



Lance, Inc.
P.O. Box 32368
Charlotte, North Carolina 28232
Phone 704-554-1421
Fax 704-554-5562
www.lancesnacks.com



The
Number One
Snack Cracker
in America



Lance, Inc.
Summary Annual Report
for the year 2000

This 2000 Annual Report, when delivered to stockholders in connection with the 2001 Annual Meeting of Stockholders, contains in its back pocket Lance, Inc.'s Annual Report on Form 10-K for the year ended December 30, 2000, filed with the Securities and Exchange Commission, along with the Notice of Annual Meeting of Stockholders to be held April 26, 2001 and related Proxy Statement.

Profile



Lance, Inc., headquartered in Charlotte, North Carolina, manufactures and markets snack foods throughout much of the United States and Canada. Lance has manufacturing facilities in Charlotte, North Carolina; Burlington, Iowa; Hyannis, Massachusetts as well as Guelph and Waterloo, Ontario. Products are sold under the Lance and Cape Cod brand names along with a full line of private label cookies, crackers and sugar wafers. The Company's products are distributed mainly through a direct-store-delivery ("DSD") system and through direct shipments. Lance's DSD system of approximately 1,900 routes services grocery and mass merchants, convenience stores, restaurants, club stores, drug stores, military and government facilities and institutional food service providers. The Company also operates an extensive vending business, servicing approximately 50,000 locations.

Corporate Information

Notice of Annual Meeting

The annual meeting of stockholders will be held at 2:00 p.m. (EDT) on April 26, 2001, at Lance's principal office, 8600 South Boulevard, Charlotte, North Carolina. Notice of the meeting and a form of proxy are being mailed to the stockholders. The Board of Directors would appreciate prompt return of proxies. Proxies may be revoked at any time before they are exercised and will not be used if stockholders attend the meeting and vote in person.

Form 10-K Available

A copy of the Company's annual report on Form 10-K, as filed with the Securities and Exchange Commission, may be obtained by writing to:

Lance, Inc.
Attn: Secretary
P.O. Box 32368
Charlotte, North Carolina 28232

Transfer Agent for Common Stock

First Union National Bank
Corporate Trust Department
1525 West W.T. Harris Boulevard
Building 3C3
Charlotte, North Carolina 28254-3435
Phone 1-800-829-8432

Dividend Reinvestment Service

This service is established for all Lance, Inc. common stockholders, regardless of the size of their holdings. For further information contact:

First Union National Bank
Corporate Trust Department
1525 West W.T. Harris Boulevard
Building 3C3
Charlotte, North Carolina 28254-3435
Phone 1-800-829-8432

For Further Information:

Lance, Inc.
Attn: Investor Relations
P.O. Box 32368
Charlotte, North Carolina 28232
Phone 704-554-1421
Fax 704-554-5562
www.lancesnacks.com

