

2012 Annual Report

For Fiscal Year Ended June 1, 2012



Golden Enterprises, Inc.



Golden Enterprises, Inc.

Counsel

Spain & Gillon, L.L.C.
Birmingham, Alabama

Auditors

Dudley, Hopton-Jones,
Sims & Freeman PLLP

Registrar & Transfer Agent

The Bank of New York
Shareholder Relations Dept.
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P.O. Box 11258
Church Street Station
New York, New York 10286
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A Classic American Success Story

Golden Flake is a tribute to the American free enterprise system. Starting out as Magic City Foods in 1923, the only products made were almonds, peanuts, peanut butter crackers, horseradish and potato chips.

Today, Golden Flake manufactures a full line of potato chips, pork skins, tortilla chips, corn chips, cheese puffs, cheese curls, onion rings and puff corn which are distributed throughout the Southeastern United States and available for purchase online. Even though Golden Flake is a much larger company today, the same quality and traditions that built its foundation and our mission to consistently satisfy the expectations of our consumers, customers, employees, & stockholders by producing & selling quality snacks still remain.



To Our Stockholders

For Golden Enterprises, Inc., 2012 was a year that saw unprecedented sales and continued positive results despite challenges including higher commodity and fuel costs. For the year net sales increased 4% to \$136.2 million for the 52 weeks ended June 1, 2012 compared to \$131.0 million for the 53 weeks ended June 3, 2011. Taking out the additional week of sales for the prior year, sales would have seen an increase of 6% year over year. And the future looks even brighter as the Company expands into new markets.

Net income for the year ended June 1, 2012 was \$2.2 million (\$.19 per share) compared to net income of \$3.0 million (\$.26



“For the year net sales increased 4% to \$136.2 million for the 52 weeks ended June 1, 2012 compared to \$131.0 million for the 53 weeks ended June 3, 2011. “





per share) for the year ended June 3, 2011. The increase in commodity costs and fuel costs mentioned above were two factors which dampened our bottom line. But the good news is the Company continues to see increases in manufacturing efficiencies to lessen the impact of commodity fluctuations as well as success from programs to manage fuel usage. And as we continue to implement the new enterprise resource planning (ERP) system, we expect to realize even greater efficacy in cost control. This system will provide our management team with real time data to improve work flow, supply chain, and performance management.

While we rejoice in the success of our sales team and concentrate on efforts to improve the bottom line, we always remain focused on satisfying the expectations of those most important to us, our consumers, customers, employees, and shareholders. We will always remain committed to providing quality, flavor, and value while

continuing our long-standing tradition of practicing the “Golden Rule.” I offer a heartfelt thank you to everyone who has and continues to contribute to the success of Golden Enterprises.

We invite you to our annual meeting of stockholders to be held at our Birmingham headquarters on September 20, 2012 at 11:00 A.M.



Mark W. McCutcheon
Chairman of the Board, President
and CEO



Company Profile

Our Company

Golden Flake Snack Foods, Inc. (NASDAQ: GLDC), manufactures and distributes a full line of snack food items. Our brands include: Golden Flake, Tostitos™ and Maizetos™.

We sell a full line of potato chips, pork skins, tortilla chips, corn chips, cheese puffs, cheese curls, onion rings and puff corn. We also offer salsas and dips, pretzels, cracker sandwiches, dried meat snacks and nuts.

We have two production facilities one located in Birmingham, AL, which consists of three buildings approximately 300,000 square feet of floor area and one in Ocala, FL, approximately 100,000 square feet of manufacturing space.



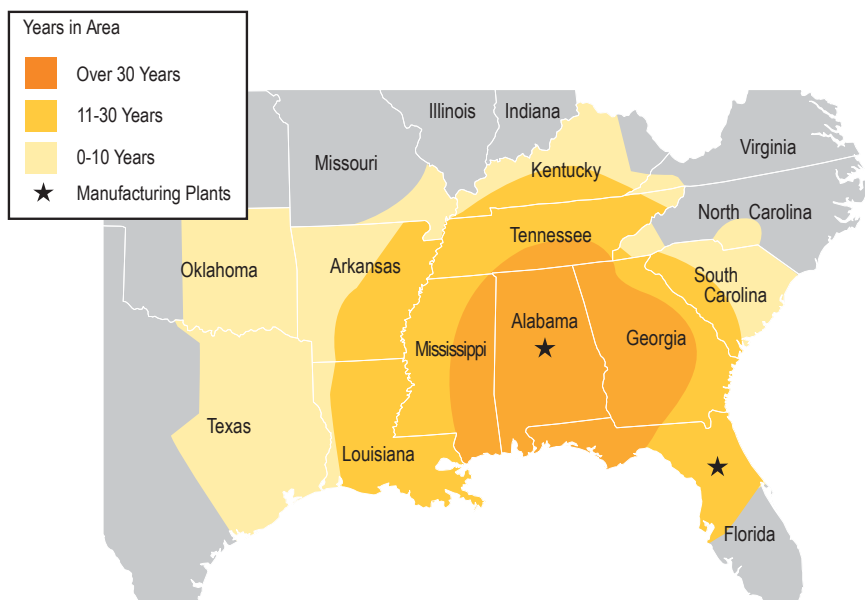
Golden Flake employs approximately 800 people who are involved in route sales and sales supervision, production and production supervision, administrative and management personnel.

