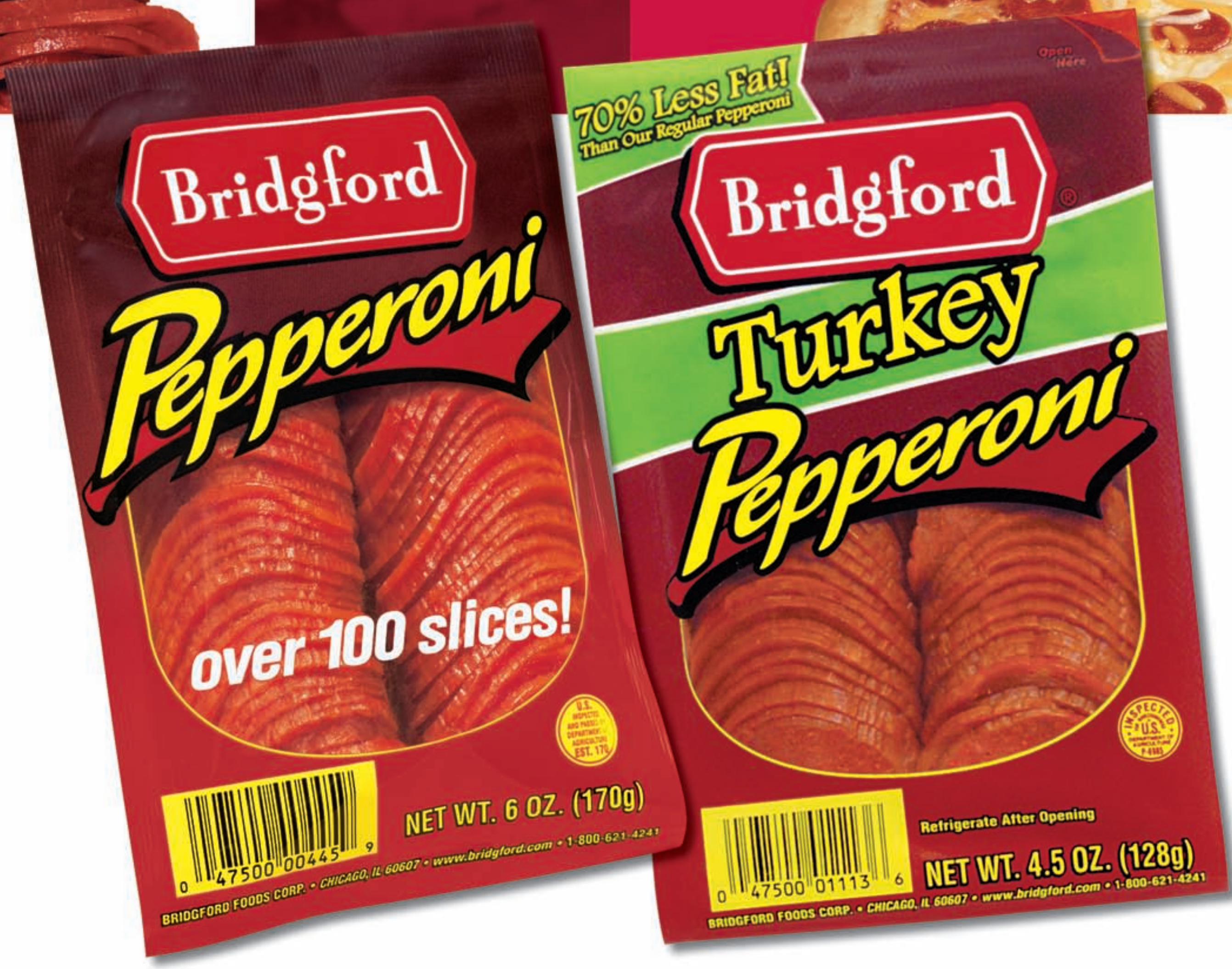
Bridgford®

2008

ANNUAL REPORT



Notice of 2009 Annual Meeting and Proxy Statement

TO OUR SHAREHOLDERS

2008 was a year of extraordinary challenges for Bridgford Foods Corporation, due primarily to the cost of grains, meats and petroleum products achieving record-setting levels during the year. Despite the implementation of price increases and significant cost–cutting measures, the increase in virtually every expense we incur in our business resulted in unprofitable results for the year. Sales during our 2008 fiscal year were $120,990,000, a decline of 3.3% from sales of $125,091,000 in 2007. The Company continued to eliminate unprofitable products and operations during the year, and began a re-organization of portions of its direct-store-delivery (DSD) system. The Company recorded a net loss of $12,447,000 in 2008, equal to $1.30 per share, comprised of a loss before taxes of $5,868,000 due to the severity of cost increases and $928,000 in losses in the cash surrender value of life insurance policies related to the stock market decline. The provision for taxes on income of $6,579,000 includes a significant adjustment to reserve the Company's deferred tax assets in full, in the amount of $8,615,000, off-set by tax benefits related to current year losses.

SALES AND MARKETING

Bridgford Monkey Bread, manufactured at our Superior Foods plant in Dallas under the direction of Division President Blaine Bridgford, continues to be a great success with an 18% sales increase in 2008. During the year, we introduced a foodservice pack to help develop potential new markets. The Company further streamlined the Anaheim deli production operations, eliminating unprofitable processing operations and focusing on value-added sandwiches and meal-kits. Our Chicago based direct route sales distribution system for dry sausage products is being reorganized for higher sales per route per week with an emphasis on products manufactured by the Company. In the summer of 2008, Bridgford Foods reached an agreement with Snyder's of Hanover, a manufacturer of premium pretzel products and a major national distributor, to sell the Company's dry sausage and meat snack products to specific customers in the Texas market. The Snyder's program has since been expanded to include several additional states. Agreements are being pursued with other regional distributors of complementary products in areas that do not have the population density or customer base to support Company-operated routes. In our North Carolina plant, several shelf-stable bakery items are currently in development to expand that exciting product line.

OPERATIONS

Commodity costs during 2008 far exceeded those experienced in 2007. The Company's 2008 expense for bakery flour, gasoline and diesel fuel was over $4 million higher than in 2007, and other raw materials followed suit. Grain prices soared as demand climbed for livestock feed and grains used in biofuels, and exports increased due to the soft dollar and overseas crop failures.

In the fourth quarter of 2007, we began a major shift toward the sale of manufactured, rather than purchased items on our Chicago based direct store distribution routes. This trend continued in 2008, and we currently produce more than 90% of the products sold on these routes.

Our beef jerky production system utilizes techniques for rapid processing that are very unique. Depending on commodity market conditions, we are free to utilize our entire system or purchase pre-processed products from overseas, made to our specifications, that can be integrated into our packaging system. Both methods are being employed, though the current trend is to reduce the use of imported products. All jerky operations are conducted in Chicago, under the direction of Baron R.H. Bridgford, President of Bridgford Foods of Illinois. During the year, we developed Turkey Pepperoni and Turkey Summer Sausage products in our Chicago plant to provide delicious, lower-fat alternatives to our existing products.

In the frozen food division, new products introduced during the year include a "school biscuit", developed to provide a superior nutrition profile for school districts through innovative formulation, and Sopapilla Sheets.

During 2008, we commenced production and sale of shelf-stable "First Strike" rations for the U.S. military forces. These very unique sandwich products, which were in development for almost five years, have a three-year non-refrigerated shelf life and utilize our production facilities in Chicago and Statesville, North Carolina. Overseas interest in these products has led us to begin construction of a meat-processing operation at our Statesville, North Carolina plant. Under the direction of Plant Manager Monty Griffith, this facility is targeted for completion in March, 2009. Our Vice President of Manufacturing, Joe deAlcuaz, is responsible for the progress we have achieved this year in developing processing lines and improving operating efficiency.

FINANCIAL MATTERS

Working capital at October 31, 2008 totaled $20,439,000, $9,014,000 (30.6%) lower than at the beginning of the fiscal year. The working capital ratio declined to 2.8 to 1 at October 31, 2008, compared to 3.5 to 1 at November 2, 2007. The decline in working capital relates to significant losses from operations, the repurchase of 454,000 shares of the Company's common stock in the amount of $3,039,000 ($6.69 average cost per share), and investments in property, plant and equipment of $1,880,000. The Company anticipates a significant decrease in the funding requirements for its frozen defined benefit pension plan in fiscal year 2009 despite recent stock market declines. Projected contributions for fiscal year 2009 in the amount of $916,000 were recorded as a current liability at the end of the fiscal year. The Company has remained free of interest bearing debt for twenty-two consecutive years and remains in compliance with all covenants related to its unused $2 million line of credit with Bank of America.

Shareholders' equity totaled $32,535,000, a decrease of $17,434,000 (34.9%) compared to the end of the prior year. The decrease principally relates to operating losses, share repurchases and adverse trends related to the Company's defined benefit pension plan recorded in the Consolidated Statements of Shareholders' Equity and Comprehensive Income under the "Accumulated other comprehensive income (loss)" column. No cash dividends were paid during the 2008 fiscal year. The Board of Directors suspended the cash dividend at its May 2004 meeting in recognition of lower profitability levels in recent years. Approximately 478,000 shares remain available for repurchase under the 2 million share repurchase plan previously authorized by the Board of Directors. Shareholders' equity per share was $3.45 at October 31, 2008 compared with $5.05 at November 2, 2007.

As a result of significant losses in fiscal 2008 and losses in recent years, the Company concluded that current accounting standards required that a tax valuation reserve, in the amount of $8,615,000, be recorded at October 31, 2008 to fully reserve all of its deferred tax assets. Management remains optimistic about the future of the Company and anticipates the complete reversal of this reserve when the Company returns to consistently profitable operations. This adjustment had no impact on operational cash flows.

The Company successfully completed the first phase of its Sarbanes-Oxley compliance program during the fiscal year thanks to the diligent work of accounting, information systems and operational departments. Management assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2008 and believes these systems are effective. Management's Report on Internal Controls over Financial Reporting is included in the 10-K report. Any significant weaknesses in internal accounting control, to the extent identified, were remediated at the conclusion of the initial phase of this process.

SUMMARY

Many of the factors that negatively affected our 2008 results began to turn in the Company's favor towards the end of the fiscal year. As always, our Company refuses to compromise the quality of our products or the service we provide to our customers regardless of the short-term challenges we may face, as we believe this is the only viable strategy for long-term success. We are forging ahead, making improvements in every area, seeking economies in every expense category, developing new products, exploring new markets and making innovative changes to manufacturing operations and distribution methods.

On behalf of all of our directors and officers, we thank our shareholders, customers and suppliers for their support during 2008 and look forward to reporting better results in 2009.

Respectfully submitted,

William L. Bridgford
Chairman

John V. Simmons
President

Raymond F. Lancy
Chief Financial Officer

January 28, 2009

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended October 31, 2008

Commission file number: 0-2396

BRIDGFORD FOODS CORPORATION

(Exact name of Registrant as specified in its charter)

California	**95-1778176**
(State of incorporation)	(I.R.S. Employer Identification No.)

1308 North Patt Street
Anaheim, California 92801
(Address of principal executive offices)

(714) 526-5533
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: Common Stock, par value $1.00 per share, the NASDAQ Stock Market LLC.

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark 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 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. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act. Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant on April 18, 2008 was $11,355,000.

As of January 23, 2009, there were 9,433,700 shares of common stock outstanding.

Portions of the registrant's Proxy Statement for the registrant's Annual Meeting of Shareholders to be held March 18, 2009 are incorporated by reference into Part III, Items 10-14 of this Annual Report on Form 10-K.

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PART I

Item 1. Business

This Annual Report on Form 10-K contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and the Company intends that such forward-looking statements be subject to the safe harbors created thereby. Readers are cautioned that such statements, which may be identified by words including ''anticipates,'' ''believes,'' ''intends,'' ''estimates,'' ''expects,'' and similar expressions, are only predictions or estimations and are subject to known and unknown risks and uncertainties. These forward-looking statements include, but are not limited to, statements regarding the following: general economic and business conditions; the impact of competitive product and pricing; success of operating initiatives; development and operating costs; advertising and promotional efforts; adverse publicity; acceptance of new product offerings; consumer trial and frequency; changes in business strategy or development plans; availability, terms and deployment of capital; availability of qualified personnel; commodity, labor, and employee benefit costs; changes in, or failure to comply with, government regulations; weather conditions; construction schedules; and other factors referenced in this Report.

The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. These forward-looking statements are based on assumptions regarding the Company's business, which involve judgments with respect to, among other things, future economic and competitive conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, actual results may differ materially from those set forth in the forward-looking statements. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as representation by the Company or any other person that the objectives or plans of the Company will be achieved. The forward-looking statements contained herein speak as of the date of this Report and the Company undertakes no obligation to update such statements after the date hereof.

Background of Business

Bridgford Foods Corporation, a California corporation (collectively with its subsidiaries, the "Company," "we" or "our"), was organized in 1952. The Company originally began its operations in 1932 as a retail meat market in San Diego, California, and evolved into a meat wholesaler for hotels and restaurants, a distributor of frozen food products, a processor and packer of meat and a manufacturer and distributor of frozen food products for sale on a retail and wholesale basis. For more than the past five years, the Company and its subsidiaries have been primarily engaged in the manufacturing, marketing and distribution of an extensive line of frozen, refrigerated and snack food products throughout the United States. The Company has not been involved in any bankruptcy, receivership or similar proceedings, nor has it been party to any merger, acquisition, etc. or acquired or disposed of any material amounts of assets during the past five years. Substantially all of the assets of the Company have been acquired in the ordinary course of business. The Company had no significant change in the type of products produced or distributed, nor in the markets or methods of distribution since the beginning of the fiscal year.

Description of Business

The Company operates in two business segments - the processing and distribution of frozen products and the processing and distribution of refrigerated and snack food products. For information regarding the separate financial performance of the business segments refer to Note 7 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K. The products manufactured and distributed by the Company consist of an extensive line of food products, including biscuits, bread dough items, roll dough items, dry sausage products, beef jerky and a variety of sandwiches and sliced luncheon meats. The products purchased by the Company for resale include a variety of jerky, cheeses, salads, party dips, Mexican foods, nuts and other delicatessen type food products.

	2008	2007
Products manufactured, processed or packaged by the Company.	82%	73%
Items manufactured or processed by third parties for distribution	18%	27%
	100%	100%

Although the Company has recently introduced several new products, most of these products have not contributed significantly to the Company's revenue growth for the fiscal year. The Company's sales are not subject to material seasonal variations. Historically the Company has been able to respond quickly to the receipt of orders and, accordingly, the Company does not maintain a significant sales backlog. The Company and its industry generally have no unusual demands or restrictions on working capital items. During the last fiscal year the Company did not enter into any new markets or any significant contractual or other material relationships.

The Company has two classes of similar food products, each of which has accounted for 10% or more of consolidated sales in the prior two fiscal years listed below. The following table shows sales, as a percentage of consolidated sales, for each of these two classes of similar products for each of the last two fiscal years:

	2008	2007
Frozen Food Products	44%	39%
Refrigerated and Snack Food Products	56%	61%
	100%	100%

To date, federal, state and local environmental laws and regulations, including those relating to the discharge of materials into the environment, have not had a material effect on the Company's business.

Availability of SEC Filings and Code of Conduct on Internet Website

The Company maintains an Internet website at http://www.bridgford.com. Available on this website, free of charge, are annual reports on Form 10-K, quarterly reports on Form 10-Q and reports filed under Section 16 of the Securities and Exchange Act of 1934, which the Company files with the Securities and Exchange Commission. The Company's Code of Conduct is also available on the website.

Major Product Classes

Frozen Food Products

The Company's frozen food division serves both food service and retail customers. The Company sells approximately 190 unique frozen food products through wholesalers, cooperatives and distributors to approximately 21,000 retail outlets and 22,000 restaurants and institutions.

Frozen Food Products – Food Service Customers

The food service industry is composed of establishments that serve food outside the home and includes restaurants, the food operations of health care providers, schools, hotels, resorts, corporations, and other traditional and non-traditional food service outlets. Growth in this industry has been driven by the increase in away-from-home meal preparation, which has accompanied the expanding number of both dual income and single-parent households. Another trend within the food service industry is the growth in the number of non-traditional food service outlets such as convenience stores, retail stores and supermarkets. These non-traditional locations often lack extensive cooking, storage or preparation facilities, resulting in a need for pre-cooked and prepared foods similar to those provided by the Company. The expansion in the food service industry has also been accompanied by the continued consolidation and growth of broadline and specialty food service distributors, many of which are long-standing customers of the Company.

The Company supplies its food service customers generally through distributors that take title to the product and resell it. Among the Company's customers are many of the country's largest broadline and specialty food service distributors. For these and other large end purchasers, the Company's products occasionally go through extensive qualification procedures and its manufacturing capabilities are subjected to thorough review by the end purchasers prior to the Company's approval as a vendor. Large end purchasers typically select suppliers that can consistently meet increased volume requirements on a national basis during peak promotional periods. The Company believes that its manufacturing flexibility, national presence and long-standing customer relationships should allow us to compete effectively with other manufacturers seeking to provide similar products to the Company's current large food service end purchasers, although no assurances can be given.

Frozen Food Products – Retail Customers

The majority of the Company's existing and targeted retail customers are involved in the resale of branded and private label packaged foods. The same trends which have contributed to the increase in away-from-home meal preparation have also fueled the growth in easy to prepare, microwaveable frozen and refrigerated convenience foods.

Among the fastest growing segments is the frozen and refrigerated hand-held foods market. This growth has been driven by improved product quality and variety and the increasing need for inexpensive and healthy food items that require minimal preparation. Despite rapid growth, many categories of frozen and refrigerated hand-held foods have achieved minimal household penetration. The Company believes it has been successful in establishing and maintaining supply relationships with certain selected leading retailers in this market.

Frozen Food Products – Sales and Marketing

The Company's frozen food business covers the United States and Canada. In addition to regional sales managers, the Company maintains a network of independent food service and retail brokers covering most of the states as well as Canada. Brokers are compensated on a commission basis. The Company believes that its broker relationships, in close cooperation with the regional sales managers, are a valuable asset providing significant new product and customer opportunities. The regional sales managers perform several significant functions for the Company, including identifying and developing new business opportunities and providing customer service and support to the Company's distributors and end purchasers through the effective use of the Company's broker network.

The Company's annual advertising expenditures are directed towards retail and institutional customers. These customers participate in various special promotional and marketing programs and direct advertising allowances sponsored by the Company. The Company also invests in general consumer advertising in various newspapers and periodicals. The Company directs advertising toward food service customers with campaigns in major industry publications and through Company participation in trade shows throughout the United States.

Refrigerated and Snack Food Products – Customers

The Company's refrigerated and snack food products division sells approximately 270 different items through a direct store delivery network serving approximately 36,000 supermarkets, mass merchandise and convenience retail stores located in 49 states and Canada.

These customers are comprised of large retail chains and smaller "independent" operators. This part of the Company's business is highly competitive. Proper placement of the Company's product lines is critical to selling success since most items could be considered "impulse" items which are often consumed shortly after purchase. The Company's ability to sell successfully to this distribution channel depends on aggressive marketing and maintaining relationships with key buyers.

Refrigerated and Snack Food Products – Sales and Marketing

The Company's direct store delivery network consists of two separate divisions, refrigerated and non-refrigerated snack food products. Refrigerated snack food products are distributed through five different regions located in the southwest, primarily operating in California, Arizona and Nevada. Non-refrigerated snack food products are distributed in seventeen geographic regions across the United States and Canada, each managed by regional sales managers. The regional sales managers perform several significant functions for the Company including identifying and developing new business opportunities and providing customer service and support to the Company's customers. The Company also utilizes the services of brokers where appropriate to support efficient product distribution and customer satisfaction.

Product Planning and Research and Development

The Company continually monitors the consumer acceptance of each product within its extensive product line. Individual products are regularly added to and deleted from the Company's product line. The addition or deletion of any product has not had a material effect on the Company's operations in the current fiscal year. The Company believes that a key factor in the success of its products is its system of carefully targeted research and testing of its products to ensure high quality and that each product matches an identified market opportunity. The emphasis in new product introductions in the past several years has been in single service items. The Company is constantly searching to develop new products to complement its existing product line and improved processing techniques and formulas for its existing product line. The Company utilizes in-house test kitchens to research and experiment with unique food preparation methods, improve quality control and analyze new ingredient mixtures. The Company's refrigerated and snack food products segment has continued to refine development of a new major manufacturing line that was put into service in the fourth quarter of fiscal year 2007. Although operational during the most recent fiscal year, significant production levels were not achieved on the line in fiscal year 2008. The Company does not expect to begin significant production until the second quarter of 2009 on this line. Management believes that the line will be profitable and improve margins on existing product lines when fully operational. During 2007, the Company completed development work and preparations for production of shelf-stable sandwiches for the U.S. military forces and others. Sales for shelf-stable sandwiches were $1,191,000 during fiscal year 2008. Other than shelf-stable sandwiches, the Company does not anticipate any significant change in product-mix as a result of its current research and development efforts.

Competition

The products of the Company are sold under highly competitive conditions. All food products can be considered competitive with other food products, but the Company considers its principal competitors to include national, regional and local producers and distributors of refrigerated, frozen and snack food products. Several of the Company's competitors include large companies with substantially greater financial and marketing resources than those of the Company. Existing competitors may broaden their product lines and potential competitors may enter or increase their focus on the Company's market, resulting in greater competition for the Company. The Company believes that its products compete favorably with those of the Company's competitors. Such competitors' products compete against those of the Company for retail shelf space, institutional distribution and customer preference.