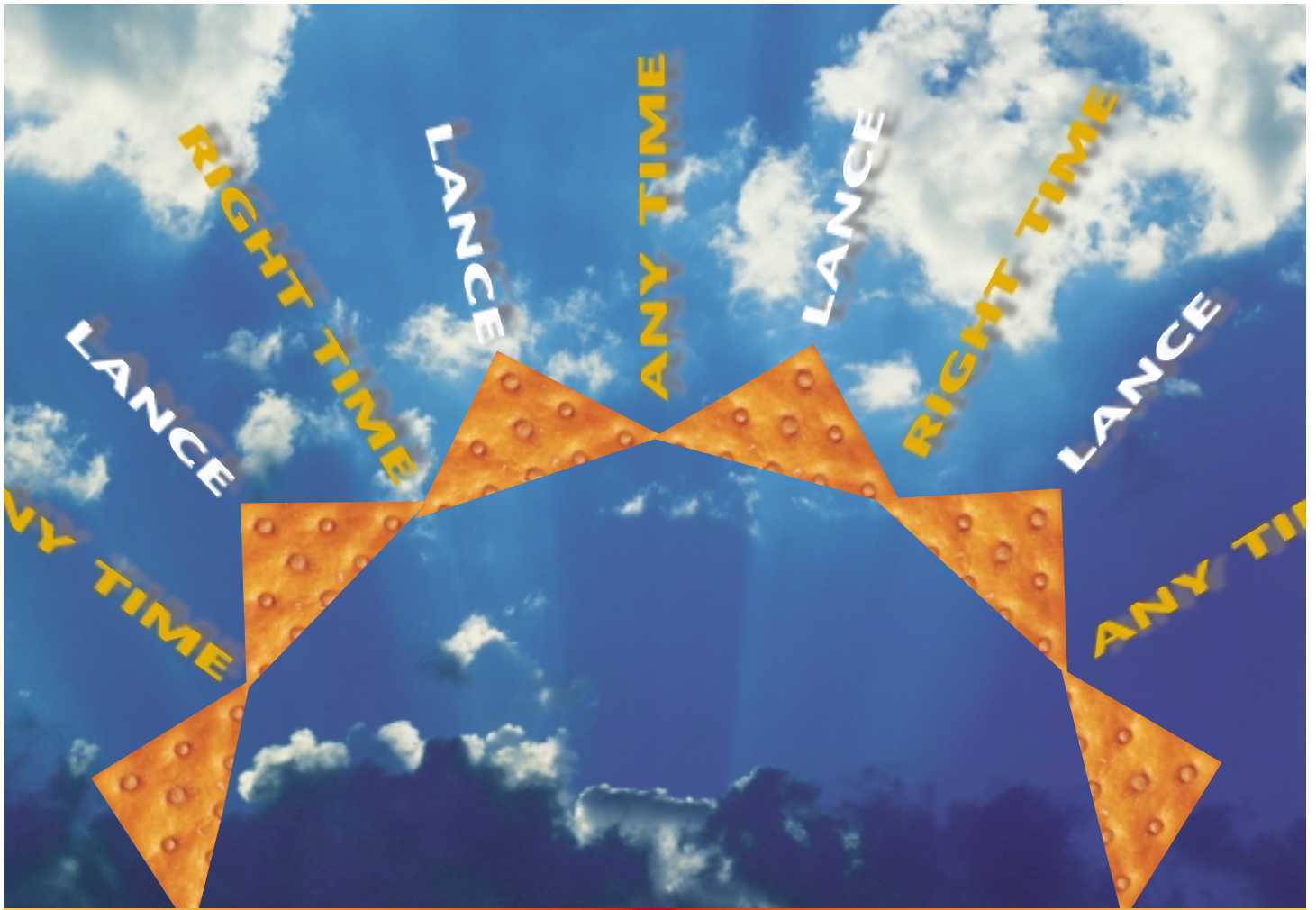


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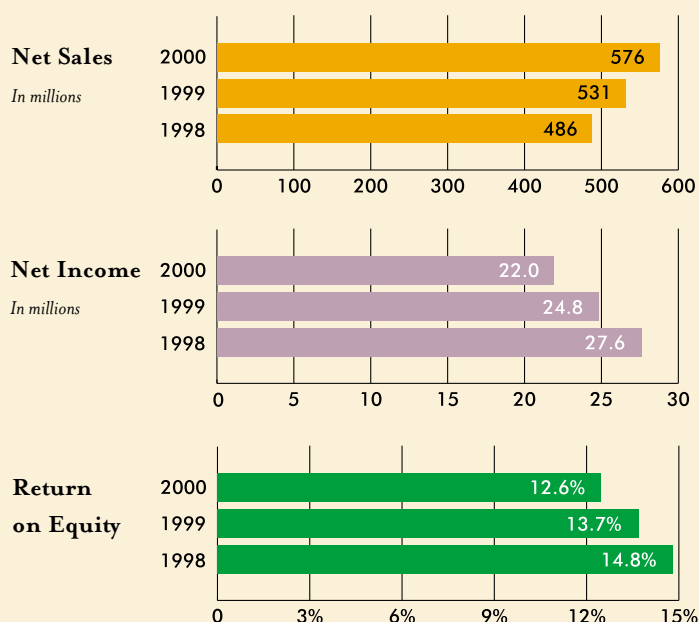
Forward-Looking Statements

This report contains statements which may be forward looking within the meaning of applicable securities laws. The statements may include projections regarding future earnings and results which are based upon the Company's current expectations and assumptions, which are subject to a number of risks and uncertainties. Factors that could cause actual results to differ, including price competition, raw material costs, the ability to generate profitable sales growth and the operation of a leveraged business, are discussed in the Company's most recent Forms 10-Q and 10-K filed with the Securities and Exchange Commission.

F I N A N C I A L H I G H L I G H T S

*Financial data except per share
amounts in thousands*

	2000	1999	1998
	53 Weeks	52 Weeks	52 Weeks
Operations For The Year:			
Net sales and other operating revenue	\$ 576,299	\$ 531,274	\$ 486,432
Profit from operations	36,613	41,344	40,075
Net income	21,961	24,761	27,608
Cash flows from operations	51,495	46,043	37,832
Depreciation and amortization	28,951	27,435	21,726
Capital expenditures	24,751	30,537	54,659
Per Share Of Common Stock:			
Net income (diluted)	0.76	0.83	0.92
Cash dividends	0.64	0.96	0.96
Stockholders' equity	6.03	6.04	6.20
Shares used in computing diluted earnings per share (in millions)	29.0	29.9	30.0



L E T T E R T O O U R S T O C K H O L D E R S

Dear Fellow Stockholders,

Your Company made significant progress on a number of fronts during 2000. Both of our major brands, Lance and Cape Cod Potato Chips, performed well from a market share standpoint. Lance sandwich crackers maintained a leadership position in supermarkets with a total share of approximately 35% on a national basis, nearly twice that of the closest competitor. Cape Cod built on its position as the nation's leading kettle-cooked potato chip brand and showed excellent gains in distribution and market share in all key markets.

