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TASTY BAKING CO  
Form 10-Q  
November 10, 2003

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON D.C. 20549

FORM 10-Q

(Mark One)

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the thirty-nine weeks ended September 27, 2003  
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( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-5084

TASTY BAKING COMPANY

(Exact name of company as specified in its charter)

Pennsylvania

23-1145880

-----  
(State of Incorporation)

(IRS Employer Identification Number)

2801 Hunting Park Avenue, Philadelphia, Pennsylvania 19129  
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(Address of Principal Executive Offices) (Zip Code)

(215) 221-8500  
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(Company's Telephone Number, including area code)

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

Yes X

No \_\_\_\_

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

Yes X

No \_\_\_\_

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes

No \_\_\_\_

APPLICABLE ONLY TO CORPORATE ISSUERS:

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

|                               |  |
|-------------------------------|--|
| Common Stock, par value \$.50 | 8,097,110  |
| (Title of Class)              | (No. of Shares Outstanding as of October 28, 2003) |

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TASTY BAKING COMPANY AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

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### Item 1. Financial Statements

TASTY BAKING COMPANY AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(unaudited)  
(000's)

|   | September 27, 2003 |
|---|--------------------|
| <hr/>   |                    |
| Current assets:   |                    |
| Cash  | \$ 195             |
| Receivables, less allowance of \$3,570<br>and \$3,606 respectively  | 21,636             |
| Inventories   | 5,530              |
| Deferred income taxes   | 5,138              |
| Prepayments and other   | 1,497              |
| Total current assets  | 33,996             |
| <hr/>   |                    |
| Property, plant and equipment:                                      |                    |
| Land  | 1,098              |
| Buildings and improvements  | 38,126             |
| Machinery and equipment   | 154,136            |
|   | 193,360            |
| Less accumulated depreciation                                       | 134,540            |
|   | 58,820             |
| <hr/>   |                    |
| Long-term receivables from owner/operators                          | 10,345             |
| Deferred income taxes   | 8,843              |
| Spare parts inventory   | 3,821              |
| Other   | 205                |
|   | 23,214             |
| <hr/>   |                    |
| Total assets  | \$ 116,030         |
| <hr/>   |                    |
| Current liabilities:  |                    |
| Current obligations under capital leases                            | \$ 571             |
| Notes payable, banks  | 2,900              |
| Accounts payable  | 9,811              |
| Accrued payroll and employee benefits                               | 5,305              |
| Reserve for restructures  | 1,269              |
| Other   | 776                |
| Total current liabilities   | 20,632             |
| Long-term debt  | 8,000              |
| Long-term obligations under capital leases,<br>less current portion | 4,715              |
| Reserve for restructures-less current portion                       | 2,001              |
| Accrued pensions and other liabilities                              | 16,932             |
| Postretirement benefits other than pensions                         | 17,923             |
| Total liabilities   | 70,203             |
| <hr/>   |                    |
| Shareholders' equity:   |                    |
| Common stock  | 4,558              |

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|   |            |
|---|------------|
| Capital in excess of par value of stock                     | 29,390     |
| Retained earnings   | 24,846     |
|   | -----      |
|   | 58,794     |
| Less:   |            |
| Treasury stock, at cost                                     | 12,556     |
| Management Stock Purchase Plan<br>receivables and deferrals | 411        |
|   | -----      |
|   | 45,827     |
|   | -----      |
| Total liabilities and shareholders' equity                  | \$ 116,030 |
|   | =====      |

See accompanying notes to consolidated financial statements.

