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 27, 1997

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 of 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: (609-665-9533)

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, 1997, the latest practicable date, 8,872,067 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 $94,612,310, based on the last price on that date of $16.25 per share, which is an average of bid and asked prices.

DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's 1997 Annual Report to Shareholders for the fiscal year ended September 27, 1997 and Proxy Statement for its Annual Meeting of Shareholders to be held on February 4, 1998 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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PART I

PART I

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 carbonated beverages to the food service industry under the brand names ICEE and ARCTIC BLAST in the Western United States, Mexico and Canada and under the brand names FROZEN COKE and ARCTIC BLAST in midwestern and eastern states. Other snack products include frozen juice treats and desserts, churros (a Hispanic pastry), funnel cake, popcorn, baked goods and whipped fruit drinks.

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

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 amounted to 40% and 45% of the Company's revenue in fiscals 1997 and 1996, respectively.

The Company's soft pretzels are manufactured according to a proprietary formula. Regular soft pretzels, approximately 2-1/2 ounces in weight, and jumbo or king size soft pretzels, approximately 5-1/2 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 pretzel nuggets, mini one ounce soft pretzels and soft pretzels in customized shapes and sizes 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 two models of a combination warmer and display case 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 Carbonated Beverages

The Company markets, through its direct sales force, frozen carbonated beverages to the food service industry under the names ICEE and ARCTIC BLAST in fifteen western states, Mexico and Canada and under the trade names FROZEN COKE and ARCTIC BLAST in thirty two midwestern and eastern states and direct to the public through BAVARIAN PRETZEL BAKERY and PRETZEL GOURMET, its chains of specialty snack food retail outlets. Frozen carbonated beverage sales amounted to 20% of revenue in fiscal 1997 and 23% of revenue in fiscal 1996. Under the Company's marketing program, it installs frozen carbonated beverage dispensers at customer locations and thereafter services the machines, provides customers with ingredients required for production of the frozen carbonated 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 carbonated beverages.

Each new customer location requires a frozen carbonated 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 $5,500 each. The following shows the number of Company owned and customer owned frozen carbonated beverage dispensers at customer locations at the dates indicated:

	Company Owned	Customer Owned	Total
September 30, 1995	7,157	1,107	8,264
September 28, 1996	7,823	901	8,724
September 27, 1997	8,546	711	9,257

As a result of the acquisition of a controlling interest in National ICEE Corporation on December 8, 1997, the Company now has the rights to market and distribute frozen carbonated beverages under the name ICEE to all of the Continental United States, except for portions of four states. The Company now services a total of approximately 17,500 Company owned and customer owned dispensers.

Frozen Juice Treats and Desserts

The Company's frozen juice treats and desserts are marketed under the SUPER JUICE, 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 19% and 15% of the Company's revenue in fiscal years 1997 and 1996, respectively.

The Company's SUPER JUICE, 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 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.

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 6% of the Company's sales in fiscal 1997 and 1996, 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 DANISH MILL and PRETZELCOOKIE. Baked goods sales amounted to 8% and 4% of the Company's sales in fiscals 1997 and 1996, 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. In addition, J & J manufactures and markets machines and machine parts for sale primarily to other food and beverage companies.

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 carbonated 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 carbonated 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, Caldor, Target and Venture Stores; 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, Price Costco and B.J.'s; schools, colleges and other institutions; and independent retailers such as Hot Sam. 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 various secondary brands. 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 carbonated 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, and in-store demonstrations and, periodically, television advertisements.

The Company's products are sold through a network of about 160 food brokers and over 1,000 independent sales distributors and the Company's own direct sales force. The Company maintains warehouse and distribution facilities in Pennsauken, New Jersey; Vernon (Los Angeles) California; Cicero, Illinois; Scranton, Pittsburgh, Hatfield and Lancaster, Pennsylvania; and Solon, Ohio. Frozen carbonated beverages are distributed from 38 warehouse and distribution facilities located in 22 states, Mexico and Canada which allow the Company to directly service its customers in the surrounding areas. As a result of the acquisition of a controlling interest in National ICEE Corporation on December 8, 1997, frozen carbonated beverages are distributed from an additional 60 warehouse and distribution facilities located in 21 states. 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 carbonated 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 carbonated beverages; FUNNEL CAKE FACTORY for its funnel cake products, PRIDE O' THE FARM for its cookies, muffins and other baked goods; and TANGO WHIP for its whipped fruit drinks. 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.

Taking into account the acquisition of a controlling interest in National ICEE Corporation on December 8, 1997, the Company markets frozen carbonated beverages under the trademark ICEE in all of the Continental United States, except for portions of four states, and in Mexico and Canada. Additionally, the Company has the international rights to the trademark ICEE.

The Company has four patents related to frozen carbonated beverage dispensers, including a countertop unit. One expires in 2005 and three expire in 2006. The Company also has two process patents for dessert products which expire in 2010 and 2012.

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 carbonated 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 carbonated beverage dispensing machines are manufactured internally and purchased from other sources. Frozen carbonated 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 Carbonated Beverages the Company competes directly with other frozen carbonated beverage companies. These include several companies which have the right to use the ICEE name in portions of four states. There are many other regional frozen carbonated beverage competitors throughout the country and one large retail chain which uses its own frozen carbonated beverage brand.

The Company competes with large soft drink manufacturers for counter and floor space for its frozen carbonated beverage dispensing machines at retail locations and with products which are more widely known than the ICEE and ARCTIC BLAST frozen carbonated 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 Company does not anticipate that the sale of Western will have a material impact on its operations or financial position.

Employees

The Company had approximately 1,700 full and part time employees as of September 27, 1997. Certain production and distribution employees at the Pennsauken plant are covered by a collective bargaining agreement which expires in September 1999. Production employees at the Cicero plant are covered by a collective bargaining agreement which expires in September 1998. The Company considers its employee relations to be good.

Year 2000

The Company anticipates that its computer systems and applications will be modified for the year 2000 by the end of calendar year 1998. The Company anticipates the cost of conversion to be included as part of its normal ongoing systems' maintenance cost.

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 1998 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 60% 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 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 26,000 square foot frozen juice treat and dessert manufacturing facility located on three acres in Scranton, Pennsylvania. Construction to expand the facility to 45,000 square feet began in October 1997 with an expected completion date of Spring 1998.

The Company leases a 9,000 square foot Italian ice and frozen dessert manufacturing facility in Cicero, Illinois through May 1998. The facility operates at approximately 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 February 1999. 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 currently vacant.

The Company also leases 100 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 4, 1998 or until their successors are duly elected.

Name	Age	Position
Gerald B. Shreiber	56	Chairman of the Board, President, Chief Executive Officer and Director
Dennis G. Moore	42	Senior Vice President, Chief Financial Officer, Secretary, Treasurer and Director
Robert M. Radano	48	Senior Vice President, Sales, Chief Operating Officer and Director
Robyn Shreiber Cook	37	Senior Vice President
Dan Fachner	37	President of ICEE-USA Corp. 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 ICEE-USA Corp. 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 28, 1996 and September 27, 1997.

	High	Low
Fiscal 1996		
First qarter ended December 30, 1995	13-1/4	11
Second quarter ended March 30, 1996	12-3/4	11
Third quarter ended June 29, 1996	13-3/4	11-3/8
Fourth quarter ended September 28, 1996	12-1/8	9-7/8
Fiscal 1997		
First quarter ended December 28, 1996	14-1/8	10-5/8
Second quarter ended March 29, 1997	14-1/8	10-1/2
Third quarter ended June 28, 1996	16-1/8	11-1/4
Fourth quarter ended September 27, 1997	17-1/4	14-1/2

On November 30, 1997, there were 8,872,067 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 1997 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 1997 Annual Report to Shareholders is incorporated herein by reference.

Item 8. Financial Statements And Supplementary Data

The following consolidated financial statements of the Company set forth in the 1997 Annual Report to Shareholders are incorporated herein by reference:

Consolidated Balance Sheets as of September 27, 1997 and September 28, 1996
Consolidated Statements of Earnings for the fiscal years ended September 27, 1997, September 28, 1996 and September 30, 1995
Consolidated Statement of Stockholders' Equity for the three fiscal years ended September 27, 1997
Consolidated Statements of Cash Flows for the fiscal years ended September 27, 1997, September 28, 1996 and September 30, 1995
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 4, 1998, 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 27, 1997 and September 28, 1996
Consolidated Statements of Earnings for the fiscal years ended September 27, 1997, September 28, 1996 and September 30, 1995
Consolidated Statement of Stockholders' Equity for the three fiscal years ended September 27, 1997
Consolidated Statements of Cash Flows for the fiscal years ended September 27, 1997, September 28, 1996 and September 30, 1995
Notes to Consolidated Financial Statements

Financial Statement Schedule

The following are included in Part IV of this report:

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Report of Independent Certified Public Accountants on Schedule	17
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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.)

