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A n n u a l R e p o r t



Lancaster Colony Corporation

FINANCIAL HIGHLIGHTS

COMPANY PROFILE

Lancaster Colony Corporation is a manufacturer and marketer of consumer products with a focus on specialty foods for the retail and foodservice markets. Lancaster Colony Corporation also manufactures and markets candles for the food, drug and mass markets.



(Thousands Except Per Share Figures)	Years Ended June 30	
	2008	2007
Net Sales ^a	\$980,915	\$ 945,810
Gross Margin ^a	\$157,341	\$ 181,740
Income From Continuing Operations Before Income Taxes ^a	\$ 75,668	\$ 101,260
Taxes Based on Income ^a	\$ 27,229	\$ 36,981
Income From Continuing Operations ^a	\$ 48,439	\$ 64,279
Total Assets	\$520,178	\$ 598,497
Shareholders' Equity	\$359,218	\$ 444,309
Per Common Share:		
Income From Continuing Operations – Diluted ^a	\$ 1.64	\$ 2.03
Cash Dividends	\$ 1.11	\$ 1.07
Shareholders' Equity	\$ 12.63	\$ 14.45
Weighted Average Common Shares Outstanding – Diluted	29,499	31,603

^a Amounts exclude the impact of certain discontinued automotive operations sold in the fiscal years ended June 30, 2008 and 2007.

SPECIALTY FOODS

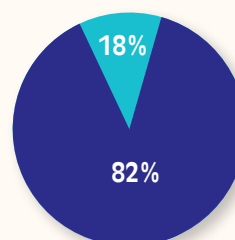
(In Thousands)	2008	2007
Net Sales	\$ 808,507	\$ 728,657
Operating Income	\$ 88,975	\$ 101,518

GLASSWARE & CANDLES

(In Thousands)	2008	2007
Net Sales	\$ 172,408	\$ 217,153
Operating (Loss) Income	\$ (1,887)	\$ 5,712

NET SALES

(Fiscal Year Ended June 30, 2008)



- Specialty Foods
- Glassware & Candles

TO OUR SHAREHOLDERS

Fiscal 2008 brought significant change to our business.

Our strategic direction is now firmly focused on our Specialty Foods business as we sold our remaining automotive operation, Dee Zee, and our consumer glass business, Indiana Glass.

Candle-lite is now our only significant nonfood business.

Early in the year, we successfully integrated the Marshall Biscuit Company into our Specialty Foods Group and also completed the successful start-up phase for our new Sister Schubert's frozen yeast roll facility. Our investment of more than \$41 million in this new facility doubles our capacity to support this fast-growing product line.

In fiscal 2008 we also formed a new marketing team within our food group to help drive the growth of our key brands:

Marzetti[®], New York BRAND[®] and Sister Schubert's[®]. Our goal is to be a more consumer-oriented, branded food business. We have been very pleased with the demonstrated success of several new products this past year, including New York BRAND[®] Pizzeria



The new Sister Schubert's production facility has helped meet the increasing demand for this popular line of frozen yeast rolls.

March 2007

Announced closure of industrial glass operations

March 2007

Sale of automotive bedmat / truck mud flap operations

June 2007

Sale of automotive floor mat operations

November 2007

Sale of consumer / floral glass operations

June 2008

Sale of automotive aluminum accessory operations

Strategic Actions



Marzetti® and Disney® co-branded snack packs will be available this fall in the produce department.

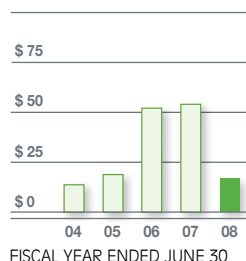
Dip'N Sticks and Texas Toast Croutons. We are also excited about the recent addition of our New York BRAND® Ciabatta Cheese Rolls to the frozen garlic bread category. This fall we will launch a line of co-branded Fruit and Veggie Dip Snack Packs using both the Marzetti® and Disney®

brands with new vitamin-fortified ingredients. In the produce department, Marzetti® hummus is gaining traction, and we look forward to expanded distribution in the months ahead. In the foodservice channel, our co-branded Marzetti® and Wendy's® salad dressings and croutons were introduced in early summer. New candle products include items licensed under the Entenmann's® and Laura Ashley® brands.