In another key area, we leveraged our strong production capabilities to gain significant, sustainable contract manufacturing sales. This helped drive our strongest revenue growth in recent years, up approximately 4% on a comparable basis.

Additionally, we reached full functionality with our integrated information systems, culminating an intense effort spanning more than five years and requiring significant investments of time and resources. These systems upgrades support our drive to provide outstanding customer service and have significantly enhanced our ability to analyze and control important facets of our business.

The list of positive achievements goes on, but in summary, 2000 represented a continuation of the strides we have made in recent years in strengthening Lance through:

- productivity improvement;
- systems development;
- organizational improvement; and
- external development.

We are pleased with this progress, but we are not pleased with our financial performance. During 2000, manufacturing inefficiencies related to the quick ramp-up of contract manufacturing volumes increased costs on a short-term basis. This, combined with the underperformance of our route delivery sales system, weakened earnings.

Looking ahead, our most important key result area is the revitalization of our route sales system. We are aligning our resources to get this job done, and we will! We believe that a high-performing direct-store-delivery (“DSD”) system is a critical strategic asset, ensuring that products are fresh and well-displayed in high traffic areas, which is extremely important for impulse snack foods.

Our improvement efforts are focused on having a well-trained, motivated sales force that puts our customers first and strives for more stops per day and more sales per stop. Key to this is providing better tools and training. For example, on-line operating data is now available for each route, enhancing the ability to monitor and improve results. Additionally, we recently inaugurated “DSD University” for field sales management, with the curriculum focused on developing leadership skills and providing outstanding customer service through excellent sales execution. To tie all of this



Paul A. Stroup, III
Chairman, President and
Chief Executive Officer

together, sales management compensation and accountability are being aligned more tightly to drive growth.

In other areas, we are working constantly to improve the taste, quality and appearance of our products. This includes the introduction of Toastchee™ sandwich crackers containing 20% more peanut butter; S'mores on Neko™ cookies; Grilled Cheese on Captain's Wafer™ crackers; and the Thunder line of potato chips and other salty snacks.

We are also pleased to report continued strong growth of private label sales during 2000 that complement the significant increases in contract manufacturing shipments. Our strategic investments in manufacturing excellence have paid off with Lance recognized in the industry as a manufacturing leader. We will continue leveraging this capability to take advantage of additional growth opportunities.

As we continue to strengthen our organization, I am pleased to introduce Frank Lewis as Vice President of Sales for Lance Company. Frank joined our team in late 2000 and brings to Lance a wealth of valuable snack food industry experience and in-depth, first-hand knowledge of successful DSD systems. His leadership will have a strong influence on improving our route sales organization.

In another recent move, Tony Cusano was promoted to President of Cape Cod Potato Chip Company, Inc. Tony was most recently Vice President of Sales for Cape Cod, where he was instrumental in driving the strong sales growth this brand has experienced in recent years. We look forward to his continuing leadership and success in this new role.

On a more personal note, we would like to express our sympathy to the family of Weldon Johnson, who passed away last year. Weldon joined

Lance, Inc.'s Board of Directors in 1997 and brought Lance experience and insight of tremendous value. We will miss his counsel and friendship.

As we enter 2001, we face two fundamental tasks. First, we must successfully implement critical changes to our route delivery system. Success here is essential and we are up to the challenge, but it will take time. We have a clear understanding of the issues, are implementing well-defined action steps and are confident that we are on the right track.

Second, we must exploit the positive achievements of the past year to drive improved results and regain investor confidence. Your Company is an established, highly profitable business with significant growth opportunities. We have well-recognized, quality snack products and high-potential distribution capabilities that will be used to strengthen our operating and financial performance.

Our priority is to finish 2001 with our route system on a stronger footing and positioned to drive profitable sales growth. Achieving this may dampen our short-term financial performance but the longer-term payoff is very promising.

The books closed on 2000 with mixed results, but we are confident that our actions will drive better performance in 2001 and that we will enjoy the long-term success we have worked so hard to achieve.

As always, we would like to thank our stockholders, employees, customers, consumers, suppliers and friends for their continuing support.

Sincerely,



Paul A. Stroup, III
Chairman, President and
Chief Executive Officer

Q
 HOW WILL THE
 ONGOING MERGERS
 AND ACQUISITIONS
 IN THE FOOD
 INDUSTRY IMPACT
 LANCE, INC.?



