

WEIS MARKETS INC
Form 10-Q
August 07, 2008

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 28, 2008**

OR

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

For the transition period from _____ to _____

Commission File Number 1-5039

WEIS MARKETS, INC.

(Exact name of registrant as specified in its charter)

PENNSYLVANIA

(State or other jurisdiction of incorporation or
organization)

24-0755415

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

1000 S. Second Street

P. O. Box 471

Sunbury, Pennsylvania

(Address of principal executive offices)

17801-0471

(Zip Code)

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

Registrant's web address:

Not Applicable

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes

☒ No ☐

Edgar Filing: WEIS MARKETS INC - Form 10-Q

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

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

As of August 7, 2008, there were issued and outstanding 26,965,899 shares of the registrant's common stock.

Table of Contents

WEIS MARKETS, INC.

TABLE OF CONTENTS

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

Table of Contents

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

	<u>June 28, 2008</u>	<u>December 29, 2007</u>
	(unaudited)	
<u>Assets</u>		
Current:		
Cash and cash equivalents	\$ 48,530	\$ 41,187
Marketable securities	23,288	26,182
Accounts receivable, net	41,888	48,460
Inventories	194,947	193,732
Prepaid expenses	4,751	3,317
Income taxes recoverable	8,788	8,074
Total current assets	<u>322,192</u>	<u>320,952</u>
Property and equipment, net	509,946	499,246
Goodwill	15,722	15,722
Intangible and other assets, net	4,343	4,149
Total assets	<u>\$ 852,203</u>	<u>\$ 840,069</u>
<u>Liabilities</u>		
Current:		
Accounts payable	\$ 116,095	\$ 111,555
Accrued expenses	25,786	23,036
Accrued self-insurance	23,310	23,442
Payable to employee benefit plans	1,143	1,400
Deferred income taxes	2,207	4,134
Total current liabilities	<u>168,541</u>	<u>163,567</u>
Postretirement benefit obligations	14,821	14,027
Deferred income taxes	16,026	14,247
Total liabilities	<u>199,388</u>	<u>191,841</u>
<u>Shareholders' Equity</u>		
Common stock, no par value, 100,800,000 shares authorized, 33,044,507 and 33,044,357 shares issued, respectively	9,835	9,830
Retained earnings	786,011	779,760
Accumulated other comprehensive income (Net of deferred taxes of \$4,023 in 2008 and \$5,205 in 2007)	5,672	7,339
	801,518	796,929
Treasury stock at cost, 6,077,370 and 6,077,311 shares, respectively	<u>(148,703)</u>	<u>(148,701)</u>
Total shareholders' equity	<u>652,815</u>	<u>648,228</u>
Total liabilities and shareholders' equity	<u>\$ 852,203</u>	<u>\$ 840,069</u>

See accompanying notes to consolidated financial statements.

Page 1 of 9 (Form 10-Q)

Table of Contents

WEIS MARKETS, INC.
CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

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

	13 Weeks Ended		26 Weeks Ended	
			June 28,	
	June 28, 2008	June 30, 2007	2008	June 30, 2007
Net sales	\$ 603,393	\$ 578,812	\$ 1,150,607	
Cost of sales, including warehousing and distribution expenses	445,309	424,881	844,854	
Gross profit on sales	158,084	154,210	305,753	
Operating, general and administrative expenses	139,279	126,379	258,349	
Income from operations	18,805	27,630	47,404	
Investment income	627	778	1,464	
Income before provision for income taxes	19,432	28,408	48,868	
Provision for income taxes	6,596	10,268	17,305	
Net income	\$ 12,836	\$ 18,140	\$ 31,563	
Weighted-average shares outstanding, basic	26,967,159	26,988,069	26,989,728	
Weighted-average shares outstanding, diluted	26,967,159	27,000,967	27,001,904	
Cash dividends per share	\$ 0.29	\$ 0.29	\$ 0.58	
Basic and diluted earnings per share	\$ 0.48	\$ 0.67	\$ 1.17	

See accompanying notes to consolidated financial statements.