Importance of Key Customers

Sales to Wal-Mart® comprised 10.2% and 14.6% of revenues for fiscal years 2008 and 2007, respectively. Accounts receivable from Wal-Mart® was 14.2% of total accounts receivable at October 31, 2008 and 12.4% of total accounts receivable at November 2, 2007.

Sources and Availability of Raw Materials

The Company purchases large quantities of pork, beef and flour. These ingredients are generally available from a number of different suppliers although the availability of these ingredients is subject to seasonal variation. The Company builds ingredient inventories to take advantage of downward trends in seasonal prices or anticipated supply limitations.

Employees

The Company has approximately 613 employees, approximately 42% of whose employment relationship is governed by collective bargaining agreements. These agreements currently expire or expired between December 2008 and March 2012. A contract with Teamsters Locals 87, 150, 386 and 431, covering 12 employees, expired on March 31, 2007. As of January 2009, a new agreement is in the process of ratification. The Company believes that its relationship with employees is favorable.

Executive Officers of the Registrant

The names, ages and positions of all the executive officers of the Company as of January 1, 2009 are listed below. Messrs. Hugh Wm. Bridgford and Allan L. Bridgford are brothers. William L. Bridgford is the son of Hugh Wm. Bridgford and the nephew of Allan L. Bridgford. Officers are normally appointed annually by the board of directors at their meeting immediately following the annual meeting of shareholders. All executive officers are full-time employees of the Company, except for Allan L. Bridgford, who works 60% of full-time effective March, 2005.

Name	Age	Position(s) with the Company
Allan L. Bridgford	74	Senior Chairman and member of the Executive Committee
Hugh Wm. Bridgford	77	Vice President and Chairman of the Executive Committee
William L. Bridgford	54	Chairman and member of the Executive Committee
John V. Simmons	53	President and member of the Executive Committee
Raymond F. Lancy	55	Chief Financial Officer, Executive Vice President, Treasurer and member of the Executive Committee

Item 1A. Risk Factors

In addition to the other matters set forth in this Annual Report on Form 10-K, the continuing operations and the price of the Company's common stock are subject to the following risks, each of which could materially adversely affect the business, financial condition and results of operations. The risks described below are not the only risks faced by the Company. The risks described below are only the risks that the Company currently believes are material to its business. However, additional risks not presently known, or risks that are currently believed to be immaterial, may also impair business operations.

General Risks of Food Industry and Risks Relating to Changes in Consumer Preference and Economic Conditions

The food industry, and the markets within the food industry in which the Company competes, are subject to various risks, including the following: evolving consumer preferences, nutritional and health-related concerns, federal, state and local food inspection and processing controls, consumer product liability claims, risks of product tampering, and the availability and expense of liability insurance. The meat and poultry industries are subject to scrutiny due to the association of meat and poultry products with recent outbreaks of illness, and on rare occasions even death, caused by food borne pathogens. Product recalls are sometimes required in the food industries to withdraw contaminated or mislabeled products from the market. Additionally, the failure to identify and react appropriately to changes in consumer trends, demands and preferences could lead to, among other things, reduced demand and price reduction for our products. Further, we may be adversely affected by changes in domestic or foreign economic conditions, including inflation or deflation, interest rates, availability of capital markets, consumer spending rates, and energy availability and costs (including fuel surcharges). These and other general risks related to the food industry, if realized by us, could have a significant adverse affect on demand for our products, as well as the costs and availability of raw materials, ingredients and packaging materials, thereby negatively affecting our operating results and financial position.

Risks Relating to Suppliers and Raw Materials

The Company purchases large quantities of commodity pork, beef and flour. Historically, market prices for products processed by the Company have fluctuated in response to a number of factors, including changes in the United States government farm support programs, changes in international agricultural and trading policies, weather and other conditions during the growing and harvesting seasons.

The Company's operating results are heavily dependent upon the prices paid for raw materials. The marketing of the Company's value-added products does not lend itself to instantaneous changes in selling prices. Changes in selling prices are relatively infrequent and do not compare with the volatility of commodity markets. While fluctuations in significant cost structure components, such as ingredient commodities and fuel prices, have had a significant impact on profitability over the last two years, the impact of general price inflation on the Company's financial position and results of operations has not been significant. Future volatility of general price inflation or deflation and raw material cost and availability could adversely affect the Company's financial results.

Risks Relating to Government Regulation

The operations of the Company are subject to extensive inspection and regulation by the United States Department of Agriculture (the "USDA"), the Food and Drug Administration (the "FDA") and by other federal, state and local authorities, regarding the processing, packaging, storage, transportation, distribution and labeling of products that are manufactured, produced and processed by the Company. The Company's processing facilities and products are subject to continuous inspection by USDA and/or other federal, state and local authorities. The USDA has issued strict policies concerning the control of Listeria Monocytogenes in ready-to-eat meat and poultry products and contamination by food borne pathogens such as E. coli, listeria monocytogenes and salmonella, and established a new system of regulation known as the Hazard Analysis Critical Control Points ("HACCP") program. The HACCP program requires all meat and poultry processing plants to develop and implement sanitary operating procedures and other program requirements. The Company believes that it is currently in compliance with governmental laws and regulations and that it maintains necessary permits and licenses relating to its meat operations.

A failure to obtain or a loss of necessary permits and licenses could delay or prevent the Company from meeting current product demand and could adversely affect operating performance. Furthermore, the Company is routinely subject to new or modified laws, regulations and accounting standards. If found to be out of compliance with applicable laws and regulations in these or other areas, the Company could be subject to civil remedies, including fines, injunctions, recalls or asset seizures, as well as potential criminal sanctions, any of which could have a significant adverse effect on the Company's financial results.

Risks Relating to Dependence on Key Management

The Company's executive officers and certain other key employees have been primarily responsible for the development and expansion of the Company's business, and the loss of the services of one or more of these individuals could have an adverse effect on the Company. The Company's success will be dependent in part upon its continued ability to recruit, motivate and retain qualified personnel. There can be no assurance that the Company will be successful in this regard. The Company has no employment or non-competition agreements with key personnel.

Risks Relating to Loss of Major Customers

The Company could suffer significant reductions in revenues and operating income if we lost one or more of our largest customers, including, for example, Wal-Mart Stores, Inc., which accounted for 10.2% of revenues in fiscal year 2008. Many of our customers, such as supermarkets, warehouse clubs and food distributors, have consolidated in recent years. Such consolidation has produced large, sophisticated customers with increased buying power who are more capable of operating with reduced inventories while demanding lower pricing and increased promotional programs. These customers also may use their shelf space for their own private label products. Failure to respond to these trends could reduce our volume and cause us to lower prices or increase promotional spending for our product lines which could adversely affect our profitability.

Members of the Bridgford Family Can Exercise Significant Control

Members of the Bridgford family beneficially own, in the aggregate, approximately 81% of the outstanding stock of the Company. In addition, three members of the Bridgford family serve on the Board of Directors. As a result, members of the Bridgford family have the ability to exert substantial influence or actual control over our management and affairs and over substantially all matters requiring action by our shareholders, including amendments to by-laws, election and removal of directors, any proposed merger, consolidation or sale of all or substantially all of our assets and other corporate transactions. This concentration of ownership may also delay or prevent a change in control otherwise favored by our other shareholders and could depress the Company's stock price. Additionally, as a result of the Bridgford family's significant ownership of the outstanding voting stock, we have relied on the "controlled company" exemption from certain corporate governance requirements of the NASDAQ stock market; therefore, we have elected not to implement the rule that provides for a nominating committee to identify and recommend nominees to the Board of Directors. Pursuant to this exemption, our compensation committee, which is made up of independent directors, does not have sole authority to determine the compensation of our executive officers, including our Chairman.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

The Company owns the following facilities:

Property Location	Building Square Footage	Acreage
Anaheim, California ***	100,000	5.0
Modesto, California **	0	0.3
Dallas, Texas *	94,000	4.0
Dallas, Texas *	30,000	2.0
Dallas, Texas *	16,000	1.0
Dallas, Texas *	3,200	1.5
Statesville, North Carolina *	42,000	8.0
Chicago, Illinois **	156,000	1.5

* - property used by Frozen Food Products Segment

** - property used by Refrigerated and Snack Food Segment

***- property used by both Frozen Food Products and Refrigerated and Snack Food Segments

The foregoing plants are, in general, fully utilized by the Company for processing, warehousing, distributing and administrative purposes. The Company also leases warehouse and/or office facilities throughout the United States and Canada. The Company believes that its properties are generally adequate to satisfy its foreseeable needs. Additional properties may be acquired and/or plants expanded if favorable opportunities and conditions arise.

Item 3. Legal Proceedings

No material legal proceedings were pending against the Company at October 31, 2008 or as of the date of filing of this Annual Report on Form 10-K. The Company is likely to be subject to claims arising from time to time in the ordinary course of its business. In certain of such actions, plaintiffs may request punitive or other damages that may not be covered by insurance and, accordingly, no assurance can be given with respect to the ultimate outcome of any such possible future claims or litigation or their effect on the Company. Any adverse litigation trends and outcomes could significantly and negatively affect the financial results of the Company.

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

Annual Meeting of Shareholders

The 2009 annual meeting of shareholders will be held at the offices of Bridgford Foods Corporation, 1308 North Patt Street, Anaheim, California at 10:00 a.m. on Wednesday, March 18, 2009.

No matters were submitted by the Company's shareholders during the fourth quarter of the fiscal year ended October 31, 2008.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock and Dividend Data

The common stock of the Company is traded in the national over-the-counter market and is authorized for quotation on the Nasdaq Global Market under the symbol "BRID". The following table reflects the high and low closing prices and cash dividends paid as quoted by Nasdaq for each of the last eight fiscal quarters.

Fiscal Year 2008	High	Low	Cash Dividends Paid
First Quarter	$7.45	$6.07	$0.00
Second Quarter	$6.94	$5.32	$0.00
Third Quarter	$6.77	$5.40	$0.00
Fourth Quarter	$6.43	$4.26	$0.00

Fiscal Year 2007	High	Low	Cash Dividends Paid
First Quarter	$8.08	$6.01	$0.00
Second Quarter	$7.95	$7.02	$0.00
Third Quarter	$7.70	$7.23	$0.00
Fourth Quarter	$7.83	$6.45	$0.00

On January 16, 2009, the closing sale price for the Company's common stock on the Nasdaq Global Market was $3.79 per share. As of January 16, 2009, there were 322 stockholders of record of the Company's common stock.

The payment of any future dividends will be at the discretion of the Company's Board of Directors and will depend upon future earnings, financial requirements and other factors.

Unregistered Sales of Equity Securities

During the period covered by this Report the Company did not sell or issue any equity securities that were not registered under the Securities Act of 1933, as amended.

Repurchases of Equity Securities by the Issuer

During fiscal year 2008, the Company repurchased an aggregate of 41,000 shares of its common stock for $254,000 pursuant to its repurchase plan previously authorized by the Board of Directors. The following table provides information regarding the Company's repurchases of its common stock in each of the four periods comprising the fourth quarter of fiscal year 2008.

Period (1)	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that may Yet Be Purchased Under the Plans or Programs (2)
July 12, 2008 - August 8, 2008 (4 weeks)	207	$ 6.19	207	481,009
August 9, 2008 - September 5, 2008 (4 weeks)	2,091	$ 6.25	2,091	478,918
September 5, 2008 - October 3, 2008 (4 weeks)	877	$ 5.87	877	478,041
October 4, 2008 - October 31, 2008 (4 weeks)	283	$ 4.81	283	477,758
Total	3,458	$ 6.03	3,458	

(1) The periods shown are the Company's fiscal periods during the sixteen-week quarter ending October 31, 2008.

(2) All repurchases reflected in the foregoing table were made on the open market. The Company's stock repurchase program was approved by the Board of Directors in November 1999 (1,500,000 shares authorized, disclosed in a Form 10-K filed on January 26, 2000) and was expanded in June 2005 (500,000 additional shares authorized, disclosed in a press release and Form 8-K filed on June 17, 2005). Under the stock repurchase program, the Company is authorized, at the discretion of management and the Board of Directors, to purchase up to an aggregate of 2,000,000 shares of the Company's common stock on the open market. The Company's Stock Purchase Plan ("Purchase Plan") is administered by Citigroup Global Markets Inc. ("CGM") for purchase of shares of common stock ("Stock") issued by the Company in compliance with the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934 ("Exchange Act"). Commencing on October 14, 2008 and continuing through and including October 13, 2009, CGM shall act as the Company's exclusive agent to purchase Stock under the Purchase Plan. This Purchase Plan supplements any purchases of stock by the Company "outside" of the Purchase Plan, which may occur from time to time, in open market transactions pursuant to Rule 10b-18 of the Exchange Act. The daily purchase quantity is defined as a number of shares up to, but not to exceed, each day's applicable Rule 10b-18 maximum volume limit (i.e. 25% of the prior four calendar weeks' average daily trading volume); however, once per week a block of stock may be purchased that exceeds the Rule 10b-18 average daily trading volume condition, provided that no other Purchase Plan purchases are made on any day on which such a block is purchased. As of October 31 2008, the total maximum number of shares that may be purchased under the Purchase Plan is 477,758 at a total maximum aggregate price (exclusive of commission) of $4,777,580.

On March 17, 2008, the Company repurchased approximately 402,000 shares of its common stock from a shareholder in a privately-negotiated transaction outside of the Company's stock repurchase program for an aggregate purchase price of approximately $2,700,000. The repurchased shares were retired and constitute authorized but unissued shares.

Item 6. Selected Financial Data

Not applicable to smaller reporting company.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

For a complete understanding, this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Consolidated Financial Statements and Notes to the Consolidated Financial Statements contained in this Form 10-K.

Certain statements under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this report constitute “forward-looking statements” within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of Bridgford Foods Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions; the impact of competitive products and pricing; success of operating initiatives; development and operating costs; advertising and promotional efforts; adverse publicity; acceptance of new product offerings; consumer trial and frequency; changes in business strategy or development plans; availability, terms and deployment of capital; availability of qualified personnel; commodity, labor, and employee benefit costs; changes in, or failure to comply with, government regulations; weather conditions; construction schedules; and other factors referenced in this Report.

Results of Operations (in thousands except percentages)

Fiscal Year Ended October 31, 2008 (52 weeks) Compared to Fiscal Year Ended November 2, 2007 (52 weeks)

Net Sales-Consolidated

Net sales in fiscal 2008 decreased $4,101 (3.3%) when compared to the prior year. The primary reason for the decrease was lower unit volume (7.7%). Increased selling prices (3.5%) partially offset the unit volume decline. Promotional allowances as a percentage of consolidated sales decreased 0.1% which helped to partially offset the net sales decrease.

Net Sales-Frozen Food Products Segment

Net sales in the Frozen Food Products segment increased $3,467 (7.0%) compared to the prior year. This increase includes initial sales of shelf-stable sandwiches to the military of $1,191. Unit volume decreases of 2.9% were offset by unit price increases of 6.3%. Promotional allowances were unchanged compared to the prior year.

Net Sales-Refrigerated and Snack Food Products Segment

Net sales in the Refrigerated and Snack Food Products segment decreased $7,568 (10.0%) compared to the prior year. Unit volume decreased 11.8% in fiscal 2008. The impact of price increases was negligible. Promotional allowances were unchanged compared to the prior year.

Cost of Products Sold-Consolidated

Cost of products sold decreased $803 (1.0%) compared to the prior year primarily due to lower unit sales volume. Higher commodity costs partially offset the impact of the unit volume decrease.

Cost of Products Sold–Frozen Food Products Segment

Cost of products sold in the Frozen Food Products segment increased $4,821 (16.0%) compared to the prior year. Record high flour commodity costs in fiscal 2008 were the primary contributing factor causing this increase.

Cost of Products Sold–Refrigerated and Snack Food Products Segment

Cost of products sold in the Refrigerated and Snack Food Products segment decreased $5,971 (11.3%) compared to the prior year. Lower unit volumes partially offset by higher meat commodity costs in fiscal 2008 were the primary factors causing this change.

Gross Margin-Consolidated

The gross margin before depreciation decreased from 35.1% to 33.6%, in fiscal 2008, primarily due to higher flour and meat commodity costs when compared to the prior fiscal year. Promotional allowances remained essentially unchanged as a percentage of consolidated sales and had no measurable impact on the gross margin.

Gross Margin–Frozen Food Products Segment

The gross margin before depreciation decreased from 38.9% to 33.8%, in fiscal 2008, primarily due to record high flour commodity costs when compared to the prior fiscal year. Promotional allowances remained unchanged as a percentage of sales. Increased selling prices were insufficient to overcome increased commodity costs over the course of the fiscal year.

Gross Margin–Refrigerated and Snack Food Products Segment

The gross margin before depreciation increased from 30.3% to 31.3%, in fiscal 2008, primarily due to increased in-house production of previously outsourced items offset by higher meat commodity costs and lower unit volumes when compared to the prior fiscal year. The impact of price increases was negligible.

Selling, General and Administrative Expenses-Consolidated

Selling, general and administrative expenses increased by $2,003 (4.9%) compared to the prior fiscal year. The increase in this category did not directly correspond to the sales decrease.

The table below summarizes the primary expense variances:

	52 Weeks Ended		Expense/Loss
	October 31,2008	November 2, 2007	Increase (Decrease)
Fuel	$4,158	$3,202	$956
Benefits-Health/Life	4,445	3,622	823
Benefits-Workers Compensation	1,986	1,493	493
Cash Surrender Value Loss/(Gain)	928	(621)	1,549
Interest Income	(272)	(690)	418
Other	32,007	34,243	(2,236)
Total	$43,252	$41,249	$2,003

Selling, General and Administrative Expenses-Frozen Food Products Segment

Selling, general and administrative expenses in the Frozen Food Products segment increased by $1,149 (7.9%) compared to the prior year. Higher fuel, healthcare and workers' compensation costs were partially offset by lower advertising expenses when compared to the prior year.

Selling, General and Administrative Expenses-Refrigerated and Snack Food Products Segment

Selling, general and administrative expenses in the Refrigerated and Snack Food Segment increased $854 (3.2%) compared to the prior year. Higher fuel, healthcare and workers' compensation costs outpaced the impact of the sales decline.

Depreciation Expense-Consolidated

Depreciation expense decreased by $106 (3.1%) compared to the prior year. The decrease in depreciation expense reflects lower capital expenditure levels in recent years and certain significant assets becoming fully depreciated in the 2008 fiscal year.

Depreciation Expense-Frozen Food Products Segment

Depreciation expense in the Frozen Food Products segment decreased by $224 (22.2%) compared to the prior year. The decrease in depreciation expense reflects lower capital expenditure levels in recent years and certain significant assets becoming fully depreciated in the 2008 fiscal year.

Depreciation Expense-Refrigerated and Snack Food Products Segment

Depreciation expense in the Refrigerated and Snack Food Segment decreased by $189 (7.9%) compared to the prior year. The decrease in depreciation expense reflects lower capital expenditure levels in recent years and certain significant assets becoming fully depreciated in the 2008 fiscal year.

Income Taxes

The effective income tax rate was (112.1)% and (56.6%) in fiscal years 2008 and 2007, respectively. In fiscal year 2008, the effective income tax rate differed from the applicable mixed statutory rate of approximately 38% primarily due to recording a full valuation allowance on the Company's deferred tax assets of $8,615 (Refer to Note 4) and the Company's current year claim for research and development tax credits and non-taxable life insurance. In fiscal year 2007, the effective income tax rate differed from the applicable mixed statutory rate of approximately 38% primarily due to the Company's current year claim for research and development tax credits and non-taxable life insurance.

Fiscal Year Ended November 2, 2007 (52 weeks) Compared to Fiscal Year Ended November 3, 2006 (53 weeks)

Net Sales-Consolidated

Net sales in fiscal 2007 decreased $9,173 (6.8%) when compared to the prior year. After considering the additional week in fiscal 2006, a 53 week year, sales decreased $6,640 (5.0%) compared to the prior year. The primary reason for the decrease was lower unit volume (8.3%). Increased selling prices (1.9%) partially offset the unit volume decline. Promotional allowances as a percentage of consolidated sales increased 1.1% which also contributed to the net sales decrease.

Net Sales-Frozen Food Products Segment

Net sales in the Frozen Food Products segment decreased $1,405 (2.8%) compared to the prior year. After considering the additional week in fiscal 2006, sales decreased $446 (0.9%). Unit volume decreases of 5.4% were partially offset by unit price increases of 4.5%. Promotional allowances were higher compared to the prior year which also contributed to the slight net sales decline.

Net Sales-Refrigerated and Snack Food Products Segment

Net sales in the Refrigerated and Snack Food Products segment decreased $7,768 (9.3%) compared to the prior year. After considering the additional week in fiscal 2006, sales decreased $6,194 (7.6%). Unit volume decreased 9.3% in fiscal 2007. The impact of price increases was negligible. Promotional allowances were higher compared to the prior year which also contributed to the sales decline.

Cost of Products Sold-Consolidated

Cost of products sold decreased $4,007 (4.7%) compared to the prior year primarily due to lower unit sales volumes.

Cost of Products Sold–Frozen Food Products Segment

Cost of products sold in the Frozen Food Products segment increased $146 (0.5%) compared to the prior year. Higher flour commodity costs in fiscal 2007 were the primary contributing factor causing this increase.

Cost of Products Sold–Refrigerated and Snack Food Products Segment

Cost of products sold in the Refrigerated and Snack Food Products segment decreased $4,605 (8.0%) compared to the prior year. Lower unit volumes partially offset by higher meat commodity costs in fiscal 2007 were the primary factors causing this change.

Gross Margin-Consolidated

The gross margin before depreciation decreased from 36.6% to 35.1%, in fiscal 2007, primarily due to higher flour and meat commodity costs when compared to the prior fiscal year. Higher promotional allowances also reduced net selling prices contributing to the gross margin decline.

