

GOLDEN FLAKE



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Golden Enterprises, Inc.

2013 Annual Report

For Fiscal Year Ended May 31, 2013

2013 Annual Report



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/ OFFICIAL 2013 PROXY
STATEMENT & FORM 10-K



Registrar & Transfer Agent

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Shareholder Relations Dept.
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Church Street Station
New York, New York 10286
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Counsel

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

Auditors

Dudley, Hopton-Jones,
Sims & Freeman PLLP

Golden Enterprises, Inc.

1 Golden Flake Drive
Birmingham, Alabama
35205



2013 Annual Report



facebook.com/GoldenFlake



www.goldenflake.com



Reflecting Over 90 Years

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.



Potato Chip Bag from the 1960's

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.



Photos from Years Past



Ground Breaking

Halsey Townes, Sloan Bashinsky, Max Weber



The Golden Rule

Halsey Townes, Sloan Bashinsky, Max Weber

Letter To Our Stockholders



While 2013 was a challenging year for our Company, Golden Enterprises, Inc. continues to experience unprecedented sales and positive results. For the year net sales increased 1% to \$137.3 million for the 52 weeks ended May 31, 2013 compared to \$136.2 million for the 52 weeks ended June 1, 2012. The Company strategically discontinued

\$3.1 million in partner branded products early in the year and still sustained a 1% increase in net sales. Sales of our pork skins and cracklins showed tremendous growth year over year rising 13%. With sales growth in existing products, sales potential in new products, and sales growth from market penetration, we remain optimistic about the future.

“ Sales of our pork skins and cracklins showed tremendous growth year over year rising 13%. ”



Net income for the year ended May 31, 2013 was \$1.1 million (\$.10 per share) compared to net income of \$2.2 million (\$.19 per share) for the year ended June 1, 2012. Implementation of the new enterprise resource planning (ERP) system contributed to higher selling, general, and administrative expenses, as did rising health and life insurance costs. The good news is that once fully implemented, our ERP system will provide management the tools needed to manage in real time all manufacturing, selling, and administrative activities.

We remain focused on satisfying the expectations of those most important to us, our consumers, customers, employees, and shareholders.

We invite you to our annual meeting of stockholders to be held at our Birmingham headquarters on September 19, 2013 at 11:00 A.M. Central Daylight Time.



Mark McCutcheon
Chairman of the Board, President
and CEO

Company Profile

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.



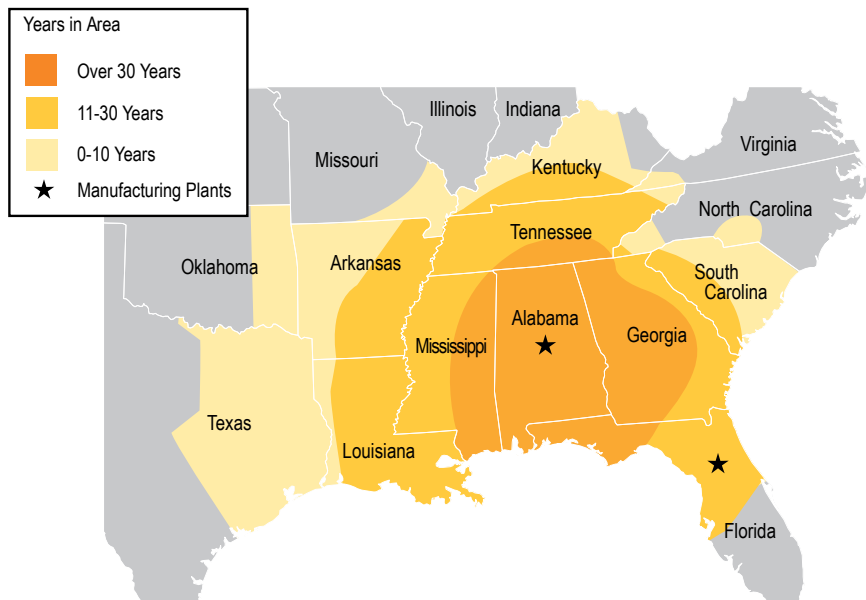
Golden Flake employs approximately 800 people who are involved in route sales and sales supervision, production and production supervision, administrative and management personnel.

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 products are distributed to 15 states and also available for purchase online.”



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



Growing Markets

As Golden Flake continues to introduce new and exciting products, opportunities for market growth and distribution increase. We emphasize Point of Purchase advertising, Instant Redeemable Coupons and additional media support to gain consumer sales and promote new items. Multiple onsite displays are also used to encourage “off the shelf and into cart” shopping and provide convenience to our customers.



Regional Favorites

Golden Flake is most famous for bold flavored snacks such as Sweet Heat Barbecue and Dill Pickle potato chips, but our pork skins are one of the fastest growing items in our sales area. Golden Flake pork rinds are one of the top ranked brands in our marketing area. We gain popularity with each bite of our delicious line up of these flavorful low carb snacks!

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 additional distributors who service states west of our core markets.



SQF Certified for Excellence

What is SQF? SQF stands for “Safe Quality Foods”. It is a globally recognized rating issued by Silliker Global Certification Services Pty. Ltd. The sole purpose for SQF is to assure delivery of safe quality foods to the consumer. Golden Flake has acquired a Level 2- SQF certi-



fication. Certification of Level 2 meets the benchmark standards of the Global Food Safety Initiative or GFSI. The GFSI is a worldwide effort to improve food production, storage and delivery.