Page 2 of 9 (Form 10-Q)

Table of Contents

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

	26 Weeks Ended	
	<u>June 28, 2008</u>	<u>June 30, 2007</u>
Cash flows from operating activities:		
Net income	\$ 21,892	\$ 31,563
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	22,695	23,148
Amortization	3,002	3,778
Gain on disposition of fixed assets	(7)	(5,207)
Changes in operating assets and liabilities:		
Accounts receivable and prepaid expenses	5,138	(1,792)
Inventories	(1,215)	2,879
Income taxes recoverable	(714)	(1,894)
Accounts payable and other liabilities	7,695	443
Income taxes payable	---	(1,317)
Deferred income taxes	1,034	(400)
Other	<u>45</u>	<u>300</u>
Net cash provided by operating activities	<u>59,565</u>	<u>51,501</u>
Cash flows from investing activities:		
Purchase of property and equipment	(36,416)	(33,309)
Proceeds from the sale of property and equipment	227	6,121
Proceeds from maturities of marketable securities	---	13,781
Purchase of intangible assets	<u>(395)</u>	<u>---</u>
Net cash used in investing activities	<u>(36,584)</u>	<u>(13,407)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock	5	294
Dividends paid	(15,641)	(15,654)
Purchase of treasury stock	<u>(2)</u>	<u>(528)</u>
Net cash used in financing activities	<u>(15,638)</u>	<u>(15,888)</u>
Net increase in cash and cash equivalents	7,343	22,206
Cash and cash equivalents at beginning of year	<u>41,187</u>	<u>27,545</u>
Cash and cash equivalents at end of period	\$ <u>48,530</u>	\$ <u>49,751</u>

See accompanying notes to consolidated financial statements.

Table of Contents

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

(1) Significant Accounting Policies

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

(2) Current Relevant Accounting Standards

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 does not require any new fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007. The adoption of SFAS 157 did not have a material impact on the company's financial statements. Marketable securities represent the only item recorded on the Company's balance sheets at fair value. Marketable securities are all classified as available-for-sale and values are derived solely from level 1 inputs.

In February 2008, FASB issued FASB Staff Position No. 157-2 ("FSP 157-2") which delays the effective date of SFAS No. 157 for non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. The Company is currently evaluating the provisions of FSP 157-2 to determine the potential impact, if any, the adoption will have on its financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115" ("SFAS 159"). SFAS 159 permits entities to choose to measure certain financial assets and liabilities at fair value at specified election dates. The fair value option may be applied instrument by instrument (with a few exceptions), is irrevocable and is applied only to entire instruments and not to portions of instruments. Unrealized gains and losses on items for which the fair value option has been elected are to be reported in earnings at each subsequent reporting date. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The company has chosen not to elect the fair value option, therefore the adoption of SFAS 159 did not have an impact on the company's financial statements.

(3) Comprehensive Income

The components of comprehensive income, net of related tax, for the periods ended June 28, 2008 and June 30, 2007 are as follows:

	<u>13 Weeks Ended</u>	<u>26 Weeks Ended</u>	
	<u>June 28, 2008</u>	<u>June 30, 2007</u>	<u>June 28, 2008</u> <u>June 30, 2007</u>
<i>(dollars in thousands)</i>			

Edgar Filing: WEIS MARKETS INC - Form 10-Q

Net income	\$	12,836	\$	18,157	\$	21,892	\$	31,563
Other comprehensive income by component, net of tax:								
Unrealized holding (losses) gains arising during period (Net of deferred taxes of \$467 and \$303 respectively for the 13 Weeks Ended and \$1,182 and \$747 respectively for the 26 Weeks Ended)		<u>(659)</u>		<u>427</u>		<u>(1,667)</u>		<u>1,053</u>
Comprehensive income, net of tax	\$	<u>12,177</u>	\$	<u>18,584</u>	\$	<u>20,225</u>	\$	<u>32,616</u>
Page 4 of 9 (Form 10-Q)								

Table of Contents

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

OVERVIEW

Weis Markets, Inc. was founded in 1912 by Sigmund and Harry Weis in Sunbury, Pennsylvania. Today, the company ranks among the top 50 food and drug retailers in the United States in revenues generated. As of June 28, 2008, the company operated 156 retail food stores in Pennsylvania and four surrounding states: Maryland, New Jersey, West Virginia and New York. In addition to its retail food stores, the company operates 28 SuperPetz pet supply stores in ten states: Alabama, Georgia, Indiana, Maryland, Michigan, North Carolina, Ohio, Pennsylvania, South Carolina and Tennessee.

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

The following analysis should be read in conjunction with the Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q, the 2007 Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission, as well as the cautionary statement captioned "Forward-Looking Statements" immediately following this analysis.

OPERATING RESULTS

Total sales for the second quarter ended June 28, 2008 increased 4.2% to \$603.4 million compared to sales of \$578.8 million in the same quarter of 2007. Comparable store sales in the second quarter increased 4.3% compared to a 3.2% increase in 2007. Sales for the first half of this year increased 4.2% to \$1.20 billion compared to \$1.15 billion in 2007, while comparable store sales increased 4.5% compared to a 3.6% increase in 2007 over 2006.