The impact of consolidation among food manufacturers, distributors and retailers is significant for us. Lance is increasingly competing with firms having greater resources at their disposal. Our success hinges on the ability to build upon strengths, which include: our leading position in important niches such as sandwich crackers and kettle-cooked potato chips; the valuable Lance and Cape Cod brands; outstanding manufacturing capabilities; a strong position in private-label cookies, crackers and sugar wafers; and the potential of our direct-store-delivery (“DSD”) route sales system. We believe that strong execution of our strategies using these strengths as cornerstones will allow Lance to participate effectively in the exciting food industry environment.

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There are several important points to make. In terms of growth rates, we expect to see continued strong growth of the Cape Cod brand as well as attractive increases in sales of private-label cookies, crackers and sugar wafers. Because of the high proportion of products sold under the Lance brand, we feel the overall growth opportunity is greatest here. We believe Lance branded sales will improve as our DSD system is

Q
 WHAT ARE THE
 MOST ATTRACTIVE
 GROWTH OPPOR-
 TUNITIES FOR
 LANCE, INC.?

strengthened in our core markets. This growth of Lance branded products will be complemented with expanded geographic coverage through direct shipments and other distribution methods.

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An effective DSD system can give Lance a competitive advantage in servicing our customers and keeping our products readily available for on-the-go snack food consumers. Whether the purchase point is a chain convenience store, “mom and pop” outlet, grocery store or vending machine, Lance wants to be there and our DSD system can make it happen.

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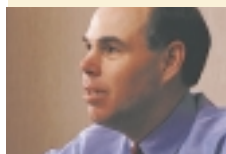
Lance is a profitable business with a very strong balance sheet. Key to improved financial performance is profitable sales growth, which is being driven by the areas outlined above, combined with improved cost-effectiveness. All operating expenses are under intense scrutiny and we are working continuously to improve manufacturing and distribution efficiencies.

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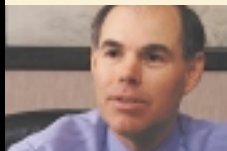
Efficiency issues related to the 2000 ramp-up of contract manufacturing sales have persisted longer than we had hoped. We are making steady improvements in key areas

Q
 WHY ARE YOU
 FOCUSING SO
 HEAVILY ON
 STRENGTHENING
 LANCE, INC.’S
 DSD ROUTE SALES
 SYSTEM?

Q
 WHAT ARE YOU
 DOING TO
 IMPROVE LANCE,
 INC.’S FINANCIAL
 PERFORMANCE?



Q
 WHAT IS LANCE,
 INC. DOING
 TO IMPROVE
 MANUFACTURING
 PERFORMANCE?



Q
IS LANCE, INC.
SHIFTING ITS
EMPHASIS TO
CONTRACT
MANUFACTURING?

such as scrap, labor and quality by improving production scheduling and changeover processes. We expect a further boost in manufacturing efficiency with the second quarter start up of new production equipment giving us better productivity and flexibility.

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No. Our branded product line remains the focal point of our growth strategy. In recent years, we have developed excellent production capabilities through investments in manufacturing technology. Contract manufacturing allows us to utilize these capabilities better while maintaining the priority on our own branded products.

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Q
HOW STRONG ARE
LANCE, INC.'S
BRANDS?

The Lance and Cape Cod brands remain strong. Lance sandwich crackers continue as a strong market share leader and Cape Cod is building on its position as the nation's leading kettle-cooked potato chip.

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Q
HOW ARE THE
TAMMING FOODS
AND CAPE COD
POTATO CHIP
COMPANY
ACQUISITIONS
PERFORMING?

Performance of the Cape Cod brand has been strong and continues to show excellent momentum. Tamming continues to show strong growth as well and is being supported by the addition of a new production line which will start up later this year.

Q
DO THE CURRENT
DEBT LEVELS
IMPAIR LANCE,
INC.'S ABILITY TO
GROW EARNINGS?

No. Lance has a very strong balance sheet and excellent cash flow characteristics. The existing debt was incurred to complete the 1999 acquisitions. Since then, we have had more than adequate financial resources available to make strategic investments and drive growth.

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Q
HOW SENSITIVE IS
LANCE, INC. TO
AN ECONOMIC
SLOWDOWN?



While Lance is not immune to changes in the overall economy, the impact of a slowdown tends to be less for Lance than many other businesses. Historically, the affordability of our products has allowed them to continue selling well during all phases of the economic cycle. Also, while a downturn can impact some of our key customers, the risk to Lance is moderated by the lower inflationary environment and favorable employment market which often accompany a slowing economy.

When you're running on empty, Lance
has what it takes to fuel you up!



Lance. America's
favorite snack cracker!

