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 June 29, 2002

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 August 9, 2002, there were 8,973,547 shares of the registrant's common stock outstanding.

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

QUARTER ENDED JUNE 29, 2002

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PART I. FINANCIAL INFORMATION

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

	Jun. 29, 2002	(as restated(1)) Dec. 29, 2001
ASSETS		
Cash and cash equivalents	$ 813	$ 3,795
Accounts receivable, net of reserve for doubtful accounts of $3,447 and $2,913	29,219	25,158
Inventories, net	27,283	29,115
Prepaid expenses and other	1,176	1,178
Current deferred taxes	11,723	11,291
Total current assets	70,214	70,537
Property, plant and equipment, net of accumulated depreciation of $24,580 and $22,185	28,941	30,598
Goodwill	63,327	63,327
Other intangibles	26,300	26,466
Deferred taxes	1,980	1,980
Other assets	6,808	7,589
Total assets	$ 197,570	$ 200,497
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current maturities of long-term debt	$ 13,500	$ 10,047
Accounts payable	13,969	9,289
Accrued expenses	38,946	38,438
Total current liabilities	66,415	57,774
Long-term debt	70,043	86,152
Other non-current liabilities	17,705	17,162
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; 11,026,021 and 11,024,396 issued in 2002 and 2001, respectively	110	110
Paid-in capital	53,723	53,594
Treasury stock at cost; 2,052,474 shares in 2002 and 2001, respectively	(11,997)	(11,997)
Retained earnings (accumulated deficit)	2,825	(1,029)
Accumulated other comprehensive loss	(1,254)	(1,269)
Total shareholders' equity	43,407	39,409
Total liabilities and shareholders' equity	$ 197,570	$ 200,497

(1) See note 2

See accompanying notes

THE MIDDLEBY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(In Thousands, Except Per Share Amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	Jun. 29, 2002	Jun. 30, 2001	Jun. 29, 2002	Jun. 30, 2001
			(as restated)	
Net sales	$ 62,478	$25,293	$ 116,969	$50,040
Cost of sales	40,957	17,059	77,555	33,634
Gross profit	21,521	8,234	39,414	16,406
Selling and distribution expenses	7,312	3,561	14,533	7,178
General and administrative expenses	6,013	2,425	11,964	5,143
Income from operations	8,196	2,248	12,917	4,085
Interest expense and deferred financing amortization	3,024	178	6,122	333
Loss (gain) on acquisition financing derivatives	579	--	(14)	--
Other (income) expense, net	(311)	398	(89)	596
Earnings before income taxes	4,904	1,672	6,898	3,156
Provision for income taxes	2,090	996	3,044	1,931
Net earnings	$ 2,814	$ 676	$ 3,854	$ 1,225
Net earnings per share:				
Basic	$ 0.31	$ 0.08	$ 0.43	$ 0.14
Diluted	$ 0.31	$ 0.08	$ 0.43	$ 0.14
Weighted average number of shares:				
Basic	8,974	8,981	8,973	8,987
Dilutive stock options	108	17	58	19
Diluted	9,082	8,998	9,031	9,006

See accompanying notes

THE MIDDLEBY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	Six Months Ended	
	Jun. 29, 2002	Jun. 30, 2001
Cash flows from operating activities-		
Net earnings	$ 3,854	$ 1,225
Adjustments to reconcile net earnings to cash provided by operating activities:		
Depreciation and amortization	3,711	1,855
Utilization of NOL's	(432)	1,205
Unrecognized (gain) loss on Derivative financial instruments	(14)	--
Changes in assets and liabilities-		
Accounts receivable, net	(4,061)	3,147
Inventories, net	1,832	(1,254)
Prepaid expenses and other assets	(36)	(1,135)

Accounts payable	4,680	(1,412)
Accrued expenses and other liabilities	1,188	(4,331)
Net cash provided by (used in) operating activities	10,722	(700)
Cash flows from investing activities-		
Net additions to property and equipment	(824)	(271)
Net cash (used in) investing activities	(824)	(271)
Cash flows from financing activities-		
Proceeds (repayments) under revolving credit facilities, net	(12,885)	3,717
Repayments of senior secured bank notes	(1,500)	--
Increase in subordinated senior note(1)	254	--
Increase in seller notes due Maytag(1)	1,277	--
Repurchase of treasury stock	--	(173)
Other financing activities, net	(42)	9
Net cash (used in) provided by financing activities	(12,896)	3,553
Effect of exchange rates on cash And cash equivalents	16	(96)
Changes in cash and cash equivalents-		
Net increase (decrease) in cash and cash equivalents	(2,982)	2,486
Cash and cash equivalents at beginning of year	3,795	2,094
Cash and cash equivalents at end of quarter	$ 813	$ 4,580
Supplemental disclosure of cash flow information:		
Interest paid	$ 2,992	$ 232
Income taxes paid	$ 2,878	$ 325

(1) Represents an increase in principal balance of debt associated with interest paid in kind.

See accompanying notes

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 29, 2002
(Unaudited)

1) Summary of Significant Accounting Policies

The consolidated financial statements have been prepared by The Middleby Corporation (the "company"), pursuant to the rules and regulations of the Securities and Exchange Commission, the financial statements are unaudited and certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America 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 2001 Form 10-K and 2002 First Quarter Form 10-Q. See Note 2 for a discussion of the effects on the company's previously issued consolidated financial statements of certain matters identified in the quarter ended June 29,

2002.

In the opinion of management, the financial statements contain all adjustments necessary to present fairly the financial position of the company as of June 29, 2002 and December 29, 2001, and the results of operations for the six months ended June 29, 2002 and June 30, 2001 and cash flows for the six months ended June 29, 2002 and June 30, 2001.

Certain prior year amounts have been reclassified to be consistent with the current year presentation.

2) Restatement

Subsequent to the issuance of the company's financial statements for the year ended December 29, 2001 and the quarter ended March 30, 2002, it was determined that the stock warrant rights issued in conjunction with the subordinated senior notes should have been accounted for as a derivative financial instrument in accordance with the Statement of Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133), instead of as stockholders' equity, as the warrant rights contain a provision which provides the noteholder with the option to require the company to repurchase the warrant rights from the noteholder at their fair market value ("Put Option")for cash or debt. Additionally, it was determined that the initial value assigned to the warrant rights was based upon assumptions utilizing the maturity of the notes as the expiry, rather than the 10 year life of the stock warrant rights. Management has determined that the initial value assigned to the stock warrant rights should be revalued based upon the 10-year life and reclassified from Shareholders' Equity to Other Non-Current Liabilities on the balance sheet

due to the terms of the Put Option. The impact of the restatement to the fiscal 2001 balance sheet is a $0.8 million reduction in Long-Term Debt, a $3.3 million increase in Other Non-Current Liabilities and a $2.5 million reduction in Shareholders' Equity. The impact of this revision on net earnings in 2001 is de minimis and does not change reported earnings per share for the year ended December 29, 2001.

In accordance with SFAS 133, this derivative financial instrument should be recorded at its fair market value. As a result the company determined that the stock right warrants should be adjusted to $3.0 million as of March 30, 2002 and restated in the balance sheet as of that date. The change in fair market value of $0.3 million was recorded as a gain in the restated income statement for the first quarter of 2002.

Additionally, on January 11, 2002 the company entered into an interest rate swap agreement with a $20.0 million notional amount, as required by the senior bank agreement. Subsequent to the issuance of the company's financial statements for the first quarter ended March 30, 2002, it was determined that this derivative financial instrument did not qualify for hedge accounting treatment under SFAS 133. As a result, the company recorded the interest rate swap in other non-current liabilities at its fair value of $0.2 million at March 30, 2002. The increase in the fair value of the interest rate swap from zero at inception to $0.2 million at March 30, 2002 was recorded as a gain in the restated financial statements for the first quarter of 2002.

The effect of the restatement is as follows (in thousands):

	March 30, 2002		December 29, 2001	
	As Previously Reported	As Restated	As Previously Reported	As Restated
At period end:				
Accrued expenses	$ 36,507	$ 36,734	n/a	n/a
Long-term debt	81,190	80,466	$86,916	$86,152

Other non-current liabilities	14,067	16,774	13,862	17,162
Paid-in capital	56,277	53,741	56,130	53,594
Retained earnings (accumulated deficit)	(315)	11	n/a	n/a
For the period ended:				
Interest expense & deferred financing amortization	$ 3,058	$ 3,098	n/a	n/a
(Gain) loss on acquisition financing derivatives	--	(593)	n/a	n/a
Provision for income taxes	727	954	n/a	n/a
Net earnings	714	1,040	n/a	n/a
Diluted earnings per share	$ 0.08	$ 0.12	n/a	n/a

As discussed above, the company has determined that it must restate its previously issued consolidated balance sheet as of December 29, 2001 and its condensed consolidated financial statements as of and for the three month period ended March 30, 2002. The company intends to engage its independent auditor to audit its restated financial statements for the year ended December 29, 2001. The company also expects to amend its Annual Report on Form 10-K for the year ended December 29, 2002 and its Quarterly Report on Form 10-Q for the quarter ended March 30, 2002.

3) New Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141 "Business Combinations". This statement addresses financial accounting and reporting for business combinations initiated after June 30, 2001, superceding Accounting Principles Board ("APB") Opinion No. 16 "Business Combinations" and SFAS No. 38 "Accounting for Preacquisition Contingencies of Purchased Enterprises". All business combinations in the scope of this statement are to be accounted for using the purchase method of accounting. The company has accounted for its acquisition of Blodgett Holdings, Inc. ("Blodgett") in accordance with SFAS No. 141.

