

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-2

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

THE MIDDLEBY CORPORATION

(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

36-3352497
(I.R.S. Employer Identification No.)

2850 W. GOLF ROAD, SUITE 405
ROLLING MEADOWS, ILLINOIS 60008

(847) 758-3880

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

JOHN J. HASTINGS
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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. / /

If the Registrant elects to deliver its latest annual report to security holders, or a complete and legible facsimile thereof, pursuant to Item 11(a)(1) of this Form, check the following box. / /

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE
Common Stock, \$0.01 par value.....	3,001,500 shares	\$9.0625	\$27,201,094	\$8,243

(1) Estimated solely for the purpose of computing the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based upon the average of the high and low prices of the Common Stock as reported on the Nasdaq National Market System on September 8, 1997.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

SUBJECT TO COMPLETION, DATED SEPTEMBER 11, 1997
INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

2,610,000 SHARES

[THE MIDDLEBY CORPORATION]

COMMON STOCK
\$0.01 PAR VALUE

Of the 2,610,000 shares of Common Stock being offered hereby, 2,000,000 shares are being sold by The Middleby Corporation ("Middleby" or the "Company") and 610,000 shares are being sold by the Selling Stockholders. See "Principal and Selling Stockholders." The Company will not receive any proceeds from the sale of shares by the Selling Stockholders.

The Company's Common Stock is traded on the Nasdaq National Market System under the symbol "MIDD". On September 10, 1997, the last reported sale price for the Company's Common Stock on the Nasdaq National Market System was \$9.25 per share. See "Price Range of Common Stock."

FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE COMPANY, SEE "RISK FACTORS" COMMENCING ON PAGE 7.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS (1)	PROCEEDS TO COMPANY (2)	PROCEEDS TO SELLING STOCKHOLDERS
Per Share.....	\$	\$	\$	\$
Total(3).....	\$	\$	\$	\$

(1) See "Underwriting" for indemnification arrangements.

(2) Before deducting estimated expenses of \$300,000 payable by the Company.

(3) The Company has granted to the Underwriters a 30-day option to purchase up to an additional 391,500 shares of Common Stock, on the same terms and conditions as set forth above, solely to cover over-allotments, if any. If this option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions, Proceeds to Company and Proceeds to Selling Stockholders will be \$, \$, \$ and \$, respectively. See "Underwriting."

The shares of Common Stock offered hereby are being offered by the Underwriters, subject to prior sale and acceptance by the Underwriters and subject to the right of the Underwriters to reject any order in whole or in part. It is expected that the Common Stock will be available for delivery on or about , 1997 at the offices of Schroder & Co. Inc., New York, New York.

SCHRODER & CO. INC.

BREAN MURRAY & CO., INC.

, 1997

[PHOTOGRAPHS OF COMPANY'S PRODUCTS, TRADEMARKS AND A MAP OF THE COMPANY'S DISTRIBUTION AND MANUFACTURING LOCATIONS WILL APPEAR ON THE INSIDE FRONT AND BACK COVER PAGES OF THE PROSPECTUS.]

IN CONNECTION WITH THIS OFFERING, CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN, OR OTHERWISE AFFECT THE PRICE OF THE COMMON STOCK, INCLUDING PURCHASES OF THE COMMON STOCK TO COVER ALL OR SOME OF A SHORT POSITION IN THE COMMON STOCK MAINTAINED BY THE UNDERWRITERS AND THE IMPOSITION OF PENALTY BIDS. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "UNDERWRITING."

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PROSPECTUS SUMMARY

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION AND THE CONSOLIDATED FINANCIAL STATEMENTS AND NOTES THERETO APPEARING ELSEWHERE, OR INCORPORATED BY REFERENCE, IN THIS PROSPECTUS. THE COMPANY'S FISCAL YEAR ENDS ON THE SATURDAY NEAREST DECEMBER 31. UNLESS OTHERWISE INDICATED, THE INFORMATION CONTAINED IN THIS PROSPECTUS ASSUMES NO EXERCISE OF THE UNDERWRITERS' OVER-ALLOTMENT OPTION.

THE COMPANY

GENERAL

The Company is a leader in the design, manufacture, marketing and service of a broad line of cooking and warming equipment used in all types of foodservice operations, including quick-service restaurants, full-service restaurants, retail outlets, and hotels and other institutions. The Company provides unique integrated distribution and service capabilities to international markets, enabling it to deliver a complete kitchen package to its customers seeking to expand globally. Major customers include leading quick-service chains such as Domino's, KFC, McDonald's, Papa John's, Pizza Hut and Wendy's, and full-service chains such as Brinker, Denny's, Perkins, Rainforest Cafe and Red Lobster. As a

key equipment supplier to these chains, Middleby's products and services stand behind many of the fastest growing foodservice brands.

Since the founding of Middleby Marshall Oven Company in 1888, the Company has been a leading innovator in the baking equipment industry, and in the early 1980s positioned itself as a leading foodservice equipment manufacturer by introducing the conveyor oven that revolutionized the pizza industry. Today, the Company's product lines include some of the best-known and well-respected brands in the industry: Middleby Marshall-Registered Trademark- conveyor oven equipment, Toastmaster-Registered Trademark- toasters and counterline cooking and warming equipment, Southbend-Registered Trademark- ranges, convection ovens and heavy-duty cooking equipment, SteamMaster-Registered Trademark- steam cooking equipment and CTX-Registered Trademark- infra-red conveyor cooking systems. Middleby Marshall is the world's leader in conveyor cooking equipment, and management believes that Southbend and Toastmaster are also leaders within their respective markets.

The Company operates through the following domestic business divisions: conveyor oven equipment (Middleby Marshall and CTX), counterline cooking equipment and specialty products (Toastmaster and various distribution products) and core cooking equipment (Southbend and SteamMaster). Additionally, the Company provides its products and services to the international marketplace through two operating subsidiaries: Asbury Associates, Inc. ("Asbury"), a leading exporter and distributor of foodservice equipment in the global marketplace, and Middleby Philippines Corporation ("Middleby Philippines"), one of the principal suppliers of commercial kitchen fabrication and specialty cooking equipment in the Asian, Pacific Rim and Middle Eastern markets.

The Company believes that its ability to support the domestic and international growth of restaurant and hotel chains through its integrated distribution and service networks provides it with a distinct competitive advantage. Middleby is an industry leader in equipment installation programs and after-sales support and service and provides a unique one-year parts and labor warranty throughout the world. Asbury provides a broad range of one-source services, including export documentation, freight forwarding, warehousing and consolidation, installation and project management, to customers seeking to expand in international markets, and has delivered and installed equipment in over 100 countries throughout the world. Additionally, the Company has an extensive independent service network consisting of over 80 distributors and 2,500 certified technicians in the U.S. and over 110 distributors and 3,000 technicians internationally, supported by thirteen factory-based technical service engineers and fifteen internationally-based service managers.