Gross Margin–Frozen Food Products Segment

The gross margin before depreciation decreased from 40.9% to 38.9%, in fiscal 2007, primarily due to higher flour commodity costs when compared to the prior fiscal year. Higher promotional allowances also reduced net selling prices contributing to the gross margin decline. Increased selling prices were insufficient to overcome increased commodity costs.

Gross Margin–Refrigerated and Snack Food Products Segment

The gross margin before depreciation decreased from 31.2% to 30.3%, in fiscal 2007, primarily due to higher meat commodity costs and lower unit volumes when compared to the prior fiscal year. The impact of price increases was negligible. Promotional allowances were higher compared to the prior year which also contributed to the slight gross margin decline.

Selling, General and Administrative Expenses-Consolidated

Selling, general and administrative expenses decreased $2,714 (6.2%) when compared to the prior year. After considering the additional week in fiscal 2006, average weekly expenses were lower compared to the prior year. Within this category costs for advertising and outsourced computer network security and support outpaced sales growth. Offsetting these increases were lower employee benefit expenses (pension, healthcare, workers' compensation and vacation pay), increased gains on life insurance policies and reduced staff costs related to computer network outsourcing.

Selling, General and Administrative Expenses-Frozen Food Products Segment

Selling, general and administrative expenses in the Frozen Food Products segment increased by $382 (2.7%) compared to the prior year. Higher advertising costs were partially offset by lower employee benefit expenses when compared to the prior year.

Selling, General and Administrative Expenses-Refrigerated and Snack Food Procuts Segment

Selling, general and administrative expenses in the Refrigerated and Snack Food Segment decreased $3,095 (10.4%) compared to the prior year. This decrease was primarily caused by lower unit sales volume. Lower employee benefit expenses outpaced the impact of the sales decline.

Depreciation Expense-Consolidated

Depreciation expense decreased by $388 (10.3%) compared to the prior year. The decrease in depreciation expense reflects lower capital expenditure levels in recent years and certain significant assets becoming fully depreciated in the 2007 fiscal year. Offsetting these decreases was the addition of a new major manufacturing line put into service in the last quarter of the 2007 fiscal year.

Depreciation Expense-Frozen Food Products Segment

Depreciation expense in the Frozen Food Products segment decreased by $390 (27.9%) compared to the prior year. The decrease in depreciation expense reflects lower capital expenditure levels in recent years and certain significant assets becoming fully depreciated in the 2007 fiscal year.

Depreciation Expense- Refrigerated and Snack Food Products Segment

Depreciation expense in the Refrigerated and Snack Food Segment was essentially equal as compared to the prior year. Recent lower capital expenditure levels were off-set by the addition of a new major manufacturing line put into service in the last quarter of the 2007 fiscal year.

Gain on Sale of Equity Securities

The Company did not engage in the sale of equity securities during fiscal year 2007 and recorded a pre-tax gain of $106 in fiscal 2006.

Income Taxes

The effective income tax rate was (56.6)% and 17.2% in fiscal years 2007 and 2006, respectively. In fiscal year 2007, the effective income tax rate differed from the applicable mixed statutory rate of approximately 38% primarily due to the Company's current year claim for research and development tax credits and non-taxable life insurance. In fiscal year 2006, the effective income tax rate differed from the applicable mixed statutory rate of approximately 38% primarily due to the Company's current year claim for research and development tax credits related to prior year activities.

Liquidity and Capital Resources (in thousands except share amounts)

The Company's need for operations growth, capital expenses and share repurchases are expected to be met with cash flows provided by operating activities.

Cash flows from operating activities:

	2008	2007
Net income (loss)	$ (12,447)	$ (292)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	3,283	3,389
(Recovery) from losses on accounts receivable	(194)	(245)
(Gain) on sale of property, plant and equipment	(27)	(8)
(Gain) on sale of equity securities	—	—
Deferred income taxes, net	(2,107)	(523)
Tax valuation allowance	8,615	—
Changes in operating working capital	2,483	9,911
Net cash (used) provided by operating activities	$ (394)	$ 12,232

For fiscal year 2008, net cash was used in operating activities of $394. The Company funded additions to property, plant and equipment in the amount of $1,880 and share repurchases of $3,039 from cash balances. For fiscal year 2007, net cash provided by operating activities was $12,232, which enabled the Company to fund additions to property, plant and equipment in the amount of $1,587 and share repurchases of $515.

Significant changes in working capital are as follows:

2008 – Operating cash flows decreased primarily due to reductions in other non-current assets and the current portion of non-current liabilities offset by decreases in inventories, prepaid expenses and accrued payroll, advertising and other expenses. During the year the Company funded $2,467 toward its defined benefit pension plan.

2007 – Operating cash flows increased due to the sale of trading securities and reductions in accounts receivable and inventories offset by increases in prepaid expenses and other non-current assets. Significant reductions in accounts payable, accrued payroll, advertising and other expenses and the current and non-current portion of long-term liabilities offset cash flow increases during 2007. During the year the Company funded $3,290 toward its defined benefit pension plan.

Cash used in investing activities:

	2008	2007
Proceeds from sale of property, plant and equipment	$ 69	$ 26
Additions to property, plant and equipment	(1,880)	(1,587)
Net cash used in investing activities	$ (1,811)	$ (1,561)

Expenditures for property, plant and equipment include the acquisition of new equipment, upgrading of facilities to maintain operating efficiency and investments in cost effective technologies to lower costs. Overall capital spending has declined in recent years as the Company carefully scrutinizes capital investments for short term pay-back of investment. A new major manufacturing line in the amount of $1,914 was put into service in the last quarter of fiscal year 2007.

Cash used in financing activities:

	2008	2007
Shares repurchased	$ (3,039)	$ (515)
Net cash used in financing activities	$ (3,039)	$ (515)

The Company's stock repurchase program was approved by the Board of Directors in November 1999 and was expanded in June 2005 (500,000 additional shares authorized, disclosed in a press release and Form 8-K filed on June 17, 2005). Under the stock repurchase program, the Company is authorized, at the discretion of management and the Board of Directors, to purchase up to an aggregate of 2,000,000 shares of the Company's common stock on the open market. As of October 31, 2008, up to 447,758 shares were still authorized for repurchase under the program.

The Company has remained free of interest-bearing debt for twenty-two consecutive years. The Company maintains a line of credit with Bank of America that expires April 30, 2010. Under the terms of this line of credit, the Company may borrow up to $2,000 at an interest rate equal to the bank's reference rate, unless the Company elects an optional interest rate. The borrowing agreement contains various covenants, the more significant of which require the Company to maintain certain levels of shareholders' equity and working capital. The Company was in violation of the shareholders' equity covenant which was subsequently waived and modified per an amendment to the agreement (dated as of January 9, 2009). The Company is currently in compliance with all provisions of the agreement. There were no borrowings under this line of credit during the year. Management believes that the Company's strong financial position and its capital resources are sufficient to provide for its operating needs and capital expenditures for fiscal 2009.

Off-Balance Sheet Arrangements

The Company does not currently have any off balance sheet arrangements within the meaning of Item 303(a)(4) of Regulation S-K.

Contractual Obligations (in thousands)

The Company has remained free of interest bearing debt for twenty-two consecutive years and had no other debt or other contractual obligations except for leases existing at October 31, 2008. The Company leases certain transportation equipment under operating leases.

Future minimum lease payments are approximately (in thousands):

	2008	2009	2010	2011	2012 and there-after
Net Lease Commitments	$ 425	$ 425	$ 425	$ 425	$ 405

Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the respective reporting periods. Actual results could differ from those estimates. Amounts estimated related to liabilities for self-insured workers' compensation, employee healthcare and pension benefits are especially subject to inherent uncertainties and these estimated liabilities may ultimately settle at amounts not originally estimated. The Company records promotional and returns allowances based on recent and historical trends. Management believes its current estimates are reasonable and based on the best information available at the time.

Disclosure concerning the Company's policies on credit risk, revenue recognition, cash surrender or contract value for life insurance policies, deferred taxes, income tax and the recoverability of its long-lived assets are provided in Notes 1 and 4 to the Consolidated Financial Statements.

Estimated amounts related to liabilities for pension benefits are especially subject to inherent uncertainties and these liabilities may ultimately settle at amounts not originally estimated. Management believes its current estimates are reasonable and based on the best information available at the time.

Recently Issued Accounting Pronouncements and Regulations

During the last three years, various accounting standard-setting bodies have been active in soliciting comments and issuing statements, interpretations and exposure drafts. For information on new accounting pronouncements and the impact, if any, on the Company's financial position or results of operations, see Note 1 of the Notes to the Consolidated Financial Statements.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Not applicable for smaller reporting company.

Item 8. Consolidated Financial Statements and Supplementary Data

Not applicable for smaller reporting company.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Management of the Company, with the participation and under the supervision of the Company's Chairman and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this Report. Based on this evaluation the Chairman and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective as of the end of the period covered by this Report to provide reasonable assurance that material information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms.

The Company's management, including its Chairman and Chief Financial Officer, does not expect that the Company's disclosure controls and internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control.

The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

The Company maintains and evaluates a system of internal accounting controls, and a program of internal auditing designed to provide reasonable assurance that the Company's assets are protected and that transactions are performed in accordance with proper authorization, and are properly recorded. This system of internal accounting controls is continually reviewed and modified in response to evolving business conditions and operations and to recommendations made by the independent registered public accounting firm and internal auditor. The Company has an established a code of conduct. The management of the Company believes that the accounting and internal control systems provide reasonable assurance that assets are safeguarded and financial information is reliable.

The Audit Committee of the Board of Directors meets regularly with the Company's financial management and counsel, and with the independent registered public accounting firm engaged by the Company. Internal accounting controls and the quality of financial reporting are discussed during these meetings. The Audit Committee has discussed with the independent registered public accounting firm matters required to be discussed by Statement of Auditing Standards No. 61 (Communication with Audit Committees). In addition, the independent registered public accounting firm's independence from the Company and its management, including the matters in the written disclosures required by Public Company Accounting Oversight Board Rule 3526 "Communicating with Audit Committees Concerning Independence", has been discussed by the Committee and the independent registered public accounting firm.

Section 404 of the Sarbanes-Oxley Act of 2002

In order to comply with the Sarbanes-Oxley Act of 2002 (the "Act"), the Company has undertaken and continues a comprehensive effort, which includes the documentation and review of its internal controls. In order to comply with the Act, the Company is in the process of centralizing most accounting and many administrative functions at its corporate headquarters in an effort to control the cost of maintaining its control systems. On July 11, 2006, The Committee of Sponsoring Organizations ("COSO") issued guidance on how small companies should implement an effective internal control framework over financial reporting and other risks. This guidance is considered a key tool to help smaller public companies to confront the challenges of the Act. As a result, the Company may incur substantial additional expenses and diversion of management's time. During the course of these activities, the Company may identify certain internal control issues which management believes should be improved. These improvements, if necessary, will likely include further formalization of policies and procedures, improved segregation of duties, additional information technology system controls and additional monitoring controls. Although management does not believe that any of these matters will result in material weaknesses being identified in the Company's internal controls as defined by the Public Company Accounting Oversight Board Auditing Standard No. 5, no assurances can be given regarding the outcome of these efforts. Additionally, control weaknesses may not be identified in a timely enough manner to allow remediation prior to the issuance of the auditor's report on internal controls over financial reporting. Any failure to adequately comply could result in sanctions or investigations by regulatory authorities, which could harm the Company's business or investors' confidence in the Company.

The Securities and Exchange Commission, on December 15, 2006, adopted new measures to grant relief to smaller public companies by extending the date of compliance with Section 404 of the Act. Under these new measures, the Company will be required to comply with the Act in two phases. The first phase was completed by the Company for fiscal year ending October 31, 2008 and required the Company to issue a management report on internal control over financial reporting. The second phase will require the Company to provide an auditor's attestation report on internal control over financial reporting beginning with the Company's fiscal year ending October 30, 2010.

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information set forth in the sections entitled "Proposal 1 – Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" contained in the Company's definitive proxy statement for the Annual Meeting of Shareholders to be held on March 18, 2009 is incorporated herein by reference. Information concerning the executive officers of the Company is set forth in Part I hereof under the heading "Executive Officers of the Registrant".

Item 11. Executive Compensation

Information set forth in the sections entitled "Proposal 1 – Election of Directors" and "Compensation of Executive Officers" contained in the Company's definitive proxy statement for the 2009 Annual Meeting of Shareholders to be held on March 18, 2009 is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information set forth in the sections entitled "Principal Shareholders and Management" and "Proposal 1 – Election of Directors" contained in the Company's definitive proxy statement for the 2009 Annual Meeting of Shareholders to be held on March 18, 2009 is incorporated herein by reference.

Equity Compensation Plan Information

The following table sets forth information regarding outstanding options, warrants and rights and shares reserved for future issuance under the Company's existing compensation plans as of October 31, 2008. The Company's sole shareholder approved equity compensation plan is the 1999 Stock Incentive Plan. The Company does not have any non-stockholder approved equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights as of October 31, 2008 (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans as of October 31, 2008 (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	250,000	$ 10.00	650,000
Equity compensation plans not approved by security holders	—	—	—
Total	250,000	$ 10.00	650,000

Item 13. Certain Relationships and Related Transactions, and Director Independence (not in thousands)

Information set forth in the section entitled "Certain Relationships and Related Party Transactions" contained in the Company's definitive proxy statement for the 2009 Annual Meeting of Shareholders to be held on March 18, 2009 is incorporated herein by reference.

The Company is considered a "controlled company" within the meaning of Rule 4350(c)(5) of the National Association of Securities Dealers ("NASD") and is therefore exempted from various NASD rules pertaining to certain "independence" requirements of its directors. Nevertheless, the Board of Directors has determined that Messrs. Andrews, Foster, Schulze, Scott and Zippwald, who together comprise the Audit Committee, are all "independent directors" within the meaning of Rule 4200 of the Nasdaq Marketplace Rules.

The Company's general legal counsel is the son of the senior chairman of the board of directors. For these services, he currently is paid a fee of $1,350 for each meeting attended. Total fees paid under this arrangement for fiscal year 2008 were $14,975. In addition, legal services are performed on behalf of the Company and billed by a firm in which he is a partner. Total fees billed under this arrangement for fiscal year 2008 were approximately $63,000.

Item 14. Principal Accountant Fees and Services

Information set forth in the sections entitled "Principal Accountant Fees and Services" and "Policy on Audit Committee Pre-Approval of Audit Services And Permissible Non-Audit Services of Independent Accountants" contained in the Company's definitive proxy statement for the Annual Meeting of Shareholders to be held on March 18, 2009 is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) *Financial Statements.* The following documents are filed as a part of this report:

(2) *Financial Statement Schedule*

The following financial statement is filed herewith:

(3) *Exhibits*

(a) *The exhibits below are filed or incorporated herein by reference.*

Exhibit Number	Description
3.5	Restated Articles of Incorporation, dated December 29, 1989 (filed as Exhibit 3.5 to Form 10-K on January 28, 1993 and incorporated herein by reference).
3.6	Amendment to Articles of Incorporation, dated July 27, 1990 (filed as Exhibit 3.6 to Form 10-K on January 28, 1993 and incorporated herein by reference).
3.7	By-laws, as amended (filed as Exhibit 2 to Form 10-K on January 28,1993 and incorporated herein by reference).
3.8	Certificate of Amendment to By-laws (filed as Exhibit 99.1 to Form 8-K on October 10, 2007 and incorporated herein by reference).
10.1	Bridgford Foods Corporation Defined Benefit Pension Plan (filed as Exhibit 10.1 to Form 10-K on January 28, 1993 and incorporated herein by reference).*
10.2	Bridgford Foods Corporation Supplemental Executive Retirement Plan (filed as Exhibit 10.2 to Form 10-K on January 28, 1993 and incorporated herein by reference).*
10.3	Bridgford Foods Corporation Deferred Compensation Savings Plan (filed as Exhibit 10.3 to Form 10-K on January 28, 1993 and incorporated herein by reference).*
10.4	Bridgford Foods Corporation 1999 Stock Incentive Plan and Form of Stock Option Agreement (filed as Exhibit 4.1 to Form S-8 on May 28, 1999 and incorporated herein by reference).*
21.1	Subsidiaries of the Registrant.
23.1	Consent of Independent Registered Public Accounting Firm.
24.1	Power of Attorney (included as part of the signature page)
31.1	Certification of Principal Executive Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Principal Executive Officer).
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Principal Financial Officer).

* Each of these Exhibits constitutes a management contract, compensatory plan or arrangement.

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.

BRIDGFORD FOODS CORPORATION
Registrant

By: /s/ WILLIAM L. BRIDGFORD
William L. Bridgford
Chairman

Date: January 28, 2009

POWER OF ATTORNEY

We, the undersigned directors and officers of Bridgford Foods Corporation, do hereby constitute and appoint William L. Bridgford and Raymond F. Lancy, or either of them, with full power of substitution and resubstitution, our true and lawful attorneys and agents, to do any and all acts and things in our name and behalf in our capacities as directors and officers and to execute any and all instruments for us and in our names in the capacities indicated below, which said attorneys and agents, or either of them, or their substitutes, may deem necessary or advisable to enable said corporation to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in connection with this Annual Report on Form 10-K, including specifically, but without limitation, power and authority to sign for us or any of us in our names and in the capacities indicated below, any and all amendments; and we do hereby ratify and confirm all that the said attorneys and agents, or either of them, shall do or cause to be done by virtue hereof.

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

Signature	Title	Date
/s/WILLIAM L. BRIDGFORD **William L. Bridgford**	Chairman (Principal Executive Officer)	January 28, 2009
/s/ALLAN L. BRIDGFORD **Allan L. Bridgford**	Senior Chairman	January 28, 2009
/s/HUGH WM. BRIDGFORD **Hugh Wm. Bridgford**	Vice President and Director	January 28, 2009
/s/JOHN V. SIMMONS **John V. Simmons**	President	January 28, 2009
/s/RAYMOND F. LANCY **Raymond F. Lancy**	Chief Financial Officer (Principal Financial Officer)	January 28, 2009
/s/TODD C. ANDREWS **Todd C. Andrews**	Director	January 28, 2009
/s/RICHARD A. FOSTER **Richard A. Foster**	Director	January 28, 2009
/s/ROBERT E. SCHULZE **Robert E. Schulze**	Director	January 28, 2009
/s/D. GREGORY SCOTT **D. Gregory Scott**	Director	January 28, 2009
/s/PAUL R. ZIPPWALD **Paul R. Zippwald**	Director	January 28, 2009

Management's Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Management conducted an evaluation of the effectiveness of the internal controls over financial reporting based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2008. Based on management's assessment and those criteria, management believes that the internal control over financial reporting as of October 31, 2008 was effective.

Management's internal control report was not subject to attestation by the Company's independent registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report.

There has been no change in the Company's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the last fiscal quarter covered by this Report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Report Of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders
Bridgford Foods Corporation

We have audited the accompanying consolidated balance sheets of Bridgford Foods Corporation (the "Company") as of October 31, 2008 and November 2, 2007 and the related consolidated statements of operations, shareholders' equity and comprehensive income and cash flows for the fiscal years ended October 31, 2008 and November 2, 2007. In connection with our audits of the consolidated financial statements, we also have audited the supplementary information included in Schedule II. These consolidated financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and the financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of October 31, 2008 and November 2, 2007, and the consolidated results of its operations and its cash flows for the fiscal years ended October 31, 2008 and November 2, 2007 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, effective November 2, 2007, the Company adopted Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans – an amendment of FASB Statements No. 87, 88, 106 and 132(R)."

As discussed in Notes 1 and 4 to the consolidated financial statements, effective November 3, 2007, the Company adopted FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes".

/s/ HASKELL & WHITE LLP

Irvine, California
January 28, 2009

BRIDGFORD FOODS CORPORATION
CONSOLIDATED BALANCE SHEETS
October 31, 2008 and November 2, 2007
(in thousands, except per share amounts)

	2008	2007
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,092	$ 11,336
Accounts receivable, less allowance for doubtful accounts of $397 and $482, respectively and promotional allowances of $2,015 and $1,980, respectively	8,867	8,563
Inventories	16,052	18,332
Prepaid expenses	442	1,137
Refundable income taxes	464	497
Deferred income taxes, less valuation allowance of $2,422 at October 31, 2008	—	1,490
Total current assets	31,917	41,355
Property, plant and equipment, net of accumulated depreciation of $53,740 and $53,840, respectively	9,775	11,221
Other non-current assets	10,263	11,191
Deferred income taxes, less valuation allowance of $6,193 at October 31, 2008	—	3,880
Total assets	$ 51,955	$ 67,647
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,073	$ 2,978
Accrued payroll, advertising and other expenses	6,850	5,253
Current portion of non-current liabilities	1,555	3,671
Total current liabilities	11,478	11,902
Non-current liabilities	7,943	5,776
Total liabilities	19,421	17,678
Contingencies and commitments (Notes 3, 5 and 6)		
Shareholders' equity:		
Preferred stock, without par value		
Authorized - 1,000 shares Issued and outstanding – none	—	—
Common stock, $1.00 par value		
Authorized - 20,000 shares: Issued and outstanding – 9,435 in 2008 and 9,889 in 2007	9,492	9,946
Capital in excess of par value	11,204	13,789
Retained earnings	14,298	26,837
Accumulated other comprehensive loss	(2,459)	(603)
Total shareholders' equity	32,535	49,969
	$ 51,955	$ 67,647

See accompanying notes to consolidated financial statements.