AMERICA'S FAVORITE

With a measured market share in supermarkets almost twice that of the closest competitor, Lance sandwich crackers are the first choice of consumers. Lance offers a wide variety of snack choices, available at almost any retail outlet including supermarkets, mass merchants, convenience stores, wholesale clubs, restaurants, institutions and vending machines. Lance snacks are sold in single-serve and multi-packs, making it easy to enjoy the taste, quality and freshness of Lance snacks at home, at work or at play. Lance has a snack that is just right for any time or occasion and perfect for consumers of all ages!

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Consumers can now enjoy the great taste of s'mores at home or while traveling with Lance S'mores on Neko™ cookies.







Nationally, the market for private label products continues to expand. Lance is capitalizing on this significant growth opportunity by offering a full line of high quality cookies, crackers and sugar wafers, mainly for sale in supermarkets and mass merchants. These products are manufactured in well-managed, efficient facilities located in Burlington, Iowa as well as Guelph and Waterloo, Ontario.

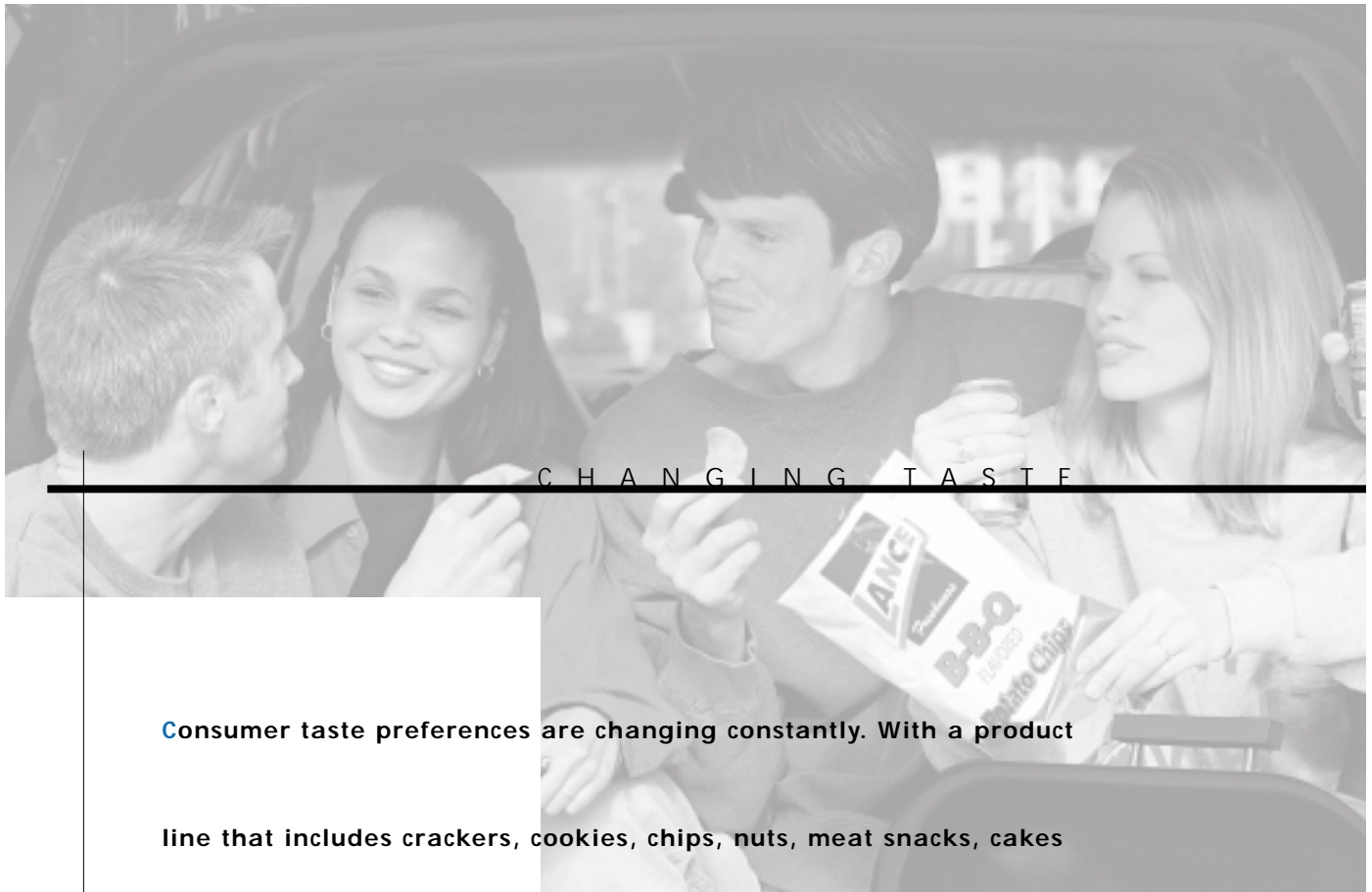


Recently introduced Grilled Cheese on Captain's Wafer™ is another successful addition to Lance's line of quality snack products.



