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TASTY BAKING CO
Form 11-K
June 28, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark one)

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

For the calendar year December 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 1-5084

TASTY BAKING COMPANY 401 (K) THRIFT PLAN
2801 Hunting Park Avenue
Philadelphia, Pennsylvania 19129
(Full title of the plan and the address of the plan,
if different from that of the issuer named below)

TASTY BAKING COMPANY
2801 Hunting Park Avenue
Philadelphia, Pennsylvania 19129
(Name of issuer of the securities held pursuant to the Plan and the
address of the principal executive offices of Tasty Baking Company)

TASTY BAKING COMPANY 401 (K) THRIFT PLAN

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EXHIBITS:

| | |
|--|--|
| Signatures-Annual Report Authorization 23.1 Consent of Independent Auditors-Mitchell & Titus, LLP | |
|--|--|

* Refers to item numbers in Form 5500 (Annual Return/Report of Employee Benefit Plan) for the year ended December 31, 2004.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Administrator of
Tasty Baking Company 401(k) Thrift Plan:

We have audited the accompanying statements of net assets available for benefits of Tasty Baking Company 401(k) Thrift Plan ("the Plan") as of December 31, 2004 and 2003, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a

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reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2004 and 2003, and the changes in its net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2004 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Mitchell & Titus, LLP
 Philadelphia, PA
 May 25, 2005

TASTY BAKING COMPANY 401(K) THRIFT PLAN
 Statements of Net Assets Available for Benefits
 December 31, 2004 and 2003

| | 2004 | 2003 |
|--------------------------------------|--------------|---------------|
| | ----- | ----- |
| ASSETS | | |
| Investments, at fair value | \$27,987,416 | \$ 27,338,290 |
| Receivables: | | |
| Securities sold | 103,645 | 30,750 |
| | ----- | ----- |
| Total assets | 28,091,061 | 27,369,040 |
| LIABILITIES | | |
| Payables: | | |
| Securities purchased | 103,819 | 37,875 |
| | ----- | ----- |
| Total liabilities | 103,819 | 37,875 |
| | ----- | ----- |
| NET ASSETS AVAILABLE FOR BENEFITS | \$27,987,242 | \$ 27,331,165 |
| | ===== | ===== |

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The accompanying notes are an integral part of these financial statements.

TASTY BAKING COMPANY 401(K) THRIFT PLAN
 Statements of Changes in Net Assets Available for Benefits
 For the Years Ended December 31, 2004 and 2003

| | 2004 | 2003 |
|--|--------------|------|
| ADDITIONS: | | |
| Additions to net assets attributed to: | | |
| Net (depreciation) appreciation in fair value of investments | \$ (49,849) | |
| Cash dividends | 607,665 | |
| Interest | 99,307 | |
| | 657,123 | |
| CONTRIBUTIONS: | | |
| Participant | 1,765,632 | |
| Employer | 348,706 | |
| | 2,114,338 | |
| Total additions | 2,771,461 | |
| DEDUCTIONS: | | |
| Deductions from net assets attributed to: | | |
| Benefits paid to participants | 2,109,144 | |
| Administrative expenses | 6,240 | |
| Total deductions | 2,115,384 | |
| Net increase | 656,077 | |
| NET ASSETS AVAILABLE FOR BENEFITS: | | |
| Beginning of year | 27,331,165 | |
| End of year | \$27,987,242 | \$ |

The accompanying notes are an integral part of these financial statements.

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TASTY BAKING COMPANY 401(K) THRIFT PLAN Notes to Financial Statements

1. DESCRIPTION OF PLAN

General

The Tasty Baking Company 401(k) Thrift Plan (the "Thrift Plan") is a defined contribution plan under which all employees of Tasty Baking Company, Inc. (the Company) who meet certain service requirements are eligible to participate. The Thrift Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

For allocations, benefits and vesting provisions as well as any other questions, Thrift Plan participants should refer to the Thrift Plan document.

Contributions

Under the Thrift Plan, employee contributions may be made in an amount up to 15% of an employee's annual base salary. The Company's contribution (employer portion) is equal to an amount not to exceed the lesser of \$600 or 100% of the contributions made by each employee. Employee contributions are made through payroll deductions as authorized by the employees and are immediately vested. The Company's contributions are invested in shares of TBC common stock. Participants may choose from a selection of mutual fund options offered by Dreyfus Service Corporation, a trustee for the Thrift Plan, for their contributions.

