

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the period ended March 25, 2006

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 0-14616

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

New Jersey 22-193537
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

6000 Central Highway, Pennsauken, NJ 08109
(Address of principal executive offices)

Telephone (856) 665-9533

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act)

Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of April 18, 2006, there were 18,366,134 shares of the Registrant's Common Stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

J & J SNACK FOODS CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

ASSETS

	March 25, 2006 (Unaudited)	September 24, 2005
Current assets		
Cash and cash equivalents	\$ 9,648	\$ 15,795
Marketable securities	60,750	54,225
Accounts receivable, net	47,456	46,921
Inventories	38,024	33,684
Prepaid expenses and other	1,660	1,215
Deferred income taxes	2,424	2,393
	159,962	154,233
Property, plant and equipment, at cost		
Land	556	556
Buildings	4,497	4,497
Plant machinery and equipment	107,100	105,815
Marketing equipment	192,048	188,601
Transportation equipment	1,348	1,271
Office equipment	8,451	8,966
Improvements	15,124	15,083
Construction in progress	2,819	1,354
	331,943	326,143
Less accumulated deprecia- tion and amortization	243,303	237,098
	88,640	89,045
Other assets		
Goodwill	54,122	53,622
Other intangible assets, net	8,314	7,043
Other	2,161	1,981
	64,597	62,646
	\$313,199	\$305,924

See accompanying notes to the consolidated financial statements.

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J & J SNACK FOODS CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS - Continued
(in thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY	March 25, 2006 (Unaudited)	September 24, 2005
Current liabilities		
Accounts payable	\$ 40,001	\$ 37,029

Accrued liabilities	12,325	14,731
Dividends payable	1,375	1,142
	53,701	52,902
Deferred income taxes	17,987	17,987
Other long-term liabilities	743	273
	18,730	18,260
Stockholders' equity		
Capital stock		
Preferred, \$1 par value; authorized, 10,000 shares; none issued	-	-
Common, no par value; authorized 50,000 shares; issued and outstanding, 18,351 and 18,271 shares, respectively	37,705	36,091
Accumulated other comprehen- sive loss	(1,924)	(1,918)
Retained earnings	204,987	200,589
	240,768	234,762
	\$313,199	\$305,924

All share amounts reflect the 2-for-1 stock split effective January 5, 2006.

See accompanying notes to the consolidated financial statements.

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J & J SNACK FOODS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands, except per share amounts)

	Three months ended		Six months ended	
	March 25, 2006	March 26, 2005	March 25, 2006	March 26, 2005
Net Sales	\$112,044	\$99,350	\$220,615	\$197,871
Cost of goods sold(1)	76,818	67,154	152,272	135,679
Gross profit	35,226	32,196	68,343	62,192
Operating expenses				
Marketing(2)	14,315	12,804	28,012	25,652
Distribution(3)	10,139	9,299	20,495	18,222
Administrative(4)	4,821	4,476	9,616	8,795
Other general (income) expense	(43)	(76)	29	176
	29,232	26,503	58,152	52,845
Operating income	5,994	5,693	10,191	9,347
Other income (expenses)				
Investment income	755	392	1,458	714
Interest expense	(30)	(34)	(59)	(58)
Earnings before income taxes	6,719	6,051	11,590	10,003
Income taxes	2,582	2,261	4,443	3,731
NET EARNING S	\$ 4,137	\$ 3,790	\$ 7,147	\$ 6,272
Earnings per diluted share	\$.22	\$.20	\$.38	\$.34
Weighted average number				

of diluted shares	18,811	18,581	18,754	18,526
Earnings per basic share	\$.23	\$.21	\$.39	\$.35
Weighted average number of basic shares	18,383	18,165	18,356	18,114

- (1) Includes share-based compensation expense of \$82 and \$141 for the three and six months ended March 25, 2006, respectively.
- (2) Includes share-based compensation expense of \$157 and \$272 for the three and six months ended March 25, 2006, respectively.
- (3) Includes share-based compensation expense of \$7 and \$12 for the three and six months ended March 25, 2006, respectively.
- (4) Includes share-based compensation expense of \$111 and \$192 for the three and six months ended March 25, 2006, respectively.

All share amounts reflect the 2-for-1 stock split effective January 5, 2006.

