

WEIS MARKETS INC
Form 10-Q
May 10, 2007

Table of Contents

**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 **March 31, 2007**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-5039

WEIS MARKETS, INC.

(Exact name of registrant as specified in its charter)

PENNSYLVANIA

(State or other jurisdiction of incorporation or organization)

1000 S. Second Street

P. O. Box 471

Sunbury, Pennsylvania

(Address of principal executive offices)

24-0755415

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

17801-0471

(Zip Code)

Registrant's telephone number, including area code: (570) 286-4571
www.weismarkets.com

Registrant's web address:

Not Applicable

(Former name, former address and former fiscal year, if changed since last report.)

Edgar Filing: WEIS MARKETS INC - Form 10-Q

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. (Check one):

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 May 08, 2007, there were issued and outstanding 26,988,400 shares of the registrant's common stock.

Table of Contents

WEIS MARKETS, INC.

TABLE OF CONTENTS

<u>FORM 10-Q</u>	<u>Page</u>
<u>Part I. Financial Information</u>	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Balance Sheets</u>	1
<u>Consolidated Statements of Income</u>	2
<u>Consolidated Statements of Cash Flows</u>	3
<u>Notes to Consolidated Financial Statements</u>	4
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	5
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	8
<u>Item 4. Controls and Procedures</u>	8
<u>Part II. Other Information</u>	
<u>Item 4. Submission of Matters to a Vote of Security Holders</u>	9
<u>Item 6. Exhibits</u>	10
<u>Signatures</u>	10
<u>Exhibit 31.1 Rule 13a-14(a) Certification- CEO</u>	
<u>Exhibit 31.2 Rule 13a-14(a) Certification- CFO</u>	
<u>Exhibit 32 Certification Pursuant to 18 U.S.C. Section 1350</u>	

Table of Contents

PART I - FINANCIAL INFORMATION
ITEM I - FINANCIAL STATEMENTS
WEIS MARKETS, INC.
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	<u>March 31, 2007</u>	<u>December 30, 2006</u>
	(unaudited)	
<u>Assets</u>		
Current:		
Cash and cash equivalents	\$ 43,443	\$ 27,545
Marketable securities	39,289	38,163
Accounts receivable, net	38,482	41,885
Inventories	186,518	189,468
Prepaid expenses	<u>4,312</u>	<u>3,932</u>
Total current assets	<u>312,044</u>	<u>300,993</u>
Property and equipment, net	495,174	492,543
Goodwill	15,722	15,722
Intangible and other assets, net	<u>4,639</u>	<u>4,804</u>
Total assets	\$ <u>827,579</u>	\$ <u>814,062</u>
<u>Liabilities</u>		
Current:		
Accounts payable	\$ 104,258	\$ 105,859
Accrued expenses	24,098	22,307
Accrued self-insurance	23,090	22,778
Payable to employee benefit plans	1,632	1,435
Income taxes payable	8,462	865
Deferred income taxes	<u>943</u>	<u>298</u>
Total current liabilities	<u>162,483</u>	<u>153,542</u>
Postretirement benefit obligations	13,161	12,912
Deferred income taxes	<u>17,270</u>	<u>18,445</u>
Total liabilities	<u>192,914</u>	<u>184,899</u>
<u>Shareholders' Equity</u>		
Common stock, no par value, 100,800,000 shares authorized, 33,016,557 and 33,009,046 shares issued, respectively	8,862	8,595
Retained earnings	765,656	760,531
Accumulated other comprehensive income (Net of deferred taxes of \$4,759 in 2007 and \$4,315 in 2006)	<u>6,710</u>	<u>6,084</u>
	781,228	775,210
Treasury stock at cost, 6,028,157 and 6,016,291 shares, respectively	<u>(146,563)</u>	<u>(146,047)</u>
Total shareholders' equity	<u>634,665</u>	<u>629,163</u>
Total liabilities and shareholders' equity	\$ <u>827,579</u>	\$ <u>814,062</u>

See accompanying notes to consolidated financial statements.