In June 2001, the FASB issued SFAS No. 142 "Goodwill and Other Intangible Assets", superceding APB Opinion No. 17, "Intangible Assets". This statement addresses how intangible assets that are acquired individually or with a group of other assets (excluding assets acquired in a business combination) should be accounted for in financial statements upon their acquisition. This statement also addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. In accordance with this statement, goodwill and certain other intangible assets with indefinite lives will no longer be amortized, but evaluated for impairment based upon financial tests related to the current value for the related assets. As a result there may be more volatility in reported income than under the previous standards because impairment losses are likely to occur irregularly and in varying amounts. The company adopted this statement in the first quarter of fiscal 2002. Upon initial adoption of this statement, the company determined that no impairment of goodwill or other intangible assets had occurred. Goodwill of $63.3 million and other intangible assets (trademarks) of $26.3 million have been accounted for consistently with the nonamortization provisions of this statement. As of June 29, 2002, the company does not have any intangible assets subject to amortization. The company recorded goodwill amortization, which reduced net income by $135,000 from $811,000 or $0.09 per share in the second quarter of 2001 and $270,000 from $1,495,000 or $0.17 per share in the first six months of 2001.

In June 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations". This statement addresses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs, and requires that such costs be recognized as a liability in the period in which incurred. This statement is effective for financial statements issued for fiscal years beginning after June 15, 2002. The company does not expect

the adoption of this statement to have a material impact to the financial statements.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supercedes SFAS No. 121 and requires that one accounting model be used for long-lived assets to be disposed of by sale, whether previously held and used or newly acquired and by broadening the presentation of discontinued operations to include more disposal transactions. This statement is effective for financial statements issued for fiscal years beginning after December 15, 2001. The adoption of SFAS No. 144 did not have a material impact on the company's financial position, results of operations or cash flows.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements SFAS 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical Corrections." SFAS No. 145 eliminates the current requirement that gains and losses on debt extinguishment must be classified as extraordinary items in the income statement. Instead, such gains and losses will be classified as extraordinary items only if they are deemed to be unusual and infrequent. The changes related to debt extinguishment will be effective for fiscal years beginning after May 15, 2002, and the changes related to lease accounting will be effective for transactions occurring after May 15, 2002. The company will apply this guidance prospectively.

In June 2002, the FASB issued Statement No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This statement requires recording costs associated with exit or disposal activities at their fair values when a liability has been incurred. Under previous guidance, certain exit costs were accrued upon management's commitment to an exit plan, which is generally before an actual liability has been incurred. This statement is effective for financial statements issued for fiscal years beginning after December 31, 2002. The company will apply this guidance prospectively.

4) Comprehensive Income

The company reports changes in equity during a period, except those resulting from investment by owners and distribution to owners, in accordance with SFAS No. 130, "Reporting Comprehensive Income."

Components of comprehensive income were as follows (in thousands):

	Three Months Ended		Six Months Ended	
	Jun. 29, 2002	Jun. 30, 2001	Jun. 29, 2002	Jun. 30, 2001
Net earnings	$ 2,814	$676	$3,854	$1,225
Cumulative translation adjustment	(55)	312	15	380
Comprehensive income	$ 2,759	$988	$3,869	$1,605

Accumulated other comprehensive income (loss) is comprised of minimum pension liability of $1.1 million as of June 29, 2002 and December 29, 2001, respectively, as well as foreign currency translation adjustments of $0.2 million as of June 29, 2002 and December 29, 2001, respectively.

5) Inventories

Inventories are comprised of material, labor and overhead and are stated

at the lower of cost or market. Costs for Blodgett inventory have been determined using the last-in, first-out ("LIFO") method. Had the inventories been valued using the first-in, first-out ("FIFO") method, the amount would not have differed materially from the amounts as determined using the LIFO method. Costs for Middleby inventory have been determined using the first-in, first-out ("FIFO") method. The company estimates reserves for inventory obsolescence and shrinkage based on its judgment of future realization. Inventories at June 29, 2002 and December 29, 2001 are as follows:

	Jun. 29, 2002	Dec. 29, 2001
	(In thousands)	
Raw materials and parts	$ 6,036	$ 7,201
Work-in-process	4,887	5,355
Finished goods	16,360	16,559
	$27,283	$29,115

6) Accrued Expenses

Accrued expenses consist of the following:

	Jun. 29, 2002	Dec. 29, 2001
	(In thousands)	
Accrued payroll and related expenses	$11,061	$ 6,586
Accrued customer rebates	3,361	3,933
Accrued commissions	1,620	1,321
Accrued warranty	10,069	9,179
Accrued acquisition costs	529	3,200
Accrued severance and plant closures	2,303	6,497
Other accrued expenses	10,003	7,722
	$38,946	$38,438

7) Non-recurring Costs

On December 21, 2001 the company established reserves through purchase accounting associated with $4.0 million in severance related obligations and $6.9 million in facility costs related to the acquired Blodgett business operations.

Severance obligations of $4.0 million were established in conjunction with reorganization initiatives established during 2001 and completed during the first half of 2002. During the first quarter of 2002, the company reduced headcount at the acquired Blodgett operations by 123 employees. This headcount reduction included most functional areas of the company and included a reorganization of the executive management structure. During the second quarter of 2002, the company further reduced headcount at the Blodgett operations by 30 employees in conjunction with the consolidation and exit of two manufacturing facilities. Production for the Blodgett combi-oven, conveyor oven, and deck oven lines were moved from two facilities located in Williston and Shelburne, Vermont into existing manufacturing facilities in Burlington, Vermont and Elgin, Illinois. The second quarter headcount reductions predominately related to the manufacturing function.

Reserves of $6.9 million for facility closure costs predominately relate to lease obligations for three manufacturing facilities that were exited in 2001 and 2002. During the second quarter of 2001, prior to the acquisition, reserves were established for lease obligations associated with a manufacturing facility in Quakerstown, Pennsylvania that was exited

when production at this facility was relocated to an existing facility in Bow, New Hampshire. The lease associated with the exited facility extends through December 11, 2014. The facility is currently subleased for a portion of the lease term through July 2006. During the second quarter of 2002, the company exited leased facilities in Williston and Shelburne, Vermont in conjunction with the company's manufacturing consolidation initiatives. The Williston lease extends through June 30,2005 and the Shelburne lease extends through December 11, 2014. Neither of these facilities has been subleased although the company is performing an active search for subtenants. Total lease obligations under the three facilities amount to approximately $10.6 million. The reserves are reflected net of anticipated sublease income associated with the three facilities.

A summary of the non-recurring reserve balance activity is as follows (in thousands):

	Balance Dec 29, 2001	Asset Write-offs	Cash Payments	Balance June 29, 2002
Severance obligations	$ 3,947	$ --	$2,538	$1,409
Facility closure and lease Obligations	6,928	--	288	6,640
Total	$10,875	$ --	$2,826	$8,049

As of the end of the second quarter, all actions pertaining to the company's restructuring initiatives have been completed. At this time, management believes the remaining reserve balance is adequate to cover the remaining costs identified at June 29, 2002.

8) Financial Instruments

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133). SFAS 133, as amended, establishes accounting and reporting standards for derivative instruments. The statement requires an entity to recognize all derivatives as either assets or liabilities and measure those instruments at fair value. Derivatives that do not qualify as a hedge must be adjusted to fair value in earnings. If the derivative does qualify as a hedge under SFAS 133, changes in the fair value will either be offset against the change in fair value of the hedged assets, liabilities or firm commitments or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a hedge's change in fair value will be immediately recognized in earnings.

Foreign Exchange: The company has entered into derivative instruments, principally forward contracts to reduce exposures pertaining to fluctuations in foreign exchange rates. As of June 29, 2002 the company had forward contracts to purchase $3.4 million U.S. Dollars with various foreign currencies, all of which mature in the next fiscal quarter. The fair value of these forward contracts amounts to $(0.2) million at the end of the quarter.

Interest rate swap: On January 11, 2002, in accordance with the senior bank agreement, the company entered into an interest rate swap agreement with a notional amount of $20.0 million to fix the interest rate applicable to certain of its variable-rate debt. The agreement swaps one-month LIBOR for a fixed rate of 4.03% and is in effect through December 31, 2004. As of June 29, 2002, the fair value of this derivative financial instrument was $(0.3) million. This net loss was recorded in earnings for the six-month period.

Stock warrant rights: In conjunction with subordinated senior notes issued in connection with the financing for the Blodgett acquisition, the company issued 362,226 stock warrant rights and 445,100 conditional stock warrant rights to the subordinated senior noteholder. The warrant rights allow the

noteholder to purchase Middleby common stock at $4.67 per share through their expiration on December 21, 2011. The conditional stock warrant rights are exercisable in the circumstance that the noteholder fails to achieve certain prescribed rates of return as defined per the note agreement. After March 15, 2007 or upon a Change in Control as defined per the note agreement, the subordinated senior noteholder has the ability to require the company to repurchase these warrant

rights at the fair market value. The obligation pertaining to the repurchase of the warrant rights is recorded in Other Non-Current Liabilities at fair market value utilizing a Black- Schole's valuation model. As of June 29, 2002, the fair value of the warrant rights was assessed at $3.0 million. The change in the fair value of the stock warrant rights during the first six months amounted to $0.3 million and was recorded as a gain in the income statement for the six month period ended June 29, 2002. The company may experience volatility in earnings caused by fluctuations in the market value of the stock warrant rights resulting from changes in Middleby's stock price, interest rates, or other factors that are incorporated into the valuation of these financial instruments.

9) Segment Information

The company operates in two reportable operating segments defined by management reporting structure and operating activities.

The worldwide manufacturing divisions operate through the Cooking Systems Group. This business segment has manufacturing facilities in Illinois, New Hampshire, North Carolina, Vermont and the Philippines. This business segment supports four major product groups, including conveyor oven equipment, core cooking equipment, counterline cooking equipment, and international specialty equipment. Principal product lines of the conveyor oven product group include Middleby Marshall ovens, Blodgett ovens and CTX ovens. Principal product lines of the core cooking equipment product group include the Southbend product line of ranges, steamers, convection ovens, broilers and steam cooking equipment, the Blodgett product line of convection and combi ovens, MagiKitch'n charbroilers and catering equipment and the Pitco Frialator product line of fryers. The counterline cooking and warming equipment product group includes toasters, hot food servers, foodwarmers and griddles distributed under the Toastmaster brand name. The international specialty equipment product group is primarily comprised of food preparation tables, undercounter refrigeration systems, ventilation systems and component parts for the U.S. manufacturing operations.