See accompanying notes to the consolidated financial statements.

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J & J SNACK FOODS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited) (in thousands)

	Six months ended	
	March 25, 2006	March 26, 2005
Operating activities:		
Net earnings	\$ 7,147	\$ 6,272
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization of fixed assets	11,487	11,424
Amortization of intangibles and deferred costs	749	373
Share-based compensation	617	-
Deferred income taxes	(31)	-
Other	(26)	83
Changes in assets and liabilities, net of effects from purchase of companies		
(Increase) decrease in accounts receivable	(346)	9,205
Increase in inventories	(4,416)	(4,598)
Increase in prepaid expenses	(433)	(318)
Increase (decrease) in accounts payable and accrued liabilities	239	(3,787)
Net cash provided by operating activities	14,987	18,654
Investing activities:		
Purchases of property, plant and equipment	(10,830)	(9,828)
Payments for purchase of companies, net of cash acquired	(2,401)	(15,429)
Purchase of marketable securities	(22,075)	(14,400)
Proceeds from sale of marketable securities	15,550	9,000
Proceeds from disposal of property and equipment	419	459
Other	(273)	(25)
Net cash used in investing activities	(19,610)	(30,223)
Financing activities:		
Proceeds from issuance of stock	997	1,177
Payment of cash dividend	(2,515)	(1,127)
Net cash (used in) provided by financing activities	(1,518)	50
Effect of exchange rate on cash and cash equivalents	(6)	56
Net decrease in cash and cash equivalents	(6,147)	(11,463)
Cash and cash equivalents at beginning of period	15,795	19,600
Cash and cash equivalents at end of period	\$ 9,648	\$ 8,137

See accompanying notes to the consolidated financial statements.

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J & J SNACK FOODS CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position and the results of operations and cash flows. Certain prior year amounts have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported net earnings.

The results of operations for the three months and six months ended March 25, 2006 and March 26, 2005 are not necessarily indicative of results for the full year. Sales of our retail stores are generally higher in the first quarter due to the holiday shopping season. Sales of our frozen beverages and frozen juice bars and ices are generally higher in the third and fourth quarters due to warmer weather.

While we believe that the disclosures presented are adequate to make the information not misleading, it is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and the notes included in the Company's Annual Report on Form 10-K for the year ended September 24, 2005.

Note 2 We recognize revenue from Food Service, Retail Supermarkets, The Restaurant Group and Frozen Beverage products at the time the products are shipped to third parties. When we perform services under service contracts for frozen beverage dispenser machines, revenue is recognized upon the completion of the services on specified machines. We provide an allowance for doubtful receivables after taking into account historical experience and other factors.

Note 3 Depreciation of equipment and buildings is provided for by the straight-line method over the assets' estimated useful lives. Amortization of improvements is provided for by the straight-line method over the

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term of the lease or the assets' estimated useful lives, whichever is shorter. Licenses and rights arising from acquisitions are amortized by the straight-line method over periods ranging from 4 to 20 years.

Note 4 Our calculation of earnings per share in accordance with SFAS No. 128, "Earnings Per Share," is as follows (all share amounts reflect the 2-for-1 stock split effective January 5, 2006):

Three Months Ended March 25, 2006		
Income	Shares	Per Share
(Numerator)	(Denominator)	Amount
(in thousands, except per share amounts)		

Basic EPS

Net Earnings available to common stockholders	\$4,137	18,383	\$.23
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Effect of Dilutive Securities

Options	-	428	(.01)
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Diluted EPS

Net Earnings available to common stockholders plus assumed conversions	\$4,137	18,811	\$.22
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Six Months Ended March 25, 2006		
Income	Shares	Per Share
(Numerator)	(Denominator)	Amount
(in thousands, except per share amounts)		

Basic EPS

Net Earnings available to common stockholders	\$7,147	18,356	\$.39
-----------------------------------------------	---------	--------	-------

Effect of Dilutive Securities			
Options	-	398	(.01)

Diluted EPS

Net Earnings available to common stockholders plus assumed conversions	\$7,147	18,754	\$.38
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Three Months Ended March 26, 2005
Income Shares Per Share
(Numerator) (Denominator) Amount
(in thousands, except per share amounts)

