payable approximate their fair values, based on the short-term maturities of these instruments. The carrying value of long-term debt obligations, consisting primarily of unsecured term note and an unsecured general purpose credit line with interest rates based on current short-term market rates, approximates the fair value at September 25, 1999 and September 26, 1998.

11. Income Taxes
The Company accounts for its income taxes under the liability method. Under the liability method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities as measured by the enacted tax rates which will be in effect when these differences reverse. Deferred tax expense is the result of changes in deferred tax assets and liabilities.

12. Earnings Per Common Share
In fiscal year 1998, the Company adopted SFAS No. 128, "Earnings Per Share" ("EPS"). The new standard eliminated primary and fully diluted EPS and instead requires presentation of basic and diluted EPS in conjunction with the disclosure of the methodology used in computing such EPS. Basic EPS excludes dilution and is computed by dividing income available to common shareholders by the weighted average common shares outstanding during the period. Diluted EPS takes into consideration the potential dilution that could occur if securities (stock options) or other contracts to issue common stock were exercised and converted into common stock. EPS calculations for 1997 have been restated to reflect the adoption of SFAS No. 128. The effect of adopting this new standard was not material.

13. Accounting for Stock-Based Compensation
In fiscal year 1997, the Company adopted SFAS No. 123, "Accounting for Stock-Based Compensation," which contains a fair value-based method for valuing stock-based compensation that entities may use, which measures compensation cost at the grant date based on the fair value of the award. Compensation is then recognized over the service period, which is usually the vesting period. The Company has chosen an alternative, permitted by the standard, to continue accounting for employee stock options and similar equity

instruments under Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees."

14. Advertising Costs
Advertising costs are expensed as incurred. Total advertising expense was $5,537,000, $4,128,000, and $3,892,000 for the fiscal years 1999, 1998 and 1997, respectively.

15. Interest Rate Risk Management
As part of its risk management activities, the Company uses interest rate swaps to modify the interest rate characteristics of certain long-term obligations. The Company holds no other derivatives or similar instruments. The derivatives contracts are designated as hedges when acquired. They are expected to be effective economic hedges and have high correlation with the items being hedged at inception and throughout the hedge period. The variable interest rate of a swap contract is referenced to the same index as the variable interest rate of the debt being hedged.

Interest rate swaps are accounted for using the accrual method, with an adjustment to interest expense in the income statement. The effects of swap positions are included in financing activities in the Statements of Cash Flows. Interest receivable or payable under the swap contracts is included in Receivables or Accounts Payable. Unrealized gains and losses on the swaps are not recognized in the balance sheet. Realized gains and losses from disposition or settlement of swap contracts are deferred on the balance sheet and amortized to interest expense over the appropriate period.

If the hedged item is settled or terminated, deferred and/or unrecognized gains or losses on the hedging instrument on that date are recognized as an adjustment to the gain or loss on disposition or termination of the related hedged item. Future accruals on the swap and subsequent gains and losses on the swap or forward contract are included in income in the period they occur.

16. Comprehensive Income

In fiscal year 1999, the Company adopted SFAS No. 130, "Reporting Comprehensive Income". SFAS No. 130 established standards for reporting and display of comprehensive income and its components in the financial statements. These financial statements have been reclassified to reflect the provisions of SFAS No. 130.

17. Segment Reporting
In fiscal year 1999, the Company adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". SFAS No. 131 superceded SFAS 14, "Financial Reporting for Segments of a Business Enterprise", replacing the "industry segment" approach with the "management approach". The management approach designates the internal organization that is used by management for making operating decisions and assessing performance as the source of the Company's reportable segments, as well as disclosures about products and services and major customers. The adoption of SFAS No. 131 did not affect the results of operations or the financial position of the Company. (See Note P.)

18. Recent Accounting Pronouncements
In June 1998, SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" was issued. Subsequent to this statement, SFAS No. 137 was issued, which amended the effective date of SFAS No. 133 to be all fiscal quarters of all fiscal years beginning after June 15, 2000. Based on the Company's minimal use of derivatives at the current time, management does not anticipate the adoption of SFAS No. 133 will have a significant impact on earnings or financial position of the Company. However, the impact from adopting SFAS No. 133 will depend on the nature and purpose of the derivatives instruments in use by the Company at that time.

Note B--Acquisitions

In February 1999, the Company acquired the Camden Creek Bakery cookie business from Schwan's Sales Enterprises, Inc., Marshall, MN. Camden Creek sells frozen ready-to-bake cookies to the food service industry with approximately $4.6 million of sales in 1998.

