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 PERIODS ENDED SEPTEMBER 27, 1997

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.)

2850 W. GOLF ROAD, SUITE 405, ROLLING MEADOWS, ILLINOIS	60008
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone No., including Area Code (847) 758-3880

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 September 27, 1997, there were 8,501,453 shares of the Registrant's common stock outstanding.

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

QUARTER ENDED SEPTEMBER 27, 1997

INDEX

PART I. FINANCIAL INFORMATION

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

	(UNAUDITED) SEPT. 27, 1997	DEC. 28, 1996
ASSETS		
Cash and cash equivalents	$ 1,798	$ 1,410
Accounts receivable, net	24,047	19,859
Inventories, net	25,811	20,956
Prepaid expenses and other	1,205	939
Net assets of discontinued operations	200	4,082
Current deferred taxes	2,099	2,086
Total current assets	55,160	49,332
Property, plant and equipment, net of accumulated depreciation of $12,925 and $11,741	19,872	18,843
Excess purchase price over net assets acquired, net of accumulated amortization of $4,559 and $4,216	12,996	13,339
Deferred taxes	1,380	2,950
Other assets	2,358	1,504
Total assets	$91,766	$85,968
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current maturities of long-term debt	$ 2,769	$ 3,916
Accounts payable	11,686	10,369
Accrued expenses	10,471	10,001
Total current liabilities	24,926	24,286
Long-term debt	38,579	37,352
Minority interest and other non-current liabilities	2,312	1,880
Shareholders' equity:		
Preferred stock, $.01 par value; nonvoting; 2,000,000 shares authorized; none issued	-	-
Common stock, $.01 par value; 20,000,000 shares authorized; 8,501,000 and 8,468,000 issued and outstanding in 1997 and 1996, respectively	85	85
Paid-in capital	28,349	28,108
Cumulative translation adjustment	(566)	(184)
Accumulated deficit	(1,919)	(5,559)
Total shareholders' equity	25,949	22,450
Total liabilities and shareholders' equity	$91,766	$85,968

See accompanying notes

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

	Three Months Ended		Nine Months Ended	
	Sept 27, 1997	Restated Sept 28, 1996	Sept 27, 1997	Restated Sept 28, 1996
Net sales......................	$ 35,850	$ 31,400	$ 110,630	$ 89,571
Cost of sales..................	24,848	22,027	76,340	63,102
Gross profit...........	11,002	9,373	34,290	26,469
Selling and distribution expenses..	5,450	4,797	16,166	13,279
General and administrative expenses..	2,665	2,514	8,384	7,169
Income from operations.....	2,887	2,062	9,740	6,021
Interest expense and deferred financing amortization...........	1,030	1,145	3,368	3,281
Other (income)expense, net.........	7	(115)	(13)	(120)
Earnings before income taxes.	1,850	1,032	6,385	2,860
Provision for income taxes...........	619	408	2,181	1,069
Earnings from continuing operations...............	1,231	624	4,204	1,791
Loss from discontinued operations, net of tax.........................	-	(232)	-	(744)
Estimated loss on disposal including provision for operating losses during the phase-out period........	-	(1,371)	(564)	(1,371)
Net earnings (loss).........	$ 1,231	$ (979)	$ 3,640	$ (324)
Earnings per share from continuing operations.........................	$ 0.14	$ 0.07	$ 0.48	$ 0.20
Loss per share from discontinued operations.........................	$ 0.00	$ (0.19)	$ (0.06)	$ (0.24)
Net earnings (loss) per share........	$ 0.14	$ (0.12)	$ 0.42	$ (0.04)

See accompanying notes

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

	NINE MONTHS ENDED	
	SEPT 27,1997	RESTATED SEPT 28, 1996
Cash flows from operating activities-		
Net earnings (loss)....................	$ 3,640	$ (324)
Adjustments to reconcile net earnings to cash provided by continuing operating activities-		
Depreciation and amortization........	2,150	2,054
Utilization of NOL's................	1,991	972
Discontinued operations.............	-	2,115
Changes in assets and liabilities-		
Accounts receivable................	(4,188)	(5,057)
Inventories........................	(4,855)	(2,742)
Prepaid expenses and other assets..	(1,829)	(982)
Accounts payable and other liabilities.......................	1,787	1,352