THE INDUSTRY

The foodservice equipment industry provides equipment and services to operators in the commercial and institutional foodservice industry. The foodservice industry consists of four principal categories: (i) fast food or quick-service restaurants, including those that primarily offer pizza, (ii) full-service restaurants, including casual-theme restaurants, (iii) retail outlets, such as convenience stores, supermarkets and department stores, and (iv) public and private institutions, such as hotels, resorts, schools, hospitals, long-term care facilities, correctional facilities, stadiums, airports, corporate cafeterias, military facilities and government agencies. In 1996, the U.S. foodservice industry had sales of approximately \$314 billion through over 740,000 outlets. The foodservice equipment industry had total domestic sales of approximately \$4.5 billion in 1996. In the U.S., the Company's products compete primarily in the cooking and warming equipment market segment, which had sales of approximately \$1.1 billion in 1996 and is expected to grow 6.5% in 1997. Management believes that the broader international foodservice equipment market that the Company serves had 1996 sales of approximately \$10 billion, with expected annual growth of nearly twice the growth rate of the U.S. market.

Middleby believes that the trends in the foodservice industry present significant growth opportunities for the foodservice equipment industry. The major quick-service and casual-theme restaurant chains are the fastest growing segments of the foodservice industry and lead the industry in terms of restaurant unit development. Leading U.S. quick-service and casual-theme restaurant chains, as well as hotel chains, are targeting international markets for a greater percentage of their new unit development. The Company believes that the greatest long-term growth opportunity in the foodservice equipment industry is in supporting the expansion of these chains, as well as the

development of local chain concepts, in the international markets. Additionally, as quick-service restaurant chains look to modernize older U.S. stores, significant opportunities exist to increase revenues as these chains replace and upgrade existing equipment with products that offer innovative technology, food product flexibility, reduced food waste and labor-saving and space-saving features.

BUSINESS STRATEGY

The Company's strategy is to enhance its position as a worldwide foodservice equipment supplier by capitalizing on major foodservice industry trends, and includes the following key elements:

FOCUS ON MAJOR CHAIN RELATIONSHIPS. The Company believes that long-term revenue growth will result from continued development and enhancement of relationships with fast growing restaurant chains. Middleby utilizes a key account sales management approach to strengthen its existing relationships and develop new relationships with major chains. Additionally, Middleby's product development department works closely with major chains to develop equipment to meet specialized needs and to satisfy global regulations and utility requirements. The Company provides a technology center and over 40 worldwide demonstration centers for customers to work with newly developed and prototype equipment.

DEVELOP INNOVATIVE EQUIPMENT SOLUTIONS. The Company continuously seeks to improve the functionality and quality of its product offerings through its own development efforts and by licensing products and technologies that it believes have significant growth potential. Over 30 professionals support the Company's product development and engineering activities, including project engineers, computer-aided design ("CAD") operators, laboratory technicians, model makers and engineering documentation and systems support personnel. Currently, a significant portion of the Company's net sales are derived from products and product extensions introduced in the past three years.

SUPPORT THE INTERNATIONAL EXPANSION OF MAJOR CHAINS. Management believes Middleby is uniquely positioned to provide comprehensive services to large restaurant and hotel chains seeking to expand globally. The Company's integrated international network enables it to offer a total store

package ("TSP") of kitchen equipment to be delivered, installed and serviced by Middleby virtually anywhere in the world. The Company believes this TSP capability will enable it to continue to develop new business opportunities abroad and will lead to significant growth and profitability in the future. During the past several years, the Company has made significant investments to establish international offices in Canada, Mexico, Spain, France, Saudi Arabia, the Philippines, Taiwan, China, Indonesia, Japan and Korea.

The Company's sales growth has been more than double that of the industry average, with an average growth rate of 15% per year since 1994 and 29% for the first six months of 1997 compared to the first six months of 1996. Operating income from continuing operations has grown an average of 15% per year since 1994 and 73% for the first six months of 1997 compared to the first six months of 1996.

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The Company is a Delaware corporation with its principal executive offices located at 2850 West Golf Road, Suite 405, Rolling Meadows, Illinois 60008, Telephone (847) 758-3880.

THE OFFERING

Common Stock offered by:

The Company.....	2,000,000	shares (1)
The Selling Stockholders.....	610,000	shares

Total.....	2,610,000	shares

Common Stock to be outstanding after the Offering.... 10,501,453 shares (1) (2)
 Use of proceeds..... To repay indebtedness and for general corporate purposes. See "Use of Proceeds."
 Nasdaq National Market symbol..... MIDD

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- (1) Does not include 391,500 shares which may be sold by the Company pursuant to the Underwriters' over-allotment option.
- (2) Does not include 447,600 shares of Common Stock reserved for issuance upon exercise of outstanding stock options and warrants. Also does not include shares of Common Stock issuable in connection with the establishment of Middleby Japan Corporation ("Middleby Japan"), a subsidiary of the Company. See "Capitalization."

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA
 (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	FISCAL YEAR ENDED(1)					SIX MONTHS ENDED	
	1992	1993	1994	1995	1996	JUNE 29, 1996	JUNE 28, 1997
	(UNAUDITED)						
INCOME STATEMENT DATA(2) (3) (4):							
Net sales.....	\$ 90,415	\$ 85,789	\$ 94,158	\$ 106,348	\$ 124,765	\$ 58,171	\$ 74,780
Gross profit.....	28,868	23,288	28,564	32,507	37,435	17,096	23,288
Income (loss) from operations.....	3,814	(246)	6,593	6,896	8,677	3,959	6,853
Earnings (loss) before income taxes(5).....	(950)	14,682	2,849	2,605	4,472	1,828	4,535
Net earnings (loss) from continuing operations.....	\$ (1,281)	\$ 14,411	\$ 2,235	\$ 2,745	\$ 3,083	\$ 1,167	\$ 2,973
Net earnings (loss) from continuing operations per share.....	\$ (0.15)	\$ 1.72	\$ 0.26	\$ 0.31	\$ 0.35	\$ 0.13	\$ 0.34
Weighted average number of shares outstanding.....	8,320,000	8,369,000	8,434,000	8,678,000	8,666,000	8,707,000	8,758,000
OTHER DATA(2) (3) (4):							
Domestic sales.....	\$ 62,390	\$ 57,274	\$ 60,971	\$ 67,878	\$ 78,594	\$ 36,046	\$ 47,479
International sales.....	\$ 28,025	\$ 28,515	\$ 33,187	\$ 38,470	\$ 46,171	\$ 22,125	\$ 27,301
International sales and distribution offices(6).....	2	4	5	6	9	9	11

AS OF JUNE 28, 1997	
ACTUAL	AS ADJUSTED(7)
(UNAUDITED)	

BALANCE SHEET DATA:	
Working capital.....	\$ 30,367 \$ 30,367
Total assets.....	93,892 93,892
Total debt.....	42,452 25,362
Stockholders' equity.....	25,109 42,199

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- (1) The Company's fiscal year ends on the Saturday nearest to December 31.
- (2) The summary consolidated financial and operating data exclude the Company's former subsidiary, Victory Refrigeration Company ("Victory"), which has been accounted for as a discontinued operation. Additionally, the Company has given retroactive effect to the change in accounting principle for the 1993 litigation settlement with Hussmann Corporation. See Notes 2(n) and 3 to the Consolidated Financial Statements.
- (3) Results relating to the Company's former Seco Division are included for fiscal 1992 until its sale on August 21, 1992.