The International Distribution Division provides integrated design, export management, distribution and installation services through its operations in China, India, Korea, Mexico, Spain, Taiwan and the United Kingdom. The division sells the company's product lines and certain non-competing complementary product lines throughout the world. For a local country distributor or dealer, the company is able to provide a centralized source of foodservice equipment with complete export management and product support services.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The company evaluates individual segment performance based on operating income. Management belives that intersegment sales are made at established arms-length transfer prices.

The following table summarizes the results of operations for the company's business segments(1):

	Cooking Systems Group	International Distribution	Corporate and Other(2)	Eliminations(3)	Total

Three months ended June 29, 2002					
Net sales	$ 59,946	$ 9,446	$ (9)	$ (6,905)	$ 62,478
Operating income (loss)	10,435	485	(2,458)	(266)	8,196
Depreciation expense	1,171	42	69	--	1,282
Capital expenditures	518	66	7	--	591
Six months ended June 29, 2002					
Net sales	$112,266	$ 16,292	$ 70	$ (11,659)	$116,969
Operating income (loss)	17,418	488	(4,573)	(416)	12,917
Depreciation expense	2,332	82	67	--	2,481
Capital expenditures	740	75	9	--	824
Total assets	86,968	17,529	104,055	(10,982)	197,570
Long-lived assets(4)	29,512	420	97,424	--	127,356
Three months ended June 30, 2001					
Net sales	$ 23,787	$ 4,820	$ --	$ (3,314)	$ 25,293
Operating income (loss)	2,999	(337)	(414)	--	2,248
Depreciation expense	615	43	50	--	708
Capital expenditures	48	(24)	--	--	24
Six months ended June 30, 2001					
Net sales	$ 47,446	$ 10,184	$ --	$ (7,590)	$ 50,040
Operating income (loss)	5,563	(532)	(1,046)	100	4,085
Depreciation expense	1,223	82	98	--	1,403
Capital expenditures	122	6	143	--	271
Total assets	55,941	16,977	15,013	(10,982)	76,949
Long-lived assets(4)	18,407	1,048	12,233	--	31,688

(1) Non-operating expenses are not allocated to the operating segments.

(2) Includes corporate and other general company assets and operations.

(3) Includes elimination of intercompany sales, profit in inventory and intercompany receivables. Intercompany sale transactions are predominantly from the Cooking Systems Group to the International Distribution Division.

(4) Long-lived assets of the Cooking Systems Group includes assets located in the Philippines which amounted to $2,853 and $3,081 in 2002 and 2001, respectively.

Net sales by major geographic region, including those sales from the Cooking Systems Group direct to international customers, were as follows (in thousands):

	Three Months Ended		Six Months Ended	
	Jun. 29, 2002	Jun. 30, 2001	Jun. 29, 2002	Jun. 30, 2001
United States and Canada	$51,098	$18,829	$ 95,121	$36,536
Asia	4,501	3,254	8,384	6,452
Europe and Middle East	5,222	1,935	10,281	4,542
Latin America	1,657	1,275	3,183	2,510
Net Sales	$62,478	$25,293	$116,969	$50,040

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited).

Restatement

Subsequent to the issuance of the company's financial statements for the year ended December 29, 2001, it was determined that the stock warrant rights issued in conjunction with the subordinated senior notes should have been accounted for as a derivative financial instrument in accordance with the Statement of Financial Accounting Standard No. 133, "Accounting

for Derivative Instruments and Hedging Activities" (SFAS 133), instead of as stockholders' equity, as the warrant rights contain a provision which provides the noteholder with the option to require the company to repurchase the warrant rights from the noteholder at their fair market value ("Put Option")for cash or debt. Additionally, it was determined that the initial value assigned to the warrant rights was based upon assumptions utilizing the maturity of the notes as the expiry, rather than the 10 year life of the stock warrant rights. Management has determined that the initial value assigned to the stock warrant rights should be revalued based upon the 10 year life and reclassified from Shareholders' Equity to Other Non-Current Liabilities on the balance sheet due to the terms of the Put Option. The impact of the restatement to the fiscal 2001 balance sheet is a $0.8 million reduction in Long-Term Debt, a $3.3 million increase in Other Non-Current Liabilities and a $2.5 million reduction in Shareholders' Equity. The impact of this revision on net earnings in 2001 is de minimis and does not change reported earnings per share for the year ended December 29, 2001.

In accordance with SFAS 133, this derivative financial instrument should be recorded at its fair market value. As a result the company determined that the stock right warrants should be adjusted to $3.0 million as of March 30, 2002 and restated in the balance sheet as of that date. The change in fair market value of $0.3 million was recorded as a gain in the restated income statement for the first quarter of 2002.

Additionally, on January 11, 2002 the company entered into a interest rate swap agreement with a $20.0 million notional amount, as required by the senior bank agreement. Subsequent to the issuance of the company's financial statements for the first quarter ended March 30, 2002, it was determined that this derivative financial instrument did not qualify for hedge accounting treatment under SFAS 133. As a result, the company recorded the interest rate swap in other non-current liabilities at its fair value of $0.2 million at March 30, 2002. The increase in the fair value of the interest rate swap from zero at inception to $0.2 million at March 30, 2002 was recorded as a gain in the restated financial statements for the first quarter of 2002.

See Note 2 to the financial statements for summary of principle effects of restatement.

Acquisition

On December 21, 2001, the company completed its acquisition of Blodgett Holdings, Inc. ("Blodgett") from Maytag Corporation.

The company has accounted for this business combination using the purchase method to record a new cost basis for the assets acquired and liabilities assumed. The allocation of the purchase price and acquisition costs to the assets acquired and liabilities assumed is subject to change pending additional information that may come to the attention of the company pertaining to the fair values of acquired assets and liabilities and the settlement of post-close adjustments to the purchase price with the seller. The difference between the purchase price and the fair value of the assets acquired and liabilities assumed was recorded as goodwill. Under SFAS 142, goodwill and certain other intangible assets with indefinite lives acquired in conjunction with the Blodgett acquisition will be subject to the nonamortization provisions of this statement from the date of acquisition.

The consolidated financial statements include the operating results and the financial position of Blodgett for the period subsequent to its acquisition on December 21, 2001. The results of operations prior to and including December 21, 2001 are not reflected in the consolidated statements of earnings as they have been reported in the financial statements of the seller, Maytag Corporation.

Informational Note

This report contains forward-looking statements subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. The company cautions readers that these projections are based upon future results or events and are highly dependent upon a variety of important

factors which could cause such results or events to differ materially from any forward-looking statements which may be deemed to have been made in this report, or which are otherwise made by or on behalf of the company. Such factors include, but are not limited to, volatility in earnings resulting from changes in the value of stock warrant rights issued in conjunction with the acquisition financing caused by fluctuations in Middleby's stock price and other valuation factors; variability in financing costs; quarterly variations in operating results; dependence on key customers; international exposure; foreign exchange and political risks affecting international sales; changing market conditions; the impact of competitive products and pricing; the timely development and market acceptance of the company's products; the availability and cost of raw materials; the ability to successfully integrate the acquired operations of Blodgett; and other risks detailed herein and from time-to-time in the company's SEC filings, including the 2001 report on Form 10-K.

Net Sales Summary
(dollars in thousands)

	Three Months Ended				Six Months Ended			
	Jun. 29, 2002		Jun. 30, 2001		Jun. 29, 2002		Jun. 30, 2001	
	Sales	Percent	Sales	Percent	Sales	Percent	Sales	Percent
Business Divisions								
Cooking Systems Group:								
Core cooking equipment	$ 43,605	69.8	$ 9,640	38.1	$ 80,237	68.6	$ 19,807	39.6
Conveyor oven equipment	12,114	19.4	9,882	39.1	24,200	20.7	19,060	38.1
Counterline cooking equipment	2,711	4.3	2,931	11.6	5,222	4.5	5,746	11.4
International specialty equipment	1,516	2.5	1,334	5.2	2,607	2.2	2,833	5.7
Total Cooking Systems Group	59,946	96.0	23,787	94.0	112,266	96.0	47,446	94.8
International Distribution (1)	9,446	15.1	4,820	19.1	16,292	13.9	10,184	20.4
Intercompany sales (2)	(6,914)	(11.1)	(3,314)	(13.1)	(11,589)	(9.9)	(7,590)	(15.2)
Other	--	--	--	--	--	--	--	--
Total	$ 62,478	100.0	$ 25,293	100.0	$ 116,969	100.0	$ 50,040	100.0

(1) Consists of sales of products manufactured by Middleby and products manufactured by third parties.

(2) Consists primarily of the elimination of sales to the company's International Distribution Division from Cooking Systems Group.

Results of Operations

The following table sets forth certain consolidated statements of earnings items as a percentage of net sales for the periods.

