

WEIS MARKETS INC  
Form 10-Q  
November 08, 2007

---

Table of Contents

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

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended **September 29, 2007**

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-5039

**WEIS MARKETS, INC.**

(Exact name of registrant as specified in its charter)

PENNSYLVANIA

(State or other jurisdiction of incorporation or  
organization)

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

Edgar Filing: WEIS MARKETS INC - Form 10-Q

required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  
 No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer

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

As of November 8, 2007, there were issued and outstanding 26,991,446 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>September 29, 2007</u>	<u>December 30, 2006</u>
	(unaudited)	
<b><u>Assets</u></b>		
Current:		
Cash and cash equivalents	\$ 55,545	\$ 27,545
Marketable securities	26,341	38,163
Accounts receivable, net	45,970	41,885
Inventories	185,789	189,468
Prepaid expenses	5,255	3,932
Income taxes recoverable	5,227	---
<b>Total current assets</b>	<u>324,127</u>	<u>300,993</u>
Property and equipment, net	494,567	492,543
Goodwill	15,722	15,722
Intangible and other assets, net	4,310	4,804
<b>Total assets</b>	<u>\$ 838,726</u>	<u>\$ 814,062</u>
<b><u>Liabilities</u></b>		
Current:		
Accounts payable	\$ 107,109	\$ 105,859
Accrued expenses	25,414	22,307
Accrued self-insurance	23,400	22,778
Payable to employee benefit plans	1,310	1,435
Income taxes payable	---	865
Deferred income taxes	4,295	298
<b>Total current liabilities</b>	<u>161,528</u>	<u>153,542</u>
Postretirement benefit obligations	14,050	12,912
Deferred income taxes	14,569	18,445
<b>Total liabilities</b>	<u>190,147</u>	<u>184,899</u>
<b><u>Shareholders' Equity</u></b>		
Common stock, no par value, 100,800,000 shares authorized, 33,043,957 and 33,009,046 shares issued, respectively	9,816	8,595
Retained earnings	778,977	760,531
Accumulated other comprehensive income (Net of deferred taxes of \$5,283 in 2007 and \$4,315 in 2006)	7,449	6,084
	796,242	775,210
Treasury stock at cost, 6,052,578 and 6,016,291 shares, respectively	(147,663)	(146,047)
<b>Total shareholders' equity</b>	<u>648,579</u>	<u>629,163</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 838,726</u>	<u>\$ 814,062</u>

See accompanying notes to consolidated financial statements.



Table of Contents

**WEIS MARKETS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(unaudited)

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

	13 Weeks Ended		39 Weeks Ended	
	<u>Sept. 29, 2007</u>	<u>Sept. 30, 2006</u>	<u>Sept. 29, 2007</u>	<u>Sept. 30, 2006</u>
Net sales	\$ 564,966	\$ 557,171	\$ 573	\$ 1,666,907
Cost of sales, including warehousing and distribution expenses	<u>417,272</u>	<u>409,206</u>	<u>62,126</u>	<u>1,219,769</u>
Gross profit on sales	147,694	147,965	53,447	447,138
Operating, general and administrative expenses	<u>132,471</u>	<u>131,830</u>	<u>820</u>	<u>386,055</u>
Income from operations	15,223	16,136	627	61,083
Investment income	<u>768</u>	<u>1,105</u>	<u>2,232</u>	<u>3,559</u>
Income before provision for income taxes	15,991	17,241	64,859	64,642
Provision for income taxes	<u>5,174</u>	<u>5,672</u>	<u>2,479</u>	<u>22,650</u>
Net income	\$ <u>10,817</u>	\$ <u>11,569</u>	\$ <u>2,380</u>	\$ <u>41,992</u>
Weighted-average shares outstanding, basic	26,990,991	27,022,990	26,990,149	27,020,859
Weighted-average shares outstanding, diluted	26,998,807	27,022,990	26,998,397	27,031,707
Cash dividends per share	\$ 0.29	\$ 0.29	\$ 0.87	\$ .87
Basic and diluted earnings per share	\$ 0.40	\$ 0.43	\$ 1.57	\$ 1.55

*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)

	<b>39 Weeks Ended</b>	
	<u>September 29, 2007</u>	<u>September 30, 2006</u>
<b>Cash flows from operating activities:</b>		
Net income	\$ 42,380	\$ 41,992
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	35,185	32,868
Amortization	5,679	4,492
(Gain) loss on impairment / disposition of fixed assets	(8,163)	1,113
Gain on sale of marketable securities	---	(431)
Changes in operating assets and liabilities:		
Accounts receivable and prepaid expenses	(5,408)	4,402
Inventories	3,679	4,585
Income taxes recoverable	(5,227)	---
Accounts payable and other liabilities	5,992	12,010
Income taxes payable	(1,317)	(1,647)
Deferred income taxes	(847)	(3,669)
Other	<u>374</u>	<u>(36)</u>
Net cash provided by operating activities	<u>72,327</u>	<u>95,679</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(45,522)	(71,399)
Proceeds from the sale of property and equipment	11,291	2,096
Purchase of marketable securities	---	(33,021)
Proceeds from maturities of marketable securities	13,781	11,998
Proceeds from sale of marketable securities	<u>---</u>	<u>1,010</u>
Net cash used in investing activities	<u>(20,450)</u>	<u>(89,316)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of common stock	1,221	221
Dividends paid	(23,482)	(23,508)
Purchase of treasury stock	<u>(1,616)</u>	<u>(245)</u>
Net cash used in financing activities	<u>(23,877)</u>	<u>(23,532)</u>
Net increase (decrease) in cash and cash equivalents	28,000	(17,169)
Cash and cash equivalents at beginning of year	<u>27,545</u>	<u>69,300</u>
Cash and cash equivalents at end of period	\$ <u>55,545</u>	\$ <u>52,131</u>