Net cash used in continuing operating activities	(1,304)	(2,612)
Net cash (used in) provided by discontinued operations	(2,399)	715
Net cash used in operating activities	(3,703)	(1,897)
Cash flows from investing activities-		
Proceeds from sale of discontinued operations	6,281	-
Additions to property and equipment	(2,458)	(2,564)
Discontinued operations	-	(176)
Net cash provided by (used in) investing activities	3,823	(2,740)
Cash flows from financing activities-		
Increase in revolving credit line, net.	2,586	2,993
Reduction in term loans	(3,195)	(1,382)
(Reduction in) Proceeds from capital expenditure loan	(75)	450
Increase in foreign bank debt	774	2,562
Other financing activities, net	178	-
Net cash provided by financing activities	268	4,623
Changes in cash and cash equivalents-		
Net increase (decrease)in cash and cash equivalents	388	(14)
Cash and cash equivalents at beginning of year	1,410	972
Cash and cash equivalents at end of quarter	$ 1,798	$ 958
Interest paid	$ 2,777	$ 3,434
Income taxes paid	$ 245	$ 96

See accompanying notes

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 27, 1997
(UNAUDITED)

1) BASIS OF PRESENTATION

The financial statements have been prepared by The Middleby Corporation (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information not misleading. These financial statements should be read in conjunction with the financial statements and related notes contained in the Company's 1996 Annual Report. Other than as indicated herein, there have been no significant changes from the data presented in said Report.

In the opinion of management, the financial statements contain all adjustments necessary to present fairly the financial position of the Company as of September 27, 1997 and December 28, 1996, and the results of operations for the three and nine months ended September 27, 1997 and September 28, 1996 and cash flows for the nine months ended September 27, 1997 and September 28, 1996.

2) DISCONTINUED OPERATION

On January 23, 1997,the Company completed the sale of substantially all of the assets of its Victory Refrigeration Company ("Victory") subsidiary to an investor group led by local management. Gross proceeds from the sale amounted to approximately $6,700,000, less amounts for retained liabilities and transaction costs aggregating approximately $2,600,000. The terms of the sale were the results of arms-length negotiations. This sale was announced on November 1, 1996, concluding the sale of all of the assets of Victory. The sale and leaseback of the Victory facility to an unrelated third party had previously been completed on December 27, 1996 for net proceeds of approximately $4,556,000. Proceeds from these transactions were used to pay down debt.

The results of Victory have been reported separately as a discontinued operation in the consolidated financial statements for all periods presented. The results of the discontinued operations are not necessarily indicative of the results which may have been obtained had the continuing

and discontinuing operations been operating independently. Summarized results of Victory for the three and nine months ended September 28, 1996 are as follows:

	September 28, 1996	
	Three Months	Nine Months
	(In Thousands)	
Net sales....................	$ 9,876	$27,261
(Loss) from operations........	(155)	(458)
(Loss) before taxes	(346)	(1,112)
Provision for taxes...........	(114)	(368)
(Loss) from Discontinued Operations................	$ (232)	$ (744)

Interest expense of $190,000 and $653,000 for the three and nine month periods ended September 28, 1996 has been allocated based upon the ratio of the net assets of the discontinued operations to the consolidated capitalization of the Company. Continuing operations and discontinued operations reflect the net tax expense or tax benefit generated by the respective operations, limited, however, by the income tax benefit recognized in the Company's historical financial statements. No general corporate expenses have been allocated to the discontinued operations.

The net assets of discontinued operations included in the Consolidated Balance Sheets at September 27, 1997 and December 28, 1996 amounted to $400,000 and $4,082,000, respectively. The September 27, 1997 amount represents the remaining amount due from the buyers. The Company received $1,200,000 during the third quarter of 1997. The remaining $400,000 is payable in two annual installments in June, 1998 and June, 1999. The December 30, 1996 amount consists primarily of receivables, inventory and equipment related to the discontinued operations, net of accounts payable, accrued liabilities and closing costs associated with the sale.

3) INCOME TAXES

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109 ("SFAS 109"), Accounting for Income Taxes.

The Company has recorded an income tax provision of $2,181,000 for the fiscal nine months ended September 27, 1997. The Company has significant tax loss carry-forwards, and although a tax provision is recorded, the Company makes no payment of federal tax other than AMT amounts. The utilization of the net operating loss and credit carry-forwards depend on future taxable income during the applicable carry-forward periods.