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 Associates 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).

11.1 Computation of Earnings Per Common Share. (Page 19.)

13.1 Company's 1997 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 20.)

22.1 Subsidiaries of J & J Snack Foods Corp. (Page 53.)

24.1 Consent of Independent Certified Public Accountants. (Page 54.)

*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 19, 1997 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 19, 1997 /s/ Robert M. Radano
Robert M. Radano, Senior Vice
President, Sales, Chief
Operating Officer and Director

December 19, 1997 /s/ Dennis G. Moore
Dennis G. Moore, Senior Vice
President, Chief Financial
Officer and Director

December 19, 1997 /s/ Stephen N. Frankel
Stephen N. Frankel, Director

December 19, 1997 /s/ Peter G. Stanley
Peter G. Stanley, Director

December 19, 1997 /s/ Leonard M. Lodish
Leonard M. Lodish, Director

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 19, 1997 By_______________________________
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 19, 1997 Robert M. Radano
Senior Vice President, Sales,
Chief Operating Officer and
Director

____
December 19, 1997 Dennis G. Moore, Senior Vice
President, Chief Financial
Officer and Director

____
December 19, 1997 Stephen N. Frankel, Director

____
December 19, 1997 Peter G. Stanley, Director

December 19, 1997	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 4, 1997 (except for Note Q, as to which the date is December 8, 1997), 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 27, 1997 (52 weeks, 53 weeks and 52 weeks, respectively). 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 4, 1997 (except for Note Q, as to which the date is December 8, 1997)

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Year	Description	Opening balance	Charged to expense	Deductions	Closing balance
1997	Allowance for doubtful accounts	$257,000	$252,000	$117,000(1)	$392,000

1996 Allowance for doubtful accounts	271,000	64,000	78,000(1)	257,000
1995 Allowance for doubtful accounts	296,000	81,000	106,000(1)	271,000

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(1) Write-off uncollectible accounts receivable.

EXHIBIT 11.1

J & J SNACK FOODS CORP.
COMPUTATION OF EARNINGS PER COMMON SHARE

	Fiscal year ended September 27, 1997	September 28, 1996	September 30, 1995
Primary Earnings Per Share			
Net earnings	$ 8,159,000	$ 5,843,000	$ 5,804,000
Weighted average number of common shares outstanding during year	8,780,000	8,940,000	9,436,000
Add common equivalent shares (as determined by the application of the treasury stock method) representing shares issuable upon assumed exercise of stock options	205,000	73,000	108,000
Weighted average number of common shares used in calculation of primary earnings per share	8,985,000	9,013,000	9,544,000
Earnings per common share assuming no dilution	$.91	$.65	$.61
Fully Diluted Earnings Per Share			
Net earnings	$ 8,159,000	$ 5,843,000	$ 5,804,000
Weighted average number of common shares outstanding during year	8,780,000	8,940,000	9,436,000
Add common equivalent shares (as determined by the application of the treasury stock method) representing shares issuable upon assumed exercise of stock options	205,000	75,000	106,000
Weighted average number of common shares used in calculation of fully diluted earnings per share	8,985,000	9,015,000	9,542,000
Earnings per common share assuming full dilution	$.91	$.65	$.61

J&J Snack Foods Corp.
6000 Central Highway
Pennsauken, NJ 08109
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1997 Annual Report

Here we grow again...

Profile

J&J Snack Foods Corp. over the years has grown to new heights by adapting to a changing environment, and by continuing to expand its own unique core products and market niches.

J & J is a manufacturer, marketer and distributor of an expanding variety of nutritional, popularly priced snack foods and beverages for the food service and retail supermarket industries. The Company is listed on the NASDAQ exchange as "JJSF".

Our expanding portfolio of products includes soft pretzels; frozen carbonated beverages; frozen juice bars and desserts; churros, a cinnamon pastry; funnel cakes; cookies and baked health goods; and other snack foods and drinks. Consumers can enjoy these 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, colleges and other institutions
* Supermarkets and warehouse club stores

As we prepare for the future, J & J Snack Foods Corp. plans to continue to evolve by capitalizing on new opportunities wherever they may be found.

Contents

Financial Highlights

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

	1997	1996	1995	1994	1993
Net Sales	$220,318	$186,018	$185,362	$174,425	$147,190
Net Earnings	$8,159	$5,843	$5,804	$8,532	$8,350
Total Assets	$136,827	$123,128	$123,309	$127,366	$121,494
Long-Term Debt	$5,028	$5,010	$5,011	$5,028	$5,043
Stockholders' Equity	$105,904	$96,708	$96,084	$100,545	$97,956
Common Share Data					
Earnings Per Share	$.91	$.65	$.61	$.82	$.80
Book Value Per Share	$11.97	$11.05	$10.53	$10.17	$9.49
Common Shares Outstanding At Year End	8,850	8,749	9,126	9,889	10,318

Letter from the President

Fiscal year '97 was a good year for J & J Snack Foods Corp. A growth year. A year of opportunity. A very profitable year. A fulfilling year. Satisfying and exciting. As exciting as being . . . being "kissed by a wolf". What??!! "Kissed by a wolf" . . . did I say that? Did I actually write that? Do I mean that? Here I go again with one of my offbeat (or maybe onbeat) annual report messages that likens the curious and conspicuous challenges of the business world we live in to the animal world we draw parallels from.

Let's consider this picture for a moment. For the wolf and I to relate and embrace together, we both had to work through certain things:

* Judgment and trust, coupled with old fashioned instincts
* Careful decisions
* A fondness or like for each other
* Integration into each other's world

Similarly, all of these qualities relate and influence our business success, not only this year, but historically over the years.

We grew our business because we made careful decisions, guided by good judgment, trust and instinct, and we integrated new products, with new people from businesses we acquired to our pack or our world. As a result, the year was as successful and fulfilling as being "kissed by a wolf".

1997 results in brief . . .

* Sales grew 18% to $220.3 million
* Net income rose 40% to $8.2 million
* EPS increased 40% to $.91
* Book value increased to $11.97 per share
* We made several selective key acquisitions

And we committed the company and its people -- we dedicated and challenged ourselves -- to growth, successful, profitable growth.

Here We Grow Again: After a relatively modest sales gain last year, we assessed our opportunities for category growth in our core businesses. Last year, in my Annual Report message, I stated ". . . JJSF has significant growth and operational improvement opportunities in all of our core businesses. Internal expansion, new product development, and future acquisitions to complement our divisions are planned". This statement, reinforced by efforts and accomplishments from key staff, became the basis and cornerstone for activity and growth in fiscal '97.

Niche Products: Here We Grow Again: Soft pretzel sales grew in fiscal '97 and benefited from volume generated from acquired businesses. Our flagship brand SUPERPRETZEL continued to lead the category, and we also positioned ourselves to benefit for future growth with the addition of two regional soft pretzel companies, Bakers Best and Pretzels, Inc., acquired early this year. Both companies have been smoothly and successfully consolidated into our operating system and are expected to provide future benefits.

In addition, we continue to develop new and innovative products including our PRETZEL GOURMET EXPRESS branded concept, designed to expand the category and our leadership position, as well as capture identified opportunities in college campus and business dining.

Frozen juice bars and desserts, enhanced by our acquisition of Mama Tish's International Foods, a manufacturer of Italian ices and sorbets, had an excellent year with a whopping 76% sales increase. Our LUIGI'S Real Italian ices, SHAPE-UPS frozen juice bars and FROSTAR continue to provide incremental growth and lead their categories. Bakery sales, primarily ready-to-bake raw cookie dough products, increased sharply and our churro sales also added to our overall food service growth.

ICEE-USA: Here We Grow Again: Our frozen beverage business -- ICEE and ARCTIC BLAST brands -- was a shining star during fiscal '97. In addition to achieving solid sales increases, the strengthening and improvement of operations provided major contributions to profitability.

Our strategic alliance with IMI Cornelius, a beverage equipment manufacturer, has resulted in significant improvements in key areas of dispenser reliability and performance. Through unique programs and advanced information systems, our customer service network has become state-of-the-art in speed and efficiency.

In August, Dan Fachner, an 18-year veteran of ICEE, was promoted to President of ICEE-USA. Dan and his staff have been instrumental in implementing operational improvements which have resulted in ICEE's dramatic turnaround over the past few years.

Acquisition of National ICEE: Here We Grow Again: In December 1997, we acquired National ICEE Corporation (National). National markets and distributes ICEE beverages in the eastern half of the United States. National ICEE has revenue of approximately $40 million and will nearly double our sales in this beverage category. This acquisition will provide us with an exciting opportunity to expand our business and the category on a national basis under a single consolidated leadership. It is our goal to affect this transition of National ICEE and its operations on an accelerated schedule.