*See accompanying notes to consolidated financial statements.*





Table of Contents

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

(1) Significant Accounting Policies

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

(2) Current Relevant Accounting Standards

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

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

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurement" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 does not require any new fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007. The company is currently assessing the impact of SFAS 157 on its financial statements.

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

(3) Comprehensive Income

The components of comprehensive income, net of related tax, for the periods ended September 29, 2007 and September 30, 2006 are as follows:

**13 Weeks Ended**

**39 Weeks Ended**

Edgar Filing: WEIS MARKETS INC - Form 10-Q

<i>(dollars in thousands)</i>	<u>Sept. 29,</u> <u>2007</u>	<u>Sept. 30,</u> <u>2006</u>	<u>Sept. 29,</u> <u>2007</u>	<u>Sept. 30,</u> <u>2006</u>
Net income	\$ 10,817	\$ 11,565	\$ 42,380	\$ 41,992
Other comprehensive income by component, net of tax:				
Unrealized holding gains arising during period (Net of deferred taxes of \$221 and \$572 respectively for the 13 Weeks Ended and \$968 and \$1,086 respectively for the 39 Weeks Ended)	312	807	1,365	1,531
Reclassification adjustment for gains included in net income (Net of taxes of \$0 and \$179, respectively for the 39 Weeks Ended)	---	---	---	(252)
Comprehensive income, net of tax	\$ <u>11,129</u>	\$ <u>12,372</u>	\$ <u>43,745</u>	\$ <u>43,271</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 September 29, 2007, the company operated 155 retail food stores in Pennsylvania and four surrounding states: Maryland, New Jersey, West Virginia and New York. In addition to its retail food stores, the company operates 31 SuperPetz pet supply stores in ten states: Alabama, Georgia, Indiana, Maryland, Michigan, North Carolina, Ohio, Pennsylvania, South Carolina and Tennessee.

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

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

**OPERATING RESULTS**

Total sales for the third quarter ended September 29, 2007 increased 1.4% to \$565.0 million compared to sales of \$557.2 million in the same quarter of 2006. Comparable store sales in the third quarter increased 1.8% compared to a 3.2% increase in 2006. The increase in identical store sales was the result of an increase in average sales per customer transaction; however customer store visits in the third quarter were flat compared to the same period one year ago. Sales for the first three quarters of this year increased 2.9% to \$1.72 billion compared to \$1.67 billion in 2006. Through the first three quarters of the year, the company experienced a comparable store sales growth of 3.0% compared to a 2.0% increase for the same period a year ago. Sales are being impacted by lower pharmacy sales as the result of generic prescriptions supplanting their brand-name counterparts and the shift of Medicare D prescriptions to mail order. Management does not foresee a change in this trend in the near future.

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

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

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

Edgar Filing: WEIS MARKETS INC - Form 10-Q

Gross profit of \$147.7 million at 26.1% of sales, decreased \$279,000 or .2% versus the same quarter last year and the gross profit rate decreased 0.5%. The year-to-date gross profit at 26.4% of sales increased \$6.3 million or 1.4%, while the gross profit rate decreased 0.4%. The reduction in gross profit rate is predominately the result of poor inventory control at the store level.

**Page 5 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**  
(continued)

**OPERATING RESULTS (continued)**

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

The third quarter operating, general and administrative expenses of \$132.5 million at 23.4% of sales, increased \$635,000 or 0.5% compared to the same quarter in 2006. As a percentage of sales, operating expenses were 0.3% lower than the third quarter last year. Year-to-date operating, general and administrative expenses increased \$4.8 million compared to the first three quarters of last year, these expenses decreased to 22.8% of sales from 23.2% in 2006. The third quarter percent of sales decrease is mainly attributable to a pre-tax gain on the sale of a closed store facility for \$2.7 million in 2007 versus a pre-tax impairment loss of \$1.7 million on two closed store facilities in the third quarter of 2006. Similarly, the year-to-date percent of sales decrease is due to a pre-tax gain on the sale of two closed store facilities, including the facility in the third quarter and an undeveloped parcel of land for a total of \$8.2 million. As a percent of sales, store labor expense increased 0.5 % in the third quarter and 0.2% year-to-date. Pennsylvania increased the minimum wage rate twice in 2007 totaling \$2.00 per hour, where the majority of the company's stores are located. 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 8.9% in the quarter compared to the same period in 2006. The company remains extremely concerned about the continuing rise in interchange fees for accepting credit/debit card transactions. Consequently, the company is working with a wide variety of corporations and associations to reduce interchange rates through legislative and regulatory initiatives.