In December 1997, the Company acquired the common stock of National ICEE Corporation. National ICEE Corporation, with annual sales of approximately $40 million, markets and distributes frozen carbonated beverages primarily in the eastern half of the United States. The Company incurred approximately $50 million of debt to complete the acquisition. The following are the unaudited pro forma results of operations for the fiscal years 1998 and 1997 assuming the above had occurred at the beginning of that fiscal year (in thousands, except per share amounts):

	1998	1997
Sales	$268,390	$259,952
Net Earnings	$11,346	$8,645
Earnings per diluted share	$1.21	$.96

In January 1997, the Company acquired the assets of Mama Tish's International Foods by assuming certain of its liabilities. Mama Tish's is a manufacturer and distributor of Italian ices, sorbets and other frozen juice products.

In November 1996, the Company acquired all of the common stock of Pretzels, Inc. for cash. Trading as TEXAS TWIST, Pretzels, Inc. is a soft pretzel manufacturer selling to both the food service and retail supermarket industries.

In October 1996, the Company acquired the assets of Bakers Best Snack Food Corp. for cash. Bakers Best is a manufacturer of soft pretzels selling to both the food service and retail supermarket industries.

The acquisitions were accounted for under the purchase method of accounting, and the operations are included in the consolidated financial statements from the respective acquisition dates.

Note C--Credit Arrangements

To fund the acquisition of National ICEE Corporation in December 1997, and to retire most of its debt, the Company incurred the following debt:

$40,000,000 unsecured term note, at an interest rate of 6.61% fixed through swap agreements, with 60 monthly principal payments of $666,667 plus interest beginning January 8, 1998. At September 25, 1999, $8,000,000 of the note was classified under current maturities of long-term debt. At September 25, 1999, the principal balance of the note was $26,000,000. (See Note H.)

$10,000,000 borrowing under a $30,000,000 unsecured general-purpose bank line of credit. Interest payments on the balance borrowed under the line are due monthly. The interest rate on the outstanding borrowings under the line was 5.95% at September 25, 1999. Borrowings under the credit line were $11,000,000 at September 25, 1999. (See Note H.)

Note D--Investment Securities

The amortized cost, gross unrealized gains and losses, and fair values of the Company's investment securities held to maturity at September 25, 1999 are summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In thousands)		
Corporate debt securities	$ 924	$ --	$ --	$ 924
Municipal government securities	1,425	--	(17)	1,408
Other debt securities	500	--	--	500
	$ 2,849	$ --	$ (17)	$ 2,832

The amortized cost, gross unrealized gains and losses, and fair values of the Company's investment securities held to maturity at September 26, 1998 are summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value

	(In thousands)			
Corporate debt securities	$ 947	$ 38	$ --	$ 985
Municipal Government securities	1,680	28	--	1,708
Other debt securities	500	--	--	500
	$ 3,127	$ 66	$ --	$ 3,193

The following table lists the maturities of investment securities classified as held to maturity at September 25, 1999:

	Amortized Cost	Fair Value
	(In thousands)	
Due in less than one year	$ 924	$ 924
Due after one year through five years	1,925	1,908
	$ 2,849	$ 2,832

Proceeds from sales of securities were $255,000, $495,000 and $1,710,000 for fiscal years 1999, 1998 and 1997, respectively. The Company uses the specific identification method to determine the cost of securities sold. No material gains or losses were realized on sales of investment securities.

Note E--Inventories

Inventories consist of the following:

	September 25, 1999	September 26, 1998
	(In thousands)	
Finished goods	$ 8,118	$ 8,054
Raw materials	1,579	2,190
Packaging materials	1,770	2,239
Equipment parts and other	4,720	3,964
	$ 16,187	$ 16,447

Note F--Property, Plant and Equipment

Property, plant and equipment consist of the following:

	September 25, 1999	September 26, 1998	Estimated Useful Lives
	(In thousands)		
Land	$ 745	$ 839	--
Buildings	5,386	5,432	15-39.5 years
Plant machinery and equipment	66,305	60,275	5-10 years
Marketing equipment	138,335	126,653	5 years
Transportation equipment	2,049	2,149	5 years
Office equipment	6,308	5,446	3-5 years
Improvements	11,769	10,616	5-20 years
Construction in progress	1,356	1,154	--
	$ 232,253	$ 212,564	

Note G--Accrued Liabilities

Included in accrued liabilities is accrued compensation of $5,024,000 and $4,297,000 as of September 25, 1999 and September 26, 1998, respectively.