Looking Ahead: Fiscal 1998. Programs are in place to develop and increase sales in all categories. Every effort will be made to integrate the National ICEE acquisition as efficiently as possible in order to achieve the desired synergies and economies of scale. Our new year is already off and running. We're committed to another "Here We Grow Again" year. We are optimistic about fiscal '98 and beyond. And, we look forward to being "kissed by the wolf" again!

Gerald B. Shreiber
President and Chairman
December 8, 1997

(Photograph)

Caption: Gerry Shreiber at Wolf Park in Battle Ground, Indiana, where he serves as a Director.

SOFT PRETZELS

Growth Begins with Establishing Strong Roots and then Branching Out.

In 1971, soft pretzels were the single product line that launched our Company. And in 1997, soft pretzels continued to provide the strong base for our Company to grow and build on.

Today, J & J stands as the world's largest manufacturer of soft pretzel products. Our flagship brand, SUPERPRETZEL, is America's Favorite Soft Pretzel -- enjoyed by millions of people each year at home, school, work and play.

SUPERPRETZEL is more than just a brand. It has grown to become a full line of innovative soft pretzel products that today are shaped, flavored and filled to satisfy the diverse desires and appetites of today's consumers.

It's the foundation for an expanding family of soft pretzel products that J & J has built through an ongoing strategy of product development, expanded distribution, market penetration and strategic acquisitions.

Let's twist again -- and again -- and again.

Our Food Service division's soft pretzel sales grew by 5% in 1997 due to two strategic, complementary acquisitions.

At the start of the fiscal year, J & J acquired the assets of Bakers Best Snack Foods, a Pennsylvania manufacturer of soft pretzels selling to both the food service and retail supermarket industries under the brand name DUTCH TWIST.

In November, we acquired Pretzels, Inc., a Dallas, Texas based manufacturer of soft pretzels selling under the TEXAS TWIST brand.

Both companies have been smoothly consolidated into our sales and marketing strategies in order to maximize efficiencies. And both are complementary to our existing businesses.

The addition of these two brands to the J & J family has added new products and product lines, such as GOURMET SOFT PRETZEL ROLLS, a fresh approach to extend the usage of soft pretzels for sandwiches.

Pretzels, pretzels everywhere.

J & J's soft pretzels are the right snack food, at the right time, in all the right places.

Marketed under the J & J family of brand names, our soft pretzel products benefit from the awareness of the relationship between food choices and good health. They provide great tasting, nutritious products for consumers to enjoy anytime, anywhere.

Our products are available at tens-of-thousands of high-traffic snack bar locations across the country.

You'll find J & J products at malls and shopping centers, chain stores, convenience stores, stadiums and sports arenas, amusement, leisure and theme parks, movie theatres, business and industry cafeterias, fast food outlets and warehouse club stores.

And since young people are the world's greatest snackers, our branded soft pretzels have become the big snack on campus at thousands of schools, colleges and universities, where they provide bread requirements for U.S.D.A. approved school lunch and breakfast programs. Additionally, a number of these products are also available in retail supermarkets.

This past year saw sales gains from expanded distribution into additional club store locations as well as new market penetration in the international arena. We continue to pursue our interest internationally where we currently have distribution in the U.K., Israel and the Pacific Rim.

Merchandising -- what a concept!

One key to putting pretzels in the hands of every hungry consumer is to develop innovative merchandising systems. And J & J has developed some of the best.

Our branded soft pretzel concepts make it easy for customers to add a food service operation -- even if they don't have snack bar facilities or a traditional food service location. Our popular SUPERPRETZEL line offers a complete array of branded point-of-sale materials, display cases and specially designed mobile merchandising units. These systems can stand alone or complement other food service operations.

Building on the success of SUPERPRETZEL, we recently launched an upscale branded concept to capitalize on America's growing taste for premium snacks and the evolving trends in the food service industry. It's called PRETZEL GOURMET EXPRESS, and it's already meeting with positive customer acceptance.

PRETZEL GOURMET EXPRESS is a turn-key concept that features a premium line of delicious flavored and filled soft pretzels. And it offers customers a complete package that includes proprietary merchandising equipment and a comprehensive marketing and promotional program.

It's a jungle out there.

Ask any food company: The world's toughest environment isn't the Amazon, the Sahara or the North Pole. It's the retail supermarket and, more specifically, the highly competitive freezer case in the supermarket.

Despite the competitive pressures of this environment, J & J remains king of the supermarket soft pretzel category, with our SUPERPRETZEL brand maintaining its strong leadership position. Overall supermarket sales increased by 3% this year, thanks to the added volume of our newly acquired businesses.

Our retail supermarket product line currently includes SUPERPRETZEL soft pretzels, SOFT PRETZEL BITES, SOFTSTIX, CINNAMON RAISIN MINI'S and the newly acquired DUTCH TWIST labels. These products allow consumers to enjoy our satisfying treats at home with convenient preparation in the oven or microwave.

However, we continue to be impacted by increased freezer case competition in soft pretzels and hot snacks/appetizers, as well as an overall decline in the soft pretzel category. And while the supermarket environment may not become any friendlier in the near future, we remain determined to not only survive, but thrive.

Success is in store at J & J's own outlets.

This past year we integrated our BAVARIAN PRETZEL BAKERY and PRETZEL GOURMET retail stores under the banner of the J & J Restaurant Group. This division, which operates approximately 80 company-owned retail stores in regional malls primarily throughout the Mid-Atlantic states, experienced a healthy sales increase of 16% for 1997. And we're not done yet.

We're working vigorously to increase traffic flow at our retail locations and encourage higher sales per customer. To accomplish this, we recently introduced taste-tempting new flavored pretzels and are currently testing a variety of distinctive new product entries.

In addition, J & J is developing strategic relationships with several other national food service leaders to access new branded products that will expand our menu offerings and further increase sales.

(Graphic inserts)

Captions:
The original SUPERPRETZEL soft pretzel...

Grew into new shapes, sizes and varieties...

Including flavored and filled line extensions to meet the desires of today's consumers.

FROZEN DESSERTS

Growth is Enriched by Adopting New Members Into the Family.

What a year it was for frozen dessert products in the Food Service division, where sales rose a spectacular 76%! This incredible record was the result of valuable new family members, along with the continued popularity of some long-time J & J frozen favorites.

Lookin' good LUIGI'S.

Sales of our LUIGI'S Real Italian Ice squeeze-up tubes continued their track record of growth, largely on the strength of increased distribution in club stores.

This well-established and growing brand is a favorite of consumers nationwide, who enjoy LUIGI'S at snack bars, convenience stores, leisure and theme parks, arenas, pizzeria restaurants, club stores and retail supermarkets.

We also added a new twist to sales growth with the introduction of LUIGI'S ITALIAN TWISTERS, a value-added extension that combines vanilla ice cream with swirls of Italian ice for a unique taste treat.

Welcome to the family.

The biggest news of 1997 was a very cool marriage.
In January, we acquired the assets of Mama Tish's International Foods, a leading manufacturer of Italian ices and sorbets selling to both the food service and retail supermarket venues.

With a dowry of popular, upscale brands, MAMA TISH'S is the perfect addition to our existing frozen desserts family, which includes not only LUIGI'S, but also SHAPE-UPS, FROSTAR and MAZZONES.

To maximize operating efficiencies, J & J is consolidating all manufacturing of MAMA TISH'S products at our existing facility in Scranton, Pennsylvania.

The best frozen stuff on earth.

From the MAMA TISH'S clan, we also welcomed an exciting new line Made From The Best Stuff On Earth*: SNAPPLE ICE, a frozen ice treat in popular SNAPPLE* beverage flavors, under license from Snapple Beverage Corp.

In the fourth quarter we successfully gained national distribution of SNAPPLE ICE in a major convenience store chain, which helped contribute to our overall sales gains.

SHAPE-UPS: The family scholars.

The J & J frozen dessert family continues to do well in school, thanks to the popularity of our SHAPE-UPS frozen fruit juice bars. SHAPE-UPS carry the U.S.D.A. approved Child Nutrition (CN) Label and are made with real fruit juice. They are a favorite of school children nationwide.

The power couple.

As the #1 and #2 retail Italian ice brands, respectively, LUIGI'S and MAMA TISH'S add up to one powerful pair in the supermarket.

The addition of the MAMA TISH'S Italian ice line pushed our retail supermarket sales of frozen desserts up 19% for the year. The MAMA TISH'S brand is positioned as a premium line which complements our all-family LUIGI'S brand. Both offer consumers a delicious, refreshing, healthy alternative for an anytime taste treat.

(Graphic insert)

Caption:

Our family of frozen desserts includes: LUIGI'S, the #1 selling Italian ice in the retail supermarket, SHAPE-UPS, which are enjoyed by school children everywhere and the newest members, squeeze-up tubes in unique flavors and varieties.