Our main office is headquartered in Birmingham, AL. Our branch warehouses are located in Birmingham,

Montgomery, Midfield, Demopolis, Fort Payne, Muscle Shoals, Huntsville, Phenix City, Tuscaloosa, Mobile, Dothan and Oxford, Alabama; Gulfport and Jackson, Mississippi; Knoxville and Memphis, Tennessee; Decatur and Macon, Georgia; Panama City, Tallahassee and Pensacola, Florida; and New Orleans, Louisiana.



Golden Flake manufactures a full line of potato chips, pork skins, tortilla chips, corn chips, cheese puffs, cheese curls, onion rings and puff corn.



Distribution Area

Golden Flake products are distributed to 15 states and also available for purchase online. Our distribution footprint has grown over the past year with new distributors located in Oklahoma and Virginia.

Our network of distributors now includes further penetration in Florida and introduction into states west of our core markets.

Focus on Quality

Our staff of experienced quality control technicians are some of the best in business and are



committed to manufacturing only the highest quality snack foods. All product offerings are thoroughly inspected during the entire developmental process. The use of specialized X-ray and sorting systems, along with live production testing help to guarantee that each bag of Golden Flake is the best product we can offer. These established testing methods are strictly enforced to ensure consistency of taste, appearance and satisfaction.



Focus on the Future

Staying on top of future trends and learning how to satisfy the ever changing taste of our consumers are two of the most important objectives at Golden Flake. Providing high quality and value secures our successful growth in established and expanding territories, but producing new and

exciting items keeps Golden Flake in the forefront of competitive markets.



Did You Know?

Golden Flake is a brand that is recognized throughout the sales region by taste and quality, as well as its partnerships with well known affiliates which include the University of Alabama, Auburn University, UAB, Talladega Superspeedway, the SEC and Sun Belt Conferences.



Product Development



Famous Flavors

Dill Pickle Potato Chips and Sweet Heat Barbecue Potato Chips are two of our most famous snack products. These items are well known for their unique flavor profiles and continued gains in market growth and performance. As we move forward, we continue to search for flavor profiles that will gain consumers and expand market growth in new territories. By providing quality products for the greatest value and creating new and exciting snacks, Golden Flake will remain in the forefront of competitive markets while continuing to gain brand loyalty and trust among our customers.



Product Introductions for 2011-2012

At Golden Flake, we believe in developing new products that will engage our consumer base and stimulate growth in new markets. Current flavor trends are monitored and selected based on per-

formance in local markets. Various systems for season formulation and live product testing help us to ensure quality. We strive to provide our consumers with the best quality and value we can offer.



Jalapeño Cheddar Cheese Puffs

Our newest addition to the cheese curls and puffs category has proven to be a huge success. The delicious flavor of warm jalapeño pepper and cheddar cheese combined on a light crispy puff is a recipe for new growth and added profits!

Sea Salt Tortilla Chips

With the appeal of all natural products on the rise, we are excited to add all natural sea salt white corn tortilla chips to our selection of tortilla chip items.

Cheese n' Cheddar Sandwich Crackers

Cheese on cheese cracker sandwiches are always a hit! With a double dose of cheese flavor, these crackers are sure to please all cheese lovers!

Hot & Spicy Popcorn

When butter and cheese flavored popcorn will not fit the bill, try our Hot & Spicy Popcorn! Turn up the heat and enjoy a new twist on an old snack time favorite!



Alabama National Championship Canister

Golden Flake is proud to commemorate The University of Alabama's 2011 National Football Championship win by offering a limited edition collector's canister. Roll Tide!

Dill Pickle Pork Skins

A tangy treat for pork skin lovers, Dill Pickle Pork Skins are sure to satisfy. With the success of our famous Dill Pickle Potato chips, we believe that offering this flavor across other products will gain new consumers and increased sales.



Visit us at
goldenflake.com
& [facebook.com/GoldenFlake](https://www.facebook.com/GoldenFlake)



Marketing

Advertising Strategy

Advertising for 2011-2012 included football sponsorships and seasonal FSI's featured throughout the Southeast, full color ads in southern lifestyle magazines and web based contests. Billboards also promote brand awareness throughout our marketing area, communicating our

message. Golden Flake is positioned to engage our audience in developing markets and also introduce Golden Flake to those not familiar with our products in new markets. We also utilize the internet to communicate with our consumers through Facebook and our official company website.