Note H--Long-Term Debt

Long-term debt consists of the following:

	September 25, 1999	September 26, 1998
	(In thousands)	
$40,000,000 unsecured term note, with 60 monthly principal payments of $666,667 plus 6.61% interest		

beginning January 8, 1998 (subject to financial covenants)	$ 26,000	$ 34,000
$30,000,000 unsecured general-purpose bank credit line, with interest rate tied to LIBOR with interest payments due monthly (subject to financial covenants)	11,000	16,000
7.25% redeemable economic development revenue bonds payable December 2005; interest payable semiannually (subject to financial covenants)	5,000	5,000
Other	874	1,622
	42,874	56,622
Less current maturities	8,214	8,423
	$ 34,660	$ 48,199

Annual principal payments of long-term debt as of September 25, 1999 are as follows (in thousands):

2000	$ 8,214
2001	19,178
2002	8,113
2003	2,369
2004	--
2005 and thereafter	5,000
	$ 42,874

Note I--Income Taxes

Income tax expense is as follows:

	Fiscal year ended September 25, 1999	September 26, 1998	September 27, 1997
	(In thousands)		
Current			
U.S. Federal	$ 4,516	$ 5,389	$ 3,381
Foreign	55	38	40
State	491	525	394
	5,062	5,952	3,815
Deferred (Benefit)			
U.S. Federal	3,046	913	(3)
Foreign	--	7	(23)
State	269	87	3
	3,315	1,007	(23)
	$ 8,377	$ 6,959	$ 3,792

The provisions for income taxes differ from the amounts computed by applying the federal income tax rate of approximately 34% to earnings before income taxes for the following reasons:

	Fiscal year ended September 25, 1999	September 26, 1998	September 27, 1997
	(In thousands)		
Income taxes at statutory rates	$ 7,698	$ 6,395	$4,063
Increase (decrease) in taxes resulting from:			
State income taxes, net of federal income tax benefit	324	404	267
Nontaxable income	(38)	(55)	(120)
Other, net	393	215	(418)
	$ 8,377	$ 6,959	$ 3,792

Deferred tax assets and liabilities consist of the following:

	Fiscal year ended September 25, 1999	September 26, 1998
(In thousands)		

Deferred tax assets:		
Vacation accrual	$ 391	$ 298
Insurance accrual	862	515
Deferred income	134	206
Other, net	956	458
	2,343	1,477
Deferred tax liabilities:		
Depreciation of property and equipment	9,436	5,628
Other, net	609	236
	10,045	5,864
	$ 7,702	$ 4,387

Note J--Earnings Per Share

The Company's calculation of EPS in accordance with SFAS No. 128, "Earnings Per Share," is as follows:

	Fiscal Year Ended September 25, 1999		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(In thousands, except per share amounts)		
Earnings Per Basic Share			
Net Income available to common stockholders	$ 14,264	9,025	$ 1.58
Effect of Dilutive Securities			
Options	--	505	(.08)
Earnings Per Diluted Share			
Net Income available to common stockholders plus assumed conversions	$ 14,264	9,530	$ 1.50

	Fiscal Year Ended September 26, 1998		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(In thousands, except per share amounts)		
Earnings Per Basic Share			
Net Income available to common stockholders	$ 11,850	8,947	$ 1.32
Effect of Dilutive Securities			
Options	--	421	(.06)
Earnings Per Diluted Share			
Net Income available to common stockholders plus assumed conversions	$ 11,850	9,368	$ 1.26

	Fiscal Year Ended September 27, 1997		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(In thousands, except per share amounts)		
Earnings Per Basic Share			
Net Income available to common stockholders	$ 8,159	8,781	$.93
Effect of Dilutive Securities			
Options	--	204	(.02)
Earnings Per Diluted Share			
Net Income available to common stockholders plus assumed conversions	$ 8,159	8,985	$.91

Note K--Commitments

1. Lease Commitments
The following is a summary of approximate future minimum rental commitments for noncancelable operating leases with terms of more than one year as of September 25, 1999:

	Plants and Offices	Equipment	Total
	(In thousands)		
2000	$ 4,082	$ 3,795	$ 7,877
2001	3,497	3,078	6,575

2002	3,102	2,314	5,416
2003	2,651	1,696	4,347
2004	2,284	819	3,103
2005 and thereafter	11,020	399	11,419
	$ 26,636	$ 12,101	$ 38,737

Total rent expense was $8,547,000, $7,766,000 and $6,002,000 for fiscal years 1999, 1998 and 1997, respectively.