Table of Contents

WEIS MARKETS, INC.
CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

(dollars in thousands, except shares and per share amounts)

	13 Weeks Ended	
	March 31, 2007	April 1, 2006
Net sales	\$ 571,795	\$ 547,786
Cost of sales, including warehousing and distribution expenses	<u>420,254</u>	<u>399,875</u>
Gross profit on sales	151,541	147,911
Operating, general and administrative expenses	<u>131,790</u>	<u>125,880</u>
Income from operations	19,751	22,031
Investment income	<u>691</u>	<u>1,309</u>
Income before provision for income taxes	20,442	23,340
Provision for income taxes	<u>7,037</u>	<u>8,403</u>
Net income	\$ <u>13,405</u>	\$ <u>14,937</u>
Weighted-average shares outstanding, basic	26,990,797	27,020,471
Weighted-average shares outstanding, diluted	27,003,494	27,035,079
Cash dividends per share	\$ 0.29	\$ 0.29
Basic and diluted earnings per share	\$ 0.50	\$ 0.55

See accompanying notes to consolidated financial statements.

Page 2 of 10 (Form 10-Q)

Table of Contents

WEIS MARKETS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(dollars in thousands)

	13 Weeks Ended	
	<u>March 31, 2007</u>	<u>April 1, 2006</u>
Cash flows from operating activities:		
Net income	\$ 13,405	\$ 14,937
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	11,285	10,435
Amortization	1,866	1,463
Loss on disposition of fixed assets	74	107
Gain on sale of marketable securities	---	(431)
Changes in operating assets and liabilities:		
Inventories	2,950	1,207
Accounts receivable and prepaid expenses	3,023	3,691
Accounts payable and other liabilities	948	5,508
Income taxes payable	7,145	6,671
Deferred income taxes	(974)	(572)
Other	<u>(56)</u>	<u>104</u>
Net cash provided by operating activities	<u>39,666</u>	<u>43,120</u>
Cash flows from investing activities:		
Purchase of property and equipment	(15,749)	(21,634)
Proceeds from the sale of property and equipment	58	29
Proceeds from maturities of marketable securities	<u>---</u>	<u>1,010</u>
Net cash used in investing activities	<u>(15,691)</u>	<u>(20,595)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock	267	175
Dividends paid	(7,828)	(7,836)
Purchase of treasury stock	<u>(516)</u>	<u>(162)</u>
Net cash used in financing activities	<u>(8,077)</u>	<u>(7,823)</u>
Net increase in cash and cash equivalents	15,898	14,702
Cash and cash equivalents at beginning of year	<u>27,545</u>	<u>69,300</u>
Cash and cash equivalents at end of period	\$ <u>43,443</u>	\$ <u>84,002</u>

See accompanying notes to consolidated financial statements.

Table of Contents

WEIS MARKETS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

(1) Significant Accounting Policies

Basis of Presentation: The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, all adjustments (consisting of normal recurring deferrals and accruals) considered necessary for a fair presentation have been included. The operating results for the periods presented are not necessarily indicative of the results to be expected for the full year. For further information, refer to the consolidated financial statements and footnotes thereto included in the company's latest Annual Report on Form 10-K.

(2) Current Relevant Accounting Standards

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes: an Interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48, which clarifies SFAS 109, establishes the criterion that an individual tax position has to meet for some or all of the benefits of that position to be recognized in the company's financial statements. The company adopted FIN 48 on December 31, 2006, the first day of the 2007 fiscal year, and, as a result, recognized a \$452,000 decrease to opening retained earnings from the cumulative effect of adoption. As of December 31, 2006, the total amount of gross unrecognized tax benefits is \$692,000. Of this amount, approximately \$240,000 would impact our effective tax rate over time, if recognized. The company continues to follow the practice of recognizing interest and penalties related to income tax matters as a part of the provision for income taxes. As of December 31, 2006, the company had \$189,000 of accrued interest and penalties.

The Internal Revenue Service ("IRS") recently completed its examination of the company's federal income tax returns for 2003 and 2004. The IRS has proposed one tax deficiency to which the company has agreed. The company or one of its subsidiaries files tax returns in various states. The tax years subject to examination in Pennsylvania, where the majority of the company's revenues are generated, are 2002 to 2006.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurement" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 does not require any new fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007. The company is currently assessing the impact of SFAS 157 on its 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 – Including an amendment of FASB Statement No. 115" ("SFAS 159"). SFAS 159 permits entities to choose to measure certain financial assets and liabilities at fair value at specified election dates. The fair value option may be applied instrument by instrument (with a few exceptions), is irrevocable and is applied only to entire instruments and not to portions of instruments. Unrealized gains and losses on items for which the fair value option has been elected are to be reported in earnings at each subsequent reporting date. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The company is currently assessing the impact of SFAS 159 on its financial statements.