- (4) Certain amounts in the prior years' financial data have been reclassified to be consistent with the fiscal 1996 presentation.
- (5) In 1993, the Company settled a dispute with Hussmann Corporation related to the 1989 acquisition of the Foodservice Equipment Group which resulted in a gain of \$18.4 million. See Note 2 to the Consolidated Financial Statements.
- (6) As of period end.
- (7) Adjusted to reflect the sale by the Company of 2,000,000 shares of Common Stock in the offering and the application of the net proceeds therefrom as set forth under "Use of Proceeds."

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RISK FACTORS

POTENTIAL PURCHASERS OF THE COMMON STOCK SHOULD CONSIDER CAREFULLY THE FOLLOWING RISK FACTORS, AS WELL AS THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, BEFORE DECIDING TO PURCHASE THE COMMON STOCK OFFERED HEREBY.

QUARTERLY VARIATIONS IN OPERATING RESULTS

Results of the Company's operations have fluctuated from quarter to quarter in the past, and may fluctuate significantly in the future. Such fluctuations may result from a variety of factors, including the timing of orders from major customers, the timing of new product introductions by the Company, its competitors or third parties, the loss of any of its significant customers or distributors, currency fluctuations, disruption in the supply of components for the Company's products, changes in product mix or capacity utilization, personnel changes, production delays or inefficiencies, seasonality and other factors affecting sales and results of operations. Quarterly fluctuations in results of operations may adversely affect the market price of the Common Stock. A substantial portion of the Company's sales for each quarter results from orders received during the same quarter. Consequently, the Company is dependent on obtaining new orders in a particular quarter to achieve its sales objectives for that quarter. Furthermore, the Company occasionally recognizes a significant portion of its sales in the last month of a quarter, with sales occasionally concentrated in the last weeks of a quarter. A substantial portion of the Company's operating expenses are primarily related to personnel, product development, marketing programs and facilities. The level of spending for such expenses cannot be adjusted quickly, and is based, in significant part, on the Company's expectations of future revenue. If actual revenue levels are below management's expectations, the Company's business, financial condition and results of operations may be materially adversely affected. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

DEPENDENCE ON KEY CUSTOMERS; CYCLICAL RISKS

The Company's growth is strongly influenced by the growth of its key customers, many of which are large quick-service and full-service restaurant chains. The number of new store openings by these chains can vary from quarter to quarter depending on internal growth plans, construction, seasonality and other internal factors. If these chains were to conclude that the market for their type of restaurant had become saturated, they could open fewer restaurants. In addition, if there should be an economic downturn, key customers could both open fewer restaurants and defer purchases of new equipment for existing restaurants. Either of these conditions could have a material adverse effect on the Company's future results of operations. While no single customer accounts for more than 6% of net sales, the Company's top ten customers account for approximately 25% of total net sales. See "Business-- Customers."

INTERNATIONAL EXPOSURE

For the 1994, 1995 and 1996 fiscal years, approximately 35%, 36% and 37%, respectively, of the Company's net sales were derived from sales to customers in foreign countries. The Company manufactures some of its products in the Philippines through its majority-owned subsidiary Middleby Philippines, the customers of which include Asian operations of major U.S. foodservice chains and hotels. The Company anticipates that international sales will continue to account for a significant portion of net sales in the foreseeable future. As a result, the Company will be subject to certain risks, including tariffs and other barriers, difficulty in staffing and managing foreign subsidiary operations, difficulty in managing distributors and resellers, adverse tax consequences, political and economic instability of governments, and difficulty

in accounts receivable collection. The Company is also subject to the risks associated with the imposition of protective legislation and regulations, including those relating to import or export or otherwise resulting from trade or foreign policy. The Company cannot predict whether quotas, duties, taxes or other charges or restrictions will be implemented by the U.S. or any other country upon the

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import or export of the Company's products. There can be no assurance that any of these factors or the adoption of restrictive policies will not have a material adverse effect on the Company's business, financial condition and results of operations. In addition, the Company denominates some sales by foreign subsidiaries in local currency, and an increase in the relative value of the dollar against such currencies would lead to a reduction in sales and earnings. Foreign currency exposures are not specifically hedged and there can be no assurance that the Company's future results of operations will not be adversely affected by currency fluctuations. The Company's international operations have been somewhat affected by the recent devaluation of Southeast Asian currencies and resulting financial market instability. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

COMPETITION

The cooking and warming segment of the foodservice equipment industry is highly competitive and fragmented. Within a given product line, the industry remains fairly concentrated, with typically a small number of competitors accounting for the bulk of the line's industry-wide sales. Industry competition includes companies that manufacture a broad line of commercial foodservice equipment products and those that specialize in a particular product line. Some of the Company's competitors have greater financial and marketing resources and name recognition than the Company. In addition, some competitors have different pricing structures and may be able to deliver their products at lower prices. Although the Company believes that the performance and price characteristics of its products will provide competitive solutions for its customers' needs, there can be no assurance that its customers will choose the Company's products over products offered by competitors. Further, the market for the Company's products is characterized by changing technology and evolving industry standards. The Company is aware of other companies that are developing, and in some cases have introduced, new ovens based on high-speed heating methods and technologies. Accordingly, the Company's ability to compete successfully will depend, in large part, on its ability to enhance and improve its existing products, complete development of and introduce in a timely manner new products, and continue to improve operating efficiencies and reduce manufacturing costs. There can be no assurance that the Company will be able to compete successfully, that competitors will not develop technologies or products that render the Company's products obsolete or less marketable or that the Company will be able to successfully enhance or adapt its products, develop new products or reduce costs. See "Business--Competition."

DEVELOPMENT AND MARKET ACCEPTANCE OF NEW PRODUCTS

The Company's continued success and growth will depend upon its ability to improve and market existing products and to develop, obtain regulatory approval for and successfully market new products and product extensions. There can be no assurance that the Company's current level of research and development spending and scope will be adequate, or that the Company will successfully develop and market enhancements to its existing products or new products on a timely basis. From time to time, the Company or its competitors may announce new products, capabilities or technologies that have the potential to replace or shorten the life cycles of the Company's existing products. There can be no assurance that announcements of new products will not cause customers to defer purchasing existing Company products. See "Business--Industry Overview."