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TASTY BAKING COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)  
(000's, except per share amounts)

|  | For the Thirteen Weeks Ended |                        | For the     |
|--|------------------------------|------------------------|-------------|
|  | September 27, 2003           | September 28, 2002 (a) | September 2 |
|  |                              |                        |             |
| Gross Sales  | \$ 60,837                    | \$ 63,652              | \$ 188,     |
| Less discounts and allowances                      | (21,889)                     | (23,671)               | (68,        |
| Net Sales  | 38,948                       | 39,981                 | 120,        |
| Costs and expenses:                                |                              |                        |             |
| Cost of sales                                      | 26,391                       | 28,234                 | 81,         |
| Depreciation                                       | 1,772                        | 1,886                  | 5,          |
| Selling, general and administrative                | 13,107                       | 10,558                 | 34,         |
| Restructure charge (reversal)                      | (129)                        | -                      | (           |
| Interest expense                                   | 223                          | 225                    |             |
| Other income, net                                  | (228)                        | (259)                  | (           |
|  | 41,136                       | 40,644                 | 120,        |
| Income (loss) before provision for<br>income taxes | (2,188)                      | (663)                  | (           |
| Provision (credit) for income taxes                | (755)                        | (232)                  | (           |
| Net income (loss)                                  | \$ (1,433)                   | \$ (431)               | \$ (        |
| Average common shares outstanding:                 |                              |                        |             |
| Basic  | 8,098                        | 8,078                  | 8,          |

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|                                      |          |          |      |
|--------------------------------------|----------|----------|------|
| Diluted                              | 8,114    | 8,165    | 8,   |
| Per share of common stock:           |          |          |      |
| Net income (loss): Basic and Diluted | (\$0.18) | (\$0.05) | (\$0 |
| Cash dividend                        | \$0.05   | \$0.12   | \$0  |

- (a) An amount of \$169 has been reclassified to reflect a correction of certain expenses re sales and selling, general and administrative expense.
- (b) An amount of \$384 has been reclassified to reflect a correction of certain expenses re sales and selling, general and administrative expense.

See accompanying notes to consolidated financial statements.

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TASTY BAKING COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(unaudited)  
(000's)

|   |                                     |
|---|-------------------------------------|
|   | For the Third<br>September 27, 2003 |
| -----   |                                     |
| Cash flows from (used for) operating activities   |                                     |
| Net income  | \$ (561)                            |
| Adjustments to reconcile net income to net cash provided by operating activities:                 |                                     |
| Depreciation  | 5,249                               |
| Restructure charge (reversal)   | (444)                               |
| Pension expense   | 1,297                               |
| Deferred taxes  | (406)                               |
| Restructure payments and other  | (2,110)                             |
| Changes in assets and liabilities:  |                                     |
| Increase in receivables   | (754)                               |
| Decrease in inventories   | 1,248                               |
| Decrease (increase) in prepayments and other  | 1,312                               |
| Increase in accrued payroll, accrued income taxes, accounts payable and other current liabilities | 3,680                               |
|   | -----                               |
| Net cash from operating activities  | 8,511                               |
|   | -----                               |
| Cash flows from (used for) investing activities   |                                     |
| Purchase of property, plant and equipment   | (4,159)                             |

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|   |          |
|---|----------|
| Proceeds from owner/operators' loan repayments  | 2,575    |
| Loans to owner/operators                        | (2,825)  |
| Other   | (153)    |
|   | -----    |
| Net cash used for investing activities          | (4,562)  |
|   | -----    |
| Cash flows from (used for) financing activities |          |
| Dividends paid                                  | (1,215)  |
| Payment of long-term debt                       | (1,221)  |
| Net decrease in short-term debt                 | (1,600)  |
| Net proceeds from sale of common stock          | -        |
|   | -----    |
| Net cash used for financing activities          | (4,036)  |
|   | -----    |
| Net decrease in cash                            | (87)     |
| Cash, beginning of year                         | 282      |
|   | -----    |
| Cash, end of period                             | \$ 195   |
|   | =====    |
| Supplemental Cash Flow Information:             |          |
| Cash paid during the period for:                |          |
| Interest  | \$ 592   |
|   | =====    |
| Income taxes                                    | \$ 85    |
|   | =====    |
| Noncash investing and financing activities      |          |
| Capital lease                                   | \$ 1,845 |
|   | =====    |

(a) Certain amounts have been reclassified for comparative purposes.