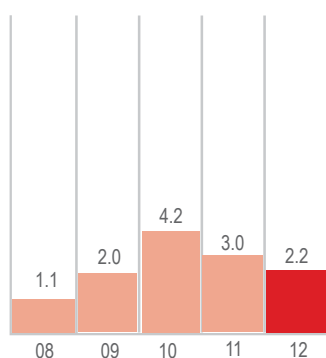




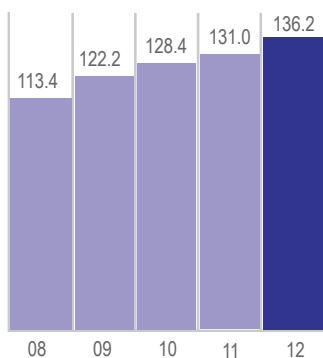
Condensed Financial Statements

	2012	2011
Net Sales	\$136,185,657	\$131,047,850
Pre-Tax Income	\$3,945,849	\$5,109,267
Net Income	\$2,207,623	\$3,014,768
Net Income Per Share	\$0.19	\$0.26
Total Assets	\$48,753,626	\$48,120,906
Total Liabilities	\$24,355,180	\$24,463,252
Shareholders' Equity	\$24,398,446	\$23,657,654

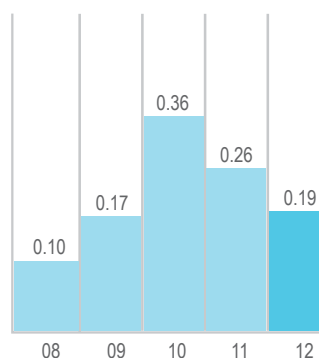
NET INCOME (\$ MILLIONS)



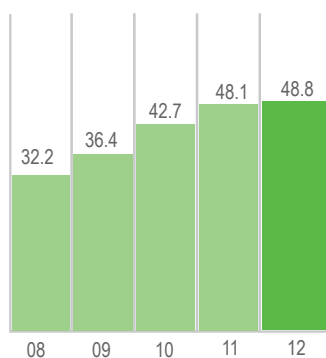
NET SALES (\$ MILLIONS)



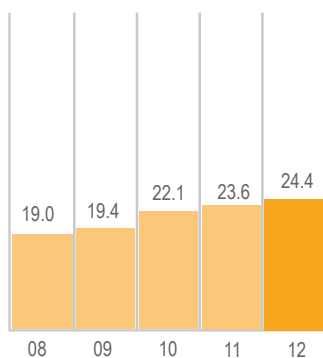
BASIC AND DILUTED EARNINGS PER SHARE (\$)



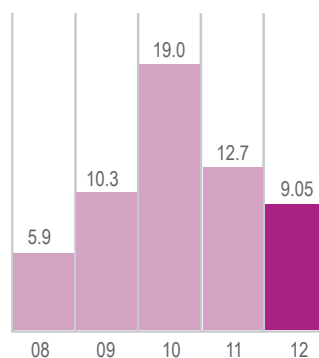
TOTAL ASSETS (\$ MILLIONS)



SHAREHOLDERS EQUITY (\$ MILLIONS)



RETURN ON EQUITY (%)



Management of Golden Enterprises, Inc. and Its Subsidiary

Directors of Golden Enterprises, Inc.

Joann F. Bashinsky	Chairman of SYB, Inc.
Paul R. Bates	Executive Vice-President of Golden Flake Snack Foods, Inc.
David A. Jones	Executive Vice-President of Golden Flake Snack Foods, Inc.
Mark W. McCutcheon	Chairman of the Board, President and Chief Executive Officer of Golden Enterprises, Inc.
John P. McKleroy, Jr.	Partner, Spain & Gillon, Counsel for the Company
William B. Morton, Jr.	President and Chief Executive Officer of Robins & Morton
J. Wallace Nall, Jr.	President of Nall Development Corporation
Edward R. Pascoe	Retired, Chairman of Steel City Bolt & Screw, Inc.
F. Wayne Pate	Retired, President and Chief Operations Officer of Golden Enterprises, Inc.
John S.P. Samford	President of Samford Capital Corporation
John S. Stein III	Founder, Principal and Member of Fidelis Capital LLC

Directors Emeritus of Golden Enterprises, Inc.

James I. Rotenstreich	Chairman and Chief Executive Officer of JHF Holdings, Inc.
John S. Stein	Retired, Chairman of the Board of Golden Enterprises, Inc.

Officers of Golden Enterprises, Inc.

Mark W. McCutcheon	Chairman of the Board, President and Chief Executive Officer
Patty Townsend	Chief Financial Officer, Vice-President and Secretary

Officers of Golden Flake Snack Foods, Inc.

Mark W. McCutcheon	President and Treasurer
Paul R. Bates	Executive Vice-President
David A. Jones	Executive Vice-President
Scott Jackson	Controller

Golden Enterprises, Inc.
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Birmingham, Alabama 35205