*SNAPPLE and MADE FROM THE BEST STUFF ON EARTH are registered trademarks of Snapple Beverage Corp.

OTHER SNACK FOODS

Growth is Accelerated by Leaping on New Opportunities for Sales and Profits.

J&J produces a variety of other niche snack foods which include churros, funnel cakes, cookies and other baked goods.

The West Coast Bakery is jumpin'.

In our bakery business, J & J is capitalizing on opportunities by remaining alert to changing customer needs. As a result, we've taken sales and profits to new levels in fiscal 1997.

Sales at our West Coast Bakery jumped 132% for the fiscal year due to a strong frozen cookie dough program for a large club store chain, a successful new product introduction and continued growth in the industrial ingredient business.

Churro's star continues to rise.

Through our geographic expansion efforts, more and more consumers are discovering what people in the West and Southwest have known for years: TIO PEPE'S churros are a sweet treat anywhere.

These crispy, cinnamon-sugared, doughnut-like snacks of Hispanic origin are growing in popularity and gaining in sales. And even long-time fans are discovering the versatility of churros through our delicious new fruit-filled varieties. As a result, Food Service churros sales grew this year, led by increases in sales and distribution of TIO PEPE'S fruit filled churros. Retail churros experienced significant growth both in existing and newly entered geographic markets.

Cookies catapult to new heights.

Through innovative retailing systems and irresistible products, our cookie business continues to capture an increasing share of this large market.

Our PRETZELCOOKIES, a line of pretzel-shaped cookies introduced last year, have grown substantially this year through increased distribution. In addition, they have recently gained U.S.D.A. recognition as the equivalent of one bread requirement on school menus, clearing the way for entry into the school food service market.

MRS. GOODCOOKIE, a fresh-baked cookie retailing system, was introduced at the end of the fiscal year. With seven delectable varieties, along with baking and merchandising equipment, MRS. GOODCOOKIE is poised for a very sweet future.

Consumers flip for funnel cakes.

Our FUNNEL CAKE FACTORY brand offers a unique line of frozen, pre-cooked, pre-shaped funnel cakes that are a cinch to prepare and a joy to eat. And in 1997, sales of these delicious treats grew by over 50%.

One of the most exciting new markets for funnel cakes is schools, where we experienced large sales increases after being approved by the U.S.D.A. for school menus. Growth has also continued in traditional markets such as leisure and theme parks.

(Graphic inserts)

Captions:

A line of fruit and creme filled churros has helped to drive the growth of our churro business.

Innovative products and programs have jump started our Bakery's growth.

Our frozen funnel cakes continue to experience sales growth through new distribution gains.

FROZEN CARBONATED BEVERAGES (FCB)

Growth is Heightened by Changing with the Environment to Find New Ways to Soar.

In our Frozen Carbonated Beverage (FCB) division, fiscal 1997 was a time of positive change, bringing new customers, new partners, new service enhancements and a colorful new look.

Together, these changes contributed to solid growth, with a sales gain of 8% and a significant increase in profits.

Hot brands.

The FCB division, whose ICEE and ARCTIC BLAST brands are marketed and distributed by ICEE-USA, is the largest distributor of frozen carbonated beverages in North America. In the western United States, as well as Canada and Mexico, we distribute both the ICEE and ARCTIC BLAST brands while ARCTIC BLAST is also distributed in the remainder of the United States.

These semi-frozen beverages which are served from our proprietary dispensing equipment are enjoyed by sipping through a straw or eating with a spoon. Our refreshing beverages are available at almost 10,000 food service locations -- including many outlets where our soft pretzels and other snack foods are sold.

Going where the thirst is.

In 1997, we continued to place our products in high-traffic locations where people have a thirst for a super-cold, super-delicious beverage. We added several new chain accounts including movie theatres, convenience stores and other retail outlets.

In addition, we began testing new non carbonated frozen product lines that are designed to increase consumption among adults.

Powerful partnerships.

We have continued to expand our use of outside distributors, greatly enhancing the efficiency of our syrup distribution system. And we realized ongoing operational benefits through our new alliance with IMI Cornelius, the world's largest manufacturer of beverage dispensing equipment. This strong alliance has also enabled us to sell FCB equipment in addition to our lease and bundled programs.

Super service.

To better serve the customers of our branch office network, we've continued to upgrade our centralized customer service department. Today, this department supports our branches by providing state-of-the-art response to customer needs.

A cool new image.

Finally, to keep up with changing tastes, we gave our ICEE brand an exciting new image with contemporary graphics designed to appeal to a broad range of consumers.

This new image is one more example of how J & J Snack Foods is continually evolving to meet the needs of our ever-changing market.

(Graphic insert)

Caption:
Our FCB division is taking off with new customers, partners, graphics and service enhancements.

(Graphics inserted)

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 1997 Compared to Fiscal 1996

Net sales increased $34,300,000 or 18% to $220,318,000 in fiscal 1997 from $186,018,000 in fiscal 1996. Excluding sales of acquired businesses, net sales increased $16,395,000 or 9% for the year.

Sales to food service customers increased $15,432,000 or 18% to $101,936,000 in fiscal 1997. Excluding sales of acquired businesses, sales to food service customers increased $2,675,000 or 3% for the year. Soft pretzel sales to the food service market increased 5% to $57,668,000. Excluding sales of acquired businesses, food service soft pretzel sales decreased $636,000 or 1% from last year. Two customers accounted for approximately

$2,500,000 of lower pretzel sales in 1997 compared to 1996. Churro sales increased 3% to $10,403,000. Frozen juice bar and dessert sales increased 76% to $28,210,000. Approximately 75% of the juice bar and dessert sales increase resulted from sales of acquired businesses.

Sales of products to retail supermarkets increased $3,384,000 or 9% to $40,302,000 in fiscal 1997. Total soft pretzel sales to retail supermarkets were $24,504,000, an increase of 3% from fiscal 1996. Excluding sales of an acquired business, sales to retail supermarkets decreased 2% or $919,000 for the year. Sales of our flagship SUPERPRETZEL brand soft pretzels, excluding SOFTSTIX and CINNAMON RAISIN MINI'S, decreased 7% to $18,157,000. SOFTSTIX sales decreased $701,000 or 26% to $2,018,000 from the previous year. Sales of Italian ice increased $2,335,000 or 19% to $14,553,000 in 1997 from $12,218,000 in 1996 due to sales of Mama Tish's International Foods which was acquired during the second quarter. Excluding sales of Mama Tish's, Italian ice sales were down 4% for the year.

Frozen carbonated beverage and related product sales increased $3,558,000 or 8% to $47,915,000 in fiscal 1997. Beverage sales alone increased 4% to $43,594,000 for the year. Excluding last year's pricing adjustment to one customer and an unusually high sales of promotional cups to another customer, beverage sales increased 7%.

Bakery sales increased $10,225,000 or 132% to $17,956,000 in fiscal 1997 due to increased product sales to one customer. Sales of our Bavarian Pretzel Bakery increased 16% to $12,209,000 for the year. Excluding sales from an acquired business, Bavarian Pretzel Bakery sales increased 8% or $856,000 for the year.

Gross profit on sales was 49% of sales in both 1997 and 1996.

Total operating expenses increased $12,449,000 to $96,519,000 in fiscal 1997 but as a percentage of sales decreased to 44% from 45% in fiscal 1996. Marketing expenses as a percentage of sales dropped to 30% in 1997 from 32% in 1996. This decline was due primarily to overhead efficiencies resulting from higher sales levels. Distribution expenses were 9% of sales in 1997 and 1996. Administrative expenses increased to 5% of sales in 1997 from 4% in 1996 due to increased litigation costs.

Operating income increased $3,692,000 or 46% to $11,640,000 in fiscal 1997.

Investment income decreased $796,000 or 56% in fiscal year 1997 due to a sharply lower level of investable funds which were used to pay for acquisitions. Interest expense increased $66,000 or 18% due to short-term borrowings.

The effective income tax rate was 32% in 1997 and 35% in 1996. The lower rate in 1997 is primarily due to adjustments relating to settlements of federal tax matters.

Net earnings increased $2,316,000 or 40% in fiscal 1997 to $8,159,000.

Results of Operations
Fiscal 1996 (52 weeks) Compared to Fiscal 1995 (53 weeks)

Net sales increased $656,000, or less than 1%, to $186,018,000 in fiscal 1996 from $185,362,000 in fiscal 1995.

Sales to food service customers increased $7,122,000 or 9% to $86,504,000 in fiscal 1996. Soft pretzel sales to the food service market increased 7% to $54,704,000. Two customers accounted for essentially all of the soft pretzel sales increase. Churro sales increased 6% to $10,113,000. Frozen juice bar and dessert sales increased 18% to $16,033,000. Approximately 40% of the juice bar and dessert sales resulted from sales of an acquired business.