Management evaluates and adjusts the valuation allowance, based on the Company's expected taxable income as part of the annual budgeting process. These adjustments reflect management's judgment as to the Company's ability to generate taxable income which will, more likely than not, be sufficient to recognize these tax assets.

4) EARNINGS PER SHARE

Earnings per share of common stock are based upon the weighted average number of outstanding shares of common stock and common stock equivalents. The treasury stock method is used in computing common stock equivalents, which includes stock options and a warrant issued in conjunction with the senior secured note. The terms of the warrant provide for the purchase of 250,000 shares at $3.00 per share. Alternatively, under certain conditions, the warrant terms provide for the purchase of 200,000 shares at $0.01 per share. The warrant is currently exercisable for 250,000 shares at $3.00 per share and expires July 10, 2003. Earnings per share were computed based upon the weighted average number of common shares outstanding of 8,793,000 and 8,687,000 for the fiscal quarters ended September 27, 1997 and September 28, 1996, respectively and 8,742,000 and 8,696,000 for the fiscal year-to-date periods ended September 27, 1997 and September 28, 1996, respectively

The Company is required to adopt "FAS 128: Earnings Per Share" during the fourth quarter of 1997. Under this method, average shares outstanding would have been 8,501,000 and 8,417,000 for the fiscal quarters ended September 27, 1997 and September 28, 1996, respectively and 8,484,000 and 8,406,000 for the year-to-date periods ended September 27, 1997 and September 28, 1996, respectively. The adoption of this accounting method would not affect earnings per share for the quarter or year-to-date periods ended September 27, 1997 and September 28, 1996.

5) INVENTORIES

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

Inventories consist of the following:

	Sept. 27, 1997	Dec. 28, 1996
	(In Thousands)	
Raw Materials and Parts..........	$ 7,435	$ 6,492
Work-in-Process.................	4,795	4,621

Finished Goods..................	13,581	9,843
	$ 25,811	$ 20,956

6) ACCRUED EXPENSES

Accrued expenses consist of the following:

	Sept. 27, 1997	Dec. 28, 1996
	(In Thousands)	
Accrued payroll and related expenses...............	$ 3,723	$ 3,567
Accrued commissions.............	1,728	1,392
Accrued warranty................	1,269	1,252
Other accrued expenses...........	3,751	3,790
	$10,471	$10,001

7) RECLASSIFICATIONS AND RESTATEMENT

Sale of Discontinued Operations:

The financial statements exclude Victory which has been accounted for as a discontinued operation (see Note 2 to the Financial Statements).

Litigation Settlement Accounting:

During 1996, the Company restated its accounting for the proceeds from the September, 1993 litigation settlement with the Hussmann Corporation in accordance with generally accepted accounting principles (GAAP). The effect of this accounting change was to record a greater gain from the litigation settlement. Certain assets related to the 1989 acquisition that were written-off as a result of the Company's original accounting for the settlement in 1993 were restored in the historical financial statements or written-off in periods prior to 1993. The effect on the financial statements for the periods ended September 27, 1997 and September 28, 1996 was to increase non-cash amortization charges by $49,000 or $0.01 per share and $69,000, or $0.01 per share, respectively.

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

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 statements are highly dependent upon a variety of important factors which could cause such results or events to differ materially from such statements. Such factors include, but are not limited to, changing market conditions; the availability and cost of raw materials; the impact of competitive products and pricing; the timely development and market acceptance of the Company's products; foreign exchange and political risks affecting international sales; and other risks detailed herein and from time-to-time in the Company's Securities and Exchange Commission filings, including those discussed under the heading "Risk Factors" in the Company's Registration Statement on Form S-2 (No. 333-35397) filed with the Securities and Exchange Commission.