In the third quarter, the company's investment income totaled \$768,000 at 0.1% of sales, a decrease of \$337,000 or 30.5% compared to the same period a year ago. Year-to-date, the company's investment income decreased \$1.3 million or 37.3% to \$2.2 million. The company realized a long-term gain of \$431,000 on the sale of equities from its investment portfolio during the first quarter of 2006.

The effective tax rate for the third quarter of 2007 and 2006 was 32.4% and 32.9%, respectively. Year-to-date, the effective tax rate was 34.7% for 2007 compared to 35.0% for the first three quarters of last year. The effective income tax rate differs from the federal statutory rate of 35% primarily due to the effect of state taxes. In the current quarter, state tax expense was recaptured that was previously expensed in the first half of the year.

For the three-month period ending September 29, 2007, net income of \$10.8 million decreased 6.5% compared to the same period last year. Basic and diluted earnings per share of \$.40 for the quarter decreased \$.03 or 7.0% compared to 2006. Year-to-date earnings increased 0.9% from \$42.0 million to \$42.4 million. Basic and diluted earnings per share in the first three quarters of 2007 increased 1.3% to \$1.57 compared to \$1.55 generated in the first three quarters of last year.

**LIQUIDITY AND CAPITAL RESOURCES**

During the first thirty-nine weeks of 2007, the company generated \$72.3 million in cash flows from operating activities compared to \$95.7 million for the same period in 2006. Working capital increased \$15.1 million or 10.3% since the beginning of the year. The first three quarters of 2006 cash flows from operating activities benefited from a

\$2.3 million reimbursement for prepaid associate medical benefits because of contract changes.

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 three quarters of 2007 amounted to \$20.5 million compared to the \$89.3 million used in 2006. Capital expenditures for the first three quarters totaled \$45.5 million compared to \$71.4 million in 2006. The company estimated that its capital expenditure plans would require an investment of \$72.5 million in 2007. This plan includes construction of new superstores, the expansion and remodeling of existing units, the acquisition of sites for future expansion, new technology purchases and the continued upgrade of company processing and distribution facilities.

Net cash used in financing activities during the first thirty-nine weeks of 2007 was \$23.9 million compared to \$23.5 million in 2006. In 2007, treasury stock purchases amounted to \$1.6 million in the period compared to \$245,000 in the first three quarters of last year. The Board of Directors' 2004 resolution authorizing the purchase of one million shares of treasury stock has a remaining balance of 847,233 shares.

Cash dividends of \$23.5 million were paid to shareholders in the first three quarters of 2007, approximately the same amount as a year ago. At its regular meeting held in October, the Board of Directors unanimously approved a quarterly dividend of \$.29 per share, payable on November 16, 2007 to shareholders of record on November 2, 2007.

The company has no other commitment of capital resources as of September 29, 2007, other than the lease commitments on its store facilities under operating leases that expire at various dates through 2027. The company anticipates funding its working capital requirements and its \$72.5 million capital expansion program through internally generated cash flows from operations.

**Critical Accounting Policies**

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

**FORWARD-LOOKING STATEMENTS**

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





Table of Contents

**WEIS MARKETS, INC.**

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Quantitative Disclosure - There have been no material changes in the company's market risk during the nine months ended September 29, 2007. Quantitative information is set forth in Item 7a on the company's annual report on Form 10-K under the caption "Quantitative and Qualitative Disclosures About Market Risk," which was filed for the fiscal year ended December 30, 2006 and is incorporated herein by reference.

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

**ITEM 4. CONTROLS AND PROCEDURES**

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

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

Table of Contents

**WEIS MARKETS, INC.**

**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 11/8/2007

/S/Norman S. Rich

-

Norman S. Rich  
President and Chief Executive Officer

Date 11/8/2007

/S/William R. Mills

-

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

Table of Contents

**EXHIBIT 31.1**

**WEIS MARKETS, INC.**

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

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

1. I have reviewed this quarterly report on Form 10-Q of Weis Markets, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) 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: November 8, 2007

/S/ Norman S. Rich  
Norman S. Rich  
President and



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) 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: November 8, 2007

/S/ William R. Mills  
William R. Mills  
Senior Vice President,

Treasurer and  
Chief Financial Officer

---

Table of Contents

**EXHIBIT 32**

**WEIS MARKETS, INC.**

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

In connection with the quarterly report of Weis Markets, Inc. (the "company") on Form 10-Q for the quarter ending September 29, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), We, Norman S. Rich, President and Chief Executive Officer, and William R. Mills, Senior Vice President, Treasurer and Chief Financial Officer, of the company, certify, pursuant to and for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/S/ Norman S. Rich

Norman S. Rich  
President and Chief Executive Officer  
11/8/2007

/S/ William R. Mills

William R. Mills  
Senior Vice President, Treasurer and Chief Financial Officer  
11/8/2007

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

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

---