The Company's investment options available to participants provide alternatives that cover all major sectors of the market. These investment alternatives include: Capital Preservation Fund, Dreyfus 100% U.S. Treasury Intermediate Term Fund, Dreyfus Disciplined Stock Fund, Dreyfus Premier Balanced Fund, Dreyfus Emerging Leaders Fund, Dreyfus S&P 500 Basic Index Fund, Dreyfus Premier Midcap Fund and the Dreyfus International Value Fund. Participants may change the investment mix of their ongoing and/or existing invested account balances daily. They may sell any shares of Tasty Baking Company stock in their employee account, resulting from a participant elected fund option available prior to 1995, and invest the proceeds in any other investment fund offered.

Withdrawals

Participants who terminate from the Thrift Plan can elect to have distributed to them the full value in their respective accounts which includes their contributions and 100% of the vested employer contributions made on their behalf.

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TASTY BAKING COMPANY 401(K) THRIFT PLAN Notes to Financial Statements

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1. DESCRIPTION OF PLAN (continued)

Withdrawals (continued)

Active participants may withdraw balances accumulated through 1987 once each quarter without cause. All balances accumulated may be withdrawn (pre-1987 funds first) at any time but only for a hardship withdrawal as defined by IRS regulations.

Once a hardship withdrawal is distributed, the participant's right to contribute to the Thrift Plan is suspended for 12 months. Once an active participant has been a Thrift Plan participant for five years, Company contributions can be withdrawn on any Thrift Plan year-end date. Withdrawals by an active participant in this regard causes no interruption to contributions and Company matching contributions are not penalized.

Participant Loans

The Thrift Plan allows participants to obtain loans at a minimum amount of \$500. In addition to other loan requirements, the unpaid balance from all loans outstanding to a participant from the Thrift Plan shall not exceed 50% of the vested balance of the participant's account or \$50,000, whichever is less. Loans bear interest at amounts determined by the administrator and are currently the Prime Rate plus 1%. Loans are repayable in equal installments through payroll deductions and are collateralized by 50% of participant's vested account balance.

Termination

The Company retains the right to terminate the Thrift Plan at any time. If the Plan is terminated, participants become 100% vested in all amounts held for their benefit under the Thrift Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation and Income Recognition

Investments are stated at fair value. The value of common stock of Tasty Baking Company is determined based upon the bid price of the stock on the NYSE on the last day of trading of the Plan year.

The investment in Mutual Funds is represented by unit shares, which are valued at each respective fund's net asset value as publicly reported by the fund's respective investment department. The Capital Preservation Fund, a money market fund, is reported at fair value, which is equivalent to cost.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Valuation and Income Recognition (continued)

Purchases and sales of investments are reflected on a trade-date basis. Gains and losses realized are based principally on specific identification. Thrift Plan investments are sold to satisfy participant withdrawal and transfer requests and, therefore, resulting gains or losses are recorded as withdrawals are made.

Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned on an accrual basis.

The Thrift Plan presents in the Statements of Changes in Net Assets Available for Benefits the net (depreciation) appreciation in the fair value of its investments, which consists of the realized gains or losses and the unrealized (depreciation) appreciation on those investments.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties

The Thrift Plan provides for various investment options including a money market fund, Tasty Baking Company common stock, and mutual funds. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

Other matters

Certain items at December 31, 2003 have been reclassified to conform to the presentation at December 31, 2004. 3.

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3. RELATED PARTY TRANSACTIONS

Tasty Baking Company is the sponsor of the Thrift Plan and pays all administrative expenses and fees on behalf of the participants excluding fees for participant loans. For the years ended December 31, 2004 and 2003, fees and expenses totaling \$31,245 and \$32,345, respectively, were paid to Dreyfus Service Corporation and Dreyfus Trust Company, the Plan's administrator and trustee, respectively, on behalf of the Thrift Plan's participants.

4. INVESTMENTS

The following table represents investments of 5% or more of the Thrift Plan's net assets:

| | December 31, | |
|---|--------------|--------------|
| | 2004 | 2003 |
| | ----- | ----- |
| Tasty Baking Company Common Stock 502,145 and 497,073 shares, respectively | \$4,062,353 | \$ 5,025,408 |
| Capital Preservation Fund, LaSalle National Trust, N.A., Collective Investment Trust | 8,816,954 | 8,491,132 |
| S&P 500 Basic Index Fund, Dreyfus Service Corporation | 2,613,190 | 2,275,634 |
| Discipline Stock fund, Dreyfus Service Corporation | 3,583,227 | 3,398,151 |
| Emerging Leaders Fund, Dreyfus Service Corporation | 3,062,757 | 2,790,264 |
| 100% U.S. Treasury Intermediate Term Fund, Dreyfus Service Corporation | 1,441,704 | 1,379,607 |
| Premier Balanced Fund , Dreyfus Service Corporation | 1,693,848 | 1,504,705 |
| Loans to Participants | 1,791,838 | 1,746,265 |