POTENTIAL PRODUCTS LIABILITY; WARRANTY EXPENSE

The Company is engaged in a business that could expose it to possible liability claims from others, including foodservice operators and their staffs, as well as from consumers, for personal injury or property damage due to alleged design or manufacturing defects in the Company's products. The Company maintains a general liability insurance policy (including products liability coverage) that is subject to a \$1 million per occurrence limit with a \$2 million aggregate limit and a \$15 million umbrella liability insurance policy to cover claims in excess of the limits of its liability insurance. There can be no

assurance, however, that the Company's insurance will be sufficient to cover potential claims or that an adequate level of coverage will be available in the future at reasonable cost. A partially insured or a completely uninsured successful claim against the Company could have a material adverse effect on the Company. In addition, the Company generally warrants its products to be free from defects in workmanship and materials for one year. These can be no assurance that future warranty expenses will not have an adverse effect on the Company. See "Business--Services and Product Warranty" and "--Legal Proceedings."

LOSS OF PROPRIETARY RIGHTS

The Company's operating subsidiary, Middleby Marshall Inc. ("Middleby Marshall"), has an exclusive license from Patentsmith II, Inc. ("Patentsmith") to manufacture, use and sell Jetsweep air impingement ovens in the U.S. for certain commercial food applications. The Patentsmith license covers numerous patents, some of which extend beyond the year 2000. Middleby Marshall also holds an exclusive sublicense from Lincoln Foodservice Products, Inc. ("Lincoln"), a subsidiary of Welbilt Corporation, to manufacture, use and sell throughout the world, other than the U.S. and Japan, air impingement ovens for certain commercial food applications, and it holds a right of first refusal for a similar sublicense in Japan. The Patentsmith license and the Lincoln sublicense expire upon the expiration of the last patented improvement covered by the license. The loss of the Patentsmith license or the Lincoln sublicense could have a material adverse effect on the Company. See "Business--Licenses, Patents and Trademarks."

RISKS RELATING TO INTELLECTUAL PROPERTY

The Company holds numerous patents covering technology and applications related to various products, equipment and systems, and numerous trademarks and trade names registered with the U.S. Patent and Trademark Office and in various foreign countries, including the names CTX, Middleby Marshall, Southbend, SteamMaster, Titan-Registered Trademark- and Toastmaster. There can be no assurance as to the breadth or degree of protection that existing or future patents or trademarks may afford the Company, that any pending patent applications will result in issued patents or that any pending trademark applications will result in registered trademarks, that the Company's patents, registered trademarks or patent or trademark applications, if any, will be upheld if challenged or that competitors will not develop similar or superior methods or products outside the protection of any patents issued, licensed or sublicensed to the Company. Although the Company believes that none of its patents, technologies, products or trademarks infringe upon the patents, technologies, products or trademarks of others, it is possible that its existing patent, trademark or other rights may not be valid or that infringement of existing or future patents, trademarks or proprietary rights may occur. In the event that the Company's products are deemed to infringe upon the patent or proprietary rights of others, the Company could be required to modify the design of its products, change the name of its products or obtain a license for the use of certain technologies incorporated into its products. There can be no assurance that the Company would be able to do any of the foregoing in a timely manner, upon acceptable terms and conditions, or at all, and the failure to do so could have a material adverse effect on the Company. In addition, there can be no assurance that the Company will have the financial or other resources necessary to enforce or defend a patent, registered trademark or other proprietary right, and, if the Company's products are deemed to infringe upon the patents, trademarks or other proprietary rights of others, the Company could become liable for damages, which could also have a material adverse effect on the Company. See "Business-- Licenses, Patents and Trademarks."

DEPENDENCE ON OUTSIDE SUPPLIERS

The Company is dependent on outside suppliers to provide many of the raw materials and components used in the Company's products. Although substantially all of the components used in the Company's products are available from multiple sources, the Company may experience shortages in

supply due to various factors, including increases in market demand for certain components that occur from time to time and the limited capacity of certain suppliers. Some component parts are obtained from sole sources of supply. The Company believes that the partial or complete loss of one or more of its

suppliers is not likely to have a material long-term impact on its operations. Such a loss, however, could in the short-term result in significant production delays, require the Company to seek alternative sources of supply and increase its cost of goods sold and, therefore, could have a material adverse effect on the Company's business, financial condition and results of operations. See "Business--Sources of Supply."

DEPENDENCE ON CERTAIN DISTRIBUTION AGREEMENTS

The Company has the exclusive right to distribute products for other equipment manufacturers in various markets of the world pursuant to distributorship agreements that can be terminated by either party upon notice ranging from three to nine months. In addition, Middleby has the exclusive right to distribute the RoFry-Registered Trademark- oil-less fryer in North America, Mexico, Latin America and the Caribbean pursuant to a distributorship agreement that can be terminated on ten months notice by either party. No notice of termination has been given, but the termination of any of these agreements could have a disruptive effect on the Company's operations resulting in a material adverse effect on the Company's results of operations. See "Business--Business Divisions and Products."

DEPENDENCE ON KEY PERSONNEL

The Company depends significantly on certain of its executive officers and certain other key personnel, many of whom could be difficult to replace. The incapacity, inability or unwillingness of certain of these people to perform their services may have a material adverse effect on the Company. There can be no assurance that the Company will be able to continue to attract, motivate and retain personnel with the skills and experience needed to successfully manage the Company's business and operations. See "Management."

ENVIRONMENTAL AND REGULATORY CONCERNS

The Company is subject to a variety of environmental regulations relating to the use, storage, discharge and disposal of hazardous chemicals used during manufacturing. Any failure by the Company to comply with present or future regulations could subject it to future liabilities or the suspension of production that could have a material adverse effect on the Company's results of operations. Such regulations could also restrict the Company's ability to expand its facilities or could require the Company to acquire costly equipment or to incur other expenses to comply with such environmental regulations. Although the Company believes that it is in material compliance with current environmental rules and regulations, there can be no assurance that environmental laws and regulations will not become more stringent over time, imposing greater compliance costs and increasing risks and penalties associated with a violation. The Company's operations are subject to a variety of foreign, federal, state and local regulatory requirements, including environmental, waste management, health and safety matters. The cost to the Company of such compliance to date has not materially affected the Company's business, financial condition or results of operations. There can be no assurance, however, that violations will not occur in the future as a result of human error, equipment failure or other causes. The Company's customers are also subject to extensive regulations, including those related to workplace safety and food preparation for consumers. The Company cannot predict the nature, scope or effect of environmental legislation or regulatory requirements that could be imposed or how existing or future laws or regulations will be administered or interpreted. Compliance with more stringent laws or regulations, as well as more vigorous enforcement policies of regulatory agencies, could require substantial expenditures by the Company and could adversely affect the Company's business, financial condition and results of operations.