Basic EPS

Net Earnings available to common stockholders	\$3,790	18,165	\$.21
--------------------------------------------------	---------	--------	--------

Effect of Dilutive Securities			
Options	-	416	(.01)

Diluted EPS

Net Earnings available to common stockholders plus assumed conversions	\$3,790	18,581	\$.20
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Six Months Ended March 26, 2005
Income Shares Per Share
(Numerator) (Denominator) Amount
(in thousands, except per share amounts)

Basic EPS

Net Earnings available to common stockholders	\$6,272	18,114	\$.35
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Effect of Dilutive Securities			
Options	-	412	(.01)

Diluted EPS

Net Earnings available to common stockholders plus assumed conversions	\$6,272	18,526	\$.34
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Note 5 Effective with this fiscal year, the Company follows FASB Statement No. 123(R), "Share-Based Payment". Statement 123(R) requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost is measured based on the fair value of the equity or liability instruments issued.

Statement 123(R) covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans.

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In addition to the accounting standard that sets forth the financial reporting objectives and related accounting principles, Statement 123(R) includes an appendix of implementation guidance that provides expanded guidance on measuring the fair value of share-based payment awards.

Statement 123(R) replaces FASB Statement No. 123, Accounting for Stock-Based Compensation, and supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees. Statement 123, as originally issued in 1995, established as preferable a fair-value-based method of accounting for share-based payment transactions with employees. However, that Statement permitted entities the option of continuing to apply the guidance in Opinion 25, as long as the footnotes to financial statements disclosed what net income would have been had the preferable fair-value-based method been used. The impact of Statement 123(R), if it had been in effect, on the net earnings and related per share amounts of our fiscal years ended in September

2005, 2004 and 2003 were disclosed in Note A13 Accounting for Stock-Based Compensation of our Financial Statements included in our Form 10-K for the fiscal year ended September 24, 2005.

Since the Company adopted Statement 123(R) using the modified-prospective-transition-method, prior periods have not been restated. Under this method, we are required to record compensation expense for all awards granted after the date of adoption and for the unvested portion of previously granted awards that remain outstanding as of the beginning of the period of adoption. We measured share-based compensation cost using the Black-Scholes option pricing model.

At March 25, 2006, the Company has two stock-based employee compensation plans. Share-based compensation of \$250,000, net of a tax benefit of \$107,000, or \$.01 per share, was recognized for the three months ended March 25, 2006. For the six months ended March 25, 2006, share-based compensation expense of \$422,000, net of a tax benefit of \$195,000, or \$.02 per share was recognized. The Company anticipates that share-based compensation will not exceed \$1,000,000, net of tax benefits, or approximately \$.053 per share for the year ending

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September 30, 2006. Reported net income, adjusting for share-based compensation that would have been recognized in last year's comparative three and six month periods if Statement 123(R) had been followed is (all share amounts reflect the 2-for-1 stock split effective January 5, 2006):

	Three Months Ended		Six Months Ended	
	March 25, 2006	March 26, 2005	March 25, 2006	March 26, 2005
Net income, as reported	\$4,137	\$3,790	\$7,147	\$6,272
Less: stock-based compensation costs determined under fair value based method for all awards	-	210	-	419
Adjusted net income	\$4,137	\$3,580	\$7,147	\$5,853
Earnings per share of common stock - basic:				
As reported	\$.23	\$.21	\$.39	\$.35
Share-based compensation costs	-	(.01)	-	(.03)
Adjusted net earnings	\$.23	\$.20	\$.39	\$.32
Earnings per share of common stock - diluted:				
As reported	\$.22	\$.20	\$.38	\$.34
Share-based compensation costs	-	(.01)	-	(.02)
Adjusted net earnings	\$.22	\$.19	\$.38	\$.32

The fair value of each option grant is estimated on the date of grant using the Black-Scholes options-pricing model with the following weighted average assumptions used for grants in fiscal 2006: expected volatility of 34%; risk-free interest rate of 4.37% and expected lives ranging between 5 and 10 years.

