FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(Mark One)

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

FOR THE PERIOD ENDED MARCH 30, 1996

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	36-3352497
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1400 TOASTMASTER DRIVE, ELGIN, ILLINOIS	60120
(Address of Principal Executive Offices)	(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 twelve (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 X NO

As of March 30, 1996, there were 8,399,488 shares of the registrant's common stock outstanding.

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

QUARTER ENDED MARCH 30, 1996

INDEX

PART I. FINANCIAL INFORMATION

THE MIDDLEBY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	(UNAUDITED) MARCH 30, 1996	DEC. 30, 1995
ASSETS		
Cash and Cash Equivalents	$ 1,216	$ 981
Accounts Receivable, net	21,231	16,236
Inventories, net	26,112	26,584
Prepaid Expenses and Other	1,593	980
Current Deferred Taxes	2,086	2,086
Total Current Assets	52,238	46,867
Property, Plant and Equipment, net of accumulated depreciation of $14,776,000 and $14,475,000	24,945	24,273
Excess Purchase Price Over Net Assets Acquired, net of accumulated amortization of $3,411,000 and $3,341,000	7,707	7,777
Deferred Taxes	2,930	2,930
Other Assets	2,283	2,193
Total Assets	$90,103	$84,040
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Maturities of Long-Term Debt	$ 2,407	$ 1,710
Accounts Payable	14,120	14,026
Accrued Expenses	9,214	9,756
Total Current Liabilities	25,741	25,492
Long-Term Debt	46,026	41,318
Minority Interest and Other Non-current Liabilities	1,897	1,782
Shareholders' Equity:		
Preferred Stock, $.01 par value; nonvoting; 2,000,000 shares authorized; none issued	-	-
Common Stock, $.01 par value; 20,000,000 shares authorized; 8,399,000 and 8,388,000 issued and outstanding in 1996 and 1995, respectively	84	84
Paid-in Capital	28,293	27,934
Cumulative Translation Adjustment	(353)	(228)
Accumulated Deficit	(11,585)	(12,342)
Total Shareholders' Equity	16,439	15,448
Total Liabilities and Shareholders' Equity	$90,103	$84,040

See accompanying notes

THE MIDDLEBY CORPORATION AND SUBSIDIARIES
STATEMENTS OF EARNINGS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

	THREE MONTHS ENDED	
	MARCH 30, 1996	APRIL 1, 1995
Net Sales	$38,323	$34,994
Cost of Sales	28,141	25,276
Gross Margin	10,182	9,718
Selling and Distribution Expenses	5,077	4,851
General and Administrative Expenses	2,542	2,353
Income from Operations	2,563	2,514
Interest Expense and Deferred Financing Costs	1,296	1,267
Other Expense, Net	103	115
Earnings before Income Taxes	1,164	1,132
Provision for Income Taxes	407	389
Net Earnings	$757	$743
Earnings Per Common and Common Equivalent Share	$.09	$.09

See accompanying notes

THE MIDDLEBY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	THREE MONTHS ENDED	
	MARCH 30, 1996	APRIL 1,1995
Cash Flows From Operating Activities-		
Net earnings	$ 757	$ 743
Adjustments to reconcile net earnings to cash provided by operating activities-		
Depreciation and amortization	714	724
Utilization of Subsidiary NOL's credited to paid-in capital (See Note 2)	338	320

Changes in assets and liabilities-		
Accounts receivable.................	(4,995)	(348)
Inventories.........................	472	(3,902)
Prepaid expenses and other assets....	(700)	814
Accounts payable and other liabilities.......................	(448)	2,281
Net Cash (Used in) Provided by Operating Activities................	(3,862)	632
Cash Flows From Investing Activities-		
Additions to property and equipment....	(1,302)	(569)
Net Cash Used in Investing Activities..........................	(1,302)	(569)
Cash Flows From Financing Activities-		
Proceeds from senior secured note......	-	15,000
Proceeds from credit facility..........	-	31,000
Extinguishment of bank debt............	-	(44,055)
Increase in revolving credit line, net	3,139	603
Proceeds from capital expenditure loan.	500	-
Cost of financing activities...........	-	(1,717)
Other financing activities, net........	1,760	(5)
Net Cash Provided by Financing Activities..........................	5,399	826
Changes in Cash and Cash Equivalents-		
Net increase in cash and cash equivalents.........................	235	889
Cash and cash equivalents at beginning of year...................	981	667
Cash and Cash Equivalents at End of Quarter..........................	$1,216	$1,556
Interest paid...........................	$1,111	$527
Income taxes paid.......................	$5	$128

See accompanying notes

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MARCH 30, 1996

(UNAUDITED)

1) BASIS OF PRESENTATION

The financial statements have been prepared by The Middleby Corporation (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information not misleading. These financial statements should be read in conjunction with the financial statements and related notes contained in the Company's 1995 Annual Report. Other than as indicated herein, there have been no significant changes from the data presented in said Report.