Sales of products to retail supermarkets decreased $4,382,000 or 11% to $36,918,000 in fiscal 1996. Total soft pretzel sales to retail supermarkets were $23,799,000, a decrease of 9% from fiscal 1995. The sales decline was due to increased competition and a decline in overall supermarket soft pretzel sales. Sales of the flagship SUPERPRETZEL brand soft pretzels, excluding SOFTSTIX, decreased 10% to $19,478,000. SOFTSTIX sales decreased $1,120,000 or 29% to $2,719,000 from the previous year. LUIGI'S Real Italian Ice sales decreased $2,140,000 or 15% to $12,218,000 due to a cold and rainy summer in the eastern half of the United States and increased competition. Excepting LUIGI'S Real Italian Ice, the retail supermarket decreases were due primarily to changes in unit volume. A price increase accounted for approximately $900,000 of LUIGI'S Real Italian Ice sales for the year.

Frozen carbonated beverage and related product sales increased $757,000 or 2% to $44,357,000 in fiscal 1996. Beverage sales alone increased less than 1% to $41,914,000 for the year. A pricing adjustment to one customer and increased sales of promotion cups to another customer accounted for essentially all of the sales increases. Sales of the Company's Mexican frozen carbonated beverage subsidiary were down $193,000 or 10% for the year due to the devaluation of the peso and continuing economic problems in Mexico.

Bakery sales decreased $1,754,000 or 18% to $7,731,000 in fiscal 1996 due to lower unit volume. Sales of our Bavarian Pretzel Bakery decreased 1% to $10,508,000 for the year. Excluding sales from an acquired business, Bavarian Pretzel Bakery sales decreased 7% or $734,000 for the year.

Gross profit on sales declined less than one-half of one percent to 49% for fiscal 1996 compared to 50% for fiscal 1995. The percentage decrease is entirely attributable to higher flour costs.

Total operating expenses decreased $1,411,000 to $84,070,000 in fiscal 1996 and as a percentage of sales decreased to 45% from 46% in fiscal 1995. Marketing expenses as a percentage of sales were 32% in both years. Distribution expenses decreased to 9% of sales in 1996 from 10% in 1995 due to the use of alternate channels of distribution in our food service business and changes in methods of distribution in our frozen carbonated beverage division. Administrative expenses were 4% of sales in 1996 and 1995.

Operating income increased $940,000 or 13% to $7,948,000 in fiscal 1996. Excluding a pricing adjustment to frozen carbonated beverage sales, operating income increased $415,000 or 6% to $7,423,000 for the year.

Investment income increased $99,000 or 7% in fiscal year 1996 due to a higher level of invested funds. Interest expense decreased $34,000 to $365,000 for the year.

Sundry income decreased $1,331,000 in 1996 to $34,000 for the year. Sundry income last year included gains on insurance settlements, gains on sales of land and a gain on the sale of Western Syrup Company.

The effective income tax rate was 35% in 1996 and 38% in 1995.

Net earnings increased $39,000 or 1% in fiscal 1996 to $5,843,000.

Acquisitions, Liquidity and Capital Resources

In December 1997, the Company acquired controlling interest in 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 1997 and 1996 assuming the above had occurred at the beginning of that fiscal year:

	1997	1996
Sales	$258,206,000	$222,964,000
Net Earnings	$6,129,000	$4,279,000
Earnings per common share	$.68	$.47

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.

In May 1996, the Company acquired the assets of Mazzone Enterprises, Inc. for cash and by assuming certain of its liabilities. Mazzone Enterprises is a manufacturer and distributor of Italian ices and other specialty frozen desserts.

In April 1996, the Company acquired the assets of Pretzel Gourmet Corp. for cash. Pretzel Gourmet is a chain of retail stores specializing in freshly baked hand-rolled soft pretzels.

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 expansion.

Beginning in December 1994, the devaluation of the Mexican peso caused reductions of $53,000, $235,000 and $1,121,000 in stockholders' equity for the 1997, 1996 and 1995 fiscal years, respectively, because of the revaluation of the net assets of the Company's Mexican frozen carbonated beverage subsidiary. The Company experienced a dollar decline in the sales of this subsidiary of about 50% in fiscal year 1995 after the devaluation. In 1995, sales of the Mexican subsidiary decreased to $1,966,000 from $3,198,000 in 1994. In 1996, sales decreased 10% to $1,773,000 and in 1997 were $1,783,000.

Under various share repurchase programs authorized by the Board of Directors, the Company purchased and retired 433,000 shares of its common stock at a cost of $5,029,000 in fiscal year 1996, and 801,000 shares at a cost of $9,447,000 in fiscal year 1995. Under the most recent share repurchase authorization, 712,000 shares remain to be repurchased.

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 has not had a material impact on the Company's operations.

Available to the Company are unsecured general-purpose bank lines of credit totalling $30,000,000. The credit facilities are renewed annually. There were no borrowings under these general bank lines of credit at September 27, 1997.

The Financial Accounting Standards Board ("FASB") has issued Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share" ("EPS"), which is effective for financial statements issued after December 31, 1997. Once effective, the new standard eliminates 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 or other contracts to issue common stock were exercised and converted into common stock. The effect of adopting this new standard is not expected to be material.

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income," which is effective for years beginning after December 15, 1997. This new standard requires entities presenting a complete set of financial statements to include details of comprehensive income. Comprehensive income consists of net income or loss for the current period and income, expenses, gains and losses that bypass the income statement and are reported directly in a separate component of equity. The effect of adopting this new standard is not expected to be material.

In June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which is effective for all periods beginning after December 15, 1997. SFAS No. 131 requires that public business enterprises report certain information about operating segments in complete sets of financial statements of the enterprise and in condensed financial statements of interim periods issued to shareholders. It also requires that public business enterprises report certain information about their products and services, the geographic areas in which they operate, and their major customers. The effect of adopting this new standard is not expected to be material.

Fiscal 1997 Compared to Fiscal 1996

The combined balance of cash and cash equivalents and marketable securities decreased $10,363,000 from $11,764,000 in 1996 to $1,401,000 in 1997 primarily because of the use of cash for acquisitions.

Trade receivables increased $6,105,000 or 35% to $23,382,000 in 1997, and inventories increased $2,259,000 or 20% to $13,535,000 in 1997 from 1996 primarily because of higher sales levels.

Other receivables increased $1,151,000 to $2,076,000 in 1997 due to an increase in reimbursements due from the Company's insurance carrier.

Property, plant and equipment increased $22,248,000 primarily because of expenditures for dispensers required for the expansion of the frozen carbonated 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 acquisitions accounted for approximately one-third of the overall increase.

Goodwill, trademarks and rights, net of accumulated amortization increased $12,133,000 to $21,459,000 primarily because of goodwill and restrictive covenants acquired in the Bakers Best Snack Food Corp., Pretzels, Inc. and Mama Tish's International Foods acquisitions. Long-term investments decreased $6,652,000 to $3,835,000 primarily because proceeds from sales of these investments were used for acquisitions. Sundry assets increased by $181,000 from 1996 primarily because of an increase in funding of various long-term merchandising agreements.

Accounts payable and accrued liabilities increased $4,535,000 in 1997 from $17,432,000 in 1996 due primarily to higher sales levels.

Deferred income decreased $35,000 primarily as a result of the reduction in the Company's guarantees related to the sale of its Hawaiian ICEE operations.

Common stock increased $1,090,000 in 1997 to $36,908,000 primarily because of the exercise of incentive stock options.

Net cash provided by operating activities decreased $1,509,000 to $20,371,000 in 1997 from $21,880,000 in 1996 primarily because of an increase in accounts receivable.

Net cash used in investing activities increased $13,311,000 to $30,473,000 in 1997 from $17,162,000 in 1996 primarily because of payments for purchases of companies, net of cash acquired and debt assumed and higher capital expenditures. Capital expenditures increased by $5,101,000 in 1997 from 1996 because of increased expenditures for dispensers for the expansion of the frozen carbonated beverage business.

There was net cash provided by financing activities of $956,000 in 1997 compared to a net use of $4,867,000 in 1996. The use in 1996 was for the Company's repurchase of common stock.

Fiscal 1996 Compared to Fiscal 1995

The combined balance of cash and cash equivalents and marketable securities decreased $2,756,000 from $14,520,000 in 1995 to $11,764,000 in 1996 primarily because of the investment of proceeds from short-term investments into long-term investments.

Receivables and inventories increased slightly from last year.

Prepaid expenses and deposits decreased $518,000 to $980,000 because there were deposits of $585,000 at the end of last year for equipment being manufactured for resale for the Company by an outside vendor.