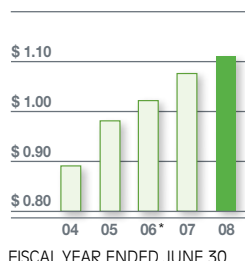
Our biggest challenge in fiscal 2008 was higher raw-material costs. Broad increases among agricultural commodities (particularly soybean oil and wheat) and paraffin wax had a full-year unfavorable impact of approximately \$70 million. The average market price of soybean oil alone was up over 70% in fiscal 2008 compared with last year. While we recovered about one-half of our higher raw-material costs through pricing, our profit margins were significantly affected.

Despite the unsettled economic environment, our total debt to capitalization at the end of the year was less than 14%. We returned approximately \$122 million to shareholders in the

CAPITAL EXPENDITURES
(In Millions of Dollars)



DIVIDENDS PER SHARE



* Excludes special cash dividend of \$2.00 per share

SHARE REPURCHASES
(In Millions of Dollars)



form of share repurchases and cash dividends in fiscal 2008 as supported by our operating cash flow and various business divestitures. Fiscal 2008 also marked our 45th consecutive year of dividend increases.

Several key governance changes were implemented during the fiscal year. Jim Bachmann became our first lead independent director, and we welcomed Alan Harris, a highly experienced food industry executive, to our Board of Directors. At this year's annual meeting, we plan to make several additional changes to enhance and update our corporate governance structure.

We would like to thank retiring director Bob Hamilton for his 23 years of service and countless contributions during his tenure.

As we enter fiscal 2009, we are positive about the strategic changes we are pursuing within our business as we confront the external challenges of a slower economy and continued high input costs. Building our brands and focusing on cost control will be essential for us as we move into a new era for our business.

Thank you for your continued interest and support.



New York BRAND® Pizzeria Dip'N Sticks gained wide market acceptance this past year.



Wendy's® now offers all-natural Marzetti® refrigerated dressings and croutons with their Garden Sensations® salads.

A handwritten signature in black ink that reads "John B. Gerlach, Jr.".

John B. Gerlach, Jr.
Chairman & Chief Executive Officer
September 22, 2008

FIVE YEAR FINANCIAL SUMMARY



LANCASTER COLONY CORPORATION AND SUBSIDIARIES

(Thousands Except Per Share Figures)

OPERATIONS	Years Ended June 30				
	2008	2007	2006	2005	2004
Net Sales ⁽¹⁾	\$ 980,915	\$ 945,810	\$ 924,571	\$ 907,345	\$ 870,351
Gross Margin ⁽¹⁾	\$ 157,341	\$ 181,740	\$ 189,074	\$ 191,014	\$ 188,479
Percent of Sales	16.0%	19.2%	20.4%	21.1%	21.7%
Interest Expense	\$ (3,076)	\$ (150)	\$ —	\$ —	\$ —
Percent of Sales	0.3%	0.0%	0.0%	0.0%	0.0%
Other Income – Continued Dumping and Subsidy Offset Act	\$ 2,533	\$ 699	\$ 11,376	\$ 26,226	\$ 1,987
Income from Continuing Operations Before Income Taxes ⁽¹⁾	\$ 75,668	\$ 101,260	\$ 125,734	\$ 141,928	\$ 116,432
Percent of Sales	7.7%	10.7%	13.6%	15.6%	13.4%
Taxes Based on Income ⁽¹⁾	\$ 27,229	\$ 36,981	\$ 44,494	\$ 52,550	\$ 43,559
Income from Continuing Operations ⁽¹⁾	\$ 48,439	\$ 64,279	\$ 81,240	\$ 89,378	\$ 72,873
Percent of Sales	4.9%	6.8%	8.8%	9.9%	8.4%
Income (Loss) from Discontinued Operations, Net of Tax	\$ 2,633	\$ (3,475)	\$ 1,714	\$ 3,710	\$ 7,129
Loss on Sale of Discontinued Operations, Net of Tax	\$ (13,452)	\$ (15,120)	\$ —	\$ —	\$ —
Net Income	\$ 37,620	\$ 45,684	\$ 82,954	\$ 93,088	\$ 80,002
Percent of Sales	3.8%	4.8%	9.0%	10.3%	9.2%
Diluted Income (Loss) per Common Share:					
Continuing Operations ⁽¹⁾	\$ 1.64	\$ 2.03	\$ 2.42	\$ 2.56	\$ 2.04
Discontinued Operations	\$ (.37)	\$ (.59)	\$.05	\$.11	\$.20
Net Income	\$ 1.28	\$ 1.45	\$ 2.48	\$ 2.67	\$ 2.24
Cash Dividends per Common Share	\$ 1.11	\$ 1.07	\$ 3.03	\$.98	\$.89

