

MIDDLEBY CORP  
Form 10-Q  
August 09, 2007

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**For the quarterly period ended June 30, 2007**

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File No. 1-9973

**THE MIDDLEBY CORPORATION**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

(State or Other Jurisdiction of  
Incorporation or Organization)

**36-3352497**

(I.R.S. Employer Identification No.)

**1400 Toastmaster Drive, Elgin, Illinois**

(Address of Principal Executive Offices)

**60120**

(Zip Code)

Registrant's Telephone No., including Area Code **(847) 741-3300**

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 whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer

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

As of August 3, 2007, there were 16,590,696 shares of the registrant's common stock outstanding.



**THE MIDDLEBY CORPORATION AND SUBSIDIARIES****QUARTER ENDED JUNE 30, 2007**INDEX

<u>DESCRIPTION</u>	<u>PAGE</u>	
<b>PART I. FINANCIAL INFORMATION</b>		
Item 1.	Condensed Consolidated Financial Statements (unaudited)	
	CONDENSED CONSOLIDATED BALANCE SHEETS June 30, 2007 and December 30, 2006	1
	CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS June 30, 2007 and July 1, 2006	2
	CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS June 30, 2007 and July 1, 2006	3
	NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	4
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	18
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	28
Item 4.	Controls and Procedures	31
<b>PART II. OTHER INFORMATION</b>		
Item 1A.	Risk Factors	32
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	32
Item 4.	Submission of Matters to a Vote of Security Holders	32
Item 6.	Exhibits	33

**PART I. FINANCIAL INFORMATION****Item 1. Condensed Consolidated Financial Statements**

**THE MIDDLEBY CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In Thousands, Except Share Amounts)  
(Unaudited)

<b><u>ASSETS</u></b>	Jun. 30, 2007	Dec. 30, 2006
<b>Current assets:</b>		
Cash and cash equivalents	\$ 5,791	\$ 3,534
Accounts receivable, net of reserve for doubtful accounts of \$5,834 and \$5,101	56,343	51,580
Inventories, net	58,679	47,292
Prepaid expenses and other	2,536	3,289
Prepaid taxes	342	1,129
Current deferred taxes	10,851	10,851
Total current assets	134,542	117,675
Property, plant and equipment, net of accumulated depreciation of \$38,712 and \$37,006		
	32,124	28,534
Goodwill	110,942	101,258
Other intangibles	36,200	35,306
Other assets	2,113	2,249
Total assets	\$ 315,921	\$ 285,022
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
<b>Current liabilities:</b>		
Current maturities of long-term debt	\$ 16,572	\$ 16,838
Accounts payable	24,122	19,689
Accrued expenses	59,114	69,636
Total current liabilities	99,808	106,163
Long-term debt	68,856	65,964
Long-term deferred tax liability	3,749	5,867
Other non-current liabilities	14,059	6,455
<b>Stockholders' equity:</b>		
Preferred stock, \$0.01 par value; nonvoting; 2,000,000 shares authorized; none issued	--	--
Common stock, \$0.005 par value; 47,500,000 shares authorized; 20,445,740 and 19,760,490 shares issued in 2007 and 2006, respectively	118	117
Paid-in capital	80,774	73,743
Treasury stock at cost; 3,855,044 shares in 2007 and 2006, respectively	(89,641)	(89,641)
Retained earnings	137,584	115,917
Accumulated other comprehensive income	614	437
Total stockholders' equity	129,449	100,573
Total liabilities and stockholders' equity	\$ 315,921	\$ 285,022

See accompanying notes



**THE MIDDLEBY CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**

**(In Thousands, Except Per Share Amounts)**

**(Unaudited)**

<b>Three Months Ended</b>		<b>Six Months Ended</b>
<b>Jun. 30,</b>	<b>Jul. 1,</b>	
<b>2007</b>	<b>2006</b>	