(3) Comprehensive Income

The components of comprehensive income, net of related tax, for the periods ended March 31, 2007 and April 1, 2006 are as follows:

<i>(dollars in thousands)</i>	<u>13 Weeks Ended</u>	
	<u>2007</u>	<u>2006</u>
Net income	\$ 13,405	\$ 14,937
Other comprehensive income by component, net of tax:		
Unrealized holding gains arising during period (Net of deferred taxes of \$444 and \$391, respectively)	626	551
Reclassification adjustment for gains included in net income (Net of taxes of \$0 and \$179, respectively)	---	(252)
Other comprehensive income, net of tax	<u>626</u>	<u>299</u>
Comprehensive income, net of tax	\$ <u>14,031</u>	\$ <u>15,236</u>

Table of Contents

WEIS MARKETS, INC.
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Weis Markets, Inc. was founded in 1912 by Sigmund and Harry Weis in Sunbury, Pennsylvania. Today, the company ranks among the top 50 food and drug retailers in the United States in revenues generated. As of March 31, 2007, the company operated 156 retail food stores in Pennsylvania and four surrounding states: Maryland, New Jersey, West Virginia and New York. In addition to its retail food stores, the company operates 31 SuperPetz pet supply stores in ten states: Alabama, Georgia, Indiana, Maryland, Michigan, North Carolina, Ohio, Pennsylvania, South Carolina and Tennessee.

Company revenues are generated in its retail food stores from the sale of a wide variety of consumer products including groceries, dairy products, frozen foods, meats, seafood, fresh produce, floral, prescriptions, deli/bakery products, prepared foods, fuel, general merchandise, health and beauty care and household products. The company supports its retail operations through a centrally located distribution facility, transportation fleet, four manufacturing facilities and its administrative offices. The company's operations are reported as a single reportable segment.

The following analysis should be read in conjunction with the Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q, the 2006 Annual Report on Form 10-K, filed with the U. S. Securities and Exchange Commission, as well as the cautionary statement captioned "Forward-Looking Statements" immediately following this analysis.

OPERATING RESULTS

Total sales for the first quarter ended March 31, 2007 increased 4.4% to \$571.8 million compared to sales of \$547.8 million in the same quarter of 2006, while comparable store sales increased 4.4% compared to a .9% decrease in 2006 over 2005. The Company attributed its sales increase to successful sales building strategies and aggressive promotional pricing.

When calculating the percentage change in comparable store sales, the company defines a new store to be comparable the week following one full year of operation. Relocated stores and stores with expanded square footage are included in comparable sales since these units are located in existing markets and are open during construction. When a store is closed, sales generated from that unit in the prior year are subtracted from total company sales starting the same week of closure in the prior year and continuing from that point forward.

Although the company experienced some product inflation, management does not feel it can accurately measure the full impact of product inflation and deflation on retail pricing due to changes in the types of merchandise sold between periods, shifts in customer buying patterns and the fluctuation of competitive factors.

Cost of sales consists of direct product costs (net of discounts and allowances), warehouse costs, transportation costs and manufacturing facility costs. In recent years, many vendors have converted promotional incentives to reimbursements based upon sales movement data recorded at the point of sale rather than for cases purchased. Management expects this trend to have no discernible impact on the company's overall gross profit results.

Edgar Filing: WEIS MARKETS INC - Form 10-Q

Gross profit of \$151.5 million at 26.5% of sales, increased \$3.6 million or 2.5% versus the same quarter last year and the gross profit rate decreased 0.5%. The company's gross profit rate was adversely impacted due to higher inventory losses and its aggressive promotional activity in response to competitive openings.

The company is now in the second phase of its implementation of an exception reporting and performance management application and anticipates completion in 2007. This rules-based exception-monitoring tool provides store management with real-time information, which is expected to improve shrink control and gross profit margin results.

The first quarter operating, general and administrative expenses of \$131.8 million at 23.0% of sales, increased \$5.9 million or 4.7% compared to the same quarter in 2006. As a percentage of sales, operating expenses were the same as the first quarter last year. Labor costs increased 5.2% compared to the same period a year ago. To better manage its labor costs, the company has begun implementation of programs to improve operational efficiencies, productivity and execution. Snow removal costs increased \$473,000 compared to the same period last year.

Page 5 of 10 (Form 10-Q)

Table of Contents

WEIS MARKETS, INC.
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(continued)

OPERATING RESULTS (continued)

Interchange fees for accepting credit/debit cards increased 10.1% compared to the same period in 2006. The company remains extremely concerned about the continuing rise in interchange fees for accepting credit/debit card transactions. The company continues to work with a wide variety of corporations and associations to reduce interchange rates, through legislative and regulatory initiatives.