2. Other Commitments
The Company is a party to litigation which management currently believes will not have a material adverse effect on the Company's financial condition or results of operations.

Note L--Capital Stock

Under share repurchase programs authorized by the Board of Directors, 712,000 shares remain to be repurchased. In fiscal year 1999, the Company purchased and retired 250,000 shares of its common stock at a cost of $5,625,000. The Company purchased the stock from its President and Chief Executive Officer.

Note M--Stock Options

The Company has a Stock Option Plan (the "Plan"). Pursuant to the

Plan, stock options may be granted to officers and key employees of the Company which qualify as incentive stock options as well as stock options which are nonqualified. The exercise price of incentive stock options is at least the fair market value of the common stock on the date of grant. The exercise price for nonqualified options is determined by a committee of the Board of Directors. The options are generally exercisable after three years and expire no later than ten years from date of grant. There were 1,500,000 shares reserved under the Plan; options for 268,000 shares remain unissued as of September 25, 1999.

The Company has a nonqualified stock option plan for nonemployee directors and the Chief Executive Officer of the Company whereby a total of 340,000 shares of common stock may be issued. Under this plan, each nonemployee director is granted options to purchase 3,000 shares of common stock, and the Chief Executive Officer is granted options to purchase 25,000 shares annually. The option price is equal to the fair market value of the common stock at the date of grant, and the options expire ten years after date of grant. Other nonqualified options have been issued to the Chief Executive Officer, directors and certain employees.

The Company has adopted only the disclosure provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." It applies APB Opinion No. 25 and related interpretations in accounting for its plans and does not recognize compensation expense for its stock-based compensation plans. Had compensation cost for the plans been determined based on the fair value of the options at the grant date consistent with SFAS No. 123, the Company's net earnings and earnings per common share would have been reduced to the pro forma amounts indicated below:

	Fiscal Year Ended		
	September 25, 1999	September 26, 1998	September 27, 1997
	(in thousands, except per share amounts)		
Net Earnings:			
As reported	$14,264	$11,850	$8,159
Pro forma	13,054	11,112	7,697
Earnings Per Diluted Share:			
As reported	$1.50	$1.26	$.91
Pro forma	1.37	1.18	.86

These pro forma amounts may not be representative of future disclosures because they do not take into effect pro forma compensation expense related to grants before October 1, 1995. The fair value of these options is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions for grants in fiscal 1999, 1998 and 1997, respectively; expected volatility of 40% in 1999 and 30% in 1998 and 1997; risk-free interest rates of 6.21%, 5.12% and 6.71%; and expected lives ranging between 4.5 and 10 years for all years.

A summary of the status of the Company's option plans as of fiscal years 1999, 1998 and 1997 and the changes during the years ended on those dates is represented below:

	Incentive Stock Options		Nonqualified Stock Options	
	Stock Options Outstanding	Weighted-Average Exercise Price	Stock Options Outstanding	Weighted-Average Exercise Price
Balance, September 29, 1996	745,493	$10.97	315,000	$11.27
Granted	267,743	$11.53	34,000	$12.75
Exercised	(84,200)	$ 9.38	--	--
Cancelled	(52,650)	$11.15	--	--
Balance, September 27, 1997	876,386	$11.26	349,000	$11.41
Granted	223,396	$15.77	34,000	$19.25
Exercised	(150,949)	$12.56	(22,500)	$ 6.63
Cancelled	(52,500)	$11.40	--	--
Balance, September 26, 1998	896,333	$12.18	360,500	$12.41
Granted	241,860	$21.87	34,000	$21.75
Exercised	(149,960)	$11.62	(62,000)	$11.39
Cancelled	(37,574)	$12.22	--	--
Balance, September 25, 1999	950,659	$14.67	332,500	$13.56
Exercisable Options, September 25, 1999	292,153		298,500	

The weighted-average fair value of incentive options granted during fiscal years ended September 25, 1999, September 26, 1998 and September 27, 1997 was $9.22, $5.31 and $4.24, respectively. The weighted-average fair value of nonqualified stock options granted during fiscal years ended September 25, 1999, September 26, 1998 and September 27, 1997 was $13.75, $10.56 and $5.97, respectively.