Expected volatility is based on the historical

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volatility of the price of our common shares over the past 53 months for 5 year options and 10 years for 10 year options. We use historical information to estimate expected life and forfeitures within the valuation model. The expected term of awards represents the

period of time that options granted are expected to be outstanding. The risk-free rate for periods within the expected life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. Compensation cost is recognized using a straight-line method over the vesting or service period and is net of estimated forfeitures.

Note 6 In December 2004, the FASB issued Statement 151, "Inventory Costs, an amendment of ARB No. 43, Chapter 4." Statement 151 retains the general principle of ARB 43, Chapter 4, "Inventory Pricing (AC Section I78)," that inventories are presumed to be stated at cost; however, it amends ARB 43 to clarify that

- abnormal amounts of idle facilities, freight, handling costs, and spoilage should be recognized as charges of the current period
- allocation of fixed production overheads to inventories should be based on the normal capacity of the production facilities.

Statement 151 defines normal capacity as the production expected to be achieved over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance. The Board concluded that normal capacity refers to a range of production levels that will vary based on business- and industry-specific factors. Accordingly, an entity will have to use judgment to determine when production is outside the range of expected variation in production (either abnormally low or abnormally high). In periods of abnormally low production (for example, periods in which there is significantly lower demand, labor and material shortages exist, or there is unplanned equipment downtime) the amount of fixed overhead allocated to each unit of production should not be increased. However, in periods of abnormally high production the amount of fixed overhead allocated to

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each unit of production is decreased to assure inventories are not measured above cost.

The guidance in Statement 151 was effective for inventory costs during fiscal years beginning after June 15, 2005. Since we essentially follow the guidelines of Statement 151, the adoption did not have a material impact on our financial statements.

Note 7 Inventories consist of the following:

	March 25, 2006	September 24, 2005
	(in thousands)	
	(unaudited)	
Finished goods	\$19,618	\$16,016
Raw materials	5,141	4,935
Packaging materials	4,014	3,485
Equipment parts & other	9,251	9,248
	\$38,024	\$33,684

Note 8 We principally sell our products to the food service and retail supermarket industries. We also distribute our products directly to the consumer through our chain of retail stores referred to as The Restaurant Group. Sales and results of our frozen beverages business are monitored separately from the balance of our food service business and restaurant group because of different distribution and capital requirements. We maintain separate and discrete financial information for the four operating segments mentioned above which is available to our Chief Operating Decision Makers. We have applied no aggregate criteria to any of these operating segments in order to determine reportable segments. Our four reportable segments are Food Service, Retail Supermarkets, The Restaurant Group and Frozen Beverages. All inter-segment net sales and expenses have been eliminated in computing net sales and operating income (loss). These segments are described below.

Food Service

The primary products sold to the food service group are soft pretzels, frozen juice treats and desserts,

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churros and baked goods. Our customers in the food service industry include snack bars and food stands in chain, department and discount stores; malls and shopping centers; fast food outlets; stadiums and sports arenas; leisure and theme parks; convenience stores; movie theatres; warehouse club stores; schools, colleges and other institutions. Within the food service industry, our products are purchased by the consumer primarily for consumption at the point-of-sale.

Retail Supermarkets

The primary products sold to the retail supermarket industry are soft pretzel products, including SUPERPRETZEL, LUIGI'S Real Italian Ice, MINUTE MAID Juice Bars and Soft Frozen Lemonade, BARQ'S FLOATZ and ICEE Squeeze-Up Tubes and TIO PEPE'S Churros. Within the retail supermarket industry, our frozen and prepackaged products are purchased by the consumer for consumption at home.

The Restaurant Group

We sell direct to the consumer through our Restaurant Group, which operates BAVARIAN PRETZEL BAKERY and PRETZEL GOURMET, our chain of specialty snack food retail outlets.

Frozen Beverages

We sell frozen beverages to the food service industry, including our restaurant group, primarily under the names ICEE and ARCTIC BLAST in the United States, Mexico and Canada.