	Three months ended		Six months ended	
	Jun. 29, 2002	Jun. 30, 2001	Jun. 29, 2002	Jun. 30, 2001
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	65.6	67.4	66.3	67.2
Gross profit	34.4	32.6	33.7	32.8
Selling, general and administrative expenses	21.3	23.7	22.7	24.6
Income from operations	13.1	8.9	11.0	8.2
Interest expense and deferred financing amortization, net	4.8	0.7	5.2	0.7
Loss (gain) on acquisition financings derivatives	0.9	--	--	--
Other expense, net	(0.4)	1.6	(0.1)	1.2

Earnings before income taxes	7.8	6.6	5.9	6.3
Provision for income taxes	3.3	3.9	2.6	3.9
Net Earnings	4.5%	2.7%	3.3%	2.4%

Three Months Ended June 29, 2002 Compared to Three Months Ended June 30, 2001

NET SALES. Net sales for the second quarter of fiscal 2002 were $62.5 million as compared to $25.3 million in the second quarter of 2001. The increase in net sales resulted from the incremental business associated with the acquired Blodgett operations. On a proforma basis in the second quarter of 2001 net sales for combined Middleby and Blodgett amounted to $58.3 million. Net sales in the second quarter of 2002 increased over the combined net sales of the prior year quarter, primarily at the acquired Blodgett operations.

Net sales at the Cooking Systems Group amounted to $59.9 million in the second quarter of 2002 as compared to $23.8 million in the prior year quarter. Core cooking equipment sales amounted to $43.6 million as compared to $9.6 million, primarily due to the addition of the acquired product lines which amounted to $33.4 million in the second quarter. Excluding the acquired product lines, core product sales increased by $0.6 million due to improved market conditions as compared to the prior year quarter and the addition of sales personnel. Conveyor oven equipment sales amounted to $12.1 million as compared to $9.9 million in the prior year quarter. The increase in conveyor oven sales resulted from the addition of $1.7 million in Blodgett conveyor ovens and $0.5 million of increased sales of Middleby Marshall conveyor ovens resulting from sales of remanufactured ovens. Counterline cooking equipment sales decreased to $2.7 million from $2.9 million in the prior year. International specialty equipment sales increased to $1.5 million from $1.3 million as a result of increased fryer production for the U.S. market.

Net sales at the International Distribution Division increased by $4.6 million to $9.4 million, due in part to the addition of Frialator International - a distribution operation in the United Kingdom, which was acquired as part of the Blodgett purchase. Net sales of Frialator International amounted to $2.0 million. Excluding the impact of Frialator International, the sales of this division increased by $2.6 million, primarily due to the revenues associated with the acquired product lines which began to be distributed through this division late in the first quarter of 2002.

GROSS PROFIT. Gross profit increased to $21.5 million from $8.2 million in the prior year period as a result of the increased sales volumes resulting from the acquisition. The gross margin rate was 34.4% in the quarter as compared to 32.6% in the prior year quarter. The increase in the overall gross margin rate is largely attributable to greater leverage and an improved cost structure resulting from the increased volume associated with the acquisition. As part of the cost structure improvements, the company consolidated manufacturing for several Blodgett product lines into existing manufacturing operations, enabling the exit of two production facilities during the second quarter.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Combined selling, general, and administrative expenses increased from $6.0 million in the second quarter of 2001 to $13.3 million in the second quarter of 2002. The increased expense reflects the incremental cost associated with the acquired Blodgett operations. As a percentage of net sales operating expenses amounted to 21.3% in the second quarter of 2002 versus 23.7% in the prior year reflecting improved leverage on the greater combined sales base.

NON-OPERATING EXPENSES. Interest and deferred financing amortization costs increased to $3.0 million from $0.2 million in the prior year as a result of increased interest expense associated with the debt incurred to finance

the Blodgett acquisition. The loss on acquisition related financing derivatives amounted $0.6 million and consisted primarily of a loss on the company's interest rate swap agreement. Other income was $0.3 million in the current year compared to other expense of $0.4 million in the prior year quarter due primarily to foreign exchange gains, which resulted from the weakening U.S. dollar.

INCOME TAXES. A tax provision of $2.1 million, at an effective rate of 43%, was recorded during the quarter. This compared to a provision $1.0 million at a 60% rate in the prior year quarter. The reduction in the effective rate reflects improved earnings at foreign operations, for which the prior year reflected tax losses with no recorded benefit.

Six Months Ended June 29, 2002 Compared to Six Months Ended June 30, 2001

NET SALES. Net sales in the six-month period ended June 29, 2002 were $117.0 million as compared to $50.0 million in the six-month period ended June 30, 2001. The increase in net sales resulted from the incremental business associated with the acquired Blodgett operations. On a proforma basis in the six-month period ended June 30, 2001 net sales for combined Middleby and Blodgett amounted to $112.7 million.

Net sales at the Cooking Systems Group for the six-month period ended June 29, 2002 amounted to $112.3 million as compared to $47.4 million in the prior year six-month period. Core cooking equipment sales amounted to $80.2 million as compared to $19.8 million, primarily due to the addition of Blodgett product lines which amounted to $61.3 million in the six-month period. Conveyor oven equipment sales amounted to $24.2 million as compared to $19.1 million in the prior year six-month period. The increase in conveyor oven sales resulted from the addition of $3.3 million in Blodgett conveyor ovens and $1.8 million of increased sales of Middleby Marshall conveyor ovens resulting from sales of remanufactured ovens and market share gains. Counterline cooking equipment sales decreased to $5.2 million from $5.7 million in the prior year. International specialty

equipment sales decreased slightly to $2.6 million from $2.8 million as a result of lower sales into the Philippines which has been impacted by a slowed economy and reduced foreign investment due in part to the political environment in that country.

Net sales at the International Distribution Division increased by $6.1 million to $16.3 million, due in part to the addition of Frialator International - a distribution operation in the United Kingdom, which was acquired as part of the Blodgett purchase. Net sales of Frialator International amounted to $3.9 million. Excluding the sales from Frialator International, sales increased $2.2 million primarily due to revenues associated in the acquired product lines, which began to be distributed by this division late in the first quarter of 2002.

GROSS PROFIT. Gross profit increased to $39.4 million from $16.4 million in the prior year period as a result of the increased sales volumes resulting from the acquisition. The gross margin rate was 33.7% for the six-month period as compared to 32.8% in the prior year period. The increase in the overall gross margin rate is largely attributable to greater leverage and an improved cost structure resulting from the increased volume associated with the acquisition. As part of the cost structure improvements, the company consolidated manufacturing for several Blodgett product lines into existing manufacturing operations, enabling the exit of two production facilities during the second quarter.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Combined selling, general, and administrative expenses increased from $12.3 million for the six-month period ended June 30, 2001 to $26.5 million for the six-month period ended June 29, 2002. The increased expense reflects the incremental cost associated with the acquired Blodgett operations. As a percentage of net sales operating expenses amounted to 22.7% in the six-month period ended June 29, 2002 versus 24.6% in the prior year reflecting improved leverage on the greater combined sales base.

NON-OPERATING EXPENSES. Interest and deferred financing amortization costs increased to $6.1 million from $0.3 million in the prior year as a result

of increased interest expense associated with the debt incurred to finance the Blodgett acquisition. Other income was $0.1 million in the current year compared to other expense of $0.6 million in the prior year due to the favorable impact of foreign exchange fluctuations.

INCOME TAXES. A tax provision of $3.0 million, at an effective rate of 44%, was recorded for the six-month period, as compared to a provision of $1.9 million at 61% rate in the prior year period. The reduction in the effective rate reflects improved earnings at foreign operations, for which the prior year reflected tax losses with no recorded benefit.

Financial Condition and Liquidity

During the six months ended June 29, 2002, cash and cash equivalents decreased by $3.0 million to $0.8 million at June 29, 2002 from $3.8 million at December 29, 2001. Net borrowings decreased from $96.2 million at December 29, 2001 to $83.5 million at June 29, 2002.

OPERATING ACTIVITIES. Net cash provided by operating activities before changes in assets and liabilities was $7.1 million in the six months ended June 29, 2002 as compared to $4.3 million in the prior year period. Net cash provided by operating activities after changes in assets and liabilities was $10.7 million as compared to net cash used of $0.7 million in the prior year period.

During the six months ended June 29, 2002, accounts receivable increased $4.1 million due to increased sales. Inventories decreased $1.8 million due to inventory reduction measures. Accounts payable increased $4.7 million due to increased inventory purchases on higher volumes and management of vendor payments to enhance cash flows. Accrued expenses and other liabilities increased $1.2 million primarily due to the increase of incentive compensation accruals, offset in part by the payment of accrued severance obligations associated with headcount reductions completed during the first half of the year.

INVESTING ACTIVITIES. During the six months ending June 29, 2002, the company had capital expenditures of $0.8 million associated with enhancements to existing manufacturing facilities required to consolidate the production for several product lines that were moved from two manufacturing facilities that were closed in the second quarter.

FINANCING ACTIVITIES. Net borrowings decreased by $12.9 million during the six months ending June 29, 2002. This included $14.4 million of repayments on senior bank debt, offset in part by $0.3 million of an increase to the subordinated senior notes and a $1.3 million increase in the note due Maytag. The increase in the subordinated notes and the notes due Maytag represents the assessed interest which is paid in kind and added to the principal balance of the note, in accordance with the terms of the respective borrowing agreements.

At June 29, 2002, the company was in compliance with all covenants pursuant to its borrowing agreements. Management believes that future cash flows from operating activities and borrowing availability under the revolving credit facility will provide the company with sufficient financial resources to meet its anticipated requirements for working capital, capital expenditures and debt amortization for the foreseeable future.

New Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board issued SFAS No. 141 "Business Combinations". This statement addresses financial accounting and reporting for business combinations initiated after June 30, 2001, superceding APB Opinion No. 16 "Business Combinations" and SFAS No. 38 "Accounting for Preacquisition Contingencies of Purchased Enterprises". All business combinations in the scope of this statement are to be accounted for using the purchase method of accounting. The company has

accounted for its acquisition of Blodgett Holdings, Inc. ("Blodgett") in accordance with SFAS No. 141.