The following table summarizes information about incentive stock options outstanding at September 25, 1999:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at September 25,1999	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable at September 25, 1999	Weighted-Average Exercise Price
$ 7.25 - $10.50	170,000	1.6 years	$ 9.38	170,000	$ 9.38
$11.00 - $16.38	550,799	2.7 years	$13.31	122,153	$11.38
$20.00 - $24.50	229,860	4.2 years	$21.84	--	--
	950,659			292,153	

The following table summarizes information about nonqualified stock options outstanding at September 25, 1999:

Options Outstanding Options Exercisable

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at September 25,1999	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable at September 25, 1999	Weighted-Average Exercise Price
$ 7.25 - $10.75	44,500	2.1 years	$ 9.92	44,500	$ 9.92
$11.00 - $13.625	220,000	4.9 years	$12.12	220,000	$12.16
$19.25 - $21.75	68,000	9.1 years	$20.50	34,000	$19.25
	332,500			298,500	

Note N--401(k) Profit-Sharing Plan

The Company maintains a 401(k) profit-sharing plan for its employees. Under this plan, the Company may make discretionary profit-sharing and matching 401(k) contributions. Contributions of $684,000, $512,000 and $404,000 were made in fiscal years 1999, 1998 and 1997, respectively.

Note O--Cash Flow Information

The following is supplemental cash flow information:

	Fiscal Year Ended September 25, 1999	September 26, 1998	September 27, 1997
	(In thousands)		
Cash paid for:			
Interest	$ 3,231	$ 2,870	$ 431
Income taxes	5,617	6,461	4,469

Note P--Segment Reporting
Using the guidelines set forth in SFAS No. 131, the Company has two reportable segments: Snack Foods and Frozen Beverages. Snack Foods manufactures and distributes snack foods and bakery items. Frozen Beverages markets and distributes frozen beverage products. The segments are managed as strategic business units due to their distinct production processes and capital requirements.

The Company evaluates each segment's performance based on income or loss before taxes, excluding corporate and other unallocated expenses and non-recurring charges. Information regarding the operations in these reportable segments is as follows:

	Fiscal year ended September 25, 1999	September 26, 1998	September 27, 1997
	(In thousands)		
Sales:			
Snack Foods	$ 196,690	$ 178,591	$ 172,403
Frozen Beverages	91,749	83,799	47,915
	$ 288,439	$ 262,390	$ 220,318
Depreciation and Amortization:			
Snack Foods	$ 13,039	$ 12,167	$ 11,020
Frozen Beverages	14,599	12,992	8,250
	$ 27,638	$ 25,159	$ 19,270
Income Before Taxes:			
Snack Foods	$ 17,227	$ 14,418	$ 9,512
Frozen Beverages	5,414	4,391	2,439
	$ 22,641	$ 18,809	$ 11,951
Capital Expenditures:			
Snack Foods	$ 12,332	$ 15,604	$ 9,502
Frozen Beverages	14,274	16,199	10,079
	$ 26,606	$ 31,803	$ 19,581
Assets:			
Snack Foods	$ 112,271	$ 109,378	$ 106,790
Frozen Beverages	101,409	103,883	30,037
	$ 213,680	$ 213,261	$ 136,827

Sales to a single Snack Foods' customer were approximately 10% of the Company's sales for each of the years ending 1998 and 1997.

Report of Independent Certified Public Accountants

Shareholders and Board of Directors
J&J SNACK FOODS CORP.

We have audited the accompanying consolidated balance sheets of J&J Snack Foods Corp. and Subsidiaries as of September 25, 1999 and September 26, 1998, and the related consolidated statements of earnings, changes in stockholders' equity and cash flows for each of the fiscal years in the three-year period ended September 25, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of J&J Snack Foods Corp. and Subsidiaries as of September 25, 1999 and September 26, 1998, and the consolidated results of their operations and their consolidated cash flows for each of the fiscal years in the three-year period ended September 25, 1999 in conformity with generally accepted accounting principles.

Grant Thornton LLP
Philadelphia, Pennsylvania
November 2, 1999

Corporate Information

Directors

Gerald B. Shreiber
Chairman of the Board,
President and Chief Executive Officer

Dennis G. Moore
Senior Vice President,
Chief Financial Officer,
Secretary and Treasurer

Robert M. Radano
Senior Vice President and Chief Operating Officer

Stephen N. Frankel
President,
Stephen N. Frankel Realtor, Inc.