See accompanying notes to consolidated financial statements.

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TASTY BAKING COMPANY AND SUBSIDIARIES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 All amounts are in (000's)

1. Significant Accounting Policies

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 Interim Financial Information  
 -----

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly the financial position of the company as of September 27, 2003 and December 28, 2002, the results of its operations for the thirteen and

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thirty-nine weeks ended September 27, 2003 and September 28, 2002 and cash flows for the thirty-nine weeks ended September 27, 2003 and September 28, 2002. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto in the company's 2002 Annual Report to Shareholders. In addition, the results of operations for the thirteen and thirty-nine weeks ended September 27, 2003 are not necessarily indicative of the results to be expected for the full year.

### Net Income Per Common Share

-----

Net income per common share is presented as basic and diluted earnings per share. Net income per common share - Basic is based on the weighted average number of common shares outstanding during the year. Net income per common share - Diluted is based on the weighted average number of common shares and dilutive potential common shares outstanding during the year. Dilution is the result of outstanding stock options.

### Stock-Based Compensation

-----

The company measures stock-based compensation in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees" and has calculated the pro-forma impact of the fair-value method in accordance with Statement of Financial Accounting Standard No. 123, "Accounting for Stock-Based Compensation." The calculated difference between the reported and pro-forma net income amounts is approximately \$.01 per diluted share for the third quarter of 2003 and less than \$.01 per diluted share for the third quarter of 2002 (see Note 4).

### Pension Plan

-----

The company's funding policy for its pension plan is to contribute amounts deductible for federal income tax purposes plus such additional amounts, if any, as the company's actuarial consultants advise to be appropriate. The company accrues normal periodic pension expense or income during the year based upon certain assumptions and estimates from its actuarial consultants in accordance with Statement of Financial Accounting Standard No. 87. These estimates and assumptions include discount rate, rate of return on plan assets, compensation increases, mortality and employee turnover. In addition, the rate of return on plan assets is directly related to changes in the equity and credit markets, which can be very volatile. The use of the above estimates and assumptions, market volatility and the company's election to immediately recognize all gains and losses in excess of its pension corridor in the current year may cause the company to experience significant changes in its pension expense or income from year to year. Expenses or income that fall outside the corridor are recognized only in the fourth quarter.

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## 2. Restructure Charges

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The company recognized pre-tax net restructure charge reversals in 2003 of \$129 in the third quarter, \$95 in the second quarter and \$220 in the first quarter. These reversals resulted from favorable settlements of

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certain thrift store lease contracts. These settlements relate to the restructure charges taken during 2002 and 2001.

During the fourth quarter of 2002, the company incurred a \$4,936 pre-tax restructure charge related to the closing of twelve thrift stores which represented the remaining company operated thrift stores. This restructure charge also included specific arrangements made with senior executives who departed the company in the fourth quarter of 2002. There were 29 employees terminated as a result of this restructure, of which 25 were thrift store employees and 4 were corporate executives.

During the second quarter of 2002, the company closed six thrift stores and eliminated certain manufacturing and administrative positions. There were 67 employees terminated as a result of this restructure, of which 42 were temporary employees, 13 were thrift store employees and 12 were corporate and administrative employees. Costs related to these events were included in a pre-tax restructure charge of \$1,405.

During the fourth quarter of 2001, the company closed its Dutch Mill plant in Wyckoff, New Jersey. In addition, the company closed two thrift stores. Costs related to these events were included in a pre-tax restructure charge of \$1,728.