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

The company continues to maintain an aggressive pricing and promotional program to retain its market share in an extremely competitive market environment. As a result of its promotional strategy, the supermarket store customer count increased 0.9% in the first half of 2008 as compared to the first half a year ago, while comparable store customer count increased 1.3%. Year to date, the company's average sale per customer increased 3.6% while its average sale per customer for comparable stores increased 2.8%.

Management does not feel it can accurately measure the full impact of product inflation and deflation on retail pricing due to changes in the types of merchandise sold between periods, shifts in customer buying patterns and the fluctuation of competitive factors. The company believes its customers are more cautious in their spending and are making fewer store visits due to the uncertain economy and the high cost of gasoline.

According to federal economic reports, wholesale food prices increased 6.7% in the first half of this year, more than two percentage points above the inflation rate for retail food-at-home prices. As with other food retailers, the company also experienced substantial cost increases for most food commodities, which outpaced increases in retail prices paid by its customers.

During the second quarter, the company made strides recapturing its traditional gross margins. It gradually passed on price increases to its customers as it had projected at the end of the first quarter.

Table of Contents

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

OPERATING RESULTS (continued)

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

Gross profit of \$158.1 million at 26.2% of sales, increased \$3.9 million or 2.5% versus the same quarter last year and the gross profit rate decreased 0.4%. The year-to-date gross profit at 25.9% of sales increased \$5.1 million or 1.7%, while the gross profit rate decreased 0.7%. In addition to the disparity between wholesale and retail price inflation, cost of sales was also impacted by the company's diesel fuel costs which increased 85.0% compared to the second quarter in 2007. Because of the significant wholesale price inflation, the company increased the accrual to its LIFO reserve by an additional \$900,000 in the quarter compared to the same period a year ago. At this time, management is unaware of any other events or trends that may cause a material change to its overall financial operation due to fluctuations in product costs.

The second quarter operating, general and administrative expenses of \$139.3 million at 23.1% of sales, increased \$12.7 million or 10.1% compared to the same quarter in 2007. As a percentage of sales, operating expenses were 1.2% higher than the second quarter last year. Year-to-date operating, general and administrative expenses increased \$21.5 million compared to the first half of last year, these expenses increased to 23.3% of sales from 22.5% in 2007. The quarter and year-to-date increase in the percent of sales is mainly attributable to a 2007 pre-tax gain on the sale of a closed store facility and an undeveloped parcel of land for a total of \$5.3 million or 0.9% of sales for the quarter and 0.4% for the first half of the year. Employee-related costs such as wages, employer paid taxes, health care benefits and retirement plans, comprise over 60% of the total operating, general and administrative expenses and accounted for 0.2% of the rate increase of sales for the quarter and 0.3% for the first half of the year. Employee-related costs increased 5.6% and 6.6% compared to the second quarter and first half of last year, respectively. Pennsylvania, where the majority of the company's stores are located, increased the minimum wage rate twice in 2007 totaling \$2.00 per hour. Although the company paid its associates more than the minimum wage rate, the increase impacted associate rates well above minimum wage. In addition, the company increased associate rates in neighboring states.

Interchange fees for accepting credit/debit cards increased 9.4% in the quarter compared to the same period in 2007. The company remains extremely concerned about the continuing rise in interchange fees for accepting credit/debit card transactions. Consequently, the company is working with a wide variety of corporations and associations to reduce interchange rates through legislative and regulatory initiatives.

In the second quarter, the company's investment income totaled \$627,000 at 0.1% of sales, a decrease of \$146,000 or 18.9% compared to the same period a year ago. Year-to-date, the company's investment income increased \$4,000 or 0.3%.

The effective tax rate for the second quarter of 2008 and 2007 was 33.9% and 36.1%, respectively. Year-to-date, the effective tax rate was 32.4% for 2008 compared to 35.4% for the first half of last year. The effective income tax rate differs from the federal statutory rate of 35% primarily due to the effect of state taxes, net of permanent differences relating to tax-free income.

For the three-month period ending June 28, 2008, net income of \$12.8 million decreased 29.3% compared to the same period last year. Basic and diluted earnings per share of \$.48 for the quarter decreased \$.19 or 28.4% compared to 2007. Year-to-date earnings decreased 30.6% from \$31.6 million to \$21.9 million. Basic and diluted earnings per share in the first half of 2008 decreased 30.8% to \$.81 compared to \$1.17 generated in the first half of last year.

LIQUIDITY AND CAPITAL RESOURCES

During the first twenty-six weeks of 2008, the company generated \$59.6 million in cash flows from operating activities compared to \$51.5 million for the same period in 2007. Working capital decreased \$3.7 million or 2.4% since the beginning of the year.