CONCENTRATION OF OWNERSHIP

The Company's executive officers and directors will beneficially own an aggregate of approximately 40.3% of the outstanding shares of Common Stock after this offering (approximately 38.9% if the Underwriters' over-allotment option is exercised in full). William F. Whitman, Jr., Chairman of the Board and a director of the Company, and Robert R. Henry, a director of the Company and a trustee of certain family trusts established by Mr. Whitman, will beneficially own approximately 17.6% and 15.4%, respectively, of the outstanding shares of Common Stock after this offering (approximately 17.0% and 14.8%, respectively, if the Underwriters' over-allotment is exercised in full). See "Principal and Selling Stockholders." As a result, these stockholders could exercise

significant influence over most matters requiring approval by the Company's stockholders, including the election of the Company's directors. This concentration of ownership may also have the effect of delaying or preventing a change in control of the Company.

FACTORS INHIBITING TAKEOVERS

Certain provisions of the Company's Certificate of Incorporation and Delaware law, together or separately, could discourage potential acquisition proposals, delay or prevent a change in control of the Company or limit the price that certain investors might be willing to pay in the future for the Company's Common Stock. These provisions include the issuance, without further stockholder approval, of up to 2,000,000 shares of preferred stock with rights and preferences that could be senior to the Common Stock. The Company is also subject to Section 203 of the Delaware General Corporation Law, which may inhibit a change in control of the Company. See "Description of Capital Stock."

EXPOSURE IN CONNECTION WITH SALE OF VICTORY

The Company has guaranteed to unrelated third parties approximately \$800,000 of rent payable by Victory over the next twelve months. In addition, the Company holds a \$400,000 note from Victory due to be paid to the Company over the next two years. Victory is a start-up company formed when the Company sold its former Victory subsidiary on January 23, 1997 to an investor group led by Victory management. A default by Victory on its rent or note obligations could have an adverse effect on the Company's earnings in the interim period such an event were to be reported.

SHARES ELIGIBLE FOR FUTURE SALE

Sales of substantial amounts of Common Stock in the public market after this offering could adversely affect the market price of the Common Stock. The Company, its executive officers and directors and the Selling Stockholders, who in the aggregate will own 4,241,407 shares upon completion of the offering, have agreed that they will not directly or indirectly offer, sell or otherwise dispose of any shares of Common Stock, or other securities convertible into, or exercisable or exchangeable for, any shares of Common Stock of the Company without the prior written consent of the Underwriters for a period of 120 days from the date of this Prospectus. These shares will be eligible for sale, subject to the limitations of SEC Rule 144, at the conclusion of the 120-day period. See "Underwriting."

VOLATILITY OF STOCK PRICE

The price of the Company's Common Stock historically has experienced significant volatility due to fluctuations in the Company's revenue and earnings, the market's changing expectations for the Company's growth, overall equity market conditions and other factors related and unrelated to the Company's operations. These fluctuations are expected to continue. In addition, the overall equity markets have experienced extreme price volatility in recent years, which has had a substantial effect on the market price for securities issued by many companies in similar industries, often for reasons unrelated to the operating performance of the specific companies. These broad market fluctuations may adversely affect the price of the Company's Common Stock. See "Price Range of Common Stock."

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USE OF PROCEEDS

Net proceeds from the sale of the Common Stock offered by the Company will be approximately \$17.1 million (\$20.5 million if the Underwriters exercise their over-allotment option in full), assuming a public offering price of \$9.25 per share (the last reported closing sale price of the Common Stock on the Nasdaq National Market System on September 10, 1997). The Company expects to use the net proceeds from this offering to pay down its revolving line of credit under the Company's senior secured credit facility. The remaining proceeds, if any, will be used for general corporate purposes. As of June 28, 1997, the outstanding balance under this facility totaled \$23.0 million, consisting of term loans of \$5.8 million and a revolving line of credit of \$17.2 million. Amounts outstanding under this credit facility accrue interest at floating rates of 2.0% above the London Interbank Offered Rate (approximately 7.9% per annum at June 28, 1997) or 0.5% above the bank's reference rate (approximately 9.0% at June 28, 1997), at the Company's option. This credit facility matures no later than January 2000. The Company will not receive any of the proceeds from the

sale of shares of Common Stock by the Selling Stockholders. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

PRICE RANGE OF COMMON STOCK

On November 28, 1995, the Company's Common Stock was admitted for trading on the Nasdaq National Market System under the symbol "MIDD". Prior to that date, the Company's Common Stock had been listed on the American Stock Exchange under the symbol "MBY". The following table sets forth, for the periods indicated, the high and low closing sale prices per share of Common Stock, as reported by the American Stock Exchange prior to November 28, 1995, and as reported by the Nasdaq National Market System on and after November 28, 1995.

	CLOSING SHARE PRICE	
	HIGH	LOW
FISCAL 1995		
First quarter.....	\$ 6.750	\$ 3.875
Second quarter.....	8.750	5.250
Third quarter.....	8.125	5.375
Fourth quarter.....	9.750	5.375
FISCAL 1996		
First quarter.....	8.625	7.000
Second quarter.....	13.938	7.375
Third quarter.....	8.000	5.750
Fourth quarter.....	6.750	4.750
FISCAL 1997		
First quarter.....	8.625	6.125
Second quarter.....	10.125	7.125
Third quarter (through September 10, 1997).....	10.000	8.625

The last reported closing sale price for the Common Stock on the Nasdaq National Market System on September 10, 1997 was \$9.25 per share. As of June 28, 1997, the Company estimates there were approximately 2,500 beneficial owners of the Company's Common Stock.

DIVIDEND POLICY

The Company has not declared or paid cash dividends on its capital stock since 1991. In addition, the Company's current financing agreements restrict the Company's ability to pay dividends. See Note 4 to the Consolidated Financial Statements.

CAPITALIZATION

The following table sets forth as of June 28, 1997 (i) the unaudited consolidated capitalization of the Company and (ii) the unaudited consolidated capitalization of the Company as adjusted for the sale by the Company of 2,000,000 shares of Common Stock offered hereby and the application of the net proceeds therefrom as described in "Use of Proceeds," as if these transactions had occurred on June 28, 1997. This table should be read in conjunction with the Consolidated Financial Statements and related Notes thereto included elsewhere in this Prospectus.