Great taste and convenience make Lance a favorite of consumers of all ages.





Consumer taste preferences are changing constantly. With a product line that includes crackers, cookies, chips, nuts, meat snacks, cakes and candy, Lance has a snack product that will satisfy the snacking urge of any consumer. Keeping the product line fresh and exciting is a priority at Lance. New products, such as the “Thunder” line of chip products, are being introduced continuously, offering consumers fresh snack choices that hit the spot.

Consumers are tasting the Thunder and enjoying an explosion of flavor from every thunderous crunch of Lance Thunder snack prod-



ucts. From Original Rumble cut potato chips to Fieri Jalapeno Cheddar Cheese Balls, the electrifying taste of Thunder chips will leave you begging for more!



Cape Cod potato chips are America's leading kettle-cooked chips. The legendary crunch and all-natural goodness of Cape Cod chips have made them a favorite on the Cape and across the country. Cape Cod chips are cooked the old fashioned way, in small kettles that allow careful monitoring of flavor, texture and quality. The reliable, hearty flavor and crunch of Cape Cod chips are great with sandwiches, flavorful dips or just by themselves. People everywhere are picking up a bag and discovering the classic taste and quality of the Cape!



SNACKING CONVENIENCE

Convenience and availability make Lance snacks the perfect choice for on-the-go consumers. Lance snacks are great for a quick pick-me-up, between meals, while traveling or late at night. Lance's route sales organization, servicing nearly 1,900 routes, makes sure Lance snacks are available any time and anywhere consumers want to snack.

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Lance's vending system includes over 50,000 vending locations and makes great tasting Lance snack products available to consumers any time at a wide variety of locations. This vending network is serviced by Lance's extensive route system and is a perfect fit for DSD sales.





Lance delivery trucks are a familiar sight throughout much of the country, delivering freshness and quality every day. Direct-store-delivery (“DSD”) gives Lance the power to reach all types of outlets, from small “mom & pop’s” to giant chain stores.





Lance sales representatives take special care to understand the unique requirements of each customer so they can provide outstanding service with each sales call. Product merchandising, ensuring that shelves remain fully stocked and products are well displayed, is a valuable service that the Lance sales representative provides for each customer.

Lance is committed to improving the skills and effectiveness of its sales force. This commitment was underscored with the inauguration of "DSD University" in early 2000. At "DSD University" field sales managers receive intensive instruction on improving leadership skills and selling effectiveness. "DSD University" represents an important part of Lance's commitment to providing its field sales personnel with the tools and skills required for success in today's rapidly changing marketplace.





Lance is extremely proud of its number one position in the marketplace and its line of quality snacks. Teamwork, loyalty, and dedication are the key ingredients in the recipe for success.

A winning attitude is growing at Lance and will support the Company's future success.

Condensed Consolidated Statements of Income

Lance, Inc. and Subsidiaries

For the Fiscal Years Ended December 30, 2000,
December 25, 1999, and December 26, 1998
(In thousands, except share and per share data)

	2000 (53 weeks)	1999 (52 weeks)	1998 (52 weeks)
Net sales and other operating revenue	\$576,299	\$531,274	\$486,432
Cost of sales and operating expenses			
Cost of sales	284,702	246,017	222,228
Selling, marketing and delivery	224,584	214,257	199,134
General and administrative	24,442	23,726	19,482
Provisions for employees' retirement plans	4,161	4,575	5,513
Amortization of goodwill and other intangibles	1,797	1,355	-
Total costs and expenses	539,686	489,930	446,357
Operating profit	36,613	41,344	40,075
Interest income (expense), net	(4,476)	(2,417)	1,906
Other income, net	2,413	938	1,762
Income before income taxes	34,550	39,865	43,743
Income taxes	12,589	15,104	16,135
Net income	\$ 21,961	\$ 24,761	\$ 27,608
Earnings per share			
Basic	\$0.76	\$0.83	\$0.92
Diluted	\$0.76	\$0.83	\$0.92
Weighted average shares outstanding – basic	28,961,000	29,874,000	29,925,000
Weighted average shares outstanding – diluted	28,976,000	29,918,000	30,043,000

See consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 30, 2000.