Table of Contents

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

LIQUIDITY AND CAPITAL RESOURCES (continued)

Net cash used in investing activities in the first half of 2008 amounted to \$36.6 million compared to the \$13.4 million used in 2007. Capital expenditures for the first half totaled \$36.4 million compared to \$33.3 million in 2007. The company estimated that its capital expenditure plans would require an investment of \$78.9 million in 2008. This plan includes construction of new superstores, the expansion and remodeling of existing units, the acquisition of sites for future expansion, new technology purchases and the continued upgrade of company processing and distribution facilities.

Net cash used in financing activities during the first twenty-six weeks of 2008 was \$15.6 million compared to \$15.9 million in 2007. In 2008, treasury stock purchases amounted to \$2,000 in the period compared to \$528,000 in the first half of last year. The Board of Directors' 2004 resolution authorizing the purchase of one million shares of treasury stock has a remaining balance of 822,774 shares.

Cash dividends of \$15.6 million were paid to shareholders in the first half of 2008, approximately the same amount as a year ago. At its regular meeting held in July, the Board of Directors unanimously approved a quarterly dividend of \$.29 per share, payable on August 18, 2008 to shareholders of record on August 4, 2008.

The company has no other commitment of capital resources as of June 28, 2008, other than the lease commitments on its store facilities under operating leases that expire at various dates through 2028. The company anticipates funding its working capital requirements and its \$78.9 million capital expansion program through internally generated cash flows from operations.

CRITICAL ACCOUNTING POLICIES

The company has chosen accounting policies that it believes are appropriate to accurately and fairly report its operating results and financial position, and the company applies those accounting policies in a consistent manner. The Significant Accounting Policies are summarized in Note 1 to the Consolidated Financial Statements included in the 2007 Annual Report on Form 10-K. There have been no changes to the Critical Accounting Policies since the company filed its Annual Report on Form 10-K for the year ended December 29, 2007.

FORWARD-LOOKING STATEMENTS

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

hereof. Readers should carefully review the risk factors described in other documents the company files periodically with the Securities and Exchange Commission.

Table of Contents

WEIS MARKETS, INC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative Disclosure - There have been no material changes in the company's market risk during the six months ended June 28, 2008. Quantitative information is set forth in Item 7a on the company's annual report on Form 10-K under the caption "Quantitative and Qualitative Disclosures About Market Risk," which was filed for the fiscal year ended December 29, 2007 and is incorporated herein by reference.

Qualitative Disclosure - This information is set forth in the company's annual report on Form 10-K under the caption "Liquidity and Capital Resources," within "Management's Discussion and Analysis of Financial Condition and Results of Operations," which was filed for the fiscal year ended December 29, 2007 and is incorporated herein by reference.

ITEM 4. CONTROLS AND PROCEDURES

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

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

Table of Contents

**WEIS MARKETS, INC.
PART II - OTHER INFORMATION**

ITEM 6. EXHIBITS

Exhibits

- Exhibit 31.1 Rule 13a-14(a) Certification - CEO
- Exhibit 31.2 Rule 13a-14(a) Certification - CFO
- Exhibit 32 Certification Pursuant to 18 U.S.C. Section 1350

SIGNATURES

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

WEIS MARKETS, INC.
(Registrant)

Date 08/07/2008

/S/Norman S. Rich
Norman S. Rich
Chief Executive Officer

Date 08/07/2008

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

Table of Contents

EXHIBIT 31.1

WEIS MARKETS, INC.

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

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

1. I have reviewed this quarterly report on Form 10-Q of Weis Markets, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b)

Edgar Filing: WEIS MARKETS INC - Form 10-Q

any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2008

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

Table of Contents

EXHIBIT 31.2

WEIS MARKETS, INC.

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

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

1. I have reviewed this quarterly report on Form 10-Q of Weis Markets, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b)

Edgar Filing: WEIS MARKETS INC - Form 10-Q

any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2008

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

Table of Contents

EXHIBIT 32

WEIS MARKETS, INC.

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

In connection with the quarterly report of Weis Markets, Inc. (the "company") on Form 10-Q for the quarter ending June 28, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), We, Norman S. Rich, Chief Executive Officer, and William R. Mills, Senior Vice President, Treasurer and Chief Financial Officer, of the company, certify, pursuant to and for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/S/ Norman S. Rich

Norman S. Rich
Chief Executive Officer
08/07/2008

/S/ William R. Mills

William R. Mills
Senior Vice President, Treasurer and Chief Financial Officer
08/07/2008

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

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