	AS OF JUNE 28, 1997	
	ACTUAL	AS ADJUSTED
	(DOLLARS IN THOUSANDS) (UNAUDITED)	
Current maturities of long-term debt.....	\$ 2,786	\$ 2,786
Long-term debt:		
Senior secured credit facility:		
Revolving credit line.....	\$ 17,237	\$ 147
Term loans.....	3,141	3,141
Senior secured note.....	15,000	15,000
Philippines subsidiary credit facility:		

Revolving credit line.....	2,548	2,548
Term loan.....	1,700	1,700
Other.....	40	40
Total long-term debt.....	39,666	22,576
Minority interest and other non-current liabilities.....	2,554	2,554
Stockholders' equity:		
Preferred stock, \$.01 par value; 2,000,000 shares authorized, no shares issued and outstanding, no shares issued and outstanding as adjusted.....	--	--
Common stock, \$.01 par value; 20,000,000 shares authorized, 8,501,453 shares issued and outstanding, 10,501,453 shares issued and outstanding as adjusted(1).....	85	105
Paid-in capital.....	28,350	45,420
Cumulative translation adjustment.....	(176)	(176)
Accumulated deficit.....	(3,150)	(3,150)
Total stockholders' equity.....	25,109	42,199
Total capitalization.....	\$ 67,329	\$ 67,329

(1) Based on the number of shares of Common Stock outstanding as of June 28, 1997. Excludes 250,000 shares subject to the exercise of outstanding warrants and 197,600 shares subject to the exercise of outstanding stock options. Also excludes shares of Common Stock issuable in two installments on March 1, 1998 and March 1, 1999 in connection with the establishment of Middleby Japan. Each such installment will consist of shares having a market value of \$170,000, but in no event will either such installment be more than 34,451 shares.

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SELECTED CONSOLIDATED FINANCIAL DATA
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

The following consolidated statement of income and balance sheet data for each of the 1992, 1993, 1994, 1995 and 1996 fiscal years have been derived from the Company's audited Consolidated Financial Statements. The consolidated statement of income and balance sheet data for the six months ended June 29, 1996 and June 28, 1997 have been derived from the Company's unaudited financial statements which have been prepared on the same basis as the audited Consolidated Financial Statements and in the opinion of management include all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the information set forth herein. This data should be read in conjunction with the Consolidated Financial Statements, including the Notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this Prospectus.

	FISCAL YEAR ENDED(1)					SIX MONTHS ENDED	
	1992	1993	1994	1995	1996	JUNE 29, 1996	JUNE 28, 1997
	(UNAUDITED)						
INCOME STATEMENT DATA (2) (3) (4):							
Net sales.....	\$ 90,415	\$ 85,789	\$ 94,158	\$ 106,348	\$ 124,765	\$ 58,171	\$ 74,780
Cost of sales.....	61,547	62,501	65,594	73,841	87,330	41,075	51,492
Gross profit.....	28,868	23,288	28,564	32,507	37,435	17,096	23,288
Selling and distribution expenses.....	14,868	13,004	13,398	15,385	18,319	8,482	10,716
General and administrative expenses.....	10,186	10,530	8,573	9,326	10,439	4,655	5,719
Provision for product line discontinuance.....	--	--	--	900	--	--	--
Income (loss) from operations.....	3,814	(246)	6,593	6,896	8,677	3,959	6,853
Interest expense and deferred financing amortization, net.....	4,876	3,947	3,262	4,327	4,351	2,136	2,338
Other (income) expense, net....	(112)	(473)	482	(36)	(146)	(5)	(20)
Unusual (income) item(5).....	--	(18,402)	--	--	--	--	--
Earnings (loss) before income taxes.....	(950)	14,682	2,849	2,605	4,472	1,828	4,535
Provision (benefit) for income taxes.....	331	271	614	(140)	1,389	661	1,562
Net earnings (loss) from continuing operations....	(1,281)	14,411	2,235	2,745	3,083	1,167	2,973
Discontinued operations, net of							

income tax:								
(Loss) earnings from discontinued operations....	(613)	(147)	505	419	(744)	(512)	--	
Loss on disposal including operating losses during the phase out period.....	--	--	--	--	(1,866)	--	(564)	
Net earnings (loss).....	\$ (1,894)	\$ 14,264	\$ 2,740	\$ 3,164	\$ 473	\$ 655	\$ 2,409	
Net earnings (loss) per common share:								
Continuing operations.....	\$ (0.15)	\$ 1.72	\$ 0.26	\$ 0.31	\$ 0.35	\$ 0.13	\$ 0.34	
Discontinued operations....	(0.07)	(0.02)	0.06	0.05	(0.30)	(0.05)	(0.06)	
Net earnings (loss) per common share.....	\$ (0.22)	\$ 1.70	\$ 0.32	\$ 0.36	\$ 0.05	\$ 0.08	\$ 0.28	
Weighted average number of shares outstanding.....	8,320,000	8,369,000	8,434,000	8,678,000	8,666,000	8,707,000	8,758,000	
BALANCE SHEET DATA (2) (4):								
Working capital.....	\$ 21,835	\$ 22,307	\$ 23,254	\$ 28,746	\$ 25,046	\$ 35,338	\$ 30,367	
Total assets.....	76,148	73,394	76,700	85,231	85,968	94,305	93,892	
Total debt.....	59,545	47,401	44,472	43,028	41,268	50,023	42,452	
Stockholders' equity.....	(3,823)	10,100	14,657	21,758	22,450	22,804	25,109	

- (1) The Company's fiscal year ends on the Saturday nearest to December 31.
- (2) The above selected consolidated financial data excludes the Company's former Victory subsidiary which has been accounted for as a discontinued operation. Additionally, the Company has given retroactive effect to the change in accounting principle for the 1993 litigation settlement with Hussmann Corporation. See Notes 2(n) and 3 to the Consolidated Financial Statements.
- (3) Results relating to the Company's former Seco Division are included for fiscal 1992 until its sale on August 21, 1992.
- (4) Certain amounts in the prior years' financial data have been reclassified to be consistent with the fiscal 1996 presentation.
- (5) In 1993, the Company settled a dispute with Hussmann Corporation related to the 1989 acquisition of the Foodservice Equipment Group which resulted in a gain of \$18.4 million. See Note 2 to the Consolidated Financial Statements.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

The foodservice equipment industry has experienced moderate growth over the past few years, with the domestic market expected to grow by 6.5% in 1997. The industry has also been highly competitive. During the past several years, the Company has grown faster than the industry average due to its alignment with fast growing restaurant chains, emphasis on new product development and expansion of its international distribution and service capabilities. The Company has derived approximately 88%, 81% and 79% of total net sales from the sale of Company manufactured products for fiscal years 1994, 1995 and 1996, respectively. The remaining net sales were derived from the distribution of non-manufactured products primarily into international markets by Asbury, the Company's international distribution subsidiary. International sales as a percentage of total sales were 35%, 36% and 37% in fiscal years 1994, 1995 and 1996, respectively.

Since 1994, Middleby has increased net sales by an average of over 15% per year. This trend accelerated during the six-month period ended June 28, 1997, as the Company increased net sales by 29% over the same period in 1996. Continued growth in net sales and earnings will be dependent upon several factors, including the pace of international expansion by major quick-service chains, timely development and market acceptance of new products and general economic conditions. See "Risk Factors--International Exposure."