In June 2001, the Financial Accounting Standards Board issued SFAS No. 142 "Goodwill and Other Intangible Assets", superceding APB Opinion No. 17, "Intangible Assets". This statement addresses how intangible assets that are acquired individually or with a group of other assets (excluding assets acquired in a business combination) should be accounted for in financial statements upon their acquisition. This statement also addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. In accordance with this statement, goodwill and certain other intangible assets with indefinite lives will no longer be amortized, but evaluated for impairment based upon financial tests related to the current value for the related assets. As a result there may be more volatility in reported income than under the previous standards because impairment losses are likely to occur irregularly and in varying amounts. The company has adopted this statement in the first quarter of fiscal 2002. Upon initial adoption of this statement, the company has determined no impairment of goodwill or other intangible assets had occurred. Goodwill of $63.3 million and other intangible assets (trademarks) of $26.3 million have been accounted for consistently with the nonamortization provisions of this statement. As of June 29, 2002, the company does not have any intangible assets subject to amortization. In the first six months of 2001, the company had recorded goodwill amortization, which reduced net income by $270,000 from $1,495,000 or $0.17 per share.

In June 2001, the Financial Accounting Standards Board issued SFAS No. 143 "Accounting for Asset Retirement Obligations". This statement addresses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs, and requires that such costs be recognized as a liability when the recognition criteria in FASB Concepts Statement No. 5 "Recognition and Measurement in the Financial Statements of Business Enterprises" are met. This statement is effective for financial statements issued for fiscal years beginning after June 15, 2002. The company does not expect the adoption of this statement to have a material impact to the financial statements.

In August 2001, the Financial Accounting Standards Board issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supercedes SFAS No. 121 and requires that one accounting model be used for long-lived assets to be disposed of by sale, whether previously held and used or newly acquired and by broadening the presentation of discontinued operations to include more disposal transactions. This statement is effective for financial statements issued for fiscal years beginning after December 15, 2001. The adoption of SFAS No. 144 did not have a material impact on the company's financial position, results of operations or cash flows.

In April 2002, the Financial Accounting Standards Board issued SFAS 145, "Rescission of FASB Statements SFAS 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical Corrections". SFAS No. 145 eliminates the current requirement that gains and losses on debt extinguishment must be classified as extraordinary items in the income statement. Instead, such gains and losses will be classified as extraordinary items only if they are deemed to be unusual and infrequent. The changes related to debt extinguishment will be effective for fiscal years beginning after May 15, 2002, and the changes related to lease accounting will be effective for transactions occurring after May 15, 2002. The company will apply this guidance prospectively.

In June 2002, the Financial Accounting Standards Board issued Statement No. 146, Accounting for Costs Associated with Exit or Disposal Activities. This Statement requires recording costs associated with exit or disposal activities at their fair values when a liability has been incurred. Under previous guidance, certain exit costs were accrued upon management's commitment to an exit plan, which is generally before an actual liability has been incurred. This statement is effective for financial statements issued for fiscal years beginning after December 31, 2002. The company will apply this guidance prospectively.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

The company is exposed to market risk related to changes in interest rates. The following table summarizes the maturity of the company's debt obligations.

Twelve Month Period Ending	Fixed Rate Debt	Variable Rate Debt
	(In thousands)	
June 30, 2003	$ --	$13,500
June 30, 2004	--	9,750
June 30, 2005	--	8,750
June 30, 2006	--	8,000
June 30, 2007	43,543	--
	$43,543	$40,000

Fixed rate obligations of $43.5 million due in the twelve month period ending June 29, 2007 include $22.2 million of subordinated senior notes which bear an interest rate of 15.5%, of which 2% is payable in kind, for which the unpaid interest will be added to the principal balance of the notes. The subordinated senior notes are reflected net of a debt discount of $3.1 million, representing the unamortized balance of the prescribed value of warrants issued in connection with the notes. Additional fixed rate debt consists of approximately $21.3 million of notes due to Maytag arising from the acquisition of Blodgett. The notes bear interest at an average rate of approximately 12.4%. The amount of notes due to Maytag is subject to change pending post closing purchase price adjustments as provided for under provisions of the purchase agreement.

Variable rate debt consists of $1.0 million of borrowings under a $27.5 million revolving credit facility, which becomes due in December 2005, and $39.0 million in senior bank notes. As of June 29, 2002 the revolving credit facility had borrowing availability of $22.8 million based upon the company's collateral base as determined per the senior bank agreement. The company had $0.8 million outstanding in letters of credit and $1.0 million in cash borrowings against this facility at the end of the second quarter. The secured senior bank notes are comprised of two separate tranches of debt. The first tranche of debt for $36.0 million is repaid on a quarterly basis over the four-year term ending December 2005. The second tranche of debt for $3.0 million matures with a single payment in December 2005. The secured revolving credit facility and $36.0 million senior bank note bear interest at a rate of 3.25% above LIBOR, or 5.09% as of June 29, 2002. The $3.0 million senior bank note accrues interest at a rate of 4.5% above LIBOR, or 6.34% as of June 29, 2002.

Acquisition Financing Derivative Instruments

On January 11, 2002, in accordance with the senior bank agreement, the company entered into an interest rate swap agreement, with a notional amount of $20.0 million to fix the interest rate applicable to certain of its variable-rate debt. The agreement swaps one-month LIBOR for a fixed rate of 4.03% and is in effect through December 31, 2004. As of June 29, 2002, the fair value of this derivative financial instrument was $(0.3) million. This net loss was recorded in earnings for the six-month period.

In conjunction with subordinated senior notes issued in connection with the financing for the Blodgett acquisition, the company issued 362,226

stock warrant rights and 445,100 conditional stock warrant rights to the subordinated senior noteholder. The warrant rights allow the noteholder to purchase Middleby common stock at $4.67 per share through their expiration on December 21, 2011. The conditional stock warrant rights are exercisable in the circumstance that the noteholder fails to achieve certain prescribed rates of return as defined per the note agreement. After March 15, 2007 or upon a Change in Control as defined per the note agreement, the subordinated senior noteholder has the ability to require the company to repurchase these warrant rights at the fair market value. The obligation pertaining to the repurchase of these warrant rights is recorded in Other Non-Current Liabilities at fair market value utilizing a Black-Scholes valuation model. As of June 29, 2002, the fair value of the warrant rights was assessed at $3.0 million. The change in the fair value of the stock warrant rights during the first six months amounted to $0.3 million and was recorded as a gain in the income statement for the six month period ended June 29, 2002. The company may experience volatility in earnings caused by fluctuations in the market value of the stock warrant rights resulting from changes in Middleby's stock price, interest rates, or other factors that are incorporated into the valuation of these financial instruments.

Foreign Exchange Derivative Financial Instruments

The company uses foreign currency forward purchase and sale contracts with terms of less than one year, to hedge its exposure to changes in foreign currency exchange rates. The company's primary hedging activities are to mitigate its exposure to changes in exchange rates on intercompany and third party trade receivables and payables. The company does not currently enter into derivative financial instruments for speculative purposes. In managing its foreign currency exposures, the company identifies and aggregates naturally occurring offsetting positions and then hedges residual balance sheet exposures. The following table summarizes the forward and option purchase contracts outstanding at June 29, 2002, the fair value of which was $(0.2) million at the end of the quarter:

Sell	Purchase	Maturity
1,000,000 Euro	$913,300 U.S. Dollars	August 26, 2002
689,655 British Pounds	$1,000,000 U.S. Dollars	July 19, 2002
1,000,000 British Pounds	$1,481,000 U.S. Dollars	August 30, 2002

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 the three months ended June 29, 2002, except as follows:

Item 2. Changes in Securities

c) During the second quarter of fiscal 2002, the company issued 625 shares of the company's common stock to a division executive and 1,000 shares to a company director, pursuant to the exercise of stock options, for $2,812.50 and $1,875.00, respectively. Such options were granted at an exercise price of $4.50 and $1.875 per share, respectively. As certificates for the shares were legended and stop transfer instructions were given to the transfer agent, the issuance of such shares was exempt under the Securities Act of 1933, as amended, pursuant to Section 4(2) thereof, as transactions by an issuer not involving a public offering.

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

On May 16, 2002, the company held its 2002 Annual Meeting of Stockholders. The following persons were elected as directors to hold office until the 2003 Annual Meeting of Stockholders: Selim A. Bassoul, Robert R. Henry, A. Don Lummus, John R. Miller III, Philip G. Putnam, David P. Riley, Sabin C.

Streeter, William F. Whitman, Jr., Laura B. Whitman and Robert L. Yohe. The number of shares cast for, withheld and abstained with respect to each of the nominees were as follows:

Nominee	For	Withheld	Abstained
Bassoul	6,383,009	2,958	0
Henry	6,384,209	1,758	0
Lummus	6,384,209	2,258	0
Miller	6,384,209	1,758	0
Putnam	6,384,209	1,758	0
Riley	6,384,209	1,758	0
Streeter	6,384,184	1,783	0
Whitman, W	6,383,509	2,458	0
Whitman, L	6,383,684	2,283	0
Yohe	6,383,709	2,258	0

The stockholders voted to amend The Middleby Corporation Management 1998 Stock Incentive Plan to increase by 300,000 the number of shares available for grants and to permit a one-time grant to Selim A. Bassoul of options for 200,000 shares. 6,364,857 shares were cast for ratification, 18,752 shares were cast against ratification and 2,358 shares abstained. There were no broker non-votes with respect to either of these proposals.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits - The following Exhibits are filed herewith:

Exhibit 10(A) - Amendment No. 3 to Amended and Restated Employment Agreement of William F. Whitman, dated April 16, 2002.

Exhibit 10(B) - Severance Agreement of Selim A. Bassoul, dated April 16, 2002.

Exhibit 10(C) - Employment Agreement of Selim A. Bassoul, dated May 16, 2002.

Exhibit 10(D) - Severance Agreement of David B. Baker, dated June 21, 2002.

Exhibit 10(E) - Amended 1998 Stock Incentive Plan dated May 16, 2002.

Exhibit 99.1 - Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Exhibit 99.2 - Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

b) Reports on Form 8-K

On July 25, 2002 the company filed a report on Form 8-K, in response to Item 4, Changes in Registrant's Certifying Accountant.