New Product Development



Formulating Success

At Golden Flake, innovation and dedication to quality are essential ingredients to our success. It is our goal to provide exciting new products that taste great and offer great value, a tradition that has made Golden Flake a brand Southern consumers know and trust.

“Seasoned with Zesty Bacon Cheddar, warm Chili Cheese and fiery Hot spices these delicious crispy fries pack a flavorful punch!”

Bacon Cheddar, Chili Cheese and Hot Crinkle Cut Fries

Bold flavors remain front and center in nearly every marketplace today. Our consumers enjoy the robust taste of our snacks and Golden Flake continues to introduce them to new exciting products that satisfy their hunger and also bring profits to the bottom line. We are proud to introduce NEW crinkle cut fries! Seasoned with, Zesty Bacon Cheddar, warm Chili Cheese and fiery Hot spices these delicious crispy fries pack a flavorful punch! We look forward to continued market growth and repeat sales that will follow as these items gain customer popularity.



Alabama National Championship Canister

Golden Flake is proud to commemorate The University of Alabama's Back to Back 2012 National Football Championship win by offering a limited edition collector's canister. Roll Tide!



Jalapeño Cheddar Pork Skins

Cheese lovers, get ready for new Jalapeño Cheddar Pork Skins! Warm cheddar cheese and a hint of jalapeño flavor create a delicious twist on our Southern fried pork skins!



Pretzel Stix

Crunchy pretzels are a great snack for any occasion. From parties to a lunch time snack, pretzels are always a favorite! Serve with fruit & cheese or dip them in chocolate for a special holiday treat!

Bigger Bags of Old Favorites

Classic Dip Style and Thin & Crispy Potato Chips are available in larger 16 oz. size bags, perfect for families and party events. Fill your bowls with Golden Flake and let the FUN begin!

Marketing

Spread the Word

A variety of advertising is used to promote brand awareness including athletic sponsorships, radio & television media, print advertising, and seasonal FSI's. 22 billboards communi-



cate our message and engage our audience throughout our market to introduce Golden Flake to new consumers. We also utilize the internet to communicate with our customers through Facebook and our official company website.



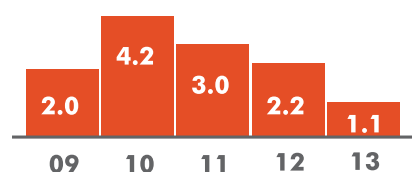
Advertising support from Billboards to Point of Purchase help direct consumers to our products.



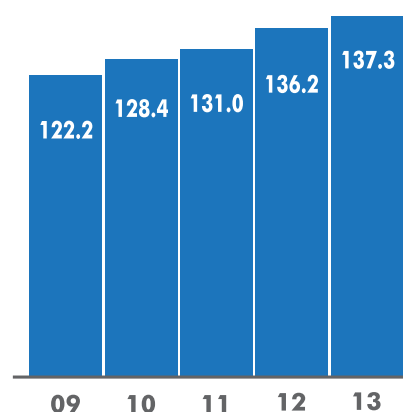
2013 Condensed Financial Statements

	2012	2013
NET SALES	\$136,185,657	\$137,344,716
PRE-TAX INCOME	\$3,945,849	\$2,176,555
NET INCOME	\$2,207,623	\$1,134,037
NET INCOME PER SHARE	\$0.19	\$0.10
TOTAL ASSETS	\$48,753,626	\$47,756,477
TOTAL LIABILITIES	\$24,355,180	\$23,698,735
SHAREHOLDERS' EQUITY	\$24,398,446	\$24,057,742

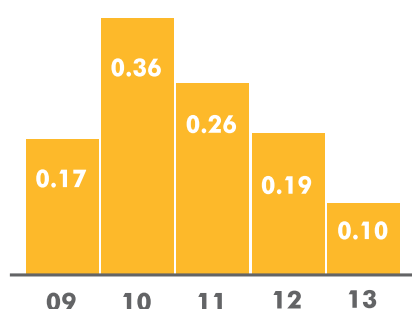
NET INCOME
(\$ MILLIONS)



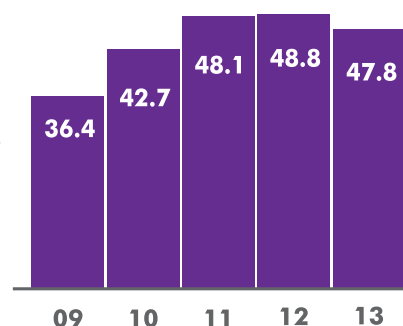
NET SALES
(\$ MILLIONS)



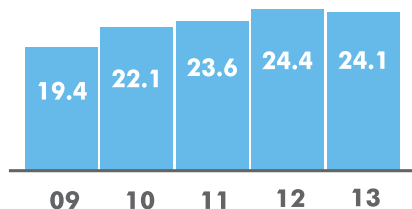
BASIC & DILUTED
EARNINGS PER
SHARE (\$)



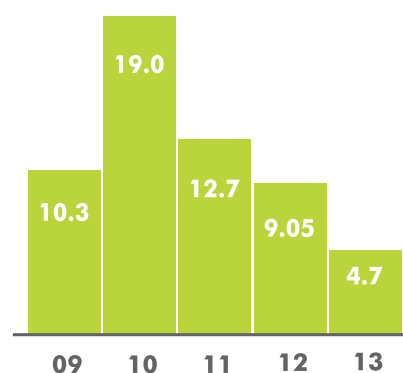
TOTAL ASSETS
(\$ MILLIONS)



SHAREHOLDER'S 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.
1 Golden Flake Drive
Birmingham, Alabama 35205