Property, plant and equipment increased $11,467,000 primarily because of expenditures for dispensers required for the expansion of the frozen carbonated 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 increased $682,000 to $9,326,000 primarily because of goodwill and restrictive covenants acquired in the Mazzone Enterprises, Inc. and Pretzel Gourmet Corp. acquisitions. Long-term investments increased $2,152,000 to $10,487,000 primarily because of the investment of proceeds from short-term investments into long-term investments. Sundry assets increased by $270,000 from 1995 primarily because of an increase in parts inventory used by our ICEE-USA Corp. subsidiary for the remanufacture of frozen carbonated beverage machines.

Accrued liabilities increased $1,116,000 in 1996 from $5,922,000 in 1995 due to an increase in income taxes accrued.

Deferred income decreased $99,000 primarily as a result of the reduction in the Company's guarantees related to the sale of its Hawaiian ICEE operations.

Deferred income taxes decreased $1,600,000 substantially as a result of changes to book versus tax depreciation timing differences.

Common stock decreased $4,984,000 in 1996 to $35,818,000 because of payments by the Company to repurchase and retire its stock.

A foreign currency translation adjustment of ($235,000) was recorded in 1996 due to the revaluation of the net assets of the Company's Mexican frozen carbonated beverage subsidiary. The revaluation was necessitated by the continuing devaluation of the Mexican peso.

Net cash provided by operating activities increased $1,292,000 to $21,880,000 in 1996 from $20,588,000 in 1995 primarily because of an increase in depreciation and amortization of fixed assets and amortization of intangibles and deferred costs.

Net cash used in investing activities increased $9,809,000 to $17,162,000 in 1996 from $7,353,000 in 1995 primarily because of higher capital expenditures of $1,545,000, payments for purchases of companies of $2,739,000 in 1996 compared to none in 1995, a decrease of $2,653,000 in net proceeds from investments, a decrease in proceeds of $1,834,000 from the sales of operations and disposals of property and equipment, and the lower use of funds from the bond trust fund of $654,000. Capital expenditures increased by $1,545,000 in 1996 from 1995 primarily because of increased expenditures on marketing equipment for our food service business.

Net cash used in financing activities decreased to $4,867,000 in 1996 compared to $9,160,000 used in 1995 primarily because of a decrease in the purchase of the Company's common stock of $4,418,000.

Consolidated Statements of Earnings

	Fiscal year ended		
	September 27, 1997 (52 weeks)	September 28, 1996 (52 weeks)	September 30, 1995 (53 weeks)
Net sales	$220,318,000	$186,018,000	$185,362,000
Cost of goods sold	112,159,000	94,000,000	92,873,000
Gross profit	108,159,000	92,018,000	92,489,000
Operating expenses			
Marketing	65,231,000	58,604,000	58,444,000
Distribution	19,197,000	17,264,000	18,591,000
Administrative	10,326,000	7,309,000	7,585,000
Amortization of intangibles and			

deferred costs	1,765,000	893,000	861,000
	96,519,000	84,070,000	85,481,000
Operating income	11,640,000	7,948,000	7,008,000
Other income (deductions)			
Investment income	630,000	1,426,000	1,327,000
Interest expense	(431,000)	(365,000)	(399,000)
Sundry	112,000	34,000	1,365,000
	311,000	1,095,000	2,293,000
Earnings before income taxes	11,951,000	9,043,000	9,301,000
Income taxes	3,792,000	3,200,000	3,497,000
NET EARNINGS	$8,159,000	$5,843,000	$5,804,000
Earnings per common share	$.91	$.65	$.61
Weighted average number of shares	8,985,000	9,013,000	9,544,000

The accompanying notes are an integral part of these statements.

Consolidated Balance Sheets

	September 27, 1997	September 28, 1996
Assets		
Current Assets		
Cash and cash equivalents	$1,401,000	$10,547,000
Investment securities available for sale	--	1,217,000
Receivables		
Trade, less allowance of $392,000 and $257,000, respectively	23,382,000	17,277,000
Other	2,076,000	925,000
Inventories	13,535,000	11,276,000
Prepaid expenses and deposits	853,000	980,000
Total current assets	41,247,000	42,222,000
Property, Plant and Equipment, at cost	164,348,000	142,100,000
Less accumulated depreciation and amortization	97,126,000	83,890,000
	67,222,000	58,210,000
Other Assets		
Goodwill, trademarks and rights, less accumulated amortization of $6,883,000 and $5,364,000, respectively	21,459,000	9,326,000
Long-term investment securities available for sale	495,000	990,000
Long-term investment securities held to maturity	3,340,000	9,497,000
Sundry	3,064,000	2,883,000
	28,358,000	22,696,000
	$136,827,000	$123,128,000
Liabilities and Stockholders' Equity		
Current Liabilities		
Current maturities of long-term debt	$16,000	$8,000
Accounts payable	13,315,000	10,394,000
Accrued liabilities	8,652,000	7,038,000
Total current liabilities	21,983,000	17,440,000
Long-Term Debt, less current maturities	5,028,000	5,010,000
Deferred Income	532,000	567,000
Deferred Income Taxes	3,380,000	3,403,000
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, 8,850,000 and 8,749,000, respectively	36,908,000	35,818,000
Foreign currency translation adjustment	(1,409,000)	(1,356,000)

Retained earnings	70,405,000	62,246,000
	105,904,000	96,708,000
	$136,827,000	$123,128,000

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Stockholders' Equity

	Common Stock Shares	Common Stock Amount	Foreign Currency Translation Adjustment	Retained Earnings	Total
Balance at Sept 25, 1994	9,889,000	$49,946,000	$ --	$50,599,000	$100,545,000
Issuance of common stock upon exercise of stock options	38,000	303,000	--	--	303,000
Foreign currency translation adjustment	--	--	(1,121,000)	--	(1,121,000)
Repurchase of common stock	(801,000)	(9,447,000)	--	--	(9,447,000)
Net earnings for the fiscal year ended September 30, 1995	--	--	--	5,804,000	5,804,000
Balance at September 30, 1995	9,126,000	40,802,000	(1,121,000)	56,403,000	96,084,000
Issuance of common stock upon exercise of stock options	56,000	199,000	--	--	199,000
Adjustments to common stock for acquisition	--	(154,000)	--	--	(154,000)
Foreign currency translation adjustment	--	--	(235,000)	--	(235,000)
Repurchase of common stock	(433,000)	(5,029,000)	--	--	(5,029,000)
Net earnings for the fiscal year ended September 28, 1996	--	--	--	5,843,000	5,843,000
Balance at September 28, 1996	8,749,000	35,818,000	(1,356,000)	62,246,000	96,708,000
Issuance of common stock upon exercise of stock options	84,000	945,000	--	--	945,000
Issuance of common stock for employee stock purchase plan	17,000	145,000	--	--	145,000
Foreign currency translation adjustment	--	--	(53,000)	--	(53,000)
Net earnings for the fiscal year ended September 27, 1997	--	--	--	8,159,000	8,159,000
Balance at September 27, 1997	8,850,000	$36,908,000	$(1,409,000)	$70,405,000	$105,904,000

The accompanying notes are an integral part of this statement.

Consolidated Statements of Cash Flows

	Fiscal year ended September 27, 1997 (52 weeks)	September 28, 1996 (52 weeks)	September 30, 1995 (53 weeks)
Operating activities:			
Net earnings	$8,159,000	$5,843,000	$5,804,000
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization of fixed assets	17,090,000	15,613,000	15,040,000
Amortization of intangibles and deferred costs	2,180,000	1,262,000	1,016,000
(Gains) losses from			

disposals of property and equipment	(26,000)	44,000	(1,222,000)
Increase (decrease) in deferred income taxes	(23,000)	(1,600,000)	308,000
Other adjustments	14,000	(24,000)	(123,000)
Changes in assets and liabilities, net of effects from purchase of companies			
Increase in accounts receivable	(6,615,000)	(488,000)	(443,000)
Increase in inventories	(1,008,000)	(30,000)	(235,000)
Decrease in prepaid expenses	174,000	572,000	15,000
Increase in accounts payable and accrued liabilities	426,000	688,000	428,000
Net cash provided by operating activities	20,371,000	21,880,000	20,588,000
Investing activities:			
Purchases of property, plant and equipment	(19,581,000)	(14,480,000)	(12,935,000)
Proceeds from sales of operations	--	--	405,000
Payments for purchase of companies, net of cash acquired and debt assumed	(18,601,000)	(2,739,000)	--
Proceeds from investments held to maturity	6,146,000	575,000	405,000
Payments for investments held to maturity	--	(2,750,000)	(1,000,000)
Proceeds from investments available for sale	1,710,000	7,133,000	6,609,000
Payments for investments available for sale	--	(4,578,000)	(2,981,000)
Decrease in bond trust fund	--	1,000	655,000
Proceeds from disposals of property and equipment	273,000	191,000	1,620,000
Other	(420,000)	(515,000)	(131,000)
Net cash used in investing activities	(30,473,000)	(17,162,000)	(7,353,000)
Financing activities:			
Proceeds from issuance of common stock	930,000	183,000	303,000
Payments to repurchase common stock	--	(5,029,000)	(9,447,000)
Other	26,000	(21,000)	(16,000)
Net cash provided by (used in) financing activities	956,000	(4,867,000)	(9,160,000)
Net (decrease) increase in cash and cash equivalents	(9,146,000)	(149,000)	4,075,000
Cash and cash equivalents at beginning of year	10,547,000	10,696,000	6,621,000
Cash and cash equivalents at end of year	$1,401,000	$10,547,000	$10,696,000

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. All material intercompany balances and transactions have been eliminated in the consolidated financial statements.