Peter G. Stanley
Consultant

Leonard M. Lodish, Ph.D.
Samuel R. Harrell Professor,
Marketing Department of the Wharton School,
University of Pennsylvania

Officers

Gerald B. Shreiber
Chairman of the Board,
President and Chief Executive Officer

Dennis G. Moore
Senior Vice President,
Chief Financial Officer,
Secretary and Treasurer

Robert M. Radano
Senior Vice President and Chief Operating Officer

Robyn Shreiber Cook
Senior Vice President, West

Paul L. Hirschman
Vice President, Information Systems

Officers of Subsidiary Companies

J&J SNACK FOODS CORP. OF NEW JERSEY

John Duckett
Vice President, Service & Assembly

Anthony P. Harrison II
Vice President, Quality Control and Research & Development

John P. Heim
Vice President, Engineering & Manufacturing

Michael Karaban
Vice President, Marketing

H. Robert Long
Vice President, Distribution

Craig S. Parker

Vice President, School Food Service & Branded Concepts

Milton L. Segal
Vice President, Purchasing

Steven J. Taylor
Vice President, Sales

J&J SNACK FOODS CORP. OF CALIFORNIA

Don Smith
Vice President, Research and Development

MIA PRODUCTS
T.J. Couzens
Vice President/General Manager

THE ICEE COMPANY

Dan Fachner
President

Kent Galloway
Vice President and Chief Financial Officer

Joe Boulanger
Vice President/General Manager
Western Zone

Lou Fiorentino
Vice President/General Manager
Eastern Zone

Rick Naylor
Vice President/General Manager
Central Zone

Rod Sexton
Vice President of Service Operations

ICEE DE MEXICO, S.A. DE C.V.

Andres Gonzalez
Vice President

PRETZELS, INC.

Gary Powell
President

Quarterly Common Stock Data

	Market Price	
Fiscal 1999	High	Low
1st Quarter	22 1/2	15 3/4
2nd Quarter	25	19 5/16
3rd Quarter	24	19 3/4
4th Quarter	24 7/16	20 1/4
Fiscal 1998	High	Low
1st Quarter	17 3/8	13 1/2
2nd Quarter	19 1/2	12 1/2
3rd Quarter	20 3/4	17 7/8
4th Quarter	22 1/4	14 3/4

Stock Listing
The common stock of J&J Snack Foods Corp.
is traded on the over-the-counter market
on the NASDAQ National Market System
with the symbol JJSF.

Transfer Agent and Registrar
American Stock Transfer & Trust Company
6201 15th Avenue
Brooklyn, NY 11219

Independent Accountants
Grant Thornton LLP

Counsel
Blank, Rome, Comisky & McCauley LLP

Annual Meeting
The Annual Meeting of Shareholders
is scheduled for Thursday, February 3, 2000
at 10:00 a.m. at the Hilton at
Cherry Hill, 2349 W. Marlton Pike,
Cherry Hill, New Jersey.

Form 10-K
Copies of the Company's Annual Report
to the Securities and Exchange Commission
on Form 10-K may be obtained without charge
by writing to:

J&J Snack Foods Corp.
6000 Central Highway
Pennsauken, NJ 08109
Attention: Dennis G. Moore

Web Site
www.jjsnack.com

EXHIBIT 22.1 - SUBSIDIARIES OF J & J SNACK FOODS CORP.

	Place of Incorporation
J & J Snack Foods Investment Corp.	Delaware
The ICEE Company	Delaware
J & J Snack Foods Corp. of New Jersey	New Jersey
J & J Snack Foods Corp. of California	California
J & J Snack Foods Corp./Midwest	Illinois
J & J Snack Foods Corp./Mia	Pennsylvania
J & J Snack Foods Corp. of Pennsylvania	Pennsylvania
J & J Snack Foods Sales Corp.	New Jersey
J & J Snack Foods Sales Corp. of Texas	Texas
J & J Snack Foods Transport Corp.	New Jersey
ICEE-Canada, Inc.	Canada
ICEE de Mexico, S.A. De C.V.	Mexico
J & J Restaurant Group, Inc.	Pennsylvania
Bakers Best Snack Food Corp.	Pennsylvania
Pretzels, Inc.	Texas
Federal PBC Company	Pennsylvania

EXHIBIT 24.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our reports dated November 2, 1999 accompanying the consolidated financial statements and schedules incorporated by reference or included in the Annual Report of J & J Snack Foods Corp. and Subsidiaries on Form 10-K for the year ended September 25, 1999. We hereby consent to the incorporation by reference of said reports in the Registration Statement of J & J Snack Foods Corp. and Subsidiaries on Forms S-8 (File No. 333-03833, effective May 16, 1996, File No. 33-87532, effective December 16, 1994 and File No. 33-50036, effective July 24, 1992).

GRANT THORNTON LLP

Philadelphia, Pennsylvania
December 16, 1999

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