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TASTY BAKING COMPANY 401(K) THRIFT PLAN
Notes to Financial Statements

4. INVESTMENTS (continued)

During 2004 and 2003, the Thrift Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) (depreciated)/appreciated in value as follows:

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| | 2004 | 2003 |
|-----------------------------|-------------|--------------|
| | ----- | ----- |
| Mutual funds | \$ 963,454 | \$ 2,190,919 |
| Common stock | (1,013,303) | 707,789 |
| | ----- | ----- |
| (Depreciation)/Appreciation | \$ (49,849) | \$ 2,898,708 |
| | ===== | ===== |

5. NONPARTICIPANT -DIRECTED INVESTMENTS

| | December 31, | |
|--|-------------------------|-------------|
| | 2004 | 2003 |
| | ----- | ----- |
| Net Assets: | | |
| Tasty Baking Company Common Stock | \$3,889,101 | \$4,833,228 |
| | | |
| | Year Ended December 31, | |
| | 2004 | 2003 |
| | ----- | ----- |
| Change in Net Assets: | | |
| Employer contributions | \$ 348,705 | \$ 379,242 |
| Dividends | 95,887 | 95,665 |
| Distributions to participants | (136,032) | (241,879) |
| Direct Rollover Transfer | (250,645) | (150,457) |
| Net (depreciation)/appreciation of investments | (1,002,042) | 676,874 |
| | ----- | ----- |
| | \$ (944,127) | \$ 759,445 |
| | ===== | ===== |

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TASTY BAKING COMPANY 401(K) THRIFT PLAN
Notes to Financial Statements

6. FEDERAL INCOME TAXES

The United States Treasury Department determined on June 7, 2004 that the Thrift Plan, as amended and restated in effect from January 1, 2003, which is a non-standardized prototype profit sharing plan and trust sponsored by Dreyfus Corporation, constituted a qualified trust under Section 401(a) of the Internal Revenue Code and is therefore exempt from federal income taxes under provisions of Section 501(a).

7. SUBSEQUENT EVENTS

Effective March 27, 2005, the Company merged the Thrift Plan and the Tasty Baking Oxford Inc. 401(k) Savings Plan (the Oxford Plan) and renamed the merged plans as the Tasty Baking Company 401(k) and Company

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Funded Retirement Plan ("Retirement Plan"). All assets of the Thrift Plan and the Oxford Plans were transferred immediately after the effective date to the Retirement Plan which is administered by the Vanguard Group.

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SUPPLEMENTAL SCHEDULE

TASTY BAKING COMPANY 401(K) THRIFT PLAN
 Schedule H, Part IV, Line 4(i)
 Schedule of Assets (Held at End of Year)
 December 31, 2004

| a. b. | Identity of Issue, Borrower, Lessor or Similar Party | Description of Investment Including Maturity Date Rate of Interest, Collateral, Par of Maturity Value | d. | Cost |
|-------|--|--|----|----------|
| * | Tasty Baking Company | Common Stock | | \$ 5,413 |
| | Capital Preservation Fund, LaSalle National Trust, N.A. | Collective Investment Fund | | 8,818 |
| * | Dreyfus 100% U. S. Treasury Intermediate Term Fund | Mutual Fund | | 1,451 |
| * | Dreyfus S&P 500 Basic Index Fund | Mutual Fund | | 2,604 |
| * | Dreyfus Premier Balanced Fund | Mutual Fund | | 1,807 |
| * | Dreyfus Disciplined Stock Fund | Mutual Fund | | 3,241 |
| * | Dreyfus Emerging Leaders Fund | Mutual Fund | | 2,380 |
| * | Dreyfus Premier Midcap Fund | Mutual Fund | | 498 |
| * | Dreyfus International Value Fund | Mutual Fund | | 251 |

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| | | |
|-----------------------|-------------------------|----------|
| | Subtotal - Mutual Funds | 12,234 |
| | | ----- |
| Loans to Participants | 5% - 10.5% | ----- |
| | Total | \$26,466 |
| | | ===== |

*Party-In-Interest