The Chief Operating Decision Maker for Food Service, Retail Supermarkets and The Restaurant Group and the Chief Operating Decision Maker for Frozen Beverages monthly review and evaluate operating income and sales in order to assess performance and allocate resources to each individual segment. In addition, the Chief Operating Decision Makers review and evaluate depreciation, capital spending and assets of each segment on a quarterly basis to monitor cash flow and asset needs of each segment. Information regarding the operations in these four reportable segments is as follows:

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	Three Months Ended		Six Months Ended	
	March 25, 2006	March 26, 2005	March 25, 2006	March 26, 2005
	(in thousands)			
Sales to External Customers:				
Food Service	\$ 71,374	\$ 63,463	\$145,990	\$124,935
Retail Supermarket	10,458	9,751	17,694	16,736
Restaurant Group	1,017	1,410	2,255	3,227
Frozen Beverages	29,195	24,726	54,676	52,973
	\$112,044	\$ 99,350	\$220,615	\$197,871
Depreciation and Amortization:				
Food Service	\$ 3,507	\$ 3,330	\$ 7,018	\$ 6,597
Retail Supermarket	-	-	-	-
Restaurant Group	25	53	58	118
Frozen Beverages	2,653	2,560	5,160	5,082
	\$ 6,185	\$ 5,943	\$ 12,236	\$ 11,797
Operating Income(Loss):				
Food Service(1)	\$ 6,186	\$ 5,929	\$ 11,814	\$ 10,225
Retail Supermarket(2)	17	216	274	476
Restaurant Group	35	(17)	36	(237)
Frozen Beverages(3)	(244)	(435)	(1,933)	(1,117)
	\$ 5,994	\$ 5,693	\$ 10,191	\$ 9,347
Capital Expenditures:				

Food Service	\$ 2,417	\$ 2,327	\$ 5,087	\$ 4,194
Retail Supermarket	-	-	-	-
Restaurant Group	-	17	-	40
Frozen Beverages	3,704	3,176	5,743	5,594
	\$ 6,121	\$ 5,520	\$ 10,830	\$ 9,828

Assets:

Food Service	\$216,623	\$190,747	\$216,623	\$190,747
Retail Supermarket	-	-	-	-
Restaurant Group	922	1,292	922	1,292
Frozen Beverages	95,654	87,975	95,654	87,975
	\$313,199	\$280,014	\$313,199	\$280,014

- (1) Includes share-based compensation expense of \$254 and \$438 for the three and six months ended March 25, 2006, respectively.
- (2) Includes share-based compensation expense of \$17 and \$30 for the three and six months ended March 25, 2006, respectively.
- (3) Includes share-based compensation expense of \$86 and \$149 for the three and six months ended March 25, 2006, respectively.

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Note 9 We follow SFAS No. 142 "Goodwill and Intangible Assets." SFAS No. 142 includes requirements to test goodwill and indefinite lived intangible assets for impairment rather than amortize them; accordingly, we no longer amortize goodwill.

Our four reporting units, which are also reportable segments, are Food Service, Retail Supermarkets, The Restaurant Group and Frozen Beverages.

The carrying amounts of acquired intangible assets for the Food Service, Retail Supermarkets, The Restaurant Group and Frozen Beverage segments as of March 25, 2006 are as follows:

	Gross Carrying Amount	Accumulated Amortization (in thousands)	Net Carrying Amount
FOOD SERVICE			
Amortized intangible assets			
Licenses and rights	\$9,013	\$2,466	\$6,547
RETAIL SUPERMARKETS			
Amortized intangible assets			
Licenses and rights	\$ -	\$ -	\$ -
THE RESTAURANT GROUP			
Amortized Intangible Assets			
Licenses and rights	\$ -	\$ -	\$ -
FROZEN BEVERAGES			
Indefinite lived intangible assets			
Licenses and rights	\$1,500	\$ -	\$1,500
Amortized intangible assets			
Licenses and rights	447	180	267
	\$1,947	\$ 180	\$1,767

Licenses and rights are being amortized by the straight-line method over periods ranging from 4 to 20 years and amortization expense is reflected throughout operating expenses. In January 2006, intangible assets of \$1,746,000 were acquired in the ICEE of Hawaii acquisition and a product

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license agreement for \$100,000 was entered into by the food service segment. Aggregate amortization expense of intangible assets for the three months ended March 25, 2006 and March 26, 2005 was \$292,000 and \$155,000, respectively and for the six months ended March 25, 2006 and March 26, 2005 was \$575,000 and \$278,000, respectively.

Estimated amortization expense for the next five fiscal years is approximately \$1,200,000 in 2006 and 2007, \$1,100,000 in 2008 and \$900,000 in 2009 and 2010. The weighted average amortization period of the amortizable intangible assets is 10.40 years.