Condensed Consolidated Balance Sheets

Lance, Inc. and Subsidiaries

December 30, 2000 and December 25, 1999
(In thousands, except share data)

Assets	2000	1999
Current assets		
Cash and cash equivalents	\$ 1,224	\$ 13,303
Accounts receivable (less allowance for doubtful accounts of \$1,843 and \$2,524, respectively)	47,188	49,106
Inventories	23,205	26,244
Prepaid income taxes	1,120	888
Deferred income tax benefit	4,161	4,487
Prepaid expenses and other	5,430	3,010
Total current assets	82,328	97,038
Property, plant and equipment, net	179,283	183,782
Goodwill, net	42,069	35,451
Other intangible assets, net	10,177	11,064
Other assets	3,216	3,327
Total assets	\$ 317,073	\$ 330,662
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 395	\$ 354
Accounts payable	14,718	15,597
Accrued compensation	8,844	10,845
Accrued profit-sharing retirement plan	3,836	4,564
Accrual for insurance claims	4,642	4,366
Other payables and accrued liabilities	6,961	4,154
Total current liabilities	39,396	39,880
Other liabilities and deferred credits		
Long-term debt	63,536	70,852
Deferred income taxes	21,548	21,167
Accrued postretirement health care costs	11,317	11,410
Accrual for insurance claims	4,083	3,808
Supplemental retirement benefits	2,600	2,755
Commitments and contingent liabilities	-	-
Total other liabilities and deferred credits	103,084	109,992
Stockholders' equity		
Common stock, 28,947,222 and 29,950,897 shares outstanding at December 30, 2000 and December 25, 1999	24,123	24,959
Preferred stock, 0 shares outstanding at December 30, 2000 and December 25, 1999	-	-
Additional paid-in capital	1,229	2,552
Unamortized portion of restricted stock awards	(437)	(799)
Retained earnings	149,794	154,063
Accumulated other comprehensive income (loss)	(116)	15
Total stockholders' equity	174,593	180,790
Total liabilities and stockholders' equity	\$ 317,073	\$ 330,662

See consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 30, 2000.

Condensed Consolidated Statements of Stockholders' Equity and Comprehensive Income

Lance, Inc. and Subsidiaries

For the Fiscal Years Ended December 30, 2000,
December 25, 1999, and December 26, 1998
(In thousands, except share data)

	Shares	Common Stock	Additional Paid-in Capital	Unamortized Portion of Restricted Stock Awards	Retained Earnings	Accumulated Other Comprehensive Income(Loss)	Total
Balance, December 27, 1997	29,923,287	\$ 24,936	\$ 999	(488)	160,682	393	186,522
Comprehensive income:							
Net income	-	-	-	-	27,608	-	27,608
Net change in unrealized gains on marketable securities, net of tax effect of (\$198)	-	-	-	-	-	(303)	(303)
Total comprehensive income	-	-	-	-	-	-	<u>27,305</u>
Cash dividends paid to stockholders	--	-	-	-	(28,766)	-	(28,766)
Stock options exercised	60,901	50	1,039	-	-	-	1,089
Issuance of restricted stock, net of cancellations	17,401	15	230	(14)	-	-	231
Purchases of common stock	(12,379)	(10)	(287)	-	-	-	(297)
Balance, December 26, 1998	29,989,210	\$ 24,991	\$ 1,981	(502)	\$ 159,524	90	\$ 186,084
Comprehensive income:							
Net income	-	-	-	-	24,761	-	24,761
Net change in unrealized gains on marketable securities, net of tax effect of (\$45)	-	-	-	-	-	(90)	(90)
Foreign currency translation adjustment	-	-	-	-	-	15	15
Total comprehensive income	-	-	-	-	-	-	<u>24,686</u>
Cash dividends paid to stockholders	-	-	-	-	(28,808)	-	(28,808)
Stock options exercised	3,487	3	57	-	-	-	60
Issuance of restricted stock, net of cancellations	58,200	49	514	(297)	-	-	266
Purchases of common stock	(100,000)	(84)	-	-	(1,414)	-	(1,498)
Balance, December 25, 1999	29,950,897	\$ 24,959	\$ 2,552	\$ (799)	\$ 154,063	\$ 15	\$ 180,790
Comprehensive income:							
Net income	-	-	-	-	21,961	-	21,961
Foreign currency translation adjustment	-	-	-	-	-	(131)	(131)
Total comprehensive income	-	-	-	-	-	-	<u>21,830</u>
Cash dividends paid to stockholders	-	-	-	-	(18,572)	-	(18,572)
Stock options exercised	-	-	-	-	-	-	-
Issuance of restricted stock, net of cancellations	(27,675)	(23)	(184)	362	-	-	155
Purchases of common stock	(976,000)	(813)	(1,139)	-	(7,658)	-	(9,610)
Balance, December 30, 2000	28,947,222	\$ 24,123	\$ 1,229	\$ (437)	\$ 149,794	\$ (116)	\$ 174,593

See consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 30, 2000.