SIGNATURE

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 August 19, 2002 By: /s/ David B. Baker

David B. Baker
Vice President,
Chief Financial Officer
and Secretary

Exhibit 10(A)

Amendment No. 3 to Amended and Restated Employment Agreement of William F. Whitman, Jr.

This Amendment No. 3 is made as of April 16, 2002 by and among THE MIDDLEBY CORPORATION, a Delaware corporation, MIDDLEBY MARSHALL INC., a Delaware corporation (collectively the "Employer") and WILLIAM F. WHITMAN, JR. ("Whitman").

RECITAL

Employer and Whitman are parties to that certain Amended and Restated Employment Agreement dated as of January 1, 1995 (the "1995 Agreement") as amended by Amendment No. 1 dated January 1, 1998 and Amendment No. 2 dated January 1, 2001 (as so amended, the "Employment Agreement") and wish to amend the Employment Agreement as provided hereinbelow.

AGREEMENT

NOW THEREFORE the parties agree as follows:

1. Section 2 of the 1995 Agreement, as amended by Amendment No. 1 and Amendment No. 2, is hereby further amended by deleting the date "December 31, 2005" and substituting therefor the date "December 31, 2006".

2. Except as above amended, the Employment Agreement shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this instrument as of the day and year first above stated.

THE MIDDLEBY CORPORATION
AND
MIDDLEBY MARSHALL INC.

By: -----------------------
President and Chief
Executive Officer

WILLIAM F. WHITMAN, JR.

Exhibit 10(B)

CONFIDENTIAL

THE MIDDLEBY CORPORATION
SEVERANCE AGREEMENT

The Middleby Corporation ("Middleby") and Selim A. Bassoul ("Employee") enter into this severance agreement on this 16th day of April 2002. In recognition of the Employee's past and continued service to The Middleby Corporation, Middleby agrees to provide the Employee with two years of base salary severance and two years of normal employer provided health insurance in the event of the Employee's involuntary termination of employment from Middleby for any reason other than Cause. Cause shall mean gross negligence, willful misconduct, breach of fiduciary duty involving personal profit, substance abuse, or commission of a felony.

This two-year base salary severance and health insurance guarantee to the Employee will also be in effect in the event of a Change of Control of Middleby and shall be considered a liability of the successor owner of Middleby. In the event of a Change of Control of Middleby, Employee shall have the right at any time within the six-month period immediately following the Change of Control to terminate his employment by providing written notice to Middleby or its successor. Upon providing such notice of termination Employee shall be entitled to receive two years of base salary severance and two years of normal employer provided health insurance. For purposes of this agreement a Change of Control shall mean any 25 percentage point increase in the percentage of outstanding voting securities of The Middleby Corporation hereafter held by any person or group of persons who agree to act together for the purpose of acquiring, holding, voting or disposing of such voting securities as compared to the percentage of outstanding voting securities of The Middleby Corporation held by such person or group of persons on the date hereof.

> Example: On April 16, 2002 individual A owns 2.42% of the total outstanding voting securities of The Middleby Corporation. Thereafter, individual A commences a series of open market and private purchases, and on September 16, 2002 for the first time his holdings exceed 27.42% of the outstanding voting securities of The Middleby Corporation. A Change of Control occurs on September 16, 2002.

This agreement supersedes the Severance Agreement dated May 16, 2001 between the parties hereto. This agreement expires December 31, 2006.

SELIM A. BASSOUL

THE MIDDLEBY CORPORATION

By:

William F. Whitman, Jr., Chairman

EMPLOYMENT AGREEMENT

Exhibit 10(C)

THIS EMPLOYMENT AGREEMENT (this "Agreement") dated as of May 16, 2002, is entered into by and between The Middleby Corporation, a Delaware corporation ("TMC"), Middleby Marshall Inc., a Delaware corporation (the "Company"), (collectively the "Employer"), and Selim A. Bassoul ("Employee").

R E C I T A L:

The Employer desires to continue the employment of Employee as President and Chief Executive Officer of TMC and as President and Chief Executive Officer of the Company, and Employee desires to continue to serve the Employer in such capacities, all on the terms and conditions hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, Employee's employment by the Employer, the compensation to be paid Employee while employed by the Employer, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Employment. The Employer agrees to employ Employee and Employee agrees to be employed by the Employer subject to the terms and provisions of the Agreement.

2. Term. The employment of Employee by Employer as provided in Section 1 will be for a period commencing on the date of this Agreement and ending on December 31, 2006, unless sooner terminated as hereinafter provided.

3. Duties. Employee shall serve as President and Chief Executive Officer of TMC and as President and Chief Executive Officer of the Company, or in such other executive capacities as the Board of Directors of TMC or the Company, as applicable, may designate and shall have such powers and duties as may be from time to time prescribed by the Board of Directors of TMC or the Company, as applicable. Throughout the term of this Agreement, Employee shall devote substantially all of his time and effort as reasonably may be required for him to perform the duties and responsibilities to be performed by him under the terms of this Agreement.

4. Compensation.

(a) Base Salary. Commencing on the date hereof, the Employer shall pay to Employee a base salary at a rate per annum of $260,000, payable in accordance with the normal payroll practices of Employer; provided, however, that if the Employer has achieved its financial goals (which goals are based on the Employer's earnings before interest, taxes, depreciation and amortization ("EBITDA"), as set forth on Exhibit A hereto) for the period commencing January 1, 2002, and ending on June 30, 2002, Employee's annual base salary rate shall be increased to $360,000, effective for the period beginning July 1, 2002.

(b) Incentive Compensation. Employee shall be eligible to participate in the Management Incentive Plan previously adopted by the Employer, subject to all terms and conditions thereof. Under such Plan, if the Employer attains certain pre-established performance goals (attainment of such goals to be determined after taking into account any incentive compensation to be paid to Employee and any other participating employees under the Plan), Employee shall be entitled to receive (i) (x) for the fiscal year ending December 31, 2002, 100%

of his average Base Salary for such fiscal year, and (y) for fiscal years ending after December 31, 2002, 100% of his Base Salary as in effect at the beginning of the fiscal year to which the award relates, and (ii) for each year, an additional $25,000 for each $120,000 by which the Employer's actual EBITDA exceeds the goal. The performance goals, which are based on the Employer's EBITDA, are set forth on Exhibit A hereto.

(c) Stock Options. On February 26, 2002, but subject to approval by TMC's shareholders, Employee was granted stock options with respect to 200,000

shares of TMC common stock, under the 1998 Stock Incentive Plan. In the event that the 2002 EBITDA Goal, as set forth on Exhibit A, is attained, TMC shall cause to be granted to Employee an option, under the 1998 Stock Incentive Plan, with respect to an additional 50,000 shares of TMC common stock, such grant to be made during the first quarter of 2003 (or as soon thereafter as practicable), following completion of the year end audit. In the event that the 2003 EBITDA Goal, as set forth on Exhibit A, is attained, TMC shall cause to be granted to Employee an option, under the 1998 Stock Incentive Plan, with respect to another 50,000 shares of TMC common stock, such grant to be made during the first quarter of 2004 (or as soon thereafter as practicable), following completion of the year end audit. Notwithstanding anything contained in this paragraph to the contrary, the grants of options based on attainment of the 2002 and 2003 EBITDA Goals are expressly conditioned upon (i) approval, if and to the extent required under all applicable laws, by TMC's shareholders, and TMC commits to present the issue to the shareholders, on a timely basis, if and to the extent such approval is necessary, and (ii) Employee's continued employment with the Employer as of the respective dates of grant.

5. Termination.

(a) Subject to Section 5(b) below, Employee's employment hereunder may be terminated by the Employer or by Employee at any time, or by the death of the Employee, and such termination shall automatically terminate all of the Employer's obligations under this Agreement other than with respect to Base Salary or benefits which have accrued through the date of termination of employment. For purposes of this paragraph, incentive compensation under the Management Incentive Plan for any year shall be deemed to have accrued, if at all, only if the Employee is employed as of the end of the last day of such year.

(b) Notwithstanding anything to the contrary contained in this Agreement, in the event the Employer terminates Employee's employment under this Agreement without "Cause" (as defined below), or in the event that Employee terminates his employment under this Agreement within the six-month period immediately following a "Change in Control" (as defined below), by providing written notice of such termination to the Employer, Employee shall be entitled to (i) payments for a period of twenty-four (24) months following his date of termination of employment in an amount equal to his annual monthly salary in effect at such date, payable at the times such amounts would have been payable were Employee still employed by the Employer; and (ii) continued participation by Employee and any dependents who were participating immediately prior to Employee's termination of employment, in all health and medical plans and programs which the Employer maintains for its senior executives and their families, under the same terms and conditions, including payment of any required employee contributions therefor, as may generally apply, for a period of two years from the date of Employee's termination of employment, provided that such participation is permitted under the provisions of such plans and programs. In the event that participation in any such plan or

program is barred or otherwise not permitted, the Employer shall provide substantially similar health and medical benefits to Employee and any eligible dependents, in which case the Employer may self-insure such benefits or may purchase individual policies or plans to provide such benefits, in its sole discretion.

(c) For purposes of this Section 5, the term "Cause" shall mean gross negligence, willful misconduct, breach of fiduciary duty involving personal profit, substance abuse, or commission of a felony.

(d) For purposes of this Section 5, the term "Change in Control" shall mean any 25 percentage point increase in the percentage of outstanding voting securities of TMC hereafter held by any person or group of persons who agree to act together for the purpose of acquiring, holding, voting or disposing of such voting securities as compared to the percentage of outstanding voting securities of TMC held by such person or group of persons on the date hereof.

Example: On April 16, 2002 individual A owns 2.42% of the total

outstanding voting securities of TMC. Thereafter, individual A commences a series of open market and private purchases, and on September 16, 2002 for the first time his holdings exceed 27.42% of the outstanding voting securities of TMC. A Change of Control occurs on September 16, 2002.