Goodwill

The carrying amounts of goodwill for the Food Service, Retail Supermarket, Restaurant Group and Frozen Beverage segments are as follows:

	Food Service	Retail Supermarket (in thousands)	Restaurant Group (in thousands)	Frozen Beverages	Total
Balance at March 25, 2006	\$21,386	\$ -	\$386	\$32,350	\$54,122

Goodwill of \$500,000 in the frozen beverages segment was recognized in connection with the January 2006 acquisition of ICEE of Hawaii.

Note 10 The amortized cost, unrealized gains and losses, and fair market values of our investment securities available for sale at March 25, 2006 are summarized as follows:

	Amortized Cost	Gross Unrealized Gains (in thousands)	Gross Unrealized Losses	Fair Market Value
Available for Sale Securities				
Equity Securities	\$55,750	\$ -	\$ -	\$55,750
Municipal Government Securities	5,000	-	-	5,000
	\$60,750	\$ -	\$ -	\$60,750

The amortized cost, unrealized gains and losses, and fair market values of the Company's investment securities available for sale at September 24, 2005 are summarized as follows:

	Amortized Cost	Gross Unrealized Gains (in thousands)	Gross Unrealized Losses	Fair Market Value
Available for Sale Securities				
Equity Securities	\$49,225	\$ -	\$ -	\$49,225
Municipal Government Securities	5,000	-	-	5,000
	\$54,225	\$ -	\$ -	\$54,225

Because of the short term nature of our investment securities held at March 25, 2006 and September 24, 2005, they do not fluctuate from par.

Proceeds from the sale of marketable securities were \$15,550,000 and \$9,000,000 in the three and six months ended March 25, 2006, respectively, with no gain or loss recorded. We use the specific identification method to determine the cost of securities sold.

Item 2. Management's Discussion and Analysis of
Financial Condition and Results of Operations

Liquidity and Capital Resources

Our current cash and marketable securities balances and cash expected to be provided by future operations are our primary sources of liquidity. We believe that these sources, along with our borrowing capacity, are sufficient to fund future growth and expansion.

The Company's Board of Directors declared a regular quarterly cash dividend of \$.075 per share of its common stock payable on April 6, 2006 to shareholders of record as of the close of business on March 15, 2006.

In the three months ended March 25, 2006 and March 26, 2005, fluctuations in the valuation of the Mexican peso caused a decrease of \$59,000 and a decrease of \$11,000, respectively, in stockholders' equity because of the translation of the net assets of the Company's Mexican frozen beverage subsidiary. In the six month periods, there was a decrease of \$6,000 in fiscal year 2006 and an increase of \$56,000 in fiscal year 2005.

In March 2005, we acquired all of the assets of Snackworks LLC, d/b/a Bavarian Brothers, a manufacturer of soft pretzels which operates a production facility in Chambersburg, Pennsylvania and markets its products under the brand names SERIOUSLY TWISTED!, BAVARIAN BROTHERS and CINNAPRETZEL. Snackworks sells throughout the continental United States primarily to mass merchandisers and theatres.

On January 31, 2006, we acquired the stock of ICEE of Hawaii. ICEE of Hawaii, headquartered in Waipahu, Hawaii, distributes ICEE frozen beverages and related products throughout the Hawaiian islands. Annual sales are approximately \$2.3 million.

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

Our general-purpose bank credit line provides for up to a \$50,000,000 revolving credit facility. The agreement contains restrictive covenants and requires commitment fees

in accordance with standard banking practice. There were no outstanding balances under this facility at March 25, 2006.

Results of Operations

Net sales increased \$12,694,000 or 13% for the three months to \$112,044,000 and \$22,744,000 or 11% to \$220,615,000 for the six months ended March 25, 2006 compared to the three and six months ended March 26, 2005. Excluding sales from the acquisitions of Snackworks, LLC in March 2005 and ICEE of Hawaii in January 2006, net sales increased \$9,771,000 or 10% for the three months and \$16,712,000 or 8% for the six months ended March 25, 2006 compared to the three and six months ended March 26, 2005.