2. Revenue Recognition

The Company recognizes revenue when its product is shipped. 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 and amortizes these contracts by the straight-line method over the term of the contracts.

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. Depreciation and Amortization

Depreciation of equipment and buildings is provided for by the straight-line and accelerated methods over the estimated useful lives. Amortization of improvements is provided for by the straight-line method over the term of the lease or the estimated useful life, whichever is shorter. Goodwill, trademarks and rights arising from acquisitions are being 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 a new standard issued by the Financial Accounting Standards Board ("FASB"), 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.

9. Fair Value of Financial Instruments

The Company adopted SFAS No. 107, "Disclosures About Fair Value of

Financial Instruments," which requires entities to disclose the estimated fair value of their assets and liabilities considered to be financial instruments. Financial instruments consist primarily of cash and cash equivalents, investments and long-term debt. Based on the borrowing rates currently available to the Company, long-term debt approximates fair value at September 27, 1997 and September 28, 1996.

10. 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. The principal types of differences between assets and liabilities for financial statement and tax return purposes are vacation accruals, insurance reserves, deferred income and accumulated depreciation.

11. Earnings Per Common Share

Earnings per common share are based on the weighted-average number of common shares outstanding, including common stock equivalents (stock options).

The FASB has issued SFAS No. 128, "Earnings Per Share" ("EPS"), which is effective for financial statements issued after December 31, 1997. Once effective, the new standard eliminates 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 or other contracts to issue common stock were exercised and converted into common stock. The effect of adopting this new standard is not expected to be material.

12. Accounting for Stock-Based Compensation

In fiscal 1997, the Company adopted a new standard issued by the FASB, 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."

13. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expense was $3,892,000, $4,119,000 and $3,971,000 for the fiscal years 1997, 1996 and 1995, respectively.

14. Recent Accounting Pronouncements

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income," which is effective for years beginning after December 15, 1997. This new standard requires entities presenting a complete set of financial statements to include details of comprehensive income. Comprehensive income consists of net income or loss for the current period and income, expenses, gains and losses that bypass the income statement and are reported directly in a separate component of equity. The effect of adopting this new standard is not expected to be material.

In June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which is effective for all periods beginning after December 15, 1997. SFAS No. 131 requires that public business enterprises report certain information about operating segments in complete sets of financial statements of the enterprise and in condensed financial statements of interim periods issued to shareholders. It also requires that public business enterprises report certain information about their products and services, the geographic areas in which they operate, and their major customers.

Note B - Acquisitions

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 with annual sales of approximately $15 million. Mama Tish's accounted for approximately $10 million of sales in 1997 and $850,000 of net earnings.

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.

In May 1996, the Company acquired the assets of Mazzone Enterprises, Inc. for cash and by assuming certain liabilities. Mazzone Enterprises is a manufacturer and distributor of Italian ices and other specialty frozen desserts.

In April 1996, the Company acquired the assets of Pretzel Gourmet Corp. for cash. Pretzel Gourmet is a chain of retail stores specializing in freshly baked hand-rolled soft pretzels.

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. The impact of the above acquisitions, on the respective acquisition dates, was not significant on the results of operations of the Company.

Note C - Credit Arrangements

The Company has available general unsecured bank lines of credit of $30,000,000 at rates below the prime rate. The credit facilities are renewed annually. The loan agreements specify net worth and other financial covenants. The entire amounts of these lines of credit were available at September 27, 1997 and September 28, 1996.

Note D - 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 for such securities, net of income tax, are reported as a separate component of stockholders' equity and excluded from the determination of net income.

Proceeds on sales of securities classified as available for sale were $1,710,000, $7,133,000 and $6,609,000 for fiscal years 1997, 1996 and 1995, 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.

The amortized cost, gross unrealized gains and losses, and fair market values of the Company's investment securities available for sale and held to maturity at September 27, 1997 are summarized as follows:

	Amortized	Gross Unrealized	Gross Unrealized	Fair Market

	Cost	Gains	Losses	Value
Available for sale				
Corporate debt securities	$495,000	$ --	$ --	$495,000
Held to maturity				
Corporate debt securities	$970,000	$19,000	$ --	$989,000
Municipal government securities	1,870,000	3,000	(8,000)	1,865,000
Other debt securities	500,000	--	--	500,000
	$3,340,000	$22,000	$(8,000)	$3,354,000

The amortized cost, gross unrealized gains and losses, and fair market values of the Company's investment securities available for sale and held to maturity at September 28, 1996 are summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Available for sale				
Equity securities	$ --	$9,000	$ --	$9,000
Corporate debt securities	495,000	--	(52,000)	443,000
Municipal government securities	1,712,000	6,000	(2,000)	1,716,000
	$2,207,000	$15,000	$(54,000)	$2,168,000
Held to maturity				
Corporate debt securities	$992,000	$9,000	$(8,000)	$993,000
Municipal government securities	8,005,000	28,000	(67,000)	7,966,000
Other debt securities	500,000	--	--	500,000
	$9,497,000	$37,000	$(75,000)	$9,459,000

The following table lists the maturities of investment securities classified as available for sale and held to maturity at September 27, 1997:

	Available for Sale		Held to Maturity	
	Amortized Cost	Fair Market Value	Amortized Cost	Fair Market Value
Due after one year through five years	$ --	$ --	$3,340,000	$3,354,000
Due after five years	495,000	495,000	--	--
	$495,000	$495,000	$3,340,000	$3,354,000

Note E - Inventories

Inventories consist of the following:

	September 27, 1997	September 28, 1996
Finished goods	$7,108,000	$5,534,000
Raw materials	1,789,000	1,387,000
Packaging materials	2,262,000	2,009,000
Equipment parts and other	2,376,000	2,346,000
	$13,535,000	$11,276,000

Note F - Property, Plant and Equipment

Property, plant and equipment consist of the following:

	September 27, 1997	September 28, 1996	Estimated Useful Lives
Land	$819,000	$819,000	--
Buildings	5,340,000	5,119,000	15-39.5 years
Plant machinery and equipment	51,891,000	41,158,000	5-10 years
Marketing equipment	90,988,000	81,144,000	5 years
Transportation equipment	1,856,000	1,754,000	5 years
Office equipment	4,792,000	3,727,000	3-5 years
Improvements	7,837,000	7,053,000	5-20 years
Construction in progress	825,000	1,326,000	--
	$164,348,000	$142,100,000	

Note G - Accrued Liabilities

Included in accrued liabilities is accrued compensation of $3,275,000 and $2,560,000 as of September 27, 1997 and September 28, 1996, respectively.

Note H - Long-Term Debt

Long-term debt consists of the following:

	September 27, 1997	September 28, 1996
7.25% redeemable economic development revenue bonds payable December 2005; interest payable semiannually (subject to debt limitation and minimum stockholders' equity covenants)	$5,000,000	$5,000,000
Other	44,000	18,000
	5,044,000	5,018,000
Less current maturities	16,000	8,000
	$5,028,000	$5,010,000

Annual principal payments of long-term debt as of September 27, 1997 are as follows:

1998	$16,000
1999	11,000
2000	9,000
2001	8,000
2002	--
2003 and thereafter	5,000,000
	$5,044,000

Note I - Deferred Income

1. Sale of ICEE Operations in Hawaii

Deferred income consists of the Company's unrecognized gain on the sale of its ICEE operations in Hawaii to the former President of ICEE-USA Corp. in July 1994 for $1,100,000 in cash. Under the terms of the sale, the Company has guaranteed the payment of a bank note by the purchaser, ICEE of Hawaii, Inc., through the issuance of a letter of credit. The Company's guarantee is collateralized by the assets of ICEE of Hawaii, Inc. The Company recognizes gain on the sale as the principal due on the bank note is reduced through payments by ICEE of Hawaii, Inc. The Company recognized gains of $76,000, $83,000 and $25,000 for the fiscal years ended 1997, 1996 and 1995, respectively.