Condensed Consolidated Statements of Cash Flows

Lance, Inc. and Subsidiaries

For the Fiscal Years Ended December 30, 2000,
December 25, 1999, and December 26, 1998
(In thousands)

	2000	1999	1998
Operating activities			
Net income	\$ 21,961	\$ 24,761	\$ 27,608
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	28,951	27,435	21,726
Gain on sale of property, net	(2,043)	(902)	(823)
Deferred income taxes	776	3,518	3,222
Other, net	156	266	260
Changes in operating assets and liabilities:			
Accounts receivable	1,853	(1,818)	(5,559)
Inventory	3,086	(3,698)	(2,449)
Prepaid expenses and other current assets	(2,398)	(903)	(668)
Accounts payable	(851)	1,458	3,410
Prepaid income taxes	(248)	1,623	(3,872)
Other payables and accrued liabilities	252	(5,697)	(5,023)
Net cash flow from operating activities	51,495	46,043	37,832
Investing activities			
Purchases of property and equipment	(24,751)	(30,537)	(54,659)
Proceeds from sale of property	3,848	1,570	2,337
Acquisition of businesses, net of cash acquired	-	(53,570)	-
Purchases of marketable securities	-	(556)	(1,853)
Maturities of marketable securities	-	1,886	6,201
Sales of marketable securities	-	7,643	11,917
Other, net	-	63	38
Net cash used in investing activities	(20,903)	(73,501)	(36,019)
Financing activities			
Dividends paid	(18,572)	(28,808)	(28,766)
Issuance (purchase) of common stock, net	(9,610)	(1,438)	792
Proceeds from debt issued, net of acquisition costs	-	64,519	-
Repayments of debt	(384)	(36,969)	-
Borrowings (repayments) under revolving credit facilities, net	(13,995)	35,500	-
Other, net	-	-	(23)
Net cash provided by (used in) financing activities	(42,561)	32,804	(27,997)
Effect of exchange rate changes on cash	(110)	101	-
Increase (decrease) in cash and cash equivalents	(12,079)	5,447	(26,184)
Cash and cash equivalents at beginning of fiscal year	13,303	7,856	34,040
Cash and cash equivalents at end of fiscal year	\$ 1,224	\$ 13,303	\$ 7,856
Supplemental information and non-cash transactions			
Cash paid for income taxes, net of refunds of \$423, \$3,043 and \$38, respectively	\$ 11,244	\$ 9,666	\$ 16,497
Cash paid for interest	\$ 3,775	\$ 2,211	-
Deferred note payable	\$ 8,242	-	-

See consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 30, 2000.

Independent Auditors' Report

The Board of Directors and Stockholders
Lance, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Lance, Inc. and subsidiaries as of December 30, 2000 and December 25, 1999, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the fiscal years in the three-year period ended December 30, 2000 (not presented herein); and in our report dated March 6, 2001, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements (included on pages 17 to 20 herein) is fairly stated, in all material aspects, in relation to the consolidated financial statements from which it has been derived.

KPMG LLP

Charlotte, North Carolina
March 9, 2001

L A N C E, I N C. 2 0 0 0 S U M M A R Y A N N U A L R E P O R T

Directors

Paul A. Stroup, III, 49, Chairman of the Board of Directors of the Company, President and Chief Executive Officer of the Company

Alan T. Dickson, 69, Chairman of the Board of Directors of Ruddick Corporation (Diversified holding company)

J. W. "Bill" Disher, 67, Director of the Company and retired Chairman of the Board of Directors of the Company

James H. Hance, Jr., 56, Director of the Company and Vice Chairman and Chief Financial Officer of Bank of America Corporation

William R. Holland, 62, Director of the Company and Chairman and Chief Executive Officer of United Dominion Industries Limited (Diversified manufacturing company)

Scott C. Lea, 69, Director of the Company, Retired Chairman of the Board of Directors of the Company and retired Chief Executive Officer of Rexham, Inc. (Manufacturer of packaging and coated laminated products)

Nancy Van Every McLaurin, 56, Director of the Company and private investor

Wilbur J. Prezzano, 60, Director of the Company and retired Vice Chairman of the Board of Eastman Kodak, Inc.

Robert V. Sisk, 65, Director of the Company and President of Piedmont Engineering Corporation (Industrial refrigeration systems)

Isaiah Tidwell, 56, Director of the Company and President, Georgia Banking of Wachovia Bank, N.A.

S. Lance Van Every, 53, Director of the Company and private investor

Executive Officers

Paul A. Stroup, III
President and Chief Executive Officer

Richard G. Tucker
Vice President and President, Lance Company

L. Rudy Gragnani
Vice President of Information Systems

Earl D. Leake
Vice President of Human Resources

Frank I. Lewis
Vice President of Sales

B. Clyde Preslar
Vice President and Chief Financial Officer

Robert S. Carles
Secretary

David R. Perzinski
Treasurer

Margaret E. Wicklund
Corporate Controller and Assistant Secretary