FOOD SERVICE

Sales to food service customers increased \$7,911,000 or 12% in the second quarter to \$71,374,000 and increased \$21,055,000 or 17% for the six months. Excluding sales from the acquisition of Snackworks, LLC, sales to food service customers increased \$5,279,000, or 8% in the second quarter and increased \$15,314,000, or 12% for the six months. Soft pretzel sales to the food service market increased 14% to \$23,724,000 in the second quarter and increased 19% to \$47,432,000 in the six months. Excluding sales from the acquisition of Snackworks, LLC, soft pretzel sales increased 2% in the second quarter and 4% for the six months. Italian ice and frozen juice treat and dessert sales increased 15% to \$8,638,000 in the three months and 13% to \$15,369,000 in the six months primarily due to increased sales to school food service customers.

Churro sales to food service customers increased 49% to \$5,276,000 in the second quarter and were up 47% to \$10,156,000 in the six months primarily due to increased sales to two customers. Sales of bakery products increased \$2,111,000 or 7% in the second quarter to \$32,697,000 and increased \$8,515,000 or 14% for the six months due primarily to increased sales to private label customers. The changes in sales throughout the food service segment were from a combination of volume changes and price increases.

RETAIL SUPERMARKETS

Sales of products to retail supermarkets increased \$707,000 or 7% to \$10,458,000 in the second quarter and increased 6% or \$958,000 in the first half. Soft pretzel sales for the second quarter were up 2% to \$7,277,000 and were up 3% to \$12,435,000 for the six months. Sales of

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frozen juices and ices decreased \$215,000 or 6% to \$3,553,000 in the second quarter and were down 7% to \$5,851,000 in the first half. Sales were down, even though overall case volume of frozen juices and ices were up 7% in the quarter and 2% in the six months, due to slotting expenses and increased trade spending incurred to introduce new products. Coupon costs, a reduction of sales, decreased by \$779,000, or 57% in the second quarter and were down 54%, or \$1,108,000, for the six months.

THE RESTAURANT GROUP

Sales of our Restaurant Group decreased 28% to \$1,017,000 in the second quarter and 30% to \$2,255,000 for the six month period. The sales decreases were caused primarily by the closing or licensing of unprofitable stores over the past year. Sales of stores open for both year's quarter and six months were down about 3% from last year. For the quarter, operating income benefitted \$59,000 from income related to the closing or sale of stores compared to a benefit of \$135,000 a year ago related to the settlement of litigation related to closed stores. Operating income was impacted by approximately \$11,000 of store closing and related costs in the six months compared to \$144,000 in the year ago quarter.

FROZEN BEVERAGES

Frozen beverage and related product sales increased 18% to \$29,195,000 in the second quarter and \$1,703,000 or 3% to \$54,676,000 in the six month period. Beverage sales alone increased 1% to \$17,593,000 in the second quarter and were down 1% to \$34,725,000 in the six months. Excluding the benefit of sales from the acquisition of ICEE of Hawaii during the quarter, beverage sales alone would have been down 1% in the quarter and 2% in the six months due to a change in a pricing program to a major customer. Service revenue was essentially flat at \$5,633,000 in the second quarter and \$10,935,000 for the six months even though sales to one customer were down over \$600,000 in each of the first two quarters. Sales of beverage machines were \$4,408,000 higher this year than last in the three month period with sales to two customers accounting for more than half of the increase. For the six months, sales of machines were higher by \$2,109,000.

CONSOLIDATED

Gross profit as a percentage of sales decreased to

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31.43% in the three month period from 32.40% last year and decreased to 30.98% in the six month period from 31.43% a year ago. About 1/2 of the three month and 1/5 of the six month drop in gross profit percentage resulted from increased sales of lower margin beverage machines in our frozen beverages segment. We were also impacted by higher commodity costs of approximately \$1,000,000 and \$1,600,000 and higher utility costs of approximately \$550,000 and \$1,250,000 for the three and six months' periods, respectively; as well as by slotting expense to introduce new retail supermarket products. We expect to continue to be impacted by higher commodity pricing, utility cost increases and slotting costs over the short term. These cost increases more than offset efficiencies from higher volume and pricing, which included reduced coupon expense in our retail supermarkets segment.