NET SALES SUMMARY
(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED				NINE MONTHS ENDED			
	SEPT. 27, 1997		SEPT. 28, 1996		SEPT. 27, 1997		SEPT. 28, 1996	
	Sales	Percent	Sales	Percent	Sales	Percent	Sales	Percent
BUSINESS DIVISIONS								
Conveyor oven equipment............	$11,473	32.0%	$10,187	32.4%	$40,911	37.0%	$28,729	32.1%
Counterline cooking equipment and specialty products...	5,219	14.6%	5,189	16.5%	15,586	14.1%	15,057	16.8%
Core cooking equipment............	9,230	25.7%	7,126	22.7%	25,236	22.8%	20,993	23.4%
TOTAL COOKING AND WARMING EQUIPMENT DIVISIONS.........	25,922	72.3%	22,502	71.6%	81,733	73.9%	64,779	72.3%
International specialty equipment...........	2,154	6.0%	1,801	5.7%	5,893	5.3%	4,540	5.1%
International distribution (1)......	11,456	32.0%	10,103	32.2%	34,477	31.2%	29,383	32.8%
TOTAL INTERNATIONAL DIVISIONS.........	13,610	38.0%	11,904	37.9%	40,370	36.5%	33,923	37.9%
Intercompany sales (2)............	(3,728)	(10.4%)	(3,279)	(10.4%)	(11,578)	(10.5%)	(10,270)	(11.5%)
Other.................	46	0.1%	273	0.9%	105	0.1%	1,139	1.3%
TOTAL..............	$35,850	100.0%	$31,400	100.0%	$110,630	100.0%	$89,571	100.0%

(1) Consists of sales of products manufactured by Middleby and products manufactured by third parties.
(2) Consists of sales to the Company's international distribution division from the Company's other business divisions.

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		NINE MONTHS ENDED	
	SEPT 27, 1997	SEPT 28, 1996	SEPT 27, 1997	SEPT 28, 1996
Net Sales	100.0%	100.0%	100.0%	100.0%
Cost of Sales	69.3%	70.1%	69.0%	70.4%
Gross Profit.	30.7%	29.9%	31.0%	29.6%
Selling, general and administrative expenses..	22.6%	23.3%	22.2%	22.8%
Income from operations......................	8.1%	6.6%	8.8%	6.8%
Interest expense and deferred financing amortization, net............................	2.9%	3.6%	3.0%	3.7%
Other (income) expense, net...................	0.0%	(0.3%)	0.0%	(0.1%)
Earnings before income taxes................	5.2%	3.3%	5.8%	3.2%
Provision (benefit) for income taxes..........	1.7%	1.3%	2.0%	1.2%
Net earnings from continuing operations.....	3.5%	2.0%	3.8%	2.0%

THREE MONTHS ENDED SEPTEMBER 27, 1997 COMPARED TO THREE MONTHS ENDED SEPTEMBER 28, 1996

NET SALES. Net sales in the three-month period ended September 27, 1997 increased $4.5 million or 14% to $35.9 million as compared to $31.4 million in the three-month period ended September 28, 1996, reflecting higher unit volume in the Company's cooking and warming equipment divisions and international divisions.

Sales of the Company's cooking and warming equipment divisions increased 15% for the three-month period ended September 27, 1997, led by a 30% increase in sales of the core cooking equipment division. The increase at this division is primarily due to continued market penetration and new products. Sales of the conveyor oven equipment division increased 13% in the three-month period as major chain customers continue to expand and upgrade equipment. Sales of the counterline cooking equipment and specialty products division increased 1% in the three-month period.

Sales of the international divisions represented 38% of total sales in the three-month period and increased 14% as compared to the prior year period. Sales of the Company's international specialty equipment division increased 20% in the three-month period, reflecting the increase in production capacity since the opening of the new Philippines factory in mid-1996. Sales of the Company's international distribution division increased 13% in this three-month period, primarily due to the Company's sales and distribution offices established over the past three years.

GROSS PROFIT. Gross profit increased $1.6 million or 17% in the three-month period to $11.0 million as compared to $9.4 million in the prior year period. As a percentage of net sales, gross profit margin increased 0.8% to 30.7% from 29.9%. The increase in gross margin percent was primarily due to higher capacity utilization and improved manufacturing efficiencies at the Philippines operation, which moved into a newly constructed facility in 1996, as well as increased leverage of overhead costs at the core cooking equipment division.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses increased $0.8 million or 11% in the three-month period to $8.1 million as compared to $7.3 million in the prior year period. The increase was primarily due to variable costs associated with the higher sales volume and the expansion of the Company's international sales and service capabilities, including the establishment of sales and distribution offices in Mexico, Japan and Korea during the past twelve months. As a percentage of sales, selling, general and administrative expenses decreased to 22.6% from 23.3% as expenses were leveraged over the higher sales volume.