In the opinion of management, the financial statements contain all adjustments necessary to present fairly the financial position of the Company as of March 30, 1996 and December 30, 1995, and the results of operations for the three months ended March 30, 1996 and April 1, 1995, respectively, and cash flows for the three months ended March 30, 1996 and April 1, 1995.

2) INCOME TAXES

The Company files a consolidated Federal income tax return. In January, 1993, the Company adopted Statement of Financial Accounting Standards No. 109 ("SFAS 109"), Accounting for Income Taxes. SFAS 109 requires the recognition of deferred tax assets and liabilities for expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Adoption of SFAS 109 was effected through the cumulative catch-up method.

The Company has recorded an income tax provision of $407,000 for the fiscal three months ended March 30, 1996. Although the Company is not a Federal taxpayer due to its NOL carry-forwards, a tax provision is still required to be recorded. The majority of the NOL carry-forwards relate to an old quasi-reorganization and are not recorded as a credit to the tax provision, but are directly credited to paid-in-capital.

The utilization of the net operating loss and credit carry-forwards depend on future taxable income during the applicable carry-forward periods. Management evaluates and adjusts the valuation allowance, based on the Company's expected taxable income as part of the annual budgeting process. These adjustments reflect management's judgment as to the Company's ability to generate taxable income which will, more likely than not, be sufficient to recognize these tax assets.

3) EARNINGS PER SHARE

Earnings per share of common stock are based upon the weighted average number of outstanding shares of common stock and common stock equivalents. The treasury stock method is used in computing common stock equivalents, which included stock options and a warrant issued in conjunction with the senior secured note. The terms of the warrant provide for the purchase of 250,000 shares at $3 per share, however, under certain conditions, the warrant terms provide for the purchase of 200,000 shares at $.01 per share. Earnings per share were computed based upon the weighted average number of common shares outstanding of 8,700,000 and 8,661,000 for the fiscal quarters ended March 30, 1996 and April 1, 1995, respectively.

4) INVENTORIES

Inventories are valued using the first-in, first-out method.

Inventories consist of the following:

	(In Thousands)	
	March 30, 1996	Dec. 30, 1995
Raw Materials and Parts	$10,106	$10,356
Work-in-Process	6,646	6,688
Finished Goods	9,360	9,540
	$26,112	$26,584

5) ACCRUED EXPENSES

Accrued expenses consist of the following:

	(In Thousands) March 30, 1996	Dec. 30, 1995
Accrued payroll and related expenses.........	$3,266	$3,838
Accrued commissions........	1,863	1,567
Accrued warranty...........	1,443	1,382
Other accrued expenses.....	2,642	2,969
	$9,214	$9,756

6) Certain amounts have been reclassified in 1995 to be consistent with the 1996 presentation.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (UNAUDITED).

RESULTS OF OPERATIONS

Net sales for the fiscal quarter ended March 30, 1996 of $38,323,000 increased by $3,329,000 (9.5%) compared to the prior year. The increase in sales for the fiscal first quarter compared to the prior year was led by strong international sales which increased 26% over the same period in 1995. The overall sales increase was largely due to unit volume increases. Cooking and warming manufacturing divisions showed a sales increase of 7%, while the refrigeration segment decreased 4%. Conveyor oven sales, which comprise the Middleby Marshall and CTX lines, decreased 6% during the quarter, primarily due to the timing of orders from large customers. Counter line cooking and warming equipment increased 59% in the quarter primarily due to increased toaster sales to a major chain and a large international order to a major customer. Sales in the core cooking and steaming equipment line increased 13% in the quarter. Within the refrigeration segment, sales in the foodservice market increased in line with the overall increase for the Company, while products for the beverage and bottling industry declined significantly. Sales of the Company's international-based fabricated equipment division increased by 81%. International sales represented 29% of total sales for the quarter as compared to 21% in the 1995 fiscal first quarter.