In the first quarter, the company's investment income totaled \$691,000 at 0.1% of sales, a decrease of \$618,000 or 47.2% compared to the same period a year ago. The company realized a long-term gain of \$431,000 on the sale of equities from its investment portfolio during the first quarter of 2006. The remaining decrease is the result of less funds available for investing in 2007 as compared to 2006.

The effective tax rate for the first quarter of 2007 and 2006 was 34.4% and 36.0%, respectively. The effective income tax rate differs from the federal statutory rate of 35% primarily due to the effect of state taxes.

For the three-month period ending March 31, 2007, net income of \$13.4 million decreased 10.3% compared to the same period last year. Basic and diluted earnings per share of \$.50 for the quarter decreased \$.05 or 9.1% compared to 2006.

LIQUIDITY AND CAPITAL RESOURCES

During the first quarter of 2007, the company generated \$39.7 million in cash flows from operating activities compared to \$43.1 million for the same period in 2006. Working capital increased \$2.1 million or 1.4% since the beginning of the year. Net cash provided by operating activities decreased \$3.5 million compared to the same quarter last year. First quarter 2006 cash flows from operating activities benefited from a \$2.3 million reimbursement for prepaid associate medical benefits because of contract changes.

Net cash used in investing activities in the first quarter of 2007 amounted to \$15.7 million compared to the \$20.6 million used in 2006. Capital expenditures for the quarter totaled \$15.7 million compared to \$21.6 million in 2006. The company estimated its capital expenditure plans would require an investment of \$72.5 million in 2007. This plan includes construction of new superstores, the expansion and remodeling of existing units, the acquisition of sites for future expansion, new technology purchases and the continued upgrade of company processing and distribution facilities.

Net cash used in financing activities during the first quarter of 2007 was \$8.1 million compared to \$7.8 million in 2006. In 2007, the company's treasury stock purchases amounted to \$516,000 in the quarter compared to \$162,000 in the first quarter last year. The Board of Directors' 2004 resolution authorizing the purchase of one million shares of treasury stock has a remaining balance of 852,316 shares.

Cash dividends of \$7.8 million were paid to shareholders in the first quarter of 2007, the same amount paid in 2006. At its regular meeting held in April, the Board of Directors unanimously approved a quarterly dividend of \$.29 per share, payable on May 11, 2007 to shareholders of record on April 27, 2007.

The company has no other commitment of capital resources as of March 31, 2007, other than the lease commitments on its store facilities under operating leases that expire at various dates through 2027. The company anticipates

funding its working capital requirements and its \$72.5 million capital expansion program through internally generated cash flows from operations.

Table of Contents

WEIS MARKETS, INC.
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(continued)

Critical Accounting Policies

The company has chosen accounting policies that it believes are appropriate to accurately and fairly report its operating results and financial position, and the company applies those accounting policies in a consistent manner. The Significant Accounting Policies are summarized in Note 1 to the Consolidated Financial Statements included in the 2006 Annual Report on Form 10-K. There have been no changes to the Critical Accounting Policies since the company filed its Annual Report on Form 10-K for the year ended December 30, 2006.

FORWARD-LOOKING STATEMENTS

In addition to historical information, this 10-Q Report may contain forward-looking statements. Any forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. For example, risks and uncertainties can arise with changes in: general economic conditions, including their impact on capital expenditures; business conditions in the retail industry; the regulatory environment; rapidly changing technology and competitive factors, including increased competition with regional and national retailers; and price pressures. Readers are cautioned not to place undue reliance on forward-looking statements, which reflect management's analysis only as of the date hereof. The company undertakes no obligation to publicly revise or update these forward-looking statements to reflect events or circumstances that arise after the date hereof. Readers should carefully review the risk factors described in other documents the company files periodically with the Securities and Exchange Commission.

Table of Contents

WEIS MARKETS, INC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative Disclosure - There have been no material changes in the company's market risk during the three months ended March 31, 2007. Quantitative information is set forth in Item 7a on the company's annual report on Form 10-K under the caption "Quantitative and Qualitative Disclosures About Market Risk," which was filed for the fiscal year ended December 30, 2006 and is incorporated herein by reference.

Qualitative Disclosure - This information is set forth in the company's annual report on Form 10-K under the caption "Liquidity and Capital Resources," within "Management's Discussion and Analysis of Financial Condition and Results of Operations," which was filed for the fiscal year ended December 30, 2006 and is incorporated herein by reference.