FINANCIAL POSITION

Cash, Equivalents and Short-Term Investments ⁽¹⁾	\$ 19,417	\$ 8,316	\$ 41,815	\$ 184,580	\$ 178,503
Total Assets	\$ 520,178	\$ 598,497	\$ 628,021	\$ 731,278	\$ 712,885
Working Capital	\$ 144,925	\$ 137,121	\$ 235,283	\$ 370,559	\$ 358,274
Property, Plant and Equipment–Net ⁽¹⁾	\$ 179,573	\$ 194,589	\$ 162,107	\$ 131,837	\$ 134,325
Long-Term Debt	\$ 55,000	\$ —	\$ —	\$ —	\$ —
Property Additions ⁽¹⁾	\$ 16,832	\$ 53,589	\$ 51,860	\$ 18,917	\$ 13,329
Depreciation and Amortization ⁽¹⁾	\$ 24,138	\$ 24,081	\$ 24,980	\$ 26,351	\$ 23,717
Shareholders' Equity	\$ 359,218	\$ 444,309	\$ 494,421	\$ 587,726	\$ 586,785
Per Common Share	\$ 12.63	\$ 14.45	\$ 15.33	\$ 17.17	\$ 16.54
Weighted Average Common Shares Outstanding–Diluted	29,499	31,603	33,502	34,925	35,778

(1) Amounts exclude the impact of certain discontinued automotive operations sold in the fiscal years ended June 30, 2008 and 2007.

CORPORATE INFORMATION

OFFICERS AND DIRECTORS

JOHN B. GERLACH, JR.*

Chairman, Chief Executive Officer,
President and Director

JOHN L. BOYLAN*

Vice President, Treasurer,
Chief Financial Officer and Director

BRUCE L. ROSA*

Vice President - Development

DAVID M. SEGAL*

Corporate Secretary

MATTHEW R. SHURTE*

Assistant Secretary

JAMES B. BACHMANN

Lead Director

Retired Columbus Managing Partner,
Ernst & Young LLP

NEELI BENDAPUDI

Director

Associate Professor of Marketing,
The Ohio State University

ROBERT L. FOX

Director
Financial Advisor,
Wachovia Securities, LLC

ALAN F. HARRIS

Director
Retired Executive Vice President,
Chief Marketing and Customer Officer,
Kellogg Company

EDWARD H. JENNINGS

Director
President Emeritus,
The Ohio State University

HENRY M. O'NEILL, JR.

Director
Chairman and Chief Executive Officer,
IRTH Solutions, Inc.

ZUHEIR SOFIA

Director
Chairman, Sofia & Company, Inc.

*Principal employment is by
Lancaster Colony Corporation.



INVESTOR INFORMATION

Stock Trading

Common Stock is traded on
The NASDAQ Global Select Market
under the symbol LANC.

Corporate Offices

37 West Broad Street
Columbus, Ohio 43215
614-224-7141

Auditors

Deloitte & Touche LLP
Columbus, Ohio

Transfer Agent and Registrar

American Stock Transfer
and Trust Company
59 Maiden Lane
New York, NY 10007
1-877-777-0800

 **Lancaster Colony**
www.lancastercolony.com

FORM 10-K

The Company files annually with the
Securities and Exchange Commission
(SEC) its Annual Report on Form 10-K,
which is included herein and is also
available without charge upon request
to the Corporate Secretary, Lancaster
Colony Corporation, 37 West Broad
Street, Columbus, Ohio 43215.

**Additional financial data, including
recent SEC filings for Lancaster
Colony Corporation, are available
at the Company's web site
www.lancastercolony.com.**

Disney® is a registered trademark of Disney Consumer Products, Inc.
Hannah Montana and High School Musical® Disney Enterprises, Inc.
Cars and Wall-E® Disney Enterprises, Inc. and Pixar Animation Studios.

Wendy's® and Garden Sensations® are registered trademarks of
Oldemark LLC and are licensed to Wendy's International, Inc.

Entenmann's® is a registered trademark of Entenmann's Products, Inc.

Laura Ashley® is a registered trademark of Laura Ashley, Inc.

All other brand references throughout this annual report
represent trademarks of Lancaster Colony Corporation or
its wholly owned subsidiaries.



 Lancaster Colony

37 West Broad Street
Columbus, Ohio 43215
www.lancastercolony.com