2. Service Contracts

During the years ended September 27, 1997 and September 28, 1996, the Company sold $296,000 and $143,000, respectively, of service contracts related to its frozen carbonated beverage machines. At September 27, 1997, deferred income on service contracts was $283,000, of which $186,000 is reflected as short-term and included in accrued liabilities on the consolidated balance sheet. Service contract income of $179,000 and $14,000 was recognized for the fiscal years ended 1997 and 1996, respectively.

Note J - Income Taxes

Income tax expense is as follows:

	Fiscal year ended		
	September 27, 1997	September 28, 1996	September 30, 1995
Current (Benefit)			
U.S. Federal	$3,381,000	$4,538,000	$2,841,000
Foreign	40,000	(31,000)	63,000
State	394,000	293,000	285,000
	3,815,000	4,800,000	3,189,000
Deferred (Benefit)			
U.S. Federal	(3,000)	(1,552,000)	359,000
Foreign	(23,000)	--	(43,000)
State	3,000	(48,000)	(8,000)
	(23,000)	(1,600,000)	308,000
	$3,792,000	$3,200,000	$3,497,000

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 27, 1997	September 28, 1996	September 30, 1995
Income taxes at statutory rates	$4,063,000	$3,075,000	$3,162,000
Increase (decrease) in taxes resulting from:			
State income taxes, net of federal income tax benefit	267,000	193,000	194,000
Nontaxable income	(120,000)	(343,000)	(315,000)
Other, net	(418,000)	275,000	456,000
	$3,792,000	$3,200,000	$3,497,000

Deferred tax assets and liabilities consist of the following:

	September 27, 1997	September 28, 1996
Deferred tax assets		
Vacation accrual	$296,000	$257,000
Insurance reserve	404,000	355,000
Deferred income	272,000	280,000
Other, net	537,000	501,000
	1,509,000	1,393,000
Deferred tax liabilities		
Depreciation of property and equipment	4,237,000	4,720,000
Other, net	652,000	76,000
	4,889,000	4,796,000
	$3,380,000	$3,403,000

Note K - Commitments

1. Lease Commitments

The following is a summary of approximate future minimum rental commitments for noncancellable operating leases with terms of more than one year as of September 27, 1997:

	Plants and Offices	Equipment	Total
1998	$5,496,000	$1,949,000	$7,445,000
1999	4,678,000	1,596,000	6,274,000
2000	4,059,000	1,345,000	5,404,000
2001	3,062,000	843,000	3,905,000
2002	2,144,000	91,000	2,235,000
2003 and thereafter	12,537,000	91,000	12,628,000
	$31,976,000	$5,915,000	$37,891,000

Total rent expense was $6,002,000, $5,748,000 and $5,860,000 for fiscal years 1997, 1996 and 1995, respectively.

2. Other Commitments

Additionally, 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 various share repurchase programs authorized by the Board of Directors, the Company purchased and retired 433,000 shares of its common stock at a cost of $5,029,000 in fiscal year 1996, and 801,000 shares at a cost of $9,447,000 in fiscal year 1995. Under the most recent share repurchase authorization, 712,000 shares remain to be repurchased.

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 643,000 shares remain unissued as of September 27, 1997.

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 the 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 27, 1997	September 28, 1996
Net Earnings:		
As reported	$8,159,000	$5,843,000
Pro forma	7,697,000	5,786,000
Earnings Per Common Share:		
As reported	$.91	$.65
Pro forma	.86	.64

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 1997 and 1996, respectively: expected volatility of 30% for both years; risk-free interest rates of 6.71% and 6.45%; and expected lives ranging between 4.5 and 7 years for both years.

A summary of the status of the Company's option plans as of fiscal years 1997, 1996 and 1995 and the changes during the years ended on those dates is represented below:

	Incentive Stock Options		Nonqualified Stock Options	
	Stock Options Out-standing	Weighted-Average Exercise Price	Stock Options Out-standing	Weighted-Average Exercise Price
Balance, September 25, 1994	550,078	$11.10	282,000	$9.59
Granted	147,500	$11.76	44,000	$11.78
Exercised	(37,675)	$8.01	--	--
Cancelled	(17,091)	$11.43	--	--
Balance, September 30, 1995	642,812	$11.42	326,000	$9.88
Granted	292,826	$10.00	34,000	$12.25
Exercised	(21,000)	$8.71	(45,000)	$2.50
Cancelled	(169,145)	$12.03	--	--
Balance, September 28, 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
Exercisable Options, September 27, 1997	312,562		315,000	

The weighted-average fair value of incentive options granted during fiscal years ended September 27, 1997 and September 28, 1996 was $4.24 and $3.62, respectively. The weighted-average fair value of nonqualified stock options granted during fiscal years ended September 27, 1997 and September 28, 1996 was $5.97 and $5.70, respectively.

The following table summarizes information about incentive stock options outstanding at September 27, 1997:

Range of Exercise Prices	Options Outstanding: Number Outstanding at September 27, 1997	Options Outstanding: Weighted-Average Remaining Contractual Life	Options Outstanding: Weighted-Average Exercise Price	Options Exercisable: Number Exercisable at September 27, 1997	Options Exercisable: Weighted-Average Exercise Price
$7.25	30,000	2.5 years	$7.25	30,000	$7.25
$9.75-$13.625	846,386	3.5 years	$11.41	282,562	$12.23
	876,386			312,562	

The following table summarizes information about non-qualified options outstanding at September 27, 1997:

Range of Exercise Prices	Options Outstanding: Number Outstanding at September 27, 1997	Options Outstanding: Weighted-Average Remaining Contractual Life	Options Outstanding: Weighted-Average Exercise Price	Options Exercisable: Number Exercisable at September 27, 1997	Options Exercisable: Weighted-Average Exercise Price
$5.88-$7.50	33,000	1.1 years	$6.83	33,000	$6.83
$10.75-$13.63	316,000	5.5 years	$11.89	282,000	$11.79
	349,000		315,000		

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 $404,000, $313,000 and $242,000 were made in fiscal years 1997, 1996 and 1995, respectively.

Note O - Major Customer Information

One customer accounted for 10% of the Company's sales for the fiscal year ended September 27, 1997.

Note P - Cash Flow Information

The following is supplemental cash flow information:

	Fiscal year ended September 27, 1997	September 28, 1996	September 30, 1995
Cash paid for:			
Interest	$431,000	$367,000	$395,000
Income taxes	4,469,000	3,077,000	2,826,000

Note Q - Subsequent Event

In December 1997, the Company acquired controlling interest in National ICEE Corporation. National ICEE Corporation markets and distributes frozen carbonated beverages primarily in the eastern half of the United States with annual sales of approximately $40 million. 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 1997 and 1996 assuming the above had occurred at the beginning of that fiscal year:

	1997	1996
Sales	$258,206,000	$222,964,000
Net Earnings	$6,129,000	$4,279,000
Earnings per common share	$.68	$.47

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 27, 1997 and September 28, 1996, 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 27, 1997 (52 weeks, 52 weeks and 53 weeks, respectively). 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 27, 1997 and September 28, 1996, 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 27, 1997 in conformity with generally accepted accounting principles.

Grant Thornton, LLP
Philadelphia, Pennsylvania
November 4, 1997 (except for Note Q, as to which the date is December 8, 1997)

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

Dan Fachner
President of ICEE-USA Corp. Subsidiary

Officers of Subsidiary Companies

J & J Snack Foods Corp. of New Jersey

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

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

ICEE-USA Corp.

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

J & J Restaurant Group

Robert F. Puccio
President

Pretzels, Inc.

Gary Powell
President

Quarterly Common Stock Data

	Market Price	
Fiscal 1997	High	Low
1st Quarter	14 1/8	10 5/8
2nd Quarter	14 1/8	10 1/2
3rd Quarter	16 1/8	11 1/4
4th Quarter	17 1/4	14 1/2

Fiscal 1996

1st Quarter	13 1/4	11
2nd Quarter	12 3/4	11
3rd Quarter	13 3/4	11 3/8
4th Quarter	12 1/8	9 7/8

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

Annual Meeting
The Annual Meeting of Shareholders is scheduled for Wednesday, February 4, 1998 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

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

	Place of Incorporation
J & J Snack Foods Investment Corp.	Delaware
ICEE-USA Corp.	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
Trotter Soft Pretzels, Inc.	Pennsylvania
American Snack Foods Corp.	Pennsylvania
Snack Foods Acquisition Corp.	Delaware
ICEE-Canada, Inc.	Canada
ICEE DE MEXICO, S.A. DE C.V.	Mexico
J & J Restaurant Group, Inc.	Pennsylvania
Mazzone Enterprises, Inc.	Illinois
Bakers Best Snack Food Corp.	Pennsylvania
Pretzels, Inc.	Texas

EXHIBIT 24.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our reports dated November 4, 1997 (except for Note Q, as to which the date is December 8, 1997) 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 27, 1997. 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 15, 1997

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