Total operating expenses increased \$2,729,000 in the second quarter but as a percentage of sales dropped about 1/2 of one percentage point to 26% of sales from 27% last year. For the first half, operating expenses increased \$5,307,000 but as a percentage of sales dropped about 1/3 of one percentage point to 26% from 27% last year. Marketing expenses were

13% of sales in all periods and distribution expenses were 9% of sales in all periods. However, we expect higher gasoline costs and third party trucking costs to impact our operating income over the short term. Administrative costs decreased about .20 percentage points to 4% in this year's second quarter from 5% last year and were 4% of sales for both years' six months. Other general expense of \$29,000 in this year's six month period compared to \$176,000 of other expense last year. The improvement was due to lower asset writedowns and costs relating to the early closing of Restaurant Group stores.

Operating income increased \$301,000 or 5% to \$5,994,000 in the second quarter and \$844,000 or 9% to \$10,191,000 in the first half. Excluding the impact of share-based compensation expense recognized this year and not last year, operating income increased 12% in the quarter and 16% for the six months.

Investment income increased by \$363,000 to \$755,000 in this year's second quarter and by \$744,000 to \$1,458,000 in the first six months due primarily to an increase in the general level of interest rates.

The effective income tax rate has been estimated at 38% for the second quarter and first half this year compared to 37% for last year's periods. The increase is due to a higher

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level of state taxes and a lower tax benefit on share-based compensation.

Net earnings increased \$347,000 or 9% in the current three month period to \$4,137,000 and increased 14% to \$7,147,000 in the six months this year from \$6,272,000 last year. Excluding the impact of share-based compensation expense recognized this year and not last year, net earnings increased 16% in the quarter and 21% for the six months.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change in the Company's assessment of its sensitivity to market risk since its presentation set forth, in item 7a. ''

Quantitative and
Qualitative Disclosures About Market Risk,
'' in its 2005 annual
report on Form 10-K filed with the SEC.

Item 4. Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of the Company (its principal executive officer and principal financial officer, respectively) have concluded, based on their evaluation as of March 25, 2006, that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports filed or submitted by it under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in the Company's internal controls over financial reporting or in other factors that could significantly affect these controls subsequent to the date of such evaluation.

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PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

The results of voting at the Annual Meeting of Shareholders held on February 7, 2006 is as follows:

Votes Cast			Absentees and Broker
For	Against	Withheld	Non Votes

Election of
Peter Stanley
as Director 8,264,232 - 299,949 -

The Company had 9,147,351 shares outstanding on December 10, 2005 the record date.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

31.1 & Certification Pursuant to Section 302 of 31.2
the Sarbanes-Oxley Act of 2002

99.5 Certification Pursuant to the 18 U.S.C. Section
1350, as Adopted Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

b) Report on Form 8-K - Reports on Form 8-K were filed on January 23, 2006, January 31, 2006 and February 9, 2006.

SIGNATURES

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

J & J SNACK FOODS CORP.

Dated: April 20, 2006 /s/ Gerald B. Shreiber
Gerald B. Shreiber
President

Dated: April 20, 2006 /s/ Dennis G. Moore
Dennis G. Moore
Senior Vice President and
Chief Financial Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Dennis G. Moore, certify that:

1. I have reviewed this report on Form 10-Q of J & J Snack Foods Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls and procedures for financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal controls and procedures for financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's second fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

/s/ Dennis G. Moore
Dennis G. Moore
Chief Financial Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Gerald B. Shreiber, certify that:

1. I have reviewed this report on Form 10-Q of J & J Snack Foods Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls and procedures for financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal controls and procedures for financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's second fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent

functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: April 20, 2006

/s/ Gerald B. Shreiber
Gerald B. Shreiber
Chief Executive Officer

Exhibit 99.5

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

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code), each of the undersigned officers of J & J Snack Foods Corp. (the "Company"), does hereby certify with respect to the Quarterly Report of the Company on Form 10-Q for the quarter ended March 26, 2005 (the "Report") that:

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

Dated: April 20, 2006

/s/ Dennis G. Moore
Dennis G. Moore
Chief Financial Officer

Dated: April 20, 2006

/s/ Gerald B. Shreiber
Gerald B. Shreiber
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code) and is not being filed as part of the Report or as a separate disclosure document.