BRIDGFORD FOODS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
For the years ended October 31, 2008 and November 2, 2007
(in thousands, except share and per share amounts)

	2008	2007
Net sales	$ 120,990	$ 125,091
Cost of products sold, excluding depreciation	80,323	81,126
Selling, general and administrative expenses	43,252	41,249
Depreciation	3,283	3,389
	126,858	125,764
(Loss) before taxes	(5,868)	(673)
Provision (benefit) for taxes on income	6,579	(381)
Net (loss)	$ (12,447)	$ (292)
Basic (loss) per share	$ (1.30)	$ (0.03)
Shares used to compute basic (loss) per share	9,577,286	9,928,107
Diluted (loss) per share	$ (1.30)	$ (0.03)
Shares used to compute diluted (loss) per share	9,577,286	9,928,107

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME
For the years ended October 31, 2008 and November 2, 2007
(in thousands)

	Shares	Amount	Capital in excess of par value	Retained earnings	Accumulated other comprehensive income (loss)	Total shareholders' equity
Balance, November 3, 2006	9,958	$ 10,015	$ 14,235	$ 27,129	$ (1,193)	$ 50,186
Shares repurchased and retired	(69)	(69)	(446)			(515)
Net loss				(292)		(292)
Other comprehensive net income (loss):						
Unrealized loss on investment (Note 1)					(6)	(6)
Net Change in pension liability prior to SFAS 158 adoption					1,163	1,163
SFAS 158 adoption					(567)	(567)
Comprehensive income						298
Balance, November 2, 2007	9,889	9,946	13,789	26,837	(603)	49,969
Adoption of Fin 48 (Note 4)				(92)		(92)
Shares repurchased and retired	(454)	(454)	(2,585)			(3,039)
Net loss				(12,447)		(12,447)
Other comprehensive net income (loss):						
Unrealized loss on investment (Note 1)					(106)	(106)
Net change in defined benefit plans					(2,093)	(2,093)
Net change in other benefit plans					343	343
Comprehensive loss						(14,303)
Balance, October 31, 2008	9,435	$ 9,492	$ 11,204	$ 14,298	$ (2,459)	$ 32,535

See accompanying notes to consolidated financial statements.

BRIDGFORD FOODS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended October 31, 2008 and November 2, 2007
(in thousands)

	2008	2007
Cash flows from operating activities:		
Net (loss)	$ (12,447)	$ (292)
Adjustments to reconcile net (loss) to net cash (used in) provided by operating activities:		
Depreciation	3,283	3,389
(Recovery) on losses on accounts receivable	(194)	(245)
(Gain) on sale of property, plant and equipment	(27)	(8)
Deferred income taxes, net	(2,107)	(523)
Tax Valuation Allowance	8,615	—
Changes in operating assets and liabilities:		
Trading securities	—	12,200
Accounts receivable	(111)	1,905
Inventories	2,281	1,211
Prepaid expenses	524	(887)
Income taxes receivable	33	489
Other non-current assets	928	(951)
Accounts payable	96	(945)
Accrued payroll, advertising and other expenses	1,504	(775)
Current portion of non-current liabilities	(2,116)	(597)
Non-current liabilities	(656)	(1,739)
Net cash (used) provided by operating activities	(394)	12,232
Cash used in investing activities:		
Proceeds from sale of property, plant and equipment	69	26
Additions to property, plant and equipment	(1,880)	(1,587)
Net cash used in investing activities	(1,811)	(1,561)
Cash used in financing activities:		
Shares repurchased	(3,039)	(515)
Net cash used in financing activities	(3,039)	(515)
Net (decrease) increase in cash and cash equivalents	(5,244)	10,156
Cash and cash equivalents at beginning of year	11,336	1,180
Cash and cash equivalents at end of year	$ 6,092	$ 11,336
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ —	$ 8

See accompanying notes to consolidated financial statements.

NOTE 1- ***The Company and Summary of Significant Accounting Policies:***

The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly owned. All inter-company transactions have been eliminated.

Use of estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the respective reporting periods. Actual results could differ from those estimates. Amounts estimated related to liabilities for self-insured workers' compensation, employee healthcare and pension benefits and impairment of deferred tax assets are especially subject to inherent uncertainties and these estimated liabilities may ultimately settle at amounts not originally estimated. Management believes its current estimates are reasonable and based on the best information available at the time.

Under the provisions of Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), the Company is required to test long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an impairment is indicated, the Company must measure the fair value of assets in accordance with SFAS 144 to determine if and when adjustments are to be recorded.

Concentrations of credit risk

The Company's credit risk is diversified across a broad range of customers and geographic regions. Losses due to credit risk have recently been immaterial. The carrying amount of cash equivalents, accounts and other receivables, accounts payable and accrued liabilities approximate fair market value due to the short maturity of these instruments. The Company maintains cash balances at financial institutions, which may at times exceed the amounts insured by the Federal Deposit Insurance Corporation of $250 per institution through December 31, 2009. However, management does not believe there is significant credit risk associated with these financial institutions. The provision for doubtful accounts receivable is based on historical trends and current collectibility risk. The Company has significant amounts receivable with a few large, well known customers which, although historically secure, could be subject to material risk should these customers' operations suddenly deteriorate. Sales to Wal-Mart® comprised 10.2% of revenues in fiscal year 2008 and 14.2% of accounts receivable was due from Wal-Mart® at October 31, 2008. Sales to Wal-Mart® comprised 14.6% of revenues in fiscal year 2007 and 12.4 % of accounts receivable was due from Wal-Mart® at November 2, 2007.

Business segments

The Company and its subsidiaries operate in two business segments - the processing and distribution of frozen foods, and the processing and distribution of refrigerated and snack food products.

Fiscal year

The Company maintains its accounting records on a 52-53 week fiscal basis. Fiscal years 2008 and 2007 included 52 weeks.

Revenues

Revenues are recognized upon passage of title to the customer, typically upon product pick-up, shipment or delivery to customers. Products are delivered to customers primarily through the Company's own long-haul fleet or through a Company owned direct store delivery system. These delivery costs, $6,915 and $6,375 for 2008 and 2007, respectively, are included in selling, general and administrative expenses in the accompanying consolidated financial statements. The Company records promotional and returns allowances based on recent and historical trends.

Cash equivalents

The Company considers all investments with original maturities of three months or less to be cash equivalents. Cash equivalents include money market funds and treasury bills of 6,092 at October 31, 2008 and $11,336 at November 2, 2007.

Investments

In accordance with SFAS No. 115 “Accounting for Certain Investments in Debt and Equity Securities”, the Company classifies certain equity securities as available for sale and measures them at market value (fair value). The Company accounts for the investments in securities received by customers as part of a bankruptcy settlements as available for sale by recording unrealized gains or losses in other comprehensive income as a component of stockholders’ equity. The Company does not have any investments categorized as trading or held to maturity as of October 31, 2008 or November 2, 2007.

Available for sale securities:	**2008**	**2007**
Market value of investment in securities	250	281
Acquisition value of investments in securities	430	291
Unrealized (loss) on investment	(180)	(10)

Inventories

Inventories are valued at the lower of cost (which approximates actual cost on a first-in, first-out basis) or market. Costs related to warehousing, transportation and distribution to customers are considered when computing market value. Inventories include the cost of raw materials, labor and manufacturing overhead. The Company regularly reviews inventory quantities on hand and writes down any excess or obsolete inventories to net realizable value. An inventory reserve is created when potentially slow-moving or obsolete inventories are identified in order to reflect the appropriate inventory value. Changes in economic conditions, production requirements, and lower than expected customer demand could result in additional obsolete or slow-moving inventory that cannot be sold or must be sold at reduced prices and could result in additional reserve provisions.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Major renewals and betterments are charged to the asset accounts while the cost of maintenance and repairs is charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss is credited or charged to income. Depreciation is computed on a straight-line basis over 10 to 20 years for buildings and improvements, 5 to 10 years for machinery and equipment, and 3 to 5 years for transportation equipment.

Income taxes

Deferred taxes are provided for items whose financial and tax bases differ. A valuation allowance is provided against deferred tax assets when it is expected that it is more likely than not that the related asset will not be fully realized.

The Company provides tax reserves for federal, state, local and international exposures relating to audit results, tax planning initiatives and compliance responsibilities. The development of these reserves requires judgments about tax issues, potential outcomes and timing and are determined in accordance with FASB Interpretation No. 48 (See Note 4 to the financial statements). Although the outcome of these tax audits is uncertain, in management’s opinion adequate provisions for income taxes have been made for potential liabilities emanating from these reviews. If actual outcomes differ materially from these estimates, they could have a material impact on the Company’s results of operations.

Stock-based compensation

The Company measures and recognizes compensation expense for all share-based payments to employees, including grants of employee stock options, in the financial statements based on the fair value at the date of the grant. The Company has not issued, awarded, granted or entered into any stock-based payment agreements since April 29, 1999.

Basic and diluted earnings per share

Basic earnings per share is calculated based on the weighted average number of shares outstanding for all periods presented. Diluted earnings per share is calculated based on the weighted average number of shares outstanding plus shares issuable on conversion or exercise of all potentially dilutive securities (stock options).

Foreign currency transactions

The Company's foreign branch located in Canada enters into transactions that are denominated in a foreign currency. The related transaction gains and losses arising from changes in exchange rates are not material and are included in selling, general and administrative expenses in the consolidated statement of operations in the period the transaction occurred.

Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity (net assets) of a business enterprise during the period from transactions and other events and circumstances from non-owner sources. Comprehensive income (loss) consists of net income (loss), the additional minimum pension liability adjustment and unrealized gains on equity securities. The Company's cost basis in the stock is equal to the fair market value at the date of issuance. During fiscal year 2007, the Company recognized the net change in the minimum pension liability prior to the adoption of SFAS 158 as well as the impact of SFAS 158 adoption on the Company's defined benefit pension plan and post retirement healthcare plan. No effect has been given to these transactions in the consolidated statement of cash flows.

Critical accounting policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the respective reporting periods. Actual results could differ from those estimates. Amounts estimated related to liabilities for pension costs, self-insured workers' compensation and employee healthcare are especially subject to inherent uncertainties and these estimated liabilities may ultimately settle at amounts not originally estimated. Management believes its current estimates are reasonable and based on the best information available at the time.

Under the provisions of Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), the Company is required to test long-lived assets for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an impairment is indicated, the Company must measure the fair value of assets in accordance with SFAS 144 to determine if and when adjustments are to be recorded.

The Company's credit risk is diversified across a broad range of customers and geographic regions. Losses due to credit risk have recently been immaterial. The provision for doubtful accounts receivable is based on historical trends and current collectibility risk. The Company has significant amounts receivable with a few large, well known customers which, although historically secure, could be subject to material risk should these customers' operations suddenly deteriorate. The Company monitors these customers closely to minimize the risk of loss. Sales to Wal-Mart® comprised 10.2% of revenues in fiscal year 2008 and 14.2% of accounts receivable was due from Wal-Mart® at October 31, 2008. Sales to Wal-Mart® comprised 14.6% of revenues in fiscal year 2007 and 12.4 % of accounts receivable was due from Wal-Mart® at November 2, 2007.

Revenues are recognized upon passage of title to the customer upon product pick-up, shipment or delivery to customers as determined by applicable contracts. Products are delivered to customers through the Company's own fleet or through a Company-owned direct store delivery system.

The Company records the cash surrender or contract value for life insurance policies as an adjustment of premiums paid in determining the expense or income to be recognized under the contract for the period.

The above listing is not intended to be a comprehensive list of all the Company's accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by accounting principles generally accepted in the United States, with no need for management's judgment in their application. There are also areas in which management's judgment in selecting any available alternative would not produce a materially different result.

Recently Issued Accounting Pronouncements and Regulations

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," ("FIN 48"), an interpretation of FASB Statement No. 109, "Accounting for Income Taxes," ("FASB 109"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB 109. This Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The cumulative effect of applying FIN 48 is to be reported as an adjustment to the opening balance of retained earning in the year of adoption. As a result of the implementation of FIN 48, the Company recorded a decrease of $92 to opening retained earnings at November 3, 2007, with an offsetting increase to accrued FIN 48 liability. This entire amount would reduce the Company's effective income tax rate if the asset is recognized in future reporting periods. The Company does not anticipate a significant change to the total amount of unrecognized tax benefits within the next 12 months.

In September 2006, the FASB issued Statement of Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157"). This Statement defines fair value, provides a framework for measuring fair value, and expands the disclosures required for fair value measurements. SFAS 157 applies to other accounting pronouncements that require fair value measurements; it does not require any new fair value measurements. SFAS 157 is effective for financial statements for fiscal years beginning after November 15, 2007. However, on December 14, 2007 the FASB issued proposed FASB Staff Position ("FSP") SFAS 157-b ("FSP 157-b"), which partially delays the effective date of SFAS 157 to fiscal years beginning after November 15, 2008 and interim periods within those years. The Company does not expect this statement will have a material impact on the Company's results of operations or financial position upon adoption.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans–an amendment of FASB Statements No. 87, 88, 106, and 132(R)." SFAS 158 requires employers to recognize the over- or under-funded status of defined benefit plans and other postretirement plans in the statement of financial position and to recognize changes in the funded status in the year in which the changes occur through comprehensive income. In addition, SFAS 158 requires employers to measure the funded status of plans as of the date of the year-end statement of financial position. The recognition and disclosure provisions of SFAS 158 became effective for the Company's fiscal year ending November 2, 2007 while the requirement to measure plan assets and benefit obligations as of a company's year-end date is effective for fiscal years ending after December 15, 2008 (effective for the Company's fiscal year ending October 30, 2009). The impact of the Company's initial adoption of SFAS 158 is disclosed in Note 3 to the Consolidated Financial Statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 expands opportunities to use fair value measurement in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value. This Statement is effective for fiscal years beginning after November 15, 2007, or the Company's fiscal year ending October 30, 2009. The Company does not expect this statement will have a material impact on its results of operations or financial position.

In December 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 141R, "Business Combinations" ("SFAS 141R"). SFAS 141R establishes principles and requirements for how an acquirer in a business combination: 1) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; 2) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and 3) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS 141R is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Therefore, the Company expects to adopt SFAS 141R for any business combinations entered into beginning in fiscal 2010.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, "Noncontrolling Interests in Consolidated Financial Statements" ("SFAS 160"). SFAS 160 amends Accounting Research Bulletin No. 51, "Consolidated Financial Statements" to establish accounting and reporting standards for noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. This statement clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity and should be reported as equity in the consolidated financial statements, rather than in the liability or mezzanine section between liabilities and equity. SFAS 160 also requires consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. SFAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008; therefore, the Company expects to adopt SFAS 160 at the beginning of fiscal 2010. Adoption of SFAS 160 is not expected to have a material impact on the Company's financial position.

In May 2008, the FASB issued SFAS No. 162, "Hierarchy of Generally Accepted Accounting Principles" ("SFAS 162"). This statement is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements of nongovernmental entities that are presented in conformity with GAAP. This statement will be effective 60 days following the U.S. Securities and Exchange Commission's approval of the Public Company Accounting Oversight Board amendment to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles." The adoption of this Statement is not expected to have a material impact on the Company's consolidated financial position or results of operations.

In December 2008, the FASB issued FASB Staff Position FSP 132(R)-1, "Employers Disclosures about Postretirement Benefit Plan Assets", which provides additional guidance on an employers' disclosures about plan assets of a defined benefit pension or other postretirement plan. This interpretation is effective for financial statements issued for fiscal years ending after December 15, 2009. The Company plans to adopt this interpretation in fiscal 2010. The adoption of this interpretation will increase the disclosures in the financial statements related to the assets of our defined benefit pension plans.

NOTE 2- ***Composition of Certain Financial Statement Captions:***

	2008	2007
Inventories:		
Meat, ingredients and supplies	$ 4,086	$ 3,726
Work in process	2,322	1,360
Finished goods	9,644	13,246
	$ 16,052	$ 18,332
Property, plant and equipment:		
Land	$ 1,840	$ 1,840
Buildings and improvements	13,440	13,496
Machinery and equipment	40,796	42,025
Asset impairment reserve	(176)	(54)
Transportation equipment	7,368	7,650
Construction in process	247	104
	63,515	65,061
Accumulated depreciation	(53,740)	(53,840)
	$ 9,775	$ 11,221
Other non-current assets:		
Cash surrender value benefits	$ 10,253	$ 11,181
Intangible asset	10	10
	$ 10,263	$ 11,191
Accrued payroll, advertising and other expenses:		
Payroll, vacation, payroll taxes and employee benefits	$ 4,793	$ 3,396
Accrued advertising and broker commissions	1,031	929
Property taxes	356	363
Others	670	565
	$ 6,850	$ 5,253
Current portion of non-current liabilities:		
Incentive compensation	$ 129	$ 203
Accrued pension cost	916	2,877
Other accrued retirement plans	510	506
Post retirement healthcare	0	85
	$ 1,555	$ 3,671
Non-current liabilities:		
Incentive compensation	$ 241	$ 285
Accrued pension cost	3,354	688
Other accrued retirement plans	3,542	3,692
Post retirement healthcare	806	1,111
	$ 7,943	$ 5,776

NOTE 3- ***Retirement and Other Benefit Plans:***

Adoption of SFAS No. 158

Effective November 2, 2007, the Company adopted SFAS 158, which requires the recognition in pension obligations and accumulated other comprehensive income of actuarial gains or losses, prior service costs or credits and transition assets or obligations previously deferred under the reporting requirements of SFAS 87, SFAS 106 and SFAS 132(R). The following table reflects the effects of initial adoption of SFAS 158 on the Consolidated Balance Sheet as of November 2, 2007.

	Before Application of SFAS No. 158	Adjustments	After Application of SFAS No. 158
Deferred income taxes current	$ 1,494	$ (4)	$ 1,490
Deferred income taxes	3,524	356	3,880
Total assets	67,299	348	67,647
Current liabilities	11,913	(11)	11,902
Non-current liabilities	4,850	926	5,776
Accumulated other comprehensive (loss)	(36)	(567)	(603)
Total shareholders' equity	50,536	(567)	49,969
Total liabilities and shareholders' equity	$ 67,299	$ 348	$ 67,647

Noncontributory-Trusteed Defined Benefit Retirement Plans for Sales, Administrative, Supervisory and Certain Other Employees

The Company has noncontributory-trusteed defined benefit retirement plans for sales, administrative, supervisory and certain other employees. In the third quarter of fiscal 2006, the Company froze future benefit accruals under this plan for employees classified within the administrative, sales or supervisory job classifications or within any non-bargaining class. The benefits under these plans are primarily based on years of service and compensation levels. The Company's funding policy is to contribute annually the maximum amount deductible for federal income tax purposes, without regard to the plans' unfunded current liability. The measurement date for the plan is the Company's fiscal year end.

Net pension cost consisted of the following:

	2008	2007
Service cost	$ 148	$ 170
Interest cost	1,948	1,856
Expected return on plan assets	(2,300)	(1,892)
Amortization of unrecognized loss	—	—
Amortization of transition asset (15.2 years)	—	—
Amortization of unrecognized prior service costs	1	2
Net pension (gain) cost	$ (203)	$ 136

Net pension cost is determined using assumptions as of the beginning of each fiscal year. Weighted average assumptions for the fiscal years are as follows:

	2008	2007
Discount rate	8.00%	6.25%
Rate of increase in salary levels	N/A	N/A
Expected return on plan assets	8.00%	8.25%

The benefit obligation, plan assets, and funded status of these plans as of the fiscal years ended are as follows:

	2008	2007
Change in benefit obligations:		
Benefit obligations - beginning of year	$ 31,371	$ 30,469
Service cost	148	170
Interest cost	1,948	1,856
Actuarial (gain) loss	(6,807)	(245)
Benefits paid	(841)	(879)
Curtailments	—	—
Plan amendments	—	—
Benefit obligations - end of year	25,819	31,371
Change in plan assets:		
Fair value of plan assets - beginning of year	27,806	23,279
Employer contributions	2,467	2,439
Actual return on plan assets	(7,884)	2,967
Benefits paid	(841)	(879)
Fair value of plan assets - end of year	21,548	27,806
Funded status of the plans	(4,271)	(3,565)
Unrecognized prior service costs	8	10
Unrecognized net actuarial loss	3,954	576
Accrued pension cost	$ (309)	$ (2,979)

The accumulated benefit obligation was $25,819 and $31,371 at October 31, 2008 and November 2, 2007, respectively.

The benefit obligation is determined using assumptions as of the end of each fiscal year. Weighted average assumptions as of the fiscal years ended are as follows:

	2008	2007
Discount rate	8.00%	6.25%
Rate of increase in salary levels	N/A	N/A

The discount rate used to value the projected benefit obligation was 8.00% for fiscal year 2008. SFAS No. 158 “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans” amended paragraph 44 of SFAS No. 87 “Employers’ Accounting for Pensions” to require that an internal rate of return analysis be included in the discount rate selection process. The discount rates were based on Citigroup Pension Liability Index as of October 31, 2008.

Plan assets are primarily invested in marketable equity securities, corporate and government debt securities and are administered by an investment management company. The plans’ long-term return on assets is based on the weighted-average of the plans’ investment allocation as of the measurement date and the published historical returns for those types of asset categories, taking into consideration inflation rate forecasts. The compensation increase assumption is based upon historical patterns of salary increases and management’s expectation of future salary increases for plan participants. The expected Company contribution to the plan in fiscal year 2009 is $916.