### RESTRUCTURE RESERVE ACTIVITY

|                   | Balance<br>12/28/02 | Payments        | Reclass<br>of PP&E |           |
|-------------------|---------------------|-----------------|--------------------|-----------|
| Lease obligations | \$ 2,078            | \$ 548          | -                  | \$        |
| Severance         | 3,403               | 1,298           | -                  |           |
| Fixed Assets      | 326                 | -               | 326                |           |
| Other             | 178                 | 99              | -                  |           |
| <b>Total</b>      | <b>\$ 5,985</b>     | <b>\$ 1,945</b> | <b>\$ 326</b>      | <b>\$</b> |

The balance of the severance charges is expected to be paid as of December 2005 and the balance of the lease obligations and other charges is expected to be paid as of November 2006.

### 3. Inventories

Inventories are classified as follows:

|                            | September 27, 2003 | December 31, 2003 |
|----------------------------|--------------------|-------------------|
| Finished Goods             | \$ 2,582           | \$                |
| Work in progress           | 847                |                   |
| Raw materials and supplies | 2,101              |                   |
| <b>Total</b>               | <b>\$ 5,530</b>    | <b>\$</b>         |



4. Stock Option Plans  
-----

On March 27, 2003, the Board of Directors adopted the Tasty Baking Company 2003 Long Term Incentive Plan (2003 Plan), which was approved by shareholders at the 2003 Annual Meeting. Under the terms of the 2003 Plan, 400,000 shares were authorized. On August 7, 2003, 312,056 of the authorized shares were granted as options to employees and directors of the company. In addition on August 7, 2003, 77,344 and 11,250 options were granted to employees under the 1997 Long Term Incentive Plan and the 1994 Long Term Incentive Plan, respectively. Under these grants, the options vest in three equal installments beginning on the first anniversary date with a five year retention period from the date of grant. The option price is determined by the Compensation Committee of the Board and, in the case of incentive stock options, will be no less than the fair market value of the shares on the date of grant. Options lapse at the earlier of the expiration of the option term specified by the Compensation Committee of the Board (not more than ten years in the case of incentive stock options) or three months following the date on which employment with the company terminates.

|  | Three Months Ended |          |
|--|--------------------|----------|
|  | 9/27/03            | 9/28/02  |
| Net income (loss) as reported  | \$ (1,433)         | \$ (431) |
| Deduct: Total stock-based employee compensation expense determined under fair value method, net of related tax effects | (73)               | (15)     |
| Pro forma net income   | \$ (1,506)         | \$ (446) |
| Earnings per share:  |                    |          |
| Basic and Diluted - as reported  | \$ (.18)           | \$ (.05) |
| Basic and Diluted - pro forma  | \$ (.19)           | \$ (.05) |

5. Credit Facility  
-----

At the conclusion of the third quarter on September 27, 2003, the company was not in compliance with the leverage covenant in its Credit Facility (Facility) with its bank group. This covenant was violated because of the loss experienced during the quarter which reduced the adjusted earnings that the covenant measures relative to the company's outstanding debt. The company has obtained a waiver of the non-compliance for the third quarter and the bank group has amended this covenant for the fourth

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quarter. There are no restrictions on the company's ability to borrow under the Facility, and the company anticipates being in compliance with the covenant over the next twelve months. In addition, the company is negotiating with the bank group to permanently amend the covenants and extend the maturity of the Facility. The company expects that the permanent amendment and extension will be completed prior to the end of its fiscal year on December 27, 2003.

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### TASTY BAKING COMPANY AND SUBSIDIARIES All amounts are in (000's)

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

The net loss for the third quarter of 2003 was \$1,433 or \$.18 per diluted share which included a \$129 pre-tax restructure charge reversal due to the favorable settlement of certain thrift store lease contracts. Net loss for the third quarter of 2002 was \$431 or \$.05 per diluted share.

Net loss for the thirty-nine weeks ended September 27, 2003 was \$561 or \$.07 per diluted share which included a \$444 pre-tax restructure charge reversal due to the favorable settlement of certain thrift store lease contracts. Net income for the thirty-nine weeks ended September 28, 2002 was \$1,652 or \$.20 per diluted share. Included in the net income for 2002 was a pre-tax restructure charge in the amount of \$1,405.