Gross margin increased $464,000 (4.8%) for the quarter compared to the prior year's quarter. As a percentage of net sales, gross margin decreased 1.2% to 26.6% for the quarter from 27.8% in the prior year=s quarter. The decline in gross margin percent was primarily related to product mix, start-up costs for new products in the foodservice refrigeration and beverage segments, and production start-up costs associated with a new Philippine production facility.

Selling, general and administrative expenses increased $415,000 (5.8%) to $7,619,000 compared to $7,204,000 in the first quarter of 1995. Increased selling expenses related to the higher sales base and the expansion of the Company's international sales and service capabilities, including the establishment of a sales distribution office in France, which occurred in the second quarter of 1995. As a percentage of sales, selling, general and administrative expenses decreased to 19.9% for the fiscal quarter ended March 30, 1996, compared to 20.6% for the prior year's quarter.

Interest expense and deferred financing costs for the fiscal quarter ended March 30, 1996 increased $29,000 (2.3%) to $1,296,000 compared to

$1,267,000 in the prior year fiscal quarter. The increase was due to increased deferred financing amortization in the first quarter of 1996 as compared to the first quarter of 1995. During the fourth quarter of 1995, the Company shortened the period over which the deferred financing costs associated with its January 10, 1995 refinancing will be amortized. The increased deferred financing costs were partially offset by lower interest rates on the company's senior secured credit facility.

The Company recorded net earnings of $757,000 for the fiscal quarter ended March 30, 1996 compared to net earnings of $743,000 for the prior year fiscal quarter.

FINANCIAL CONDITION AND LIQUIDITY

For the three months ended March 30, 1996, net cash provided by operating activities before changes in assets and liabilities was $1,809,000, as compared to $1,787,000 for the three months ended April 1, 1995. Net cash used by operating activities after changes in assets and liabilities was $3,862,000 as compared to net cash provided of $632,000 in the prior year-to-date period. Accounts receivable increased $4,995,000, which principally accounts for the cash usage in the first quarter 1996. The increase in accounts receivable is directly related to the sales increase and timing of shipments to international and certain large domestic customers.

During the fiscal first quarter 1996, the Company increased its overall outstanding debt by $5,399,000 under various facilities. During this period the Company increased its borrowings on its revolving credit line by $3,139,000, borrowed $500,000 on its capital expenditure line, repaid $209,000 on its term loan and a foreign subsidiary of the Company increased its borrowings with a foreign lending institution by $1,969,000 primarily to finance the construction of a new facility in the Philippines. There was $24,159,000 available to borrow under the revolving credit facility, of which $18,139,000 was outstanding at March 30, 1996.

Management believes the Company has sufficient financial resources available to meet its anticipated requirements for funds for operations in the current fiscal year and can satisfy the obligations under its credit and note agreements.

PART II. OTHER INFORMATION

The Company was not required to report the information pursuant to Items 1 through 6 of Part II of Form 10-Q for any of the three months ended March 30, 1996, except as follows:

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a) Exhibits - The following Exhibits are filed herewith:

Exhibit (27) - Financial Data Schedules (EDGAR only)

b) Reports on Form 8-K - No such reports were filed during the quarter for which this report is filed.

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.

THE MIDDLEBY CORPORATION
(Registrant)

Date May 14, 1996

By: /s/ John J. Hastings

John J. Hastings, Executive Vice President, Chief Financial Officer and Secretary
(Principal Financial and Accounting Officer)

<ARTICLE> 5
<MULTIPLIER> 1,000

<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	DEC-28-1996
<PERIOD-END>	MAR-30-1996
<CASH>	1,216
<SECURITIES>	0
<RECEIVABLES>	21,231
<ALLOWANCES>	0
<INVENTORY>	26,112
<CURRENT-ASSETS>	52,238
<PP&E>	39,721
<DEPRECIATION>	14,776
<TOTAL-ASSETS>	90,103
<CURRENT-LIABILITIES>	25,741
<BONDS>	46,026
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	84
<OTHER-SE>	16,355
<TOTAL-LIABILITY-AND-EQUITY>	90,103
<SALES>	38,323
<TOTAL-REVENUES>	38,323
<CGS>	28,141
<TOTAL-COSTS>	28,141
<OTHER-EXPENSES>	7,619
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	1,296
<INCOME-PRETAX>	1,164
<INCOME-TAX>	407
<INCOME-CONTINUING>	1,164
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	757
<EPS-PRIMARY>	.09
<EPS-DILUTED>	.09