The actual allocations as of the fiscal years ended and target allocation for plan assets are as follows:

Asset Class	2008	Target Asset Allocation	2007	Target Asset Allocation
Large Cap Equities	34.7%	40.0%	40.6%	40.0%
Mid Cap Equities	6.5%	10.0%	9.6%	10.0%
Small Cap Equities	3.8%	5.0%	4.3%	5.0%
International (including Non-U.S. Fixed Income)	10.8%	20.0%	21.2%	20.0%
Fixed Income	6.2%	0.0%	0.0%	0.0%
Other (Government/Corporate, Bonds)	29.0%	25.0%	24.2%	25.0%
Cash	9.0%	0.0%	0.1%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

Expected payments for the pension benefits are as follows:

	Pension Benefits	Other Postretirement Benefits
Fiscal 2009	$ 1,106	$ 515
Fiscal 2010	$ 1,145	$ 515
Fiscal 2011	$ 1,200	$ 515
Fiscal 2012	$ 1,307	$ 515
Fiscal 2013	$ 1,427	$ 516
Fiscal 2014-2018	$ 9,164	$ 1,474

Net amounts recognized as of the end of each fiscal year are as follows:

	2008	2007
Accrued benefit cost	$ (4,271)	$ (3,565)
Intangible asset	8	10
Accumulated other comprehensive income	3,954	576
	$ (309)	$ (2,979)

Non-Qualified Supplemental Retirement Plan for Certain Key Employees

In fiscal year 1991, the Company adopted a non-qualified supplemental retirement plan for certain key employees. Benefits provided under the plan are equal to 60% of the employee's final average earnings, less amounts provided by the Company's defined benefit pension plan and amounts available through Social Security. Effective January 1, 1991 the Company adopted a deferred compensation savings plan for certain key employees. Under this arrangement, selected employees contribute a portion of their annual compensation to the plan. The Company contributes an amount to each participant's account by computing an investment return equal to Moody's Average Seasoned Bond Rate plus 2%. Employees receive vested amounts upon death, termination or attainment of retirement age. No benefit expense was recorded under these plans for fiscal years 2008 and 2007. Benefits payable related to these plans and included in other non-current liabilities in the accompanying financial statements were $3,541 and $3,692 at October 31, 2008 and November 2, 2007, respectively. In connection with this arrangement the Company is the beneficiary of life insurance policies on the lives of certain key employees. The aggregate cash surrender value of these policies, included in non-current assets, was $10,254 and $11,181 at October 31, 2008 and November 2, 2007, respectively.

Incentive Compensation Plan for Certain Key Executives

The Company provides an incentive compensation plan for certain key executives, which is based upon the Company's pretax income. The payment of these amounts is generally deferred over a five-year period. The total amount payable related to this arrangement was $369 and $488 at October 31, 2008 and November 2, 2007, respectively. Future payments are approximately $129, $98, $79, $46 and $17 for fiscal years 2009 through 2013, respectively.

Postretirement Health Care Benefits for Selected Executive Employees

The Company provides postretirement health care benefits for selected executive employees. Net periodic postretirement benefit cost is determined using assumptions as of the beginning of each fiscal year.

Net periodic postretirement benefit cost consisted of the following:

	2008	2007
Service cost	$ 15	$ 15
Interest cost	72	70
Return on plan assets	0	0
Amortization of unrecognized loss	0	0
Amortization of prior service cost	75	75
Amortization of actuarial loss	2	10
Net periodic postretirement benefit cost	$ 164	$ 170

Weighted average assumptions for the fiscal years ended October 31, 2008 and November 2, 2007 are as follows:

	2008	2007
Discount rate	8.00%	6.25%
Medical trend rate next year	9.00%	9.00%
Ultimate trend rate	5.00%	5.00%
Year ultimate trend rate is achieved	2016	2011

The table below shows the estimated effect of a 1% increase in health care cost trend rate on the following:

	2008	2007
Interest cost plus service cost	$ 10	$ 10
Accumulated postretirement benefit obligation	$ 67	$ 111

The table below shows the estimated effect of a 1% decrease in health care cost trend rate on the following:

	2008	2007
Interest cost plus service cost	$ (8)	$ (9)
Accumulated postretirement benefit obligation	$ (57)	$ (94)

The benefit obligation and funded status of this plan as of the fiscal year ended October 31, 2008 is as follows:

	2008	2007
Change in accumulated postretirement benefit obligation:		
Benefit obligations - beginning of year	$ 1,196	$ 1,159
Service cost	15	15
Interest cost	72	70
Actuarial (gain) loss	(465)	(44)
Benefits paid	(12)	(4)
Plan amendments	—	—
Benefit obligations - end of year	$ 806	1,196
Funded status of the plans	806	1,196
Unrecognized prior service costs	(224)	(298)
Unrecognized net actuarial loss	324	(144)
Unrecognized net transition asset	—	—
Accrued postretirement benefit cost	N/A	N/A
Unrecognized amounts in other comprehensive income (SFAS 158)	(100)	442
Postretirement benefit liability	$ 806	$ 1,196

Expected payments for the postretirement benefits are as follows:

		Postretirement Benefits
Fiscal 2009	$	63
Fiscal 2010	$	64
Fiscal 2011	$	65
Fiscal 2012	$	65
Fiscal 2013	$	65
Fiscal 2014-2018	$	304

Stock Incentive Plan

The Company's 1999 Stock Incentive Plan ("the Plan") was approved by the Board of Directors on January 11, 1999 and 275,000 options were granted on April 29, 1999. During fiscal year 2000, 25,000 options were canceled. Under the Plan, the maximum aggregate number of shares which may be optioned and sold is 900,000 shares of common stock, subject to adjustment upon changes in capitalization or merger. Generally, options granted under the plan vest in annual installments over four years following the date of grant (as determined by the Board of Directors) subject to the optionee's continuous service. Options expire ten years from the date of grant with the exception of an incentive stock option granted to an optionee who owns stock representing more than 10% of the voting power of all classes of stock of the Company, in which case the term of the option is five years. Options generally terminate three months after termination of employment or one year after termination due to permanent disability or death. Options are granted at a fair market value determined by the Board of Directors subject to the following:

a.) With respect to options granted to an employee or service provider who, at the time of grant owns stock representing more than 10% of the voting power of all classes of stock of the Company; the per share exercise price shall be no less than 110% of the fair market value on the date of grant.

b.) With respect to options granted to an employee or service provider other than described in the preceding paragraph, the exercise price shall be no less than 100% for incentive stock options and 85% for non-statutory stock options of the fair market value on the date of grant.

No options have been granted, exercised, canceled or forfeited for the last five fiscal years.

The following balances are active as of October 31, 2008 (exercise prices stated on a per share basis):

Options Outstanding Exercise price	Shares	Weighted average remaining life (years)	Options Exercisable Weighted average exercise price	Shares	Weighted average exercise price
$ 10	250,000	.5	$ 10	250,000	$ 10

The following balances are active as of November 2, 2007:

Options Outstanding Exercise price	Shares	Weighted average remaining life (years)	Options Exercisable Weighted average exercise price	Shares	Weighted average exercise price
$ 10	250,000	1.5	$ 10	250,000	$ 10

401(K)Plan for Sales, Administrative, Supervisory and Certain Other Employees

During the fiscal year ended November 3, 2006, the Company implemented a qualified 401(K)retirement plan (the "Plan") for its sales, administrative, supervisory and certain other employees. During fiscal years 2008 and 2007, the Company made total contributions to the Plan in the amounts of $414 and $470, respectively.

NOTE 4- ***Income Taxes:***

The provision (benefit) for taxes on income includes the following:

	2008	2007
Current:		
Federal	$ 1	$ 37
State	70	136
	71	173
Deferred:		
Federal	5,557	(432)
State	951	(122)
	6,508	(554)
	$ 6,579	$ (381)

The total tax provision (benefit) differs from the amount computed by applying the statutory federal income tax rate to income (loss) before income taxes as follows:

	2008	2007
(Benefit) provision for federal income taxes at the applicable statutory rate	$ (1,995)	$ (229)
(Decrease) increase in provision resulting from state income taxes, net of federal income tax benefit	(372)	(47)
Research & development tax credit	(15)	(25)
Non-taxable life insurance gain	315	(211)
Valuation allowance	8,615	—
Other, net	31	131
	$ 6,579	$ (381)

Deferred income taxes result from differences in the bases of assets and liabilities for tax and accounting purposes.

	2008	2007
Receivables allowances	$ 360	$ 193
Inventory reserves	451	364
Incentive compensation	45	69
State taxes	24	(241)
Employee benefits	1,479	1,051
Other	63	54
Valuation allowance	(2,422)	—
Current tax assets, net	$ —	$ 1,490
Incentive compensation	$ 96	$ 114
Pension and health care benefits	2,983	2,306
Depreciation	(125)	(274)
Net operating loss carry-forward	3,239	1,734
Valuation allowance	(6,193)	—
Non-current tax assets, net	$ —	$ 3,880

Under the provisions of Statement of Financial Accounting Standards No. 109, “Accounting for Income Taxes”, (“FAS 109”), Management is required to evaluate whether a valuation allowance should be established against its deferred tax assets based on the consideration of all available evidence using a “more likely than not” standard. Realization of deferred tax assets is dependent upon taxable income in prior carryback years, estimates of future taxable income, tax planning strategies, and reversals of existing taxable temporary differences. FAS 109 provides that forming a conclusion that a valuation allowance is not needed is difficult when there is negative evidence such as cumulative losses in recent years or losses expected in early future years. As a result of significant losses in fiscal 2008 and losses in recent years, the Company concluded that a valuation reserve should be recorded in the 3rd quarter of 2008. A partial reserve was recognized after consideration of tax planning strategies at July 11, 2008. Significant fourth quarter losses and further deterioration of economic conditions including further decreases in building and real estate values resulted in a change in the tax planning strategies at October 31, 2008. As a result, management believes it is more likely than not that the deferred tax assets will not be realized and has recorded a full valuation allowance on all deferred tax assets during the fourth quarter of fiscal 2008.

As of October 31, 2008, the Company had net operating loss carryforwards of approximately $8,055 and $7,417 for federal and state purposes, respectively. These loss carryforwards will expire at various dates from 2011 through 2027.

In July 2006, the FASB issued FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes,” (“FIN 48”), an interpretation of FASB Statement No. 109, “Accounting for Income Taxes,” (“FASB 109”). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements in accordance with FASB 109. This Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The cumulative effect of applying FIN 48 was reported as an adjustment to the opening balance of retained earnings during fiscal year beginning November 3, 2007.

As of October 31, 2008, the Company has provided a liability of $97 for unrecognized tax benefits related to various federal and state income tax matters. The cumulative effect of applying FIN 48 has been recorded as a decrease of $92 to opening retained earnings with an offsetting increase to accrued FIN 48 liability. This entire amount would reduce the Company’s effective income tax rate if the asset is recognized in future reporting periods. The Company has not identified any new unrecognized tax benefits.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

Balance at November 3, 2007	$	92
Additions based on tax positions related to the current year		—
Additions for tax positions of prior years		5
Reductions for tax positions of prior years		—
Settlements		—
Balance at October 31, 2008		$97

The Company will recognize any future accrued interest and penalties related to unrecognized tax benefits in income tax expense. As of October 31, 2008, the Company had approximately $4 in accrued interest and penalties which is included as a component of the $97 unrecognized tax benefit noted above.

The Company is subject to U.S. federal income tax, and is currently under audit by the Internal Revenue Service for the years ended October 31, 2002 through 2006. The Company’s federal income tax returns are open to audit under the statute of limitations for the years ended October 31, 2004 through 2007. The Company’s statute of limitations for its years ended October 31, 2002 and 2003 have been extended to October 31, 2009. The Company believes the appropriate provisions for all outstanding issues have been made for all years under audit.

The Company is subject to income tax in California and various other state taxing jurisdictions. The Company’s state income tax returns are open to audit under the statute of limitations for the years ended October 31, 2003 through 2007. The Company is currently under examination by New York and Texas. No specific issues regarding these examinations have been formally presented by the states conducting these examinations.

The company does not anticipate a significant change to the total amount of unrecognized tax benefits within the upcoming fiscal year.

NOTE 5- ***Line of Credit:***

Under the terms of a revolving line of credit with Bank of America, the Company may borrow up to $2,000 through April 30, 2010. The interest rate is at the bank's reference rate unless the Company elects an optional interest rate. The borrowing agreement contains various covenants, the more significant of which require the Company to maintain certain levels of shareholders' equity and working capital. The Company was in violation of the shareholders' equity covenant which was subsequently waived and modified per an amendment to the agreement (dated as of January 9, 2009). The company is currently in compliance with all provisions of the agreement. There were no borrowings under this line of credit during the year.

NOTE 6- ***Contingencies and Commitments:***

The Company leases certain transportation and computer equipment under operating leases. The terms of the transportation leases provide for annual renewal options and contingent rental payments based upon mileage and adjustments of rental payments based on the Consumer Price Index. Minimum rental payments were $425 in fiscal year 2008 and $415 in fiscal year 2007. Contingent payments were approximately $ 124 in fiscal year 2008 and $120 in fiscal year 2007. Future minimum lease payments are approximately $425 in the each of the years 2009 through 2012 and $405 in 2013 and thereafter.

NOTE 7- ***Segment Information:***

The Company has two reportable operating segments, Frozen Food Products (the processing and distribution of frozen products), and Refrigerated and Snack Food Products (the processing and distribution of refrigerated meat and other convenience foods).

The Company evaluates each segment's performance based on revenues and operating income. Selling and general administrative expenses include corporate accounting, information systems, human resource and marketing management at the corporate level. These activities are allocated to each operating segment based on revenues and/or actual usage.

The following segment information is for the years ended October 31, 2008 and November 2, 2007:

2008	Frozen Food Products	Refrigerated and Snack Food Products	Other	Elimination	Totals
Sales	$ 52,868	$ 68,122	$ —	$ —	$ 120,990
Intersegment sales	—	1,487	—	(1,487)	—
Net sales	52,868	69,609	—	(1,487)	120,990
Cost of products sold, excluding depreciation	34,990	46,820	—	(1,487)	80,323
Selling, general and administrative expenses	15,720	27,532	—	—	43,252
Depreciation	784	2,192	307	—	3,283
Gain on sale of equity securities	—	—	—	—	—
	51,494	76,544	307	(1,487)	126,858
Income (loss) before taxes	1,374	(6,935)	(307)	—	(5,868)
Provision (benefit) for taxes on income	141	(1,319)	7,757	—	6,579
Net income (loss)	$ 1,233	$ (5,616)	$ (8,064)	$ —	(12,447)
Total assets	$ 11,657	$ 23,400	$ 16,898	$ —	$ 51,955
Additions to property, plant and equipment	$ 255	$ 1,505	$ 120	$ —	$ 1,880

2007	Frozen Food Products	Refrigerated and Snack Food Products	Other	Elimination	Totals
Sales	$ 49,401	$ 75,690	$ —	$ —	$ 125,091
Intersegment sales	—	1,834	—	(1,834)	—
Net sales	49,401	77,524	—	(1,834)	125,091
Cost of products sold, excluding depreciation	30,169	52,791	—	(1,834)	81,126
Selling, general and administrative expenses	14,571	26,678	—	—	41,249
Depreciation	1,008	2,381	—	—	3,389
Gain on sale of equity securities	—	—	—	—	—
	45,748	81,850	—	(1,834)	125,764
Income (loss) before taxes	3,653	(4,326)	—	—	(673)
Provision (benefit) for taxes on income	1,347	(1,728)	—	—	(381)
Net income (loss)	$ 2,306	$ (2,598)	$ —	$ —	(292)
Total assets	$ 12,003	$ 26,348	$ 29,296	$ —	$ 67,647
Additions to property, plant and equipment	$ 274	$ 1,247	$ 66	$ —	$ 1,587

NOTE 8- ***Unaudited Interim Financial Information***

Not applicable to smaller reporting company.

BRIDGFORD FOODS CORPORATION
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

	Allowance for Doubtful Accounts			
	Balance at Beginning of year	Changes in/ Provisions for Doubtful Accounts Receivable	Accounts Written Off Less Recoveries	Balance at Close of Period
Year ended October 31, 2008	$ 482	$ (194)	$ (109)	$ 397
Year ended November 2, 2007	$ 524	$ (245)	$ (203)	$ 482

	Promotional Allowances			
	Balance at Beginning of year	Allowance for Accruals	Promotions Incurred	Balance at Close of Period
Year ended October 31, 2008	$ 1,980	$ 6,909	$ 6,874	$ 2,015
Year ended November 2, 2007	$ 2,170	$ 6,856	$ 7,046	$ 1,980

	Tax Valuation Allowances			
	Balance at Beginning of year	Valuation Allowance Provision	Valuation Allowance Reversal	Balance at Close of Period
Year ended October 31, 2008	$ —	$ 8,615	$ —	$ 8,615

Exhibit 21.1

BRIDGFORD FOODS CORPORATION

SUBSIDIARIES OF REGISTRANT

Name of Subsidiary	State in which Incorporated
Bridgford Marketing Company	California
Bridgford Meat Company	California
Bridgford Food Processing Corporation	California
Bridgford Food Processing of Texas, L.P.**	Texas
A.S.I. Corporation	California
Bridgford Distributing Company of Delaware (inactive)	Delaware
American Ham Processors, Inc.*	Delaware
Bert Packing Company (inactive)	Illinois
Moriarty Meat Company (inactive)	Illinois

* - No shares have been issued.

** - Limited Partnership.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (No. 333-79547) on Form S-8 of Bridgford Foods Corporation of our report dated January 28, 2009, with respect to the consolidated balance sheets of Bridgford Foods Corporation as of October 31, 2008 and November 2, 2007, and the related statements of operations, shareholders' equity and comprehensive income and cash flows for the fiscal years ended October 31, 2008 and November 2, 2007, and the related financial statement schedule, which report appears in the October 31, 2008 annual report on Form 10-K of Bridgford Foods Corporation.

/s/ HASKELL & WHITE LLP

Irvine, California
January 28, 2009

Exhibit 31.1

I, William L. Bridgford, certify that:

1. I have reviewed this annual report on Form 10-K of Bridgford Foods Corporation;

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

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

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

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

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

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

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Dated: January 28, 2009

/s/ WILLIAM L. BRIDGFORD

William L. Bridgford, Chairman
(Principal Executive Officer)

Exhibit 31.2

I, Raymond F. Lancy, certify that:

1. I have reviewed this annual report on Form 10-K of Bridgford Foods Corporation;

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

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

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

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

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

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

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Dated: January 28, 2009

/s/RAYMOND F. LANCY
Raymond F. Lancy
(Principal Financial and Accounting Officer)

Exhibit 32.1

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

I, William L. Bridgford, Chairman of the Board of Bridgford Foods Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of the Company for the fiscal year ended October 31, 2008 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 28, 2009

/s/WILLIAM L. BRIDGFORD
William L. Bridgford,
Chairman of the Board
(Principal Executive Officer)

Exhibit 32.2

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

I, Raymond F. Lancy, Chief Financial Officer, Vice President, Treasurer and Assistant Secretary of Bridgford Foods Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of the Company for the fiscal year ended October 31, 2008 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 28, 2009

/s/RAYMOND F. LANCY
Raymond F. Lancy
Chief Financial Officer, Vice President
Treasurer and Assistant Secretary
(Principal Financial and Accounting Officer)

BRIDGFORD FOODS CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
March 18, 2009

To the Shareholders of
BRIDGFORD FOODS CORPORATION:

The annual meeting of the shareholders of Bridgford Foods Corporation, a California corporation, will be held at the offices of Bridgford Foods Corporation, 1308 North Patt Street, Anaheim, California, on Wednesday, March 18, 2009 at 10:00 a.m., for the following purposes:

(1) To elect eight directors to hold office for one year or until their successors are elected and qualified.

(2) To ratify the appointment of Squar, Milner, Peterson, Miranda & Williamson, LLP as our independent public accountants for the fiscal year commencing November 1, 2008.

(3) To transact such other business as may properly come before the meeting, or any postponements or adjournments thereof.

Our Board of Directors recommends that you vote in favor of the foregoing items of business, which are more fully described in the proxy statement accompanying this notice.

Only shareholders of record at the close of business on February 6, 2009 are entitled to notice of and to vote at the meeting or any adjournment thereof.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on March 18, 2009.

Pursuant to new rules promulgated by the Securities and Exchange Commission, or the SEC, we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a notice of annual meeting, proxy card and 2008 Annual Report to Shareholders, and by notifying you of the availability of our proxy materials on the Internet. **The notice of annual meeting, proxy statement, proxy card and 2008 Annual Report to Shareholders are available at http://materials.proxyvote.com/108763.** In accordance with the new SEC rules, the materials on the site are searchable, readable and printable and the site does not have "cookies" or other tracking devices which identify visitors.

All shareholders are cordially invited to attend the meeting in person. HOWEVER, TO ASSURE YOUR REPRESENTATION AT THE MEETING, THE BOARD OF DIRECTORS RESPECTFULLY URGES YOU TO SIGN, DATE AND PROMPTLY RETURN THE ACCOMPANYING PROXY CARD IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE. If you attend the meeting in person, you may withdraw your proxy and vote your own shares. Shareholders attending the meeting whose shares are held in the name of a broker or other nominee who desire to vote their shares at the meeting should bring with them a proxy or letter from that firm confirming their ownership of shares. The meeting is located at Bridgford Foods Corporation, 1308 North Patt Street, at the intersection of Lemon St. and the 91 Freeway in the city of Anaheim, California.