Gross sales decreased by 4.4% in the third quarter of 2003 relative to the comparable quarter in 2002. Gross sales in the core routes in the third quarter of 2003 increased 3% driven by the increased number of routes due to the change to route distribution on the Eastern Shore of Maryland. Other factors contributing to the change in route sales during the third quarter of 2003 included price increases instituted on certain product lines and new product introductions, which were offset by the effect of decreases in promotional activity, the discontinuation of certain Classic Baked Goods varieties and an increase in the mix of products sold at lower wholesale selling prices. Gross sales outside the core routes decreased by 20.2% in the third quarter of 2003 versus 2002. Most of the decline in the sales outside the core routes was related to the company's decision to discontinue sales to certain west coast accounts that were deemed unprofitable. The company continues to examine margins on all lines of business and is focused on increasing profitability.

In the third quarter of 2003, net sales decreased by 2.6% compared to the same period last year. This decrease was less than the 4.4% decrease in gross sales due to a 7.5% reduction in discounts and allowances. This decrease in discounts and allowances is attributable to the favorable shift in sales to core routes.

Cost of sales for the third quarter of 2003 decreased by 6.5%. As a percentage of gross sales, cost of sales decreased one percentage point to 43.4% in the third quarter from 44.4% in the same quarter last year. This decrease is mostly the result of a full quarter of price increases on certain product lines in 2003. Gross margin after depreciation, as a percentage of net sales, was 27.7%

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and 24.7% for the third quarters of 2003 and 2002, respectively. This three percentage point improvement resulted from the combined effect of the price increases and reductions in discounts and allowances.

Selling, general and administrative expenses for the third quarter of 2003 increased by \$2,549 or 24.1% compared to the third quarter of 2002. Approximately \$2 million of the increase was due to marketing spending and expansion of the direct store delivery system into the Cleveland and Pittsburgh markets. The balance of the increase resulted from investment in personnel to fill key positions in the company and consulting and legal fees incurred to accomplish company initiatives. These expenses offset the savings from the fourth quarter 2002 closing of the company's thrift stores and the departure of certain executives.

The effective tax rate was 34.5% for the quarter ended September 27, 2003 and 35.0% for the quarter ended September 28, 2002, which compares to a federal statutory rate of 34%. Differences between the effective rates and the statutory rate arise from the effect of state income taxes.

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### Financial Condition

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The company has consistently demonstrated the ability to generate sufficient cash flow from operations. Bank borrowings, under the company's Credit Facility(Facility) with its bank group, are used to supplement cash flow from operations during periods of cyclical shortages. At the conclusion of the third quarter on September 27, 2003, the company was not in compliance with the leverage covenant in the Facility. This covenant was violated because of the loss experienced during the quarter which reduced the adjusted earnings that the covenant measures relative to the company's outstanding debt. The company has obtained a waiver of the non-compliance for the third quarter and the bank group has amended this covenant for the fourth quarter. There are no restrictions on the company's ability to borrow under the Facility, and the company anticipates being in compliance with the covenant over the next twelve months. In addition, the company is negotiating with the bank group to permanently amend the covenants and extend the maturity of the Facility. The company expects that the permanent amendment and extension will be completed prior to the end of its fiscal year on December 27, 2003.

Net cash from operating activities for the thirty-nine weeks ended September 27, 2003 increased by \$510 compared to the same period in 2002 despite a net loss in the current year compared to net income in prior year. Certain favorable changes resulted from improved accounts receivable turnover and a significant increase in the amount of accrued expenses. In addition, there was a reduction in cash payments for income tax.

Net cash used for investing activities for the thirty-nine weeks ended September 27, 2003 increased by \$764 relative to the same period in 2002 principally due to a reduction in net proceeds from owner-operator loans as new loans exceeded repayments in 2003. This reduction was partially offset by lower capital expenditures.