The Company's business can be affected by short-term cycles related to the timing of orders from major restaurant chains or the timing of large international projects, such as hotels and resorts. See "Risk Factors--Quarterly Variations in Operating Results." The Company's cooking and warming equipment divisions ship directly from stock or assemble to order, with a typical lead time of one to four weeks, with the majority of orders received and shipped in

the same quarter. Large international projects requiring consolidation of multiple factory orders and other project management services result in many orders shipping in quarters subsequent to the quarter in which the order was received. Revenue is recognized upon shipment.

During the past few years, the Company has established several additional international sales and distribution offices to significantly improve its ability to support the growth of foodservice chains in international markets and improve its total store package ("TSP") capabilities. These offices typically require nine to twelve months before they achieve breakeven results and generally experience significant growth rates during their first few years thereafter. As the Asbury business matures, management expects operating results to become more consistent. In early 1996, the Company opened a new manufacturing facility in the Philippines to meet expanding demand for its kitchen fabrication products and specialty equipment in the Asian, Pacific Rim and Middle Eastern regions. Revenues of this business grew 46% in 1996 and 36% in the first six months of 1997, and the Company expects significant growth opportunities for this division during the foreseeable future.

Middleby has invested in state-of-the-art computer-aided design ("CAD") systems and engineering resources to enhance its ability to bring innovative products to market with shorter development cycle times. In addition, Middleby has invested, and will continue to invest, in equipment and facilities to reduce product costs and improve manufacturing flexibility. During late 1996, the Company began implementing an enterprise-wide resource planning (ERP) system to replace its manufacturing, planning, financial and information systems. This program should enable the Company to reduce product costs and leverage operating expenses.

The Company operates through the following principal business divisions: conveyor oven equipment (Middleby Marshall and CTX), counterline cooking equipment and specialty products (Toastmaster and various distribution products), core cooking equipment (Southbend and SteamMaster), international specialty equipment (Middleby Philippines) and international distribution (Asbury). The following table provides a summary of net sales of the Company's principal business divisions for the periods presented:

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NET SALES SUMMARY
(DOLLARS IN THOUSANDS)

	FISCAL YEAR ENDED(1)						SIX MONTHS ENDED			
	1994		1995		1996		JUNE 29, 1996		JUNE 28, 1997	
	SALES	PERCENT	SALES	PERCENT	SALES	PERCENT	SALES	PERCENT	SALES	PERCENT
BUSINESS DIVISIONS										
Conveyor oven equipment.....	\$ 34,285	36.4 %	\$ 39,443	37.1 %	\$ 41,216	33.0 %	\$ 18,491	31.8 %	\$ 29,437	39.4 %
Counterline cooking equipment and specialty products.....	14,061	15.0	17,186	16.1	19,635	15.8	9,881	17.0	10,428	13.9
Core cooking equipment.....	26,012	27.6	24,023	22.6	29,617	23.7	13,867	23.8	16,005	21.4
TOTAL COOKING AND WARMING EQUIPMENT DIVISIONS.....	74,358	79.0	80,652	75.8	90,468	72.5	42,239	72.6	55,870	74.7
International specialty equipment.....	3,846	4.1	4,487	4.2	6,552	5.3	2,740	4.7	3,739	5.0
International distribution (2).....	28,648	30.4	33,592	31.6	39,722	31.8	19,280	33.1	23,672	31.7
TOTAL INTERNATIONAL DIVISIONS.....	32,494	34.5	38,079	35.8	46,274	37.1	22,020	37.8	27,411	36.7
Intercompany sales (3).....	(13,539)	(14.4)	(13,095)	(12.3)	(13,394)	(10.7)	(6,991)	(12.0)	(8,501)	(11.4)
Other.....	845	0.9	712	0.7	1,417	1.1	903	1.6	--	--
TOTAL.....	\$ 94,158	100.0 %	\$ 106,348	100.0 %	\$ 124,765	100.0 %	\$ 58,171	100.0 %	\$ 74,780	100.0 %

(1) The Company's fiscal year ends on the Saturday nearest to December 31.

(2) Consists of sales of products manufactured by Middleby and products

manufactured by third parties.

(3) 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 statement of income items as a percentage of net sales for the periods presented:

	FISCAL YEAR ENDED(1)			SIX MONTHS ENDED	
	1994	1995	1996	JUNE 29, 1996	JUNE 28, 1997
Net sales.....	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales.....	69.7	69.4	70.0	70.6	68.8
Gross profit.....	30.3	30.6	30.0	29.4	31.2
Selling, general and administrative expenses.....	23.3	23.2	23.0	22.6	22.0
Provision for product line discontinuance.....	--	0.9	--	--	--
Income from operations.....	7.0	6.5	7.0	6.8	9.2
Interest expense and deferred financing amortization, net.....	3.5	4.1	3.5	3.7	3.1
Other (income) expense, net.....	0.5	(0.1)	(0.1)	--	--
Earnings before income taxes.....	3.0	2.5	3.6	3.1	6.1
Provision (benefit) for income taxes.....	0.6	(0.1)	1.1	1.1	2.1
Net earnings from continuing operations.....	2.4	2.6	2.5	2.0	4.0

(1) The Company's fiscal year ends on the Saturday nearest to December 31.

SIX MONTHS ENDED JUNE 28, 1997 COMPARED TO SIX MONTHS ENDED JUNE 29, 1996

NET SALES. Net sales in the six-month period ended June 28, 1997 increased \$16.6 million or 29% to \$74.8 million as compared to \$58.2 million in the six-month period ended June 29, 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 32% for the six-month period ended June 28, 1997, led by a 59% increase in sales of the conveyor oven equipment division. This period 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 parts and field service work to improve existing equipment within their system. Orders from this restaurant chain are expected to lessen in the third quarter. Sales of the core cooking equipment division increased 15% in this six-month period due primarily to continued market share penetration and new products. Sales of the counterline cooking equipment and specialty products division increased 6% in this six-month period, even though sales in the prior year period included a large equipment roll-out to an international chain.

Sales of the international divisions represented 37% of total sales in the six-month period and increased 24% as compared to the prior year period. Sales of the Company's international specialty equipment division increased 36% in the six-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 23% in this six-month period, primarily due to the Company's sales and distribution offices established over the past three years.

GROSS PROFIT. Gross profit increased \$6.2 million or 36% in the six-month period to \$23.3 million as compared to \$17.1 million in the prior year period. As a percentage of net sales, gross profit margin increased 1.8% to 31.2% from 29.4%, which was attributable to higher sales levels, increased capacity utilization, improved manufacturing efficiencies and favorable product mix.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses increased \$3.3 million or 25% in the six-month period to

\$16.4 million as compared to \$13.1 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 Taiwan, Korea, Japan and Mexico during the past twelve months. As a percentage of net sales, selling, general and administrative expenses decreased to 22.0% from 22.6% as expenses were leveraged over higher volume.