By order of the Board of Directors

/s/ Cindy Matthews-Morales

Cindy Matthews-Morales
Secretary

Anaheim, California
February 13, 2009

BRIDGFORD FOODS CORPORATION
1308 North Patt Street, Anaheim, California 92801

PROXY STATEMENT

Annual Meeting of Shareholders to be held March 18, 2009

The enclosed proxy is solicited by the Board of Directors of Bridgford Foods Corporation, a California corporation (the "Company"), for use at the annual meeting of shareholders of the Company (the "Annual Meeting") to be held at the offices of Bridgford Foods Corporation, 1308 North Patt Street, Anaheim, California, on Wednesday, March 18, 2009 at 10:00 a.m., and at any adjournment thereof. All shareholders of record at the close of business on February 6, 2009 are entitled to notice of and to vote at such meeting. This Proxy Statement and the accompanying proxy are being mailed on or about February 13, 2009.

The persons named as proxies were designated by the Board of Directors and are officers and directors of the Company. Any proxy may be revoked or superseded by executing a later proxy or by giving notice of revocation in writing prior to, or at, the Annual Meeting, or by attending the Annual Meeting, withdrawing the proxy and voting in person. Attendance at the Annual Meeting will not in and of itself constitute revocation of the proxy. All proxies, which are properly completed, signed and returned to the Company prior to the Annual Meeting, and not revoked, will be voted in accordance with the instructions given in the proxy. If a choice is not specified in the proxy, the proxy will be voted FOR election of the director nominees proposed by the Board of Directors and FOR ratification of the Company's appointment of Squar, Milner, Peterson, Miranda & Williamson, LLP as independent public accountants for the Company. Management does not know of any matters which will be brought before the Annual Meeting other than those specifically set forth in the notice hereof. However, if any other matter properly comes before the Annual Meeting, it is intended that the proxies, or their substitutes, will vote on such matters in accordance with their best judgment.

Solicitation of proxies will be primarily by mail, although some of the officers, directors and employees of the Company may solicit proxies personally or by telephone, facsimile or electronic mail. All expenses incurred in connection with this solicitation will be borne by the Company. The Company will reimburse brokers and others who incur costs to send proxy materials to beneficial owners of stock in a broker or nominee name.

On February 6, 2009, there were 9,433,700 shares of common stock of the Company outstanding. The presence at the meeting of a majority of the outstanding shares, in person or by proxy relating to any matter to be acted upon at the meeting, is necessary to constitute a quorum for the meeting. Each share of common stock entitles the holder thereof to one vote on each matter to be voted upon by such shareholders and, upon prior notice, to cumulate votes for the election of directors. For purposes of the quorum and the discussion below regarding the vote necessary to take shareholder action, shareholders of record who are present at the meeting in person or by proxy and who abstain or withhold their vote, including brokers holding customers' shares of record who cause abstentions to be recorded at the meeting, are considered shareholders who are present and entitled to vote and count toward the quorum. Brokers holding shares of record for customers generally are not entitled to vote on certain matters unless they receive voting instructions from their customers. As used herein, "uninstructed shares" means shares held by a broker who has not received instructions from its customers on such matters and the broker has so notified the Company on a proxy form in accordance with industry practice or has otherwise advised the Company that it lacks voting authority. As used herein, "broker non-vote" means the votes that could have been cast on the matter in question by brokers with respect to uninstructed shares if the brokers had received their customers' instructions. The effect of proxies marked "withheld" as to any director nominee or "abstain" as to a particular proposal and broker non-votes on proposals Nos. 1 and 2 is discussed under each respective proposal.

PROPOSAL 1

ELECTION OF DIRECTORS

The directors of the Company are elected annually to serve until the next annual meeting of the shareholders or until their respective successors are elected. At the Annual Meeting, eight directors are to be elected. The election of directors shall be by the affirmative vote of the holders of a plurality of the shares voting in person or by proxy at the annual meeting. Every shareholder, or his proxy, entitled to vote upon the election of directors may cumulate his or her votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which his or her shares are entitled, or distribute his or her votes on the same principle among as many candidates as he or she thinks fit. No shareholder or proxy, however, shall be entitled to cumulate votes unless such candidate or candidates have been nominated prior to the voting and the shareholder has given notice at the meeting, prior to the voting, of the shareholder's intention to cumulate such shareholder's votes. If any one shareholder gives such notice, all shareholders may cumulate their votes for candidates in nomination. Each of these individuals has served as director since the last annual meeting. All current directorships are being filled.

The Company's Board of Directors recommends that you vote FOR the election of each of the nominees named below. Unless otherwise instructed, shares represented by the proxies will be voted FOR the election of the nominees listed below. Broker non-votes and proxies marked "withheld" as to one or more of the nominees will result in the respective nominees receiving fewer votes. However, the number of votes otherwise received by the nominee will not be reduced by such action. Each nominee has indicated that he is willing and able to serve as director if elected. In the event that any of such nominees shall become unavailable for any reason, an event which management does not anticipate, it is intended that proxies will be voted for substitute nominees designated by management.

The following table and biographical summaries set forth, with respect to each nominee for director, his age, the positions he holds in the Company and the year in which he first became a director of the Company. Data with respect to the number of shares of the Company's common stock beneficially owned by each of such directors as of February 6, 2009 appears under the caption "PRINCIPAL SHAREHOLDERS AND MANAGEMENT" below.

Name	Age	Current Position at the Company	Year First Became Director
Allan L. Bridgford	74	Senior Chairman of the Board and Member of the Executive Committee (1)(4)	1952
William L. Bridgford	54	Chairman of the Board and Member of the Executive Committee (1)(4)	2004
Bruce H. Bridgford	57	Director (1)(5)	2009
Robert E. Schulze	74	Director, Audit Committee and Compensation Committee Chairman (1)(2)(3)(4)	1980
Todd C. Andrews	43	Director (2)(3)(4)	2004
D. Gregory Scott	52	Director (2)(3)(4)	2006
Richard A. Foster	73	Director (2)(3)(4)	2001
Paul R. Zippwald	71	Director (2)(3)(4)	1992

(1) Robert E. Schulze was President of the Company until he retired on June 30, 2004. William L. Bridgford was elected to the Board of Directors on August 9, 2004 and he is the nephew of Allan L. Bridgford and cousin of Bruce H. Bridgford. Bruce H. Bridgford is currently nominated for the Board of Directors and he is the nephew of Allan L. Bridgford and cousin of William L. Bridgford.
(2) Member of Compensation Committee.
(3) Member of Audit Committee.
(4) Member of the Nominating Committee
(5) Nominated to Director during 2009.

Directors

Allan L. Bridgford was elected Senior Chairman of the Board in March of 2006. He previously as Chairman of the Company for more than five years and has been a full-time employee of the Company since 1957. Mr. Bridgford has served as a member of the Executive Committee since 1972. Allan L. Bridgford reduced his work schedule to 80% in March of 2000 and 60% in March of 2005. Mr. Bridgford's base compensation was reduced as a result of this reduced work schedule.

William L. Bridgford was elected Chairman of the Board of Directors in March of 2006 and President of the Company in June of 2004. He previously served as Secretary of the Company for more than five years. Mr. Bridgford has been a full-time employee of the Company since 1981.

Bruce H. Bridgford was elected President of Bridgford Foods of California in March of 1999. Mr. Bridgford has been a full time employee of the Company since 1977 and is a graduate of the University of Southern California.

Robert E. Schulze previously served the Company in several capacities over more than five years including President, Executive Vice President, Principal Financial Officer, Secretary and Treasurer. Mr. Schulze retired as an employee effective as of June 30, 2004.

Todd C. Andrews is a Certified Public Accountant and currently serves as Vice President and Controller of Public Storage, Inc. headquartered in Glendale, California. Mr. Andrews has been with Public Storage, Inc. for more than the past five years. Mr. Andrews, a resident of Valencia, California, is a graduate of California State University, Northridge.

D. Gregory Scott is a Certified Public Accountant and currently serves as the Managing Director of Peak Holdings, LLC, an investment management company, based in Beverly Hills. Mr. Scott has been with Peak Holdings, LLC for more than the past five years. Peak Holdings and its affiliates own and manage in excess of 3 million square feet of office, retail and warehouse space throughout the United States.

Richard A. Foster was President of Interstate Electronics Corporation, a wholly owned subsidiary of Figgie International, Inc., from 1979 until his retirement in 1991. Mr. Foster also served as Vice President of Figgie International, Inc. from 1986 to 1991.

Paul R. Zippwald was Regional Vice President and Head of Commercial Banking for Bank of America NT&SA, North Orange County, California, for more than five years prior to his retirement in July 1992. Mr. Zippwald is currently retired.

The Company is considered a "controlled company" within the meaning of Rule 4350(c) (5) of the NASDAQ Marketplace Rules and is therefore exempted from various rules pertaining to certain "independence" requirements of its directors. Nevertheless, the Board of Directors has determined that Messrs. Andrews, Foster, Schulze, Scott and Zippwald are all "independent directors" within the meaning of Rule 4200 of the NASDAQ Marketplace Rules.

During fiscal year 2008 the Company's Board of Directors held twelve regular monthly meetings. Each of the nominees holding office during this period attended at least 75% of the aggregate of the number of monthly meetings of the Board of Directors and meetings of committees upon which he served. Non-employee directors were paid $1,250 for each Board of Directors meeting attended. Employee directors received no additional compensation for their services.

Board Committees

The Board of Directors maintains three committees, the Compensation Committee, the Audit Committee and the Nominating Committee.

Compensation Committee

The Compensation Committee for fiscal year 2008 and as of the date of mailing of this proxy statement consists of Messrs. Andrews, Foster, Schulze, Scott and Zippwald. Each of the members of the Compensation Committee is a non-employee director and is independent as defined in Rule 4200(a) (15) of the NASDAQ Marketplace Rules. The Compensation Committee is responsible for establishing and administering the Company's compensation arrangements for all executive officers and directors.

The Compensation Committee meets no less frequently than annually as circumstances dictate to discuss and determine executive officer and director compensation. The Compensation Committee does not generally retain the services of any compensation consultants; however, from time to time it utilizes the competitive compensation data from public and private sources in connection with its annual review. The Compensation Committee has the power to form and delegate authority to subcommittees when appropriate, provided that such subcommittees are composed entirety of directors who would qualify for membership on the Compensation Committee. See "Compensation Discussion and Analysis" and "Director Compensation."

The Compensation Committee held one (1) meeting during fiscal 2008, which was attended by all committee members. No additional compensation is paid for participation on the Compensation Committee. The Compensation Committee does not operate under a written charter.

Audit Committee

The Audit Committee for fiscal year 2008 and as of the date of mailing of this proxy statement consists of Messrs. Andrews, Foster, Schulze, Scott and Zippwald, each of whom received $300 or $500 per meeting, depending on length of meeting attended. The Audit Committee has been established in accordance with SEC rules and regulations, and each of the members of the Audit Committee is a non-employee director and is independent as defined in Rule 4200(a)(15) of the NASDAQ Marketplace Rules. The Board of Directors has determined that Messrs. Andrews, Schulze and Scott qualify as "financial experts" as such term is used in the rules and regulations of the Securities and Exchange Commission (the "SEC").

The Audit Committee meets periodically with the Company's independent registered public accountants and reviews the Company's accounting policies and internal controls. It also reviews the scope and adequacy of the independent registered public accountants' examination of the Company's annual financial statements. In addition, the Audit Committee selects the firm of independent registered public accountants to be retained by the Company, subject to shareholder approval, pre-approves services rendered by its independent registered public accountants and pre-approves all related-party transactions. The Audit Committee held eleven (11) meetings during fiscal 2008. In addition, the Audit Committee holds a pre-earnings release conference with the Company's independent registered public accountants on a quarterly basis. The Audit Committee operates under an Amended and Restated Charter dated August 14, 2006, a copy of which was filed as Exhibit A to the Company's proxy statement for its 2008 Annual Meeting of Shareholders.

Nominating Committee

The Board of Directors has decided that the full Board should perform the functions of a nominating committee for the Company. It made that decision because the Board believes that selecting new Board nominees is one of the most important responsibilities the Board members have to the Company's shareholders and, for that reason, all of the members of the Board should have the right and responsibility to participate in the selection process. In its role as nominating committee, the Board identifies and screens new candidates for Board membership. Nevertheless, actions of the Board, in its role as nominating committee, can be taken only with the affirmative vote of a majority of the independent directors on the Board, as defined by the NASDAQ Marketplace Rules. The Board last met in its role as nominating committee in August 2008 to approve the appointment of one new director. The nominating committee does not act pursuant to a written charter. Members reconfirm their interest annually to continue participation on the Board of Directors.

The Director Nominating Process

In identifying new Board candidates, the Board will seek recommendations from existing board members and executive officers. In addition, the Board intends to consider any candidates that may have been recommended by any of the Company's shareholders who have chosen to make those recommendations in accordance with the procedures described below. The Board in its capacity as nominating committee does not evaluate nominees recommended by shareholders differently from its evaluation of other director nominees. The Board also has the authority to engage an executive search firm and other advisors as it deems appropriate to assist in identifying qualified candidates for the Board.

In assessing and selecting Board candidates, the Board will consider such factors, among others, as the candidate's independence, experience, knowledge, skills and expertise, as demonstrated by past employment and board experience; the candidate's reputation for integrity; and the candidate's participation in local community and local, state, regional or national charitable organizations. When selecting a nominee from among candidates considered by the Board, it will conduct background inquiries of and interviews with the candidates the Board members believe are best qualified to serve as directors. The Board members will consider a number of factors in making their selection of a nominee from among those candidates, including, among others, whether the candidate has the ability, willingness and enthusiasm to devote the time and effort required of members of the Board; whether the candidate has any conflicts of interest or commitments that would interfere with the candidate's ability to fulfill the responsibilities of directors of the Company, including membership on Board committees; whether the candidate's skills and experience would add to the overall competencies of the Board; and whether the candidate has any special background or experience relevant to the Company's business.

Shareholder Recommendation of Board Candidates

Any shareholder desiring to submit a recommendation for consideration by the Board of a candidate that the shareholder believes is qualified to be a Board nominee at any upcoming shareholders meeting may do so by submitting that recommendation in writing to the Board not later than 120 days prior to the first anniversary of the date on which the proxy materials for the prior year's annual meeting were first sent to shareholders. However, if the date of the upcoming annual meeting has been changed by more than 30 days from the date of the prior year's meeting, the recommendation must be received within a reasonable time before the Company begins to print and mail its proxy materials for the upcoming annual meeting. In addition, the recommendation should be accompanied by the following information: (i) the name and address of the nominating shareholder and of the person or persons being recommended for consideration as a candidate for Board membership; (ii) the number of shares of voting stock of the Company that are owned by the nominating shareholder, his or her recommended candidate and any other shareholders known by the nominating shareholder to be supporting the candidate's nomination; (iii) a description of any arrangements or understandings, that relate to the election of directors of the Company, between the nominating shareholder, or any person that (directly or indirectly through one or more intermediaries) controls, or is controlled by, or is under common control with, such shareholder and any other person or persons (naming such other person or persons); (iv) such other information regarding each such recommended candidate as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC; and (v) the written consent of each such recommended candidate to be named as a nominee and, if nominated and elected, to serve as a director. No director nominations by shareholders have been received as of the filing of this Proxy Statement.

Code of Ethics

The Company adopted a code of ethics that is applicable to, among other individuals, its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and posted the code of ethics on its website at http://www.bridgford.com (and designated therein as the Code of Conduct). Any amendment or waiver to the Company's code of ethics that applies to its directors or executive officers will be posted on its website or in a report filed with the SEC on Form 8-K.

Communications with the Board

Shareholders may communicate with the Board or any of the directors by sending written communications addressed to the Board or any of the directors, c/o Corporate Secretary, Bridgford Foods Corporation, 1308 North Patt Street, Anaheim, California 92801. All communications are compiled by the Corporate Secretary and forwarded to the Board or the individual director (s) accordingly.

Director Attendance at Annual Meetings

The Company does not currently have a specific policy regarding director attendance at annual shareholder meetings. However, directors are strongly encouraged to attend annual shareholder meetings. All eight (8) directors attended the 2008 annual meeting of the Company's shareholders.

Executive Officers

Members of the Company's Executive Committee, comprised of the five (5) executive officers named below, act in the capacity of Chief Executive Officer of the Company. The following five executive officers are elected annually to serve at the pleasure of the Board of Directors:

Allan L. Bridgford	Senior Chairman of the Board and Member of the Executive Committee
Hugh Wm. Bridgford	Vice President and Chairman of the Executive Committee
William L. Bridgford	Chairman of the Board and Member of the Executive Committee (1)
John V. Simmons	President and Member of the Executive Committee
Raymond F. Lancy	Chief Financial Officer, Vice President, Treasurer and Member of Executive Committee

(1) William L. Bridgford is the nephew of Allan L. Bridgford and cousin of Bruce H. Bridgford.

A biographical summary regarding Messrs. Allan L. Bridgford, William L. Bridgford and Bruce H. Bridgford is set forth above under the caption "Directors." Biographical information with respect to the Company's other executive officers is set forth below:

John V. Simmons, age 53, has served as Vice President of the Company for more than the past five years and was elected as President and Executive Officer in 2006.

Raymond F. Lancy, age 55, has served as Treasurer of the Company for more than the past five years. He was elected Executive Officer in 2001 and Chief Financial Officer in 2003.

PRINCIPAL SHAREHOLDERS AND MANAGEMENT

The following table sets forth certain information known to the Company with respect to the beneficial ownership of the Company's common stock as of February 6, 2009 by each shareholder known by the Company to be the beneficial owner of more than 5% of the Company's common stock, by each director and nominee for director, by each executive officer named in the Summary Compensation Table and by all officers and directors as a group. The information as to each person or entity has been furnished by such person or group.

Amount and Nature of Shares Beneficially Owned

Name and Address of Beneficial Owner (1)	Sole Voting and Investment Power	Shared Voting and Investment Power (2)	Total Beneficially Owned (3)		Percentage of Outstanding Shares Beneficially Owned (3)
Bridgford Industries Incorporated 1707 Good-Latimer Expressway Dallas, TX 75226	7,156,396	—	7,156,396		75.9
Hugh Wm. Bridgford 1707 Good-Latimer Expressway Dallas, TX 75226	47,917	7,156,396	7,204,313		76.4
Allan L. Bridgford	155,882	7,156,396	7,312,278		77.5
Bruce H. Bridgford	32,986	7,156,396	7,189,382	(4)	76.2
Baron R.H. Bridgford 170 North Green St. Chicago, IL 60607	26,654	7,156,396	7,183,050	(4)	76.1
Robert E. Schulze	167,870	—	167,870		1.8
William L. Bridgford	31,175	7,156,396	7,187,571	(4)	76.2
John V. Simmons 1707 Good-Latimer Expressway Dallas, TX 75226	25,363		25,363	(4)	*
Raymond F. Lancy	25,000	—	25,000	(4)	*
Todd C. Andrews	200		200		*
Richard A. Foster	2,234	—	2,234		*
D. Gregory Scott	8,550	—	8,550		*
Paul R. Zippwald	1,452	—	1,452		*
All directors and officers as a group (12 persons)	7,681,679	7,156,396	7,681,679	(5)	81.4

* Less than one percent (1%).

(1) Unless otherwise indicated, the address of such beneficial owner is the Company's principal executive offices, 1308 North Patt Street, Anaheim, California 92801.

(2) Represents shares beneficially owned by Bridgford Industries Incorporated, a Delaware corporation ("BII"), which presently has no other significant business or assets. Allan L. Bridgford, Hugh Wm. Bridgford, William L. Bridgford, Bruce H. Bridgford and Baron R.H. Bridgford presently own 16.06%, 10.54%, 7.48%, 10.29% and 9.54%, respectively, of the outstanding voting capital stock of BII and each has the right to vote as trustee or custodian for other shareholders of BII representing 0%, 0%, 0.58%, 0.63% and 1.75%, respectively, of such outstanding voting capital stock. The remaining percentage of BII stock is owned of record, or beneficially, by 32 additional members of the Bridgford family. The officers of BII jointly vote all shares.

(3) Applicable percentage of ownership as of February 6, 2009 is based upon 9,433,700 shares of common stock outstanding. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to shares shown as beneficially owned. Shares of common stock subject to options or warrants currently exercisable or exercisable within 60 days of February 6, 2009 are deemed outstanding for computing the shares and percentage ownership of the person holding such options or warrants, but are not deemed outstanding for computing the percentage ownership of any other person or entity. Except as otherwise indicated, and subject to community property laws where applicable, to the knowledge of the Company the persons listed above have sole voting and investment power with respect to all shares shown as beneficially owned by them.

(4) Includes 25,000 shares that may be purchased upon exercise of options within 60 days of February 6, 2009.

(5) Includes 125,000 shares that may be purchased upon exercise of options within 60 days of February 6, 2009

The Company is not aware of any arrangements that may at a subsequent date result in a change of control of the Company.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors, executive officers, and holders of more than 10% of the Company's common stock, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock of the Company. Officers, directors and 10% shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. To the Company's knowledge, based solely on the review of copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended October 31, 2008, all of the Company's officers, directors and 10% shareholders complied with all applicable Section 16(a) filing requirements. The Company has adopted formal insider trading policies and procedures to assure full compliance with applicable laws and adherence to its code of ethics during the fiscal year ended October 31, 2008.

COMPENSATION OF EXECUTIVE OFFICERS

Compensation Discussion and Analysis

Compensation Overview

This Compensation Discussion and Analysis provides information regarding the compensation paid to the Company's "named executive officers" or "NEOs," all of whom are members of the Executive Committee. Historically, the Company has been and continues to be principally managed by the Executive Committee. The Executive Committee, as a unit, serves as the Company's "Chief Executive Officer." The Executive Committee currently consists of the following five members:

- Hugh Wm. Bridgford, Vice President and Chairman of the Executive Committee
- Allan L. Bridgford, Senior Chairman of the Board
- William L. Bridgford, Chairman of the Board and Principal Executive Officer
- John V. Simmons, President
- Raymond F. Lancy, Chief Financial Officer, Vice President, Treasurer, Principal Financial Officer

The Company's executive compensation program is overseen by the Compensation Committee, or the Committee, which is comprised of certain non-employee members of the Company's Board of Directors. The basic responsibility of the Committee is to review the performance of the officers and key employees toward achieving the Company's strategic goals and to help ensure that the Company is able to attract and retain individuals who can lead the Company to achieve those goals.