Net cash used for financing activities for the thirty-nine weeks ended September 27, 2003 decreased by \$448 relative to the comparable period in 2002, due to larger repayments of short-term and long-term debt in the current year being offset by a reduction of dividends paid in the current year. The company reduced its quarterly dividend to \$.05 per share in the first quarter of 2003. The

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quarterly dividend had been \$.12 per share since 1997.

For the remainder of 2003, the company anticipates that cash flow from operations, along with the continued availability of credit under the Credit Facility, will provide sufficient cash to meet operating and financing requirements.

### Forward-Looking Statements

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Certain matters discussed in this Report, including those under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations," contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and are subject to the safe harbor created by that Act. These forward-looking statements may include comments about legal proceedings, competition within the baking industry, availability and pricing of raw materials and capital, sales growth by route expansion and distribution through existing and other channels, the company's business strategies and other statements contained herein that are not historical facts. Because such forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements which include changes in general economic or business conditions, the availability of capital upon terms acceptable to the company, the availability and prices of raw materials, the level of demand for the Company's products, the outcome of legal proceedings to which the Company is or may become a party, the actions of competitors within the packaged food industry, changes in consumer tastes or eating habits, the success of plant modernization and business strategies implemented by the Company to meet future challenges, and the ability to develop and market in a timely and efficient manner new products which are accepted by consumers. The reader should review "Management's Discussion and Analysis" in the company's annual report on Form 10-K for the year ended December 28, 2002 for a more complete discussion of other risk factors which may affect the company's financial position or operating performance.

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### Item 3. Quantitative and Qualitative Disclosures About Market Risk

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The company has certain floating rate debt notes. Under current market conditions, the company believes that changes in interest rates would not have a material impact on the financial statements of the company. The company also has notes receivable from owner operators with rates that adjust every three years, and, therefore, would partially offset the fluctuations in the company's interest rates on its notes payable. The company also has the right to sell these notes receivable, and could use these proceeds to liquidate a corresponding amount of the notes payable.

### Item 4. Controls and Procedures

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The company maintains a system of disclosure controls and procedures designed to provide reasonable assurance as to the reliability of its consolidated financial

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statements and other disclosures included in this report. The company established a disclosure controls committee, which consists of certain members of management. During the second quarter of 2003, the company hired a Director of Internal Control and Analysis who has been actively involved in the evaluation of the disclosure controls and procedures. Within 90 days prior to the date of filing of this report, the company carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the design and operation of the company's disclosure controls and procedures. Based on this evaluation, the company's Chief Executive Officer and Chief Financial Officer concluded that the company's disclosure controls and procedures are effective for gathering, analyzing and disclosing the information the company is required to disclose in the reports it files pursuant to the Securities and Exchange Act of 1934, within the time periods specified in the SEC's rules and forms. There have been no significant changes in the company's internal controls or in other factors that could significantly affect internal controls subsequent to the date of this evaluation.

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### TASTY BAKING COMPANY AND SUBSIDIARIES

#### PART II. OTHER INFORMATION

##### Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 4.1 - Rights Agreement dated July 30, 2003 between the company and American Stock Transfer and Trust Company, which is incorporated by reference to Exhibit 4.1 to the company's report on Form 8-K filed July 31, 2003

Exhibit 31.1 - Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 31.2 - Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 32 - Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K

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The company filed the following reports on Form 8-K during the thirteen weeks ended September 27, 2003:

On July 31, 2003, the company furnished a report on Form 8-K under Item 5, Other Events, attaching a press release announcing a regular dividend, adoption of a shareholder rights plan and a stock repurchase program, and under Item 9, Regulation FD Disclosure, a press release announcing its second quarter 2003 financial results.

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TASTY BAKING COMPANY AND SUBSIDIARIES

SIGNATURE

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

TASTY BAKING COMPANY

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(Company)

November 10, 2003

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(Date)

/s/David S. Marberger

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DAVID S. MARBERGER  
SENIOR VICE PRESIDENT AND  
CHIEF FINANCIAL OFFICER  
(Principal Financial and  
Accounting Officer)