6. Payment. Payment of all compensation and benefits to Employee hereunder shall be made in accordance with the relevant policies of the Employer in effect from time to time and shall be subject to all applicable employment and withholding taxes.

7. Successors. This Agreement shall be binding upon, and inure to the benefit of and be enforceable by, Employer and its successors and assigns. This Agreement shall inure to the

benefit of Employee's heirs, legatees, legal representatives and assigns, but neither this Agreement nor any right or interest hereunder shall be assignable by Employee without Employer's prior written consent.

8. Notices. All notices, requests, demands and other communications made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given (a) if delivered, at the time delivered or (b) if mailed, at the time mailed at any general or branch United States Post Office enclosed in a certified post-paid envelope addressed to the address of the respective parties as follows:

To TMC: 1400 Toastmaster Drive
Elgin, Illinois 60120
Attention: Chairman of the Board

To the Company: 1400 Toastmaster Drive
Elgin, Illinois 60120
Attention: Chairman of the Board

To Employee: Selim A. Bassoul
(private address)

or to such other address as the party to whom notice is to be given may have previously furnished to the other party in writing in the manner set forth above, provided that notices of changes of address shall only be effective upon receipt.

9. Modifications and Waivers. This Agreement may be modified or amended only by a written instrument executed by Employer and Employee. No term or condition of this Agreement shall be deemed to have been waived nor shall there be any estoppel to enforce any provision of this Agreement except by written instrument of the party charged with such waiver or estoppel.

10. Entire Agreement. This Agreement supersedes all prior agreements between the parties hereto relating to the subject matter hereof, including but not limited to the Severance Agreement dated May 16, 2001 and constitutes the entire agreement of the parties hereto relating to the subject matter hereof. However, nothing in this Agreement is intended or shall be interpreted to reduce the rate or eliminate any portion of Employee's compensation or benefits in effect immediately prior to the date hereof.

11. Law Governing. The validity, interpretation, construction, performance and enforcement of this Agreement shall be governed by the laws of the State of Illinois without regard to principles of conflicts of laws.

12. Invalidity. The invalidity or unenforceability of any term or terms of this agreement shall not invalidate, make unenforceable or otherwise affect any other term of this Agreement which shall remain in full force and effect.

13. Headings. The headings contained herein are for reference only and shall not affect the meaning or interpretation of this Agreement.

14. Joint and Several. The liability hereunder of TMC and the Company

shall be joint and several.

* * *

[Execution page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set forth above.

EMPLOYEE

____
Selim A. Bassoul

THE MIDDLEBY CORPORATION

By_________________________________
Chairman

MIDDLEBY MARSHALL INC.

By_________________________________
Chairman

EXHIBIT A

EBITDA Goals

The following are the EBITDA goals to be used for purpose of determining Base Salary, incentive compensation under the Management Incentive Plan and grants of stock options under the 1998 Stock Incentive Plan, as all set forth in the Agreement to which this Exhibit is attached:

	2002	2003	2004	2005	2006	2007
EBITDA Goal*	$29,154,600	32,653,152	36,571,530	40,960,114	45,875,328	51,380,367

*Notes Regarding EBITDA Goals

1. The definition of EBITDA excludes foreign exchange (FX) gains/losses. This is consistent with the annual operating plan for the Employer and the bank lending group's definition. FX gains/losses are not excluded in the publicly reported financial results.

2. The EBITDA Goal for the period commencing on January 1, 2002 and ending on June 30, 2002 shall be $13,930,000.

3. The EBITDA Goal for any full year shall be deemed to be attained only if it is attained after taking into account any and all bonuses and incentive compensation payable to all employees, including incentive compensation payable to all employees participating under the Management Incentive Plan, for the applicable year.

4. If actual EBITDA for any particular full year exceeds the goal for that year to the extent that it also exceeds the goal for the next following year, the EBITDA goal for such next following year shall be automatically increased to equal the actual EBITDA for such prior year. EBITDA goals for subsequent years do not automatically change. For example, if the actual EBITDA for 2002 is $32,700,000, then the EBITDA Goal for 2003 will automatically increase to $32,700,000; however, the EBITDA goals for 2004 through 2007 shall not automatically adjust at that time.

Exhibit 10(D)

CONFIDENTIAL

THE MIDDLEBY CORPORATION
SEVERANCE AGREEMENT

The Middleby Corporation ("Middleby") and David B. Baker ("Employee") enter into this severance agreement on this 21st day of June 2002. In recognition of the Employee's past and continued service to The Middleby Corporation, Middleby agrees to provide the Employee with one year of base salary severance and one year of normal employer provided health insurance in the event of the Employee's involuntary termination of employment from Middleby for any reason other than Cause. Cause shall mean gross negligence, willful misconduct, breach of fiduciary duty involving personal profit, substance abuse, or commission of a felony.

This one-year base salary severance and health insurance guarantee to the Employee will also be in effect in the event of a Change of Control of Middleby and shall be considered a liability of the successor owner of Middleby. In the event of a Change of Control of Middleby, Employee shall have the right at any time within the six-month period immediately following the Change of Control to terminate his employment by providing written notice to Middleby or its Successor. Upon providing such notice of termination Employee shall be entitled to receive one-year of base salary severance and one year of normal employer provided health insurance. For purposes of this agreement a Change of Control shall mean any twenty-five percentage point increase in the percentage of outstanding voting securities of The Middleby Corporation hereafter held by any person or group of persons who agree to act together for the purpose of acquiring, holding, voting, or disposing of such voting securities as compared to the percentage of outstanding voting securities of The Middleby Corporation held by such person or group of persons on the date hereof.

Example: On June 21, 2002 individual A owns 2.42% of the total outstanding voting securities of The Middleby Corporation. Thereafter, individual A commences a series of open market and private purchases, and on October 7, 2002 for the first time his holdings exceed 27.42% of the outstanding voting securities of The Middleby Corporation. A Change of Control occurs on October 7, 2002.

This agreement expires two years from the date first above written.

Agreed: _______________________ David B. Baker, VP and Chief Financial Officer

For Middleby: _________________ Selim A. Bassoul, President and CEO

Exhibit 10(E)

As amended through 5/16/02

THE MIDDLEBY CORPORATION

1998 STOCK INCENTIVE PLAN

Introduction

This document contains the provisions of The Middleby Corporation 1998 Stock Incentive Plan, as adopted effective as of February 19, 1998 (the "Effective Date"). The purpose of this Plan is to provide a means to attract and retain employees of experience and ability and to furnish additional incentives to them.

ARTICLE I

Definitions

1.1. "Board" means the Company's Board of Directors.

1.2. "Code" means the Internal Revenue Code of 1986, as amended.

1.3. "Company" means The Middleby Corporation, a Delaware corporation.

1.4. "Eligible Employee" means any employee of an Employer.

1.5. "Employer" means the Company or any affiliate or subsidiary of the Company.

1.6. "Fair Market Value" means, as of any date, the closing price of Stock on the national stock exchange or automated quotation system on which the Stock is then listed or, if there was no trading in Stock on that date, the closing price of Stock on such exchange or automated quotation system on the next preceding date on which there was trading in Stock.

1.7. "Grant" means any award of Options, Stock Appreciation Rights, Restricted Stock or Performance Stock (or any combination thereof) made under this Plan to an Eligible Employee.

1.8. "Option" means any stock option granted under this Plan.

1.9. "Performance Stock" means Stock issued pursuant to Article VII of this Plan.

1.10. "Plan" means The Middleby Corporation 1998 Stock Incentive Plan, as set out in this document and as subsequently amended.

1.11. "Recipient" means an Eligible Employee to whom a Grant has been made.

1.12. "Restricted Stock" means Stock transferred to a Recipient in a Grant which is, at the date on which the Grant is made, both (i) not "transferable" and (ii) "subject to a substantial risk of forfeiture," within the meaning of Section 83 of the Code.

1.13. "Stock" means the Company's authorized common stock, par value $.01 per share.

1.14. "Stock Appreciation Right" means a right transferred to a Recipient under a Grant which entitles the Recipient, upon exercise, to receive a payment (in cash, Stock or a combination of cash and Stock) which is equal to the increase (if any) in the Fair Market Value of a share of Stock between the date as of which the Grant was made and the date as of which the right is exercised.

1.15. The masculine gender includes the feminine, and the singular number includes the plural, unless a different meaning is clearly required by the context.

ARTICLE II

Stock Available for Grants

2.1. 850,000 shares of Stock are available for Grants under the Plan. The Stock available for Grants may include unissued or reacquired shares. If a Grant expires or is canceled, any shares which were not issued or fully vested under the Grant at the time of expiration or cancellation will again be available for Grants.

2.2. If there is a merger, consolidation, stock dividend, split-up, combination or exchange of shares, recapitalization or change in capitalization with respect to Stock, the total number of shares provided for in Section 2. 1. will be adjusted by the Board to accurately reflect that event.

ARTICLE III

Making Grants

3.1. (a) The Board may, at any time while the Plan is in effect and there is Stock available for Grants, make Grants to Eligible Employees; provided, that the selection of Eligible Employees for participation and decisions concerning the timing, pricing and amount of a Grant shall be made solely by a committee consisting solely of two or more directors. The number of shares of Stock granted in a fiscal year to each executive officer whose compensation is subject to reporting in the Company's annual proxy statement (an "Executive Officer") shall not exceed 100,000 shares for any fiscal year during which he serves as an Executive Officer, except that a grant of 200,000 shares may be made to Selim A. Bassoul in 2002.

(b) No Grant may be made after February 19, 2008.

(c) All grants and any exercises of Grants are conditioned upon stockholder approval of the Plan as described in Section 9.2.