One of the Company's primary strategic goals is to improve shareholder value while meeting its objectives for customer satisfaction, improved sales and financial performance, sound corporate governance, and competitive advantage. The Company's current emphases on controlling costs and improving profit margins on a consistent basis are also important factors which affect the Company's compensation decisions. The Committee's goal is to work with management to balance the Company's financial goals and circumstances with the need to attract, motivate and retain the fully qualified and capable individuals the Company needs to meet and surpass its customers' and shareholders' expectations in a highly-competitive industry.

Compensation Philosophy and Objectives

The core of the Company's executive compensation philosophy is to pay for performance. To that end, incentive bonus targets are set each year to reward excellent executive performance based upon the achievement of profit objectives by business segment and the Company's overall profitability based on pretax income, thus stimulating all executives to assume broad responsibility for the Company's overall financial welfare and performance.

The Compensation Committee's guiding principles are as follows:

- Work with management to provide a compensation program that recognizes individual contributions as well as the Company's overall business results;
- Provide reasonable levels of total compensation which will enable the Company to attract and retain qualified and capable executive talent within its industry while also considering the Company's current goals of controlling costs and effecting consistent improvements in its overall financial condition;
- Motivate executive officers to deliver optimum individual and departmental performance;
- Develop and reward a leadership team that is capable of successfully operating and growing an increasingly competitive and complex business in a rapidly changing industry;
- Ensure that executive compensation-related disclosures are made to the public on a timely basis.

Role of the Compensation Committee

The Compensation Committee sets and approves the NEO's total compensation. The compensation of all NEO's is recommended by the Executive Committee and, after review and analysis, approved by the Compensation Committee. The Compensation Committee met one time during fiscal year 2008. The responsibilities of the Compensation Committee are as follows:

- Review and approve the compensation structure and compensation for the Executive Committee, including base salary, benefits, bonus, incentive and equity compensation (if any). The full Board of Directors evaluation of the Executive Committee's performance is considered in setting incentives. The Committee seeks to maintain an appropriate balance, in light of overall Company performance and net profitability, between the compensation of the Executive Committee and the compensation of other officers and employees generally.
- Review and approve on an annual basis the compensation structure and compensation for the Company's Executive Committee including base salary, incentive bonuses and equity compensation, if any. The Committee may also make any interim adjustments in any such compensation or plan as the Committee may deem appropriate, or as may be requested by the full Board of Directors or by senior management.
- Provide consultation and oversight of senior management's decisions concerning the compensation of management, including evaluation procedures for Company officers and other executives deemed eligible for performance incentives (bonuses) or equity compensation.
- Review and approve compensation packages for new executives and, as needed, termination packages for departing officers or other executives.
- Review and, as deemed necessary or desirable, oversee the administration of the Company's 1999 Stock Incentive Plan and Employee Stock Purchase Plan.
- Assist the Board of Directors and management in developing and evaluating potential candidates for executive positions. Advise the Board of Directors in its succession-planning initiatives for the Company's Executive Officers and other senior officers.
- Oversee preparation of a report on executive compensation as required for inclusion in the Company's annual proxy statement.

Role of Management in the Compensation Determination Process

The Company's senior management team, primarily the Principal Executive Officer and the Chief Financial Officer, support the Committee in the executive compensation decision-making process. At the request of the Compensation Committee, the Principal Executive Officer presents his performance assessment and recommendations to the Committee regarding base salaries, incentive targets and profitability ranges, incentive plan structure and other compensation-related matters of the Company's executives (other than with respect to his own compensation).

Role of Compensation Consultant

The Compensation Committee has decided not to utilize the services of a paid compensation consultant after concluding that such a consultant would provide insufficient value for the cost thereof, given the Company's current operating profits.

Total Compensation for Executive Officers

The compensation packages offered to the Company's executive officers are comprised of one or more of the following elements:

- Base salary;
- Annual cash bonus incentives;
- Long term equity-based incentive compensation; and
- Post retirement healthcare and pension benefits.

The Company does not have any formal policies which dictate the amount to be paid with respect to each element, nor does it have any policies which dictate the relative proportion of the various elements. The Company also does not have any formal policies for allocating between cash and non-cash compensation or short-term and long-term compensation. Instead, the Company relies on the judgment of the Compensation Committee and input and feedback from the management team, including in particular the Senior Chairman of the Board and the Chairman of the Executive Committee. The Committee has no plans to adopt any such formulas, ratios or other such targets that might artificially dilute the Company's effectiveness in achieving its overall profit objectives. In fact, all of the Company's compensation policy decisions are made in the context of its current financial position and are subordinated to the Company's current goal of achieving overall profitability on an annual basis. Each of the compensation components is described in more detail below.

Base Salary

The Company provides executive officers and other employees with base salary to compensate them for services rendered during the fiscal year. The purpose of base salary is to reward effective fulfillment of the assigned job responsibilities, and to reflect the position's relative value to the Company and competitiveness of the executive job market. Base salaries for executive officers are determined based on the nature and responsibility of the position, salary norms (if any) for comparable positions, the expertise and effectiveness of the individual executive, and the competitiveness of the market for the executive officer's services.

The Company has successfully held most base salaries at the low end of the competitive range in order to reduce its overall cost structure and to achieve systematic improvement in the financial performance of the business without incurring a large turnover in executive talent and leadership.

Any "merit increases" for the Company's executive officers are subject to the same budgetary constraints as apply to all other employees and operating departments. Executive officer salaries are evaluated as part of the Company's annual review process and may be adjusted where justified in the context of the Company's current focus on profitability and controlling expenses.

For fiscal year 2008, the Compensation Committee set a salary guaranty of $4,056 per week for each Executive Committee member, reduced on a pro-rata basis for any member working less than a full time schedule. This change represented a 4% increase in the salary guaranty compared to fiscal year 2007.

Annual Cash Bonus Incentives

The Company's policy is to make a portion of each executive's compensation contingent upon the Company's basic financial performance as well as upon his own level of performance and contribution to the business or segment of the Company's operations. The achievement of specific strategic and individual goals is intended to correlate with the creation of quarterly and longer-term shareholder value. Profit-related annual bonus incentives allow the Company to offer a reasonably competitive total compensation package despite relatively lower base salaries, while directly aligning each executive's performance with the Company's overall financial performance. Annual bonus incentives and ranges are analyzed by the Executive Committee with oversight and approval of the Compensation Committee. For the fiscal year ended October 31, 2008, no bonuses were paid to members of the Company's Executive Committee.

Long-Term Equity-Based Incentive Compensation

The Compensation Committee has concluded that long-term stock-related compensation has very limited if any value as an employee incentive or retention tool. Historically the Company's equity-based incentive awards have proved to have little or no value to the recipient.

Beginning in 2005, U.S. accounting rules required the Company to expense any stock option awards according to a formula which could impose a costly charge on the Company's income statements, thereby burdening or erasing its profit margins. Because of these factors, the Company has not granted stock options and awards to avoid the adverse effects of such expenses.

The Company aims to align its executive officers' interests with those of its shareholders by enhancing the link between the creation of sustainable profits and, in turn, improved shareholder value through the profit-related executive incentive compensation plan described above. The Compensation Committee believes that by increasing profit margins on a continuing basis the Company can derive long-term growth in shareholder value as reflected in the Company's market price per share.

Non-Qualified Stock Options. In fiscal 2008, the Company did not award any stock options to the named executive officers or any of its other employees or directors. Historically, the number of stock options granted to an executive officer is based upon the executive officer's position and level of responsibility. The Company does not issue discounted stock options or permit the re-pricing or reissue of previously issued options.

Restricted Stock. In fiscal 2008, the Company did not award any shares of restricted common stock to the named executive officers or to any of its other employees or directors. As with stock options, the number of shares of restricted stock that may be awarded to a named executive officer in the future, if any, will be based upon the executive's position and level of responsibility.

Non-Qualified Deferred Compensation

Effective January 1, 1991 the Company adopted a deferred compensation savings plan for certain key employees. Under this arrangement, selected employees contributed a portion of their annual compensation to the plan. The Company contributed an amount to each participant's account by computing an investment return equal to Moody's Average Seasoned Bond Rate plus 2%. The purpose of the plan was to provide tax planning and supplemental funds upon retirement or death of certain selected employees and to aid in retaining and attracting employees of exceptional ability. Separate accounts are maintained for each participant to properly reflect his or her total vested account balance.

Pension and Retirement Benefits

Retirement Plan for Employees of Bridgford Foods Corporation for Administrative and Sales Employees. The Company has a defined benefit plan ("Primary Benefit Plan") for certain of its employees not covered by collective bargaining agreements. The Primary Benefit Plan, administered by a major life insurance company, presently provides that participants receive an annual benefit on retirement equal to 1.5% of their total compensation from the Company during their period of participation from 1958. Benefits are not reduced by Social Security payments or by payments from other sources and are payable in the form of fully-insured monthly lifetime annuity contracts commencing at age 65 or the participant's date of retirement, whichever is later. Effective May 12, 2006, future benefit accruals under the Primary Benefit Plan were frozen.

Supplemental Executive Retirement Plan. Retirement benefits otherwise available to certain key executives under the Primary Benefit Plan have been limited by the effects of the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") and the Tax Reform Act of 1986 ("TRA"). To offset the loss of retirement benefits associated with TEFRA and TRA, the Company has adopted a non-qualified "makeup" benefit plan (the "Supplemental Executive Retirement Plan"). Benefits will be provided under the Supplemental Executive Retirement Plan in an amount equal to 60% of their final average earnings minus any pension benefits and primary insurance amounts available to them under Social Security. However, in all cases the benefits are capped at $120,000 per year for Allan L. Bridgford and Hugh Wm. Bridgford. Benefits provided under this plan for William L. Bridgford and Raymond F. Lancy are calculated at 50% of final average earnings, capped at $200,000 per year, without offsets for other pension or Social Security benefits.

Bridgford Foods Retirement Savings 401k Plan. The Company implemented a 401(k) plan effective May 13, 2006. The Company makes a matching contribution to each employee's account based on pretax contributions in an amount equal to 100% of the first 3% of compensation and 50% of the next 2% of compensation contributed to the Plan. No amounts are contributed by the Company unless the employee elects to make a pretax contribution to the plan.

Perquisites and Other Benefits

The Company provides its executive officers with various health and welfare programs and other employee benefits which are generally available on the same cost-sharing basis to all of its employees. However, in keeping with the Company's policy of controlling costs in connection with its profitability objectives, it does not provide any significant perquisites or other special benefits to its executive officers including, but not limited to, payment of club memberships, fees associated with financial planning, executive dining rooms or special transportation rights. The Company does not own an airplane and does not provide aircraft for executives for business or personal purposes.

The Company provides post-retirement healthcare for certain executives and their spouses (who are within fifteen years of age of the employee) who have reached normal retirement age. This coverage is secondary to Medicare. Coverage for spouses continues upon the death of the employee. The maximum benefit under the plan is $100,000 per year per retiree. The plan is subject to annual renewal by the Board of Directors and may be discontinued at the Board's discretion. The plan was renewed for one year at the Board of Directors meeting held in January 2009. The combined cost of this plan during the fiscal year ended October 31, 2008 was $164,000 for all active and retired participants.

Employment Agreements

The Company currently does not have any employment, severance, change of control or similar agreements with any of its NEOs. Refer to the compensation discussion below for information on pension, deferred compensation, and benefit-related payments payable in the event of a qualifying event such as employment termination, disability, death, or sale/merger/acquisition.

Tax and Accounting Implications

The Compensation Committee is responsible for considering the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code, which provides that it may not deduct non-performance-based compensation of more than $1,000,000 that is paid to its executive officers. The Company believes that the compensation paid under the current management incentive programs is fully deductible for federal income tax purposes. In certain situations, the Committee may approve compensation that will not meet the requirements for deductibility in order to ensure competitive levels of compensation for its executives and to meet its obligations under the terms of various incentive programs. However, the issue of deductibility has not come before the Committee in recent years and is not expected to be a concern for the foreseeable future.

Compensation Committee Report

The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee of the Board of Directors
Robert E. Schulze, Chairman
Todd C. Andrews
Richard A. Foster
D. Gregory Scott
Paul R. Zippwald

Summary Compensation Table

The table below provides summary information concerning cash and certain other compensation paid to or accrued for the Company's NEOs during fiscal years 2007 and 2008, respectively. Each of the NEOs named below are also members of the Company's Executive Committee which acts in the capacity of Chief Executive Officer of the Company. See "Compensation Discussion and Analysis" for further discussion of compensation arrangements pursuant to which the amounts listed in the table below were paid or awarded and the criteria for such payment or award.

Name and Principal Position	Year	Salary	Bonus (1)	Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation (4)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (5)	All Other Compensation (6)	Total
Allan L. Bridgford Senior Chairman of the Board.	2008 2007	$ 126,547 121,680	$ — —	$ — —	$ — —	$ — —	$ 137,271 97,921	$ 1,713 654	$ 265,531 220,255
Hugh Wm. Bridgford Vice President and Chairman of the Executive Committee.	2008 2007	$ 210,912 202,800	$ — —	$ — —	$ — —	$ — —	$ 142,529 91,355	$ 11,275 193	$ 364,716 294,348
William L. Bridgford Chairman of the Board.	2008 2007	$ 210,912 202,800	$ — —	$ — —	$ — —	$ — —	$ 12,357 32,302	$ 8,545 13,316	$ 231,814 248,418
John V. Simmons President	2008 2007	$ 210,912 202,800	$ — —	$ — —	$ — —	$ — —	$ 12,357 535	$ 7,454 11,775	$ 230,723 215,110
Raymond F. Lancy Chief Financial Officer, Vice President and Treasurer	2008 2007	$ 210,912 202,800	$ — —	$ — —	$ — —	$ — —	$ (36) 32,898	$ 8,436 13,058	$ 219,312 248,756

(1) Each NEO is eligible to receive a discretionary bonus. However, because certain Company and individual performance targets were not met during fiscal year 2007 and 2008, no such bonuses were paid.
(2) The Company did not grant any stock awards to any of the NEOs during fiscal years 2007 and 2008.
(3) The Company did not grant any option awards to any of the NEOs during fiscal years 2007 and 2008.
(4) The Company does not currently sponsor any formal non-equity based compensation plans on behalf of its NEOs. All non-equity incentive based bonuses, if any, are paid as discretionary bonuses and reflected under the "Bonus" column.
(5) Includes the change in present value of each of the non-qualified deferred compensation plan and pension and retirement benefits described above. The assumed discount rates used for fiscal years 2007 and 2008 were 8.00% and 6.25%, respectively for the defined benefit plan and 7.00% for both fiscal years 2007 and 2008 for the Supplemental Executive Retirement Plan and Non-Qualified Deferred Compensation Plan.
(6) Includes matching contributions to the Bridgford Foods Retirement Savings 401(k) plan and change in present value of post-retirement healthcare benefits.

Narrative to Summary Compensation Table

See "Compensation Discussion and Analysis" for further discussion of compensation arrangements pursuant to which the amounts listed under the Summary Compensation Table were paid or awarded and the criteria for such payment or award.

Grants of Plan-Based Awards

There were no stock options, restricted stock, restricted stock units or equity or non-equity-based performance awards granted to the Company's NEOs during the fiscal years ended October 31, 2008 or November 2, 2007.

Outstanding Equity Awards at Fiscal Year-End Table

The table below provides information on the stock options held by each of the NEOs as of October 31, 2008.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
Allan L. Bridgford . . .	—	—	—	—	—	—	—	—	—
Hugh Wm. Bridgford .	—	—	—	—	—	—	—	—	—
William L. Bridgford .	25,000	—	—	$ 10.00	April 29, 2009	—	—	—	—
John V. Simmons	25,000	—	—	$ 10.00	April 29, 2009	—	—	—	—
Raymond F. Lancy . . .	25,000	—	—	$ 10.00	April 29, 2009	—	—	—	—

Option Exercises and Stock Vested

There were no shares acquired upon the exercise of stock options or vesting of stock awards during fiscal years 2007 and 2008 by any NEO.

Pension Benefits

The tables below provide information concerning retirement plan benefits for each NEO and payments due upon certain termination scenarios.

Retirement Plan for Employees of Bridgford Foods Corporation for Administrative and Sales Employees

<u>Normal Retirement</u>: Benefits commence upon reaching the" Normal Retirement Date", which is the first day of the month on or after attainment of age 65. Pension benefit payments begin at normal retirement date and continue until death.

<u>Early Retirement</u>: A participant may choose to retire up to ten years before the normal retirement date. If a participant retires early, the accrued pension will be reduced by a percentage to reflect the longer period over which pension benefits will be received. If a participant is married for at least one year and dies before retirement, a pension benefit will be payable to the surviving spouse for his or her life; provided certain eligibility requirements have been met.

<u>Death Benefits</u>: Payments to a surviving spouse will begin on the first day of the month following a participant's death but not sooner than the earliest date a participant could have elected to retire.

<u>Disability Benefits</u>: A disability benefit is the accrued pension credited to a participant as of the date of disability A disability is defined as a physical or mental condition which has existed continually for not less than six months and which renders a participant incapable of any employment and which does not result from military service, any felonious activity, use of narcotics, habitual drunkenness, or is intentionally inflicted.

The years of credited service, present value of accumulated plan benefits and payments made during the fiscal year were as follows:

For the Fiscal Year ended October 31, 2008:

Name	Number of Years Credited Service	Present Value of Accumulated Benefit (1)	Payments During Last Fiscal Year
Allan L. Bridgford	50	$ 777,405	$ 69,342
Hugh Wm. Bridgford	52	$ 647,922	$ 49,909
William L. Bridgford	35	$ 241,188	$ —
John V. Simmons	29	$ 188,098	$ —
Raymond F. Lancy	16	$ 173,912	$ —

(1) The assumed discount rate used was 8.00% to compute the present value of the accumulated benefit. The 1983 Group Annuity Mortality Table was used and an expected return on assets of 8.00% was assumed.

For the Fiscal Year Ended November 2, 2007:

Name	Number of Years Credited Service	Present Value of Accumulated Benefit (1)	Payments During Last Fiscal Year
Allan L. Bridgford	49	$ 701,911	$ 67,761
Hugh Wm. Bridgford	51	$ 570,929	$ 48,771
William L. Bridgford	34	$ 222,637	$ —
John V. Simmons	28	$ 175,741	$ —
Raymond F. Lancy	15	$ 159,737	$ —

(1) The assumed discount rate used was 6.25% to compute the present value of the accumulated benefit. The 1983 Group Annuity Mortality Table was used and an expected return on assets of 8.00% was assumed.

Supplemental Executive Retirement Plan (SERP)

For the Fiscal Year ended October 31, 2008:

Name	Present Value of Accumulated Benefit (1)	Payments During Last Fiscal Year
Allan L. Bridgford	$ 306,820	$ 51,528
Hugh Wm. Bridgford	$ 363,840	$ 61,080
William L. Bridgford	$ 951,864	$ —
John V. Simmons	$ —	$ —
Raymond F. Lancy	$ 951,864	$ —

(1) A 7.00% discount rate was used to compute the present values.

For the Fiscal Year Ended November 2, 2007:

Name	Present Value of Accumulated Benefit (1)	Payments During Last Fiscal Year
Allan L. Bridgford	$ 338,865	$ 51,528
Hugh Wm. Bridgford	$ 401,678	$ 61,080
William L. Bridgford	$ 655,300	$ —
John V. Simmons	$ —	$ —
Raymond F. Lancy	$ 674,203	$ —

(1) A 7.00% discount rate was used to compute the present values.

The following table estimates the present value of SERP benefits under different employment termination scenarios as of October 31, 2008:

Name	Present Value of Benefits Upon Voluntary Termination of Employment (1)	Present Value of Benefits if Disabled (1)	Present Value of Benefit Upon Death (1)	Present Value of Involuntary Termination of Employment Due to Sale/Merger/Acquisition (1)
Allan L. Bridgford	$ 306,820	$ 306,820	$ 306,820	$ 306,820
Hugh Wm. Bridgford	$ 363,840	$ 363,840	$ 363,840	$ 363,840
William L. Bridgford (2)	$ 249,119	$ 951,964	$ 951,964	$ 951,964
John V. Simmons	$ —	$ —	$ —	$ —
Raymond F. Lancy (2)	$ 266,558	$ 951,864	$ 951,864	$ 951,864

(1) In each scenario above, the benefit amount shown is calculated at October 31, 2008. A 7.00% discount rate was used to compute the present values. In the case of a voluntary termination, the Participant shall be entitled to the vested portion of any such Early Retirement Benefit but shall not commence receipt of such Early Retirement Benefit until the Commencement Date following the date the Participant would

have attained the Early Retirement Date had the Participant remained employed by the Company. Upon a finding that the Participant (or, after the Participant's death, a Beneficiary) has suffered an Unforeseeable Emergency, the Committee may at the request of the Participant or Beneficiary, and subject to compliance with Code Section 409A, accelerate distribution of benefits under the Plan in the amount reasonably necessary to alleviate such Unforeseeable Emergency.