INCOME FROM OPERATIONS. Income from operations increased $0.8 million or 40% to $2.9 million for the three-month period ended September 27, 1997 from $2.1 million in the prior year period. The improvement in income from operations was attributable to the higher sales volumes and gross profit increases.

INTEREST EXPENSE AND DEFERRED FINANCING AMORTIZATION. Interest expense and deferred financing amortization for the three-months ended September 27, 1997 decreased 10% to $1.0 million as compared to $1.1 million in the prior year period. The decrease was due to a lower average outstanding debt balance.

INCOME TAXES. The Company recorded a net tax provision of $0.6 million for the three-month period ended September 27, 1997 as compared to a net tax provision of $0.4 million in the prior year period. There were no tax benefits due to net operating loss utilization or valuation allowance reductions recorded in either three-month period, as it has been the Company's policy to evaluate and adjust the valuation allowances in conjunction with the annual budgeting process.

NET EARNINGS. For the three-month period ended September 27, 1997, the Company recorded net earnings from continuing operations of $1.2 million as compared to $0.6 million in the prior year period. During the prior year quarter the Company recorded net losses from discontinued operations of $1.6 million. For the three months ended September 27, 1997, the Company recorded net earnings of $1.2 million as compared to a net loss of $1.0 million in the prior year period.

NINE MONTHS ENDED SEPTEMBER 27, 1997 COMPARED TO NINE MONTHS ENDED SEPTEMBER 28, 1996

NET SALES. Net sales in the nine-month period ended September 27, 1997 increased $21.0 million or 24% to $110.6 million as compared

to $89.6 million in the nine-month period ended September 28, 1996, reflecting higher unit volume in the Company's cooking and warming equipment divisions and international divisions.

Sales of the Company's cooking and warming equipment divisions increased 26% for the nine-month period ended September 27, 1997, led by a 42% increase in sales of the conveyor oven equipment division due to new store expansion and equipment upgrade programs of major restaurant chains. The period also included increased sales to a major restaurant chain, primarily during the second quarter, to support the introduction of a new product, including $4.5 million of equipment upgrade kits and field service work to improve existing equipment within their system. Sales of the core cooking equipment division increased 20% in this nine-month period due primarily to continued market penetration and new products. Sales of the counterline cooking equipment and specialty products division increased 4% in this nine-month period, even though sales in the prior year period included a large equipment roll-out to an international chain customer.

Sales of the international divisions represented 37% of total sales in the nine-month period and increased 19% as compared to the prior year period. Sales of the Company's international specialty equipment division increased 30% in the nine-month period, reflecting the increase in production capacity since the opening of the new Philippines factory in mid-1996. Sales of the Company's international distribution division increased 17% in this nine-month period, primarily due to the Company's sales and distribution offices established over the past three years.

GROSS PROFIT. Gross profit increased $7.8 million or 30% in the nine-month period to $34.3 million as compared to $26.5 million in the prior year period. As a percentage of net sales, gross profit margin increased 0.4% to 31.0% from 29.6%. The increase in gross margin percent was primarily due to the higher sales level and capacity utilization, improved manufacturing efficiencies and favorable product mix.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses increased $4.1 million or 20% in the nine-month period to $24.5 million as compared to $20.4 million in the prior year period. The increase was primarily due to variable costs associated with the higher sales volume and the expansion of the Company's international sales and service capabilities, including the establishment of sales and distribution offices in Mexico, Japan, Korea and Taiwan during the past eighteen months. As a percentage of sales, selling, general and administrative expenses decreased to 22.2% from 22.8% as expenses were leveraged over the higher sales volume.

INCOME FROM OPERATIONS. Income from operations increased $3.7 million or 62% to $9.7 million for the nine-month period ended September 27, 1997 from $6.0 million in the prior year period. The improvement in income from operations was attributable to the higher sales volumes and gross profit increases.

INTEREST EXPENSE AND DEFERRED FINANCING AMORTIZATION. Interest expense and deferred financing amortization for the nine-months ended September 27, 1997 increased 3% to $3.4 million as compared to $3.3 million in the prior year period. The increase was due to a higher average outstanding debt balance.