(d) If there is a merger, consolidation, stock dividend, split-up, combination or exchange of shares, recapitalization or change in capitalization with respect to Stock, or any other corporate action with respect to Stock which, in the opinion of the Board, adversely affects the relative value of a Grant, the number of shares and the exercise price (in the case of an Option) of any Grant which is outstanding at the time of that event will be adjusted by the Board to the extent necessary to remedy the adverse effect on the Grant's value.

3.2. (a) The terms of each Grant will be set out in a written agreement.

(b) Subject to the applicable provisions of Article IV, VI, VI or VII, a Grant may contain any terms and conditions which the Board determines, as long as they are consistent with the provisions of the Plan. Such terms may, without limitation, include provisions that Grants shall terminate upon termination of employment in specified circumstances.

ARTICLE IV

Options

4.1. The terms of each Option must include the following:

(i) The name of the Recipient.

(ii) The number of shares which are subject to the Option.

(iii) The term over which the Option may be exercised.

(iv) A requirement that the Option is not transferable by the Recipient except by will or the laws of descent and distribution and that, during his lifetime, it is exercisable only by him. Provided that, subject to the approval of the Board, an Option may be transferable as permitted under 17 C.F.R. sec. 240.16b-3 and 5, as long as such transfers are made to one or more of the following: family members, including children of the Recipient, the spouse of the Recipient, or grandchildren of the Recipient, trusts for such family members or charities ("Transferees"), and provided that such transfer is a bona fide gift and accordingly, the Recipient receives no consideration for the transfer, and that the Options transferred continue to be subject to the same terms and conditions that were applicable to the Options immediately prior to the transfer. In the event of such a transfer, the Transferee may not subsequently

transfer this Option. The designation of a beneficiary shall not constitute a transfer.

(v) A statement of whether the Option is intended to be an "incentive stock option" under Section 422 of the Code or a "nonstatutory stock option".

4.2. An Option which is intended to be an incentive stock option under Section 422 of the Code must contain the following terms:

(i) The exercise price per share must be at least 100% of the Stock's Fair Market Value on the date the Option is granted.

(ii) The aggregate Fair Market Value (as of the date the Option is granted) of Stock with respect to which incentive stock options are exercisable for the first time by the Recipient during any calendar year (under all stock option plans of the Employers) may not exceed $100,000.

(iii) The term over which the Option may be exercised may never exceed ten years from the date of Grant.

(iv) If the Recipient, at the time the option is granted, owns 10% or more of the voting stock of an Employer (including Stock which he is deemed to own under Section 424(d) of the Code), the exercise price must be at least 110% of the Stock's Fair Market Value as of the Option's date of grant, and the term of the Option may not be more than five years from the date of grant.

4.3. (a) An Option may be exercised, in whole or part, at any time during its term, subject to any specific conditions in the Option's terms and any rules adopted by the Board for the exercise of Options.

(b) A Recipient may pay the exercise price of an Option in cash or, in the Board's discretion, in shares of Stock owned by him (valued at Fair Market Value), with a note payable to the Company, or in a combination of cash, notes and shares of Stock.

(c) The following rules apply to the exercise of Options:

(i) If a Recipient dies, any Option may, to the extent it was exercisable at his death, be exercised by his estate, within one year after his date of death or such shorter period as the Option may provide.

(ii) If a Recipient terminates employment because he has become permanently and totally disabled, he may exercise any Option to the extent it was exercisable at his termination of employment, but only within one year after his termination of employment or such shorter period as the Option may provide.

(iii) If a Recipient terminates employment for any reason other than death or permanent and total disability, he may exercise any Option to the extent it was exercisable at his termination of employment, but only within three months after his termination of employment or such shorter or longer period as the Option may provide.

(iv) Subparagraph (i), (ii) or (iii) can never operate to make an Option exercisable beyond the term for which it was granted.

(d) To the extent an Option is not exercised before the expiration of its term or before the expiration of any shorter exercise period under paragraph (c), it will be canceled.

ARTICLE V

Stock Appreciation Rights

5.1. The terms of each Grant of Stock Appreciation Rights must include the following:

(i) The name of the Recipient.

(ii) The number of Stock Appreciation Rights which are being granted.

(iii) The term over which the Stock Appreciation Rights may be exercised. This term may never exceed ten years from the date of Grant.

(iv) A description of any events which will cause cancellation of the Stock Appreciation Rights before the end of the term described in subparagraph (iii).

(v) Whether or not the Stock Appreciation Rights are issued in tandem with any Option, and, if so, the manner in which the Recipient's exercise of one affects his right to exercise the other.

(vi) A requirement that the Stock Appreciation Rights are not transferable by the Recipient except by will or the laws of descent and distribution and that during his lifetime such Rights are exercisable only by him.

5.2. Stock Appreciation Rights which are issued in tandem with an Option which is intended to be an incentive stock option under Section 422 of the Code must contain the following terms:

(i) They will expire no later than at the expiration of the Option.

(ii) Payment under the Stock Appreciation Rights may not exceed 100% of the difference between the exercise price of the Option and the Fair Market Value of Stock on the date the Stock Appreciation Rights are exercised.

(iii) They are transferable only when the Option is transferable, and under the same conditions.

(iv) They are exercisable only when the Option is exercisable.

(v) They may only be exercised when the Fair Market Value of Stock exceeds the exercise price of the Option.

5.3. (a) Stock Appreciation Rights may be exercised at any time during their term, subject to Section 5.2., to any specific conditions in their terms and to any rules adopted by the Board for the exercise of Stock Appreciation Rights.

(b) Determination of the form of payment upon exercise of a Stock Appreciation Right (cash, Stock or a combination of cash and Stock) is solely in the discretion of the Board.

ARTICLE VI

Restricted Stock

6.1. The terms of each Grant of Restricted Stock must include the following:

(i) the name of the Recipient.

(ii) the number of shares of Restricted Stock which are being granted.

(iii) whether the Recipient must pay any amount in connection with the Grant and if so, the amount and terms of that payment. Such amount shall not exceed 10% of the Fair Market Value of the Restricted Stock at the time the Grant is made, and may be such lesser amount as shall be determined by the Board.

(iv) description of the restrictions applicable to the Grant and the conditions on which the restriction may be removed.

ARTICLE VII

Performance Stock

7.1. The terms of each grant of Performance Stock must include the following:

(i) the name of the Recipient.

(ii) the number of shares of Performance Stock which are being granted.

(iii) details of the applicable performance period, if any, and performance criteria, if any.

(iv) whether the Recipient must pay any amount in connection with the Grant and if so, the amount and terms of that payment.

ARTICLE VIII

Administration

8.1. Subject to Section 3.l(a) hereof, the complete authority to control and manage the operation and administration of the Plan is placed in the Board.

8.2. Subject to Section 3.l(a) hereof, the Board has all authority which is necessary or appropriate for the operation and administration of the Plan, including the following:

(a) To make Grants and determine their terms, subject to the provisions of the Plan.

(b) To interpret the provisions of the Plan.

(c) To adopt any rules, procedures and forms necessary for the operation and administration of the Plan which are consistent with its provisions.

(d) To determine all questions relating to the eligibility and other rights of all persons under the Plan.

(e) To keep all records necessary for the operation and administration of the Plan.

(f) To designate or employ agents and counsel (who may also be employed by an Employer) to assist in the administration of the Plan.

(g) To cause any shares of Stock acquired by a Recipient through exercise of a Grant to be recorded on the Company's records in the Recipients' name, and to cause such shares to be issued to the Recipient or to his brokerage account, as he elects.

(h) To cause any withholding of tax required in connection with a Grant to be made.

ARTICLE IX

Amendment and Termination

9.1. The Plan may be amended or terminated at any time by action of the Board. However, no amendment may, without stockholder approval:

(i) increase the aggregate number of shares available for Grants (except to reflect an event described in section 2.2); or

(ii) extend the term of the Plan; or

(iii) change the definition of Eligible Employee for purposes of the Plan.

9.2. If the Plan is not, within twelve months of its Effective Date, approved by a majority of the shares voted at a regular or special meeting of the Company's stockholders, the Plan will terminate and all Grants made under it will be canceled.

9.3. No amendment or termination of the Plan (other than termination under Section 9.2.) may adversely modify any person's rights under an Option unless he consents to the modification in writing.

ARTICLE X

Miscellaneous

10.1. Neither the provisions of this Plan, nor the fact that a Recipient receives a Grant will constitute or be evidence of a contract of employment, position or compensation level, or give such Recipient any right to continued employment with the Employer. Neither the provisions of this Plan nor the fact that a Recipient receives a Grant will be construed as the Company's guarantee of the tax effects for the Recipient of the receipt of a Grant, transfer of the same, exercise of the same, or the retention or sale of the underlying Stock.

10.2. If any provision of this Plan is held illegal or invalid for any reason, such illegality or invalidity will not affect the remaining provisions. Instead, each provision is fully

severable and this Plan will be construed and enforced as if any illegal or invalid provision had never been included.

10.3. Except as provided in federal law, the provisions of the Plan will be construed in accordance with the laws of Illinois, without giving effect to principles of conflicts of laws.

Exhibit 99.1

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

I, Selim A. Bassoul, President and Chief Executive Officer (principal executive officer) of The Middleby Corporation (the "registrant"), certify, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-Q for the period ended June 29, 2002 of the Registrant (the "report"), that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly represents, in all material aspects, the financial condition and results of operations of the Registrant.

/s/ Selim A. Bassoul

Selim A. Bassoul
August 19, 2002

Exhibit 99.2

Certification of Principal Financial Officer
Pursuant to 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

I, David B. Baker, Vice President, Chief Financial Officer and Secretary (principal financial officer) of The Middleby Corporation (the "registrant"), certify, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-Q for the period ended June 29, 2002 of the Registrant (the "report"), that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly represents, in all material aspects, the financial condition and results of operations of the Registrant.

/s/ David B. Baker

David B. Baker
August 19, 2002