(2) Death benefits for William L. Bridgford and Raymond F. Lancy are payable as a lump sum payment. All other benefits are paid in the form of a monthly annuity. The actual payment amount for William L. Bridgford and Raymond F. Lancy would be determined using a discount rate similar to the rate required for qualified plans. The rate assumed for these estimates is 7.00%

The following table estimates future payments under different termination scenarios as of October 31, 2008:

Name	Payment Upon Voluntary Termination of Employment	Payment if Disabled (1)	Death Benefit from Plan (2)	Involuntary Termination of Employment Due to Sale/ Merger/Acquisition
Allan Bridgford	Continues to receive $4,294 for another 92 months	Continues to receive $4,294 for another 92 months	Continues to receive $4,294 for another 92 months	Continues to receive $4,294 for another 92 months
H William Bridgford	Continues to receive $5,090 for another 92 months	Continues to receive $5,090 for another 92 months	Continues to receive $5,090 for another 92 months	Continues to receive $5,090 for another 92 months
William L. Bridgford	$2,382 per month for 180 months beginning on 10/26/2009	$8,506 per month for 180 months commencing after disability	$8,506 per month for 180 months beginning just after death	Lump Sum payment due at termination of $951,864
Raymond F. Lancy	$2,382 per month for 180 months beginning on 12/11/2008	$8,506 per month for 180 months commencing after disability	$8,506 per month for 180 months beginning just after death	Lump Sum payment due at termination of $951,864

(1) Disability amount is decreased by any Company paid disability insurance policies, Social Security disability benefits, or other Federal or State disability programs. In the case of a voluntary termination, the Participant shall be entitled to the vested portion of any such Early Retirement Benefit but shall not commence receipt of such Early Retirement Benefit until the Commencement Date following the date the Participant would have attained the Early Retirement Date had the Participant remained employed by the Company. Upon a finding that the Participant (or, after the Participant's death, a Beneficiary) has suffered an Unforeseeable Emergency, the Committee may at the request of the Participant or Beneficiary, and subject to compliance with Code Section 409A, accelerate distribution of benefits under the Plan in the amount reasonably necessary to alleviate such Unforeseeable Emergency.

(2) Assumes death on October 31, 2008. The discount rate used to calculate the lump sum amount is 7.00%.

See "Compensation Discussion and Analysis – Total Compensation for Executive Officers -- Pension and Retirement Benefits" for further discussion of the pension benefits contained in the tables above.

Non-Qualified Deferred Compensation

The table below provides information concerning deferred compensation plan benefits for each NEO during the fiscal year ended October 31, 2008.

Name	Executive Contributions in Last Fiscal Year	Company Contributions in Last Fiscal Year	Aggregate Earnings in Last Fiscal Year	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last Fiscal Year End
Allan L. Bridgford	$ —	$ —	$ —	$ 76,632	$ 448,043
Hugh Wm. Bridgford	$ —	$ —	$ —	$ 76,632	$ 448,043
William L. Bridgford	$ —	$ —	$ —	$ —	$ —
John V. Simmons	$ —	$ —	$ —	$ —	$ —
Raymond F. Lancy	$ —	$ —	$ —	$ —	$ —

The table below provides information concerning deferred compensation plan benefits for each NEO during the fiscal year ended November 2, 2007.

Name	Executive Contributions in Last Fiscal Year	Company Contributions in Last Fiscal Year	Aggregate Earnings in Last Fiscal Year	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last Fiscal Year End
Allan L. Bridgford . . .	$ —	$ —	$ —	$ 76,141	$ 482,381
Hugh Wm. Bridgford .	$ —	$ —	$ —	$ 76,141	$ 482,381
William L. Bridgford .	$ —	$ —	$ —	$ —	$ —
John V. Simmons	$ —	$ —	$ —	$ —	$ —
Raymond F. Lancy . . .	$ —	$ —	$ —	$ —	$ —

The following table estimates the present value of benefits under different employment termination scenarios as of October 31, 2008:

Name	Present Value of Benefit at Termination of Employment	Present Value of Benefit in the Event of Disability,	Present Value of Benefit Upon Death	Present Value of Benefit Upon Involuntary Termination of Employment Due to Sale/ Merger/Acquisition
Allan L. Bridgford . . .	$ 448,403	$ 448,403	$ 448,403	$ 448,403
Hugh Wm. Bridgford . .	$ 448,403	$ 448,403	$ 448,403	$ 448,403

Allan L. Bridgford and Hugh Wm. Bridgford each currently receive a monthly deferred compensation payment of $6,430. As of October 31, 2008, eighty-nine (89) such monthly payments are remaining for each recipient.

The deferred compensation amounts are calculated using a crediting rate equal to Moody's Average Seasoned Bond Rate, plus 2%. This rate is subject to fluctuation. Upon death, the deferred compensation benefits are paid in a lump sum equal to the individual's remaining account balance.

See "Compensation Discussion and Analysis – Total Compensation for Executive Officers – Non-Qualified Deferred Compensation" for further discussion of the non-qualified deferred compensation benefits contained in the tables above.

Director Compensation

The table below summarizes the total compensation paid by the Company to directors who were not NEOs during fiscal year 2008. Directors who were NEOs did not receive any additional compensation for their services as directors.

Name	Fees Earned or Paid in Cash	Stock awards	Option awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (1)	All Other Compensation (1)	Total
Richard A. Foster . . .	$ 18,000	$ —	$ —	$ —	$ —	$ —	$ 18,000
Robert E. Schulze . . .	$ 17,300	$ —	$ —	$ —	$ 141,024	$ 2,819	$ 161,143
Paul R. Zippwald . . .	$ 18,600	$ —	$ —	$ —	$ —	$ —	$ 18,600
Todd C. Andrews . . .	$ 18,125	$ —	$ —	$ —	$ —	$ —	$ 18,125
D. Gregory Scott. . . .	$ 17,525	$ —	$ —	$ —	$ —	$ —	$ 17,525

(1) Robert Schulze retired June 30, 2004 and receives pension benefits under the Company's defined benefit pension plan, SERP plan and Deferred Compensation Plan in addition to post-retirement healthcare coverage.

The table below summarizes the total compensation paid by the Company to directors who were not NEOs during fiscal year 2007. Directors who were NEOs did not receive any additional compensation for their services as directors.

Name	Fees Earned or Paid in Cash	Stock awards	Option awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (1)	All Other Compensation (1)	Total
Richard A. Foster . . .	$ 18,075	$ —	$ —	$ —	$ —	$ —	$ 18,075
Robert E. Schulze . . .	$ 14,175	$ —	$ —	$ —	$ 86,901	$ 2,310	$ 103,386
Paul R. Zippwald . . .	$ 18,275	$ —	$ —	$ —	$ —	$ —	$ 18,275
Todd C. Andrews . . .	$ 17,775	$ —	$ —	$ —	$ —	$ —	$ 17,775
D. Gregory Scott. . . .	$ 15,325	$ —	$ —	$ —	$ —	$ —	$ 15,325

(1) Robert Schulze retired June 30, 2004 and receives pension benefits under the Company's defined benefit pension plan, SERP plan and Deferred Compensation Plan in addition to post-retirement healthcare coverage.

The Company uses solely cash compensation to attract and retain qualified candidates to serve on its Board of Directors. In setting director compensation, the Company considers the demands that have been placed and will continue to be placed on the directors and the skill-level required by its directors. In addition, as with the Company's executive officers, compensation decisions for directors are made in the context of the Company's focus on controlling costs and returning to profitability. Non-employee directors were paid $1,250 for each Board of Directors meeting attended during fiscal year ended October 31, 2008 and $1,100 during fiscal year ended November 2, 2007.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Company's Compensation Committee at October 31, 2008 consisted of Robert E. Schulze, Chairman, Todd C. Andrews, D. Gregory Scott (Chairman), Richard A. Foster and Paul R. Zippwald. Other than Robert E. Schulze, who retired June 30, 2004, no member of the Compensation Committee was a former or current officer or employee of the Company or any of its subsidiaries at October 31, 2008. The Company is not aware of any "compensation committee interlocks" that existed during fiscal 2008.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Company's general legal counsel is the son of the senior chairman of the board of directors. For these services, he currently is paid a fee of $1,350 for each meeting attended. Total fees paid under this arrangement for fiscal year 2008 were $14,975. In addition, legal services are performed on behalf of the Company and billed by a firm in which he is a partner. Total fees billed under this arrangement for fiscal year 2008 were approximately $63,000.

Other than the relationship noted above, the Company is not aware of any related party transactions that would require disclosure. The Company's executive officers, directors, nominees for directors and principal shareholders, including their immediate family members and affiliates, are prohibited from entering into a related party transaction with the Company that would be reportable under Item 404 of Regulation S-K without the prior approval of its Audit Committee (or other independent committee of the Board of Directors in cases where it is inappropriate for the Audit Committee to review such transaction due to a conflict of interest). Any request for the Company to enter into a transaction with an executive officer, director, or nominee for director, principal stockholder or any of such persons' immediate family members or affiliates that would be reportable under Item 404 of Regulation S-K must first be presented to the Audit Committee for review, consideration and approval. In approving or rejecting the proposed agreement, the Audit Committee will consider the relevant facts and circumstances available and deemed relevant, including but not limited to, the risks, costs, and benefits to the Company, the terms of the transactions, the availability of other sources for comparable services or products, and, if applicable, the impact on director independence. The Audit Committee shall only approve those agreements that, in light of known circumstances, are in or are not inconsistent with, the Company's best interests, as determined in good faith by the Audit Committee.

PROPOSAL 2

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee of the Board of Directors has, subject to ratification by the shareholders, appointed Squar, Milner, Peterson, Miranda & Williamson, LLP as its new independent registered public accounting firm concurrent with the filing of the 10K on January 28, 2009, for the fiscal year beginning November 1, 2008 and ending October 30, 2009.

The Company’s Board of Directors recommends that you vote FOR the ratification of the appointment of Squar, Milner, Peterson, Miranda & Williamson, LLP as the Company’s independent accountants for fiscal year 2009. Proxies received in response to this solicitation will be voted FOR the approval of such firm unless otherwise specified in the proxy. In the event of a negative vote on such ratification, the Audit Committee of the Board of Directors will reconsider its selection. Representatives of Squar, Milner, Peterson, Miranda & Williamson, LLP will be present at the meeting and available for questions. They will have the opportunity to make a statement if they so desire. Representatives of Haskell & White LLP, the Company’s former independent accountants, are not expected to be present at the meeting.

CHANGE IN INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

Concurrent with the filing of the 10K on January 28, 2009, the Audit Committee of the Board of Directors of the Company dismissed Haskell & White LLP as the Company's independent registered public accounting firm. Haskell & White LLP completed the audit of the Company's financial statements for the year ended October 31, 2008 on January 28, 2009. Haskell & White LLP's appointment as the independent registered public accounting firm for the Company was completely terminated upon completion of the audit of the Company's financial statements for the year ended October 31, 2008. The decision to change principal accountants was approved by the Audit Committee and the Board of Directors of the Company.

The reports of Haskell & White LLP on the consolidated financial statements of the Company for the years ended October 31, 2008 and November 2, 2007, did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principle.

During the years ended October 31, 2008 and November 2, 2007, and through the subsequent interim period ended January 28, 2009, there were no disagreements with Haskell & White LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Haskell & White LLP, would have caused it to make reference thereto in its reports on the financial statements for such years.

During the years ended October 31, 2008, and November 2, 2007, and through the subsequent interim period ended January 28, 2009, there have been no “reportable events” (as defined in Item 304(a)(1)(v) of Regulation S-K).

During the Company's two most recent fiscal years ended October 31, 2008 and November 2, 2007, and through the subsequent interim period ended January 28, 2009, neither the Company nor anyone on its behalf consulted Squar, Milner, Peterson, Miranda & Williamson, LLP regarding any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

Fees billed by Haskell & White LLP for the audit and review of the Company's annual financial statements and quarterly reports on Form 10-Q for the 2008 and 2007 fiscal years totaled $213,400 and $201,900, respectively.

Audit-Related Fees

Audit-related fees typically consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not reported under "Audit Fees." These services may include consultations related to the Sarbanes-Oxley Act and consultations concerning financial accounting and reporting standards. Audit-related fees for the fiscal year ended October 31, 2008 totaled $19,179. There were no audit-related fees billed by Haskell & White LLP for the fiscal year ended November 2, 2007.

Tax Fees

Tax fees are comprised of services that include assistance related to state tax compliance services and consultations regarding federal and state research and development tax credits. There were no tax fees billed by Haskell & White LLP during the fiscal years ended October 31, 2008 and November 2, 2007.

All Other Fees

The Company did not incur any other fees billed by Haskell & White LLP during the fiscal years ended October 31, 2008 or during the fiscal year ended November 2, 2007.

POLICY ON AUDIT COMMITTEE PRE-APPROVAL OF AUDIT SERVICES AND PERMISSIBLE NON-AUDIT SERVICES OF INDEPENDENT ACCOUNTANTS

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services performed by the independent accountants. These services may include audit services, audit-related services, tax services and other services. During fiscal years 2008 and 2007, the Audit Committee approved all such services rendered by its independent accountants. For audit services, the independent accountant provides the Audit Committee with an audit plan including proposed fees in advance of the annual audit. The Audit Committee approves the plan and fees for the audit.

For non-audit services, the Company's senior management will submit from time to time to the Audit Committee for approval non-audit services that it recommends the Audit Committee engage the independent accountant to provide during the fiscal year. The Company's senior management and the independent accountant will each confirm to the Audit Committee that each non-audit service is permissible under all applicable legal requirements. A budget, estimating non-audit service spending for the fiscal year, will be provided to the Audit Committee along with the request. The Audit Committee must approve both permissible non-audit services and the budget for such services.

REPORT OF THE AUDIT COMMITTEE

Pursuant to a meeting of the Audit Committee on January 22, 2009, the Audit Committee reports that it has: (i) reviewed and discussed the Company's audited financial statements with management; (ii) discussed with the independent registered public accountants the matters (such as the quality of the Company's accounting principles and internal controls) required to be discussed by Statement on Auditing Standards No. 61; and (iii) received written confirmation from Haskell & White LLP that it is independent and written disclosures regarding such independence as required by Public Company Accounting Oversight Board Rule 3526, and discussed with the independent registered public accountants the accountants' independence. Based on the review and discussions referred to in items (i) through (iii) above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's annual report for the Company's fiscal year ended October 31, 2008.

AUDIT COMMITTEE

Robert Schulze, Chairman
Todd C. Andrews
Richard A. Foster
D. Gregory Scott
Paul R. Zippwald

SHAREHOLDER PROPOSALS

Proposals of shareholders intended to be presented at the 2010 Annual Meeting of Shareholders must be received at the Company's principal office no later than October 16, 2009 in order to be considered for inclusion in the proxy statement and form of proxy relating to that meeting. Matters pertaining to such proposals, including the number and length thereof, eligibility of persons entitled to have such proposals included and other aspects are regulated by the Securities Exchange Act of 1934, Rules and Regulations of the Securities and Exchange Commission and other laws and regulations to which interested persons should refer.

Additionally, if the Company is not provided notice of a shareholder proposal, which the shareholder has not previously sought to include in the Company's proxy statement, by December 30, 2009, the Company will be allowed to use its discretionary voting authority when the proposal is raised at the meeting, without any discussion of the matter in the proxy statement.

OTHER MATTERS

The Board of Directors is not aware of any matters to be acted upon at the meeting other than the election of directors and the ratification of the appointment of Squar, Milner, Peterson, Miranda & Williamson, LLP. If, however, any other matter shall properly come before the meeting, the persons named in the proxy accompanying this statement will have discretionary authority to vote all proxies with respect thereto in accordance with their best judgment.

FINANCIAL STATEMENTS

The annual report of the Company for the fiscal year ended October 31, 2008 accompanies this Proxy Statement but is not a part of the proxy solicitation material.

By order of the Board of Directors

/s/ Cindy Matthews-Morales

Cindy Matthews-Morales
Secretary

February 13, 2009

FORM 10-K

The Corporation will furnish without charge to each person whose proxy is being solicited, upon request of any such person, a copy of the Annual Report of the Corporation on Form 10-K for the fiscal year ended October 31, 2008, as filed with the Securities and Exchange Commission (the "SEC"), including financial statements and associated schedules. Such report was filed with the Securities and Exchange Commission on January 28, 2009 and is available on the SEC's website, *www.sec.gov*, as well as the Company's website, *http://www.bridgford.com*. Requests for copies of such report should be directed to the Chief Financial Officer, Bridgford Foods Corporation, P.O. Box 3773, Anaheim, California 92803.

DIRECTORS

Allan L. Bridgford
Senior Chairman

Hugh Wm. Bridgford
Vice President

William L. Bridgford
Chairman

Richard A. Foster
Retired (formerly President, Interstate Electronics Corporation)

Robert E. Schulze
Retired (formerly President and member of the Executive Committee, Bridgford Foods Corporation)

Paul R. Zippwald
Retired (formerly Regional Vice President, Bank of America)

Todd C. Andrews
Vice President and Controller, Public Storage, Inc.

D. Gregory Scott
Managing Director, Peak Holdings, LLC

OFFICERS

Allan L. Bridgford
Senior Chairman, Board of Directors and member of the Executive Committee

Hugh Wm. Bridgford
Chairman, Executive Committee and Vice President

William L. Bridgford
Chairman, and member of the Executive Committee

Raymond F. Lancy
Executive Vice President, Chief Financial Officer, Treasurer, and member of the Executive Committee

John V. Simmons
President and member of the Executive Committee

Bruce Bridgford
President, Bridgford Foods of California

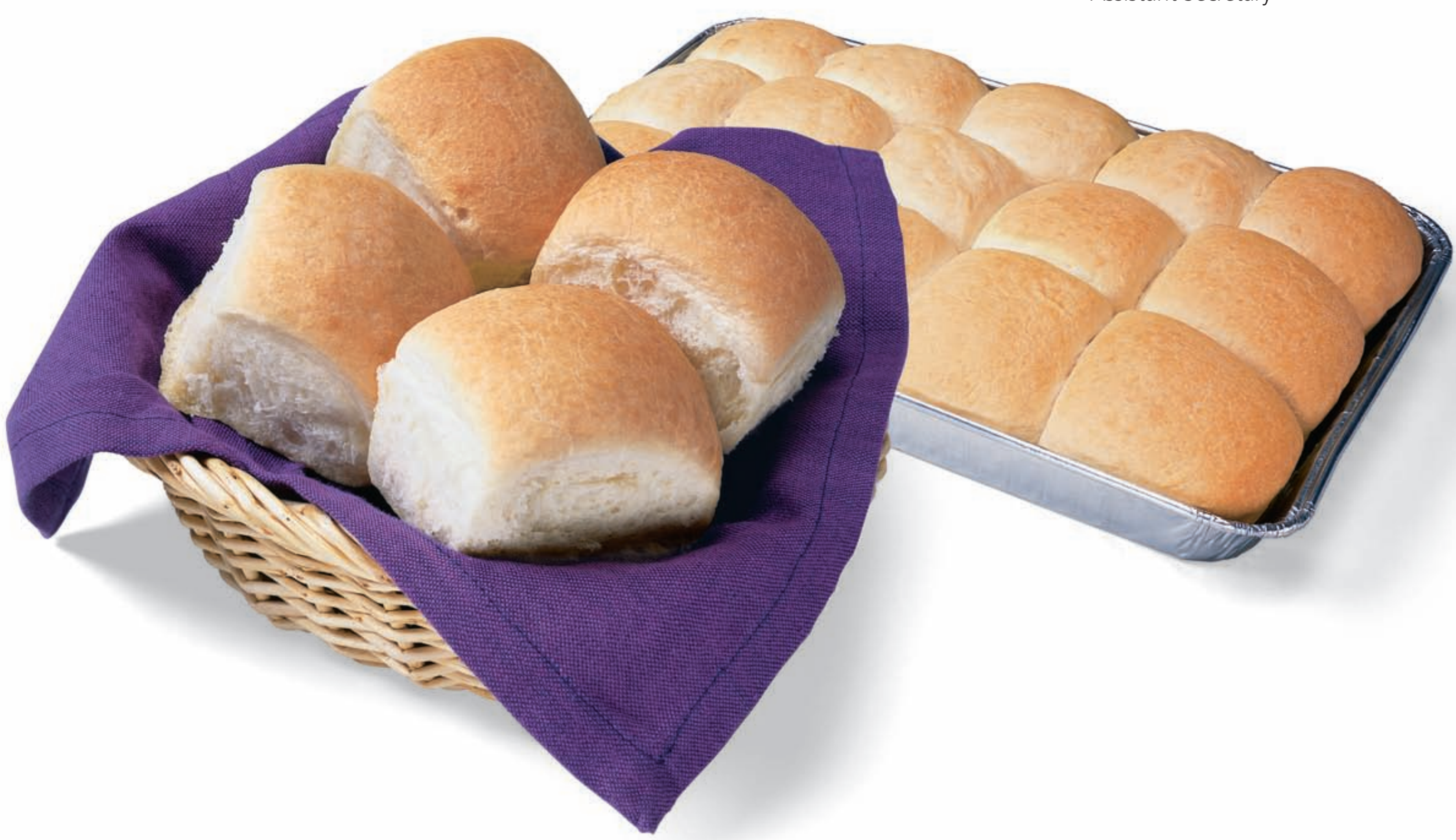
Joe deAlcuaz
Vice President Manufacturing

Daniel R. Yost
Senior Vice President

Chris Cole
Vice President

Cindy Matthews–Morales
Corporate Secretary and Controller

Michael Bridgford
Assistant Secretary



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Anaheim, California 92803
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www.bridgford.com

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Dallas, Texas
Statesville, North Carolina

Transfer Agent and Registrar
Continental Stock Transfer & Trust Company
17 Battery Place, 8th Floor
New York, NY 10004
1-800-509-5586

Independent Accountants
Haskell & White LLP
Irvine, California