ITEM 4. CONTROLS AND PROCEDURES

The Chief Executive Officer and the Chief Financial Officer of the company (its principal executive officer and principal financial officer, respectively) have concluded, based on their evaluation as of a date within 90 days prior to the date of the filing of this Report, that the company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the company in the reports filed or submitted by it under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by the company in such reports is accumulated and communicated to the company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There were no significant changes in the company's internal controls or in other factors that could significantly affect these controls subsequent to the date of such evaluation.

Table of Contents

WEIS MARKETS, INC.
PART II - OTHER INFORMATION

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

(a) The Annual Meeting of the Shareholders of Weis Markets, Inc. was held on Wednesday, April 11, 2007, at 10:00 a.m., Eastern Daylight Time, at the principal office of the company, 1000 South Second Street, Sunbury, PA 17801.

(b) Proxies for the meeting were solicited pursuant to Regulation 14 under the Act, there was no solicitation in opposition to the nominees as listed in the proxy statement, and all such nominees were elected.

(c) The meeting was held for the following purposes:

1. To elect seven directors to serve, subject to provisions of the by-laws, until the next Annual Meeting of Shareholders or until their respective successors have qualified.
2. To ratify the appointment of the independent registered public accounting firm for the current fiscal year.
3. To act upon such other business as may properly come before such meeting, or any adjournments or postponements thereof.

The official ballot from the meeting, submitted to the Secretary by the Judge of Elections, disclosed the following tabulation of votes:

<u>Proposal #1</u>	<u>For</u>	<u>Withhold</u>
Robert F. Weis	22,961,034	2,830,490
Jonathan H. Weis	22,734,636	3,056,888
Norman S. Rich	24,259,607	1,531,917
William R. Mills	22,830,431	2,961,093
Matthew Nimetz	25,546,867	244,657
Richard E. Shulman	25,447,303	344,221
Steven C. Smith	25,546,067	245,457

<u>Proposal #2</u>	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Proposal to ratify the appointment of Grant Thornton LLP, as the independent registered public accounting firm of the Corporation.	25,775,004	6,604	9,915

Table of Contents

WEIS MARKETS, INC.

ITEM 6. EXHIBITS

Exhibits

Exhibit 31.1 Rule 13a-14(a) Certification - CEO

Exhibit 31.2 Rule 13a-14(a) Certification - CFO

Exhibit 32 Certification Pursuant to 18 U.S.C. Section 1350

SIGNATURES

Pursuant to the requirements 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.

WEIS MARKETS, INC.

(Registrant)

Date 05/10/2007

/S/Norman S. Rich

-

Norman S. Rich
President and Chief Executive Officer

Date 05/10/2007

/S/William R. Mills

-

William R. Mills
Senior Vice President, Treasurer
and Chief Financial Officer

Table of Contents

EXHIBIT 31.1

WEIS MARKETS, INC.

**CERTIFICATION- CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Norman S. Rich, President and Chief Executive Officer of Weis Markets, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Weis Markets, Inc.;
2. Based on my knowledge, this 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 periods covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 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 controls 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 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 controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b)

Edgar Filing: WEIS MARKETS INC - Form 10-Q

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.

Date: May 10, 2007

/s/ Norman S. Rich
Norman S. Rich
President and
Chief Executive Officer

Table of Contents

EXHIBIT 31.2

WEIS MARKETS, INC.

**CERTIFICATION- CHIEF FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, William R. Mills, Senior Vice President, Treasurer and Chief Financial Officer of Weis Markets, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Weis Markets, Inc.;
2. Based on my knowledge, this 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 periods covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 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 controls 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 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 controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b)

Edgar Filing: WEIS MARKETS INC - Form 10-Q

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.

Date: May 10, 2007

/S/ William R. Mills
William R. Mills
Senior Vice President,
Treasurer and
Chief Financial Officer

Table of Contents

EXHIBIT 32

WEIS MARKETS, INC.
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Weis Markets, Inc. (the "company") on Form 10-Q for the quarter ending March 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), We, Norman S. Rich, President and Chief Executive Officer, and William R. Mills, Senior Vice President, Treasurer and Chief Financial Officer, of the company, certify, pursuant to and for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) to my knowledge the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

/S/ Norman S. Rich

Norman S. Rich
President and Chief Executive Officer
05/10/2007

/S/ William R. Mills

William R. Mills
Senior Vice President, Treasurer and Chief Financial Officer
05/10/2007

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code) and is not being filed as part of the report or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to Weis Markets, Inc. and will be retained by Weis Markets, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.