INCOME FROM OPERATIONS. Income from operations increased \$2.9 million or 73% to \$6.9 million for the six-month period ended June 28, 1997 from \$4.0 million in the prior year period. The improvement in income from operations was primarily attributable to higher sales volumes.

INTEREST EXPENSE AND DEFERRED FINANCING AMORTIZATION. Interest expense and deferred financing amortization for the six-month period ended June 28, 1997 increased 9% to \$2.3 million as compared to \$2.1 million in the prior year period. The increase was due to a higher average outstanding debt balance to support working capital needs related to the higher sales level.

INCOME TAXES. The Company recorded a net tax provision of \$1.6 million for the six-month period ended June 28, 1997 as compared to a net tax provision of \$0.7 million in the prior year period. There were no tax benefits due to net operating loss ("NOL") utilization or valuation allowance reductions recorded in either six-month period, as it has been the Company's policy to evaluate and adjust the valuation allowances in conjunction with the annual budgeting process.

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NET EARNINGS. For the six-month period ended June 28, 1997, the Company recorded net earnings from continuing operations of \$3.0 million as compared to \$1.2 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 six-month period, the Company recorded net losses from discontinued operations of \$0.5 million. For the six-month period ended June 28, 1997, the Company recorded net earnings of \$2.4 million compared to \$0.7 million in the prior year period.

FISCAL YEAR ENDED DECEMBER 28, 1996 COMPARED TO FISCAL YEAR ENDED DECEMBER 30, 1995

NET SALES. Net sales in fiscal 1996 increased \$18.5 million or 17% to \$124.8 million as compared to \$106.3 million in fiscal 1995, reflecting unit volume increases.

Sales of the cooking and warming equipment divisions increased 12%, led by a 23% sales increase of the core cooking equipment division due to market share penetration and the introduction of new products. Sales of the conveyor oven equipment division increased 4% over the prior year. During the first half of 1996, certain international pizza chains slowed new store development, primarily in Europe. Sales of the counterline cooking equipment and specialty products division increased 14% primarily due to a large international chain equipment roll-out and increased sales of conveyor toasters to McDonald's.

Sales of the international divisions represented 37% of total sales in 1996 and increased 22% over the prior year. Sales of the Company's international specialty equipment division increased 46% over the prior year. During 1996, the division completed construction of a new 54,000 square foot facility in the Philippines. The sales gain reflects increased production capacity as the year progressed. Sales of the Company's international distribution division increased 18% over the prior year, reflecting increased sales activity at the Company's new sales and distribution offices.

GROSS PROFIT. Gross profit increased \$4.9 million or 15% to \$37.4 million in fiscal 1996 as compared to \$32.5 million in fiscal 1995. As a percentage of net sales, gross profit declined to 30.0% in 1996 as compared to 30.6% in 1995. The decline in gross profit margin was attributable to expenses of a trial direct service program that was initiated in late 1995 and terminated during the fourth quarter of 1996 and start-up costs associated with the Company's new Philippines manufacturing facility.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses increased \$4.1 million or 16% to \$28.8 million in fiscal 1996 from \$24.7 million in fiscal 1995, largely due to the increased sales, additional support for the Company's expanding international operations and

costs associated with dealer promotional programs. As a percentage of net sales, expenses decreased to 23.0% from 23.2% in fiscal 1995.

INCOME FROM OPERATIONS. Income from operations increased \$1.8 million or 26% to \$8.7 million in fiscal 1996 from \$6.9 million in fiscal 1995, primarily due to higher sales volumes.

INTEREST EXPENSE AND DEFERRED FINANCING AMORTIZATION. Interest expense and deferred financing amortization increased 0.6% to \$4.4 million in fiscal 1996 from \$4.3 million in fiscal 1995. Stable interest rates and average outstanding debt balances contributed to the consistent expense amount.

INCOME TAXES. The Company recorded a net tax provision of \$1.4 million in fiscal 1996 as compared to a net tax benefit of \$0.1 million in fiscal 1995. The tax provision included a benefit of \$0.9 million related to NOL utilization and valuation allowance reductions as compared to a benefit of \$1.7 million recorded in fiscal 1995.

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NET EARNINGS. Net earnings from continuing operations increased to \$3.1 million in fiscal 1996 from \$2.7 million in fiscal 1995. During fiscal 1996, the Company recorded losses from discontinued operations of \$0.7 million and an estimated loss on disposal of these operations of \$1.9 million, net of tax. Net earnings were \$0.5 million in fiscal 1996 as compared to \$3.2 million in fiscal 1995.

FISCAL YEAR ENDED DECEMBER 30, 1995 COMPARED TO FISCAL YEAR ENDED DECEMBER 31, 1994

NET SALES. Net sales in fiscal 1995 increased \$12.1 million or 13% to \$106.3 million as compared to \$94.2 million in fiscal 1994.

Sales of the Company's cooking and warming equipment divisions increased 9% in fiscal 1995, led by a 15% sales increase in the conveyor oven equipment division, largely due to the successful introduction of an extra-wide belt conveyor oven and the continued acceptance of conveyor oven cooking technology by non-pizza chain customers. Sales of the counterline cooking equipment and specialty products division increased 22% over the prior year, as the division began distributing Rational-Registered Trademark- combi-steamers during fiscal 1995, which accounted for net sales of \$2.7 million. Sales of the core cooking equipment division decreased 8%.

Sales of the international divisions represented 36% of total sales in fiscal 1995 and increased 17% over the prior year. Sales of the Company's international specialty equipment division increased 17% over the prior year resulting from a higher number of kitchen equipment packages sold to McDonald's in Asia and the Pacific Rim.

GROSS PROFIT. Gross profit increased \$3.9 million or 14% to \$32.5 million in fiscal 1995 as compared to \$28.6 million in fiscal 1994. As a percentage of net sales, gross profit increased 0.3% to 30.6% from 30.3%. The increase in gross profit margin resulted from higher sales volume, product mix, reduced operating costs and improved margins on products distributed internationally.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses increased \$2.7 million or 12% to \$24.7 million in fiscal 1995 from \$22.0 million in fiscal 1994 due to marketing expenses associated with the Rational combi-steamers, expenses for a trial direct service program which began in late 1995, increased promotional expenses and higher commissions due to increased sales. As a percentage of net sales, expenses decreased to 23.2% from 23.3% in fiscal 1994.

INCOME FROM OPERATIONS. Income from operations, including a \$0.9 million provision for the discontinuance of a product line, increased \$0.3 million or 5% to \$6.9 million in fiscal 1995 as compared to \$6.6 million in fiscal 1994. See Note 6 to the Consolidated Financial Statements. Excluding the provision for the discontinued product line, income from operations increased \$1.