INCOME TAXES. The Company recorded a net tax provision of $2.2 million for the nine-month period ended September 27, 1997 as compared to a net tax provision of $1.1 million in the prior year period. There were no tax benefits due to net operating loss utilization or valuation allowance reductions recorded in either nine-month period, as it has been the Company's policy to evaluate and adjust the valuation allowances in conjunction with the annual budgeting process.

NET EARNINGS. For the nine-month period ended September 27, 1997, the Company recorded net earnings from continuing operations of $4.2 million as compared to $1.8 million in the prior year period. The Company recorded an additional estimated loss on disposal of discontinued operations of $0.6 million, net of tax, during the second fiscal quarter of 1997. During the prior year nine-month period the Company recorded net losses from discontinued operations of $2.1 million. For the nine months ended September 27, 1997, the Company recorded net earnings of $3.6 million as compared to a net loss of $0.3 million in the prior year period.

FINANCIAL CONDITION AND LIQUIDITY

For the nine months ended September 27, 1997, net cash provided by operating activities before changes in assets and liabilities was $7.8 million as compared to $4.8 million for the nine-months ended September 28, 1996. Net cash used by continuing operating activities after changes in assets and liabilities was $1.3 million as compared to net cash used of $2.6 million in the prior year nine month period. Accounts receivable increased $4.2 million, and inventories increased $4.9 million. These increases were partially offset by increased accounts payable of $1.8 million. The increase in accounts receivable was largely due to the sales increase and higher international receivables. Inventories increased to support the increased sales level and the additional international distribution centers.

During the first nine-months of 1997, the Company increased its overall outstanding debt by $0.1 million under various facilities. During this period the Company increased its borrowings on its revolving credit line by $2.6 million, repaid $3.3 million on its term loans and increased its borrowings with a foreign lending institution by $0.8 million primarily to finance the Company's international expansion.

The Company maintains a revolving credit facility which, as of September 27, 1997, provided $20.6 million of total borrowing availability. There was $17.2 million outstanding under this facility at September 27, 1997. The Company has executed letters of credit of $0.8 million against this facility, leaving an

available line of credit of $2.6 million at September 27, 1997. The Company's public stock offering, announced in September, closed on November 4, 1997. The offering totaled 2,610,000 common shares of which the Company sold 2,000,000 shares and 610,000 shares were sold by selling shareholders. The public offering price was $10.00 per share. Gross proceeds from the offering of $18.8 million were received by the Company. After deducting other expenses of approximately $0.3 million the net proceeds will be used to pay down certain indebtedness and the remaining proceeds, if any, will be used for general corporate purposes. The underwriters have been granted a 30 day option to purchase from the Company up to an additional 391,500 shares of common stock to cover over-allotments. As of the date of this 10-Q report that option has not been exercised by the underwriters. If the over-allotment option is exercised, the Company will receive approximately $3.7 million of additional proceeds. The Company believes that cash flow from operations, together with available financing and cash on hand, will be sufficient to fund its working capital needs, capital expenditure program and debt amortization for the foreseeable future.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

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 September 27, 1997, except as follows:

Item 2. Changes in Securities and Use of Proceeds

c) None.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits - The following Exhibits are filed herewith:

10.1 - Underwriting Agreement dated October 29,1997 between the Company and Schroder and Co. Inc. and Brean Murray, Co. Inc., incorporated by reference to Exhibit 2 to the Schedule 13D for William F. Whitman, Jr. filed with the Commission on November 5, 1997.

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE MIDDLEBY CORPORATION
(Registrant)

Date: November 10, 1997 By: /s/ John J. Hastings

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

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<CURRENT-LIABILITIES>		24,926
<BONDS>		38,579
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<COMMON>		85
<OTHER-SE>		25,864
<TOTAL-LIABILITY-AND-EQUITY>		91,766
<SALES>		110,630
<TOTAL-REVENUES>		110,630
<CGS>		76,340
<TOTAL-COSTS>		76,340
<OTHER-EXPENSES>		24,550
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		3,368
<INCOME-PRETAX>		6,385
<INCOME-TAX>		2,181
<INCOME-CONTINUING>		4,204
<DISCONTINUED>		(564)
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		3,640
<EPS-PRIMARY>		.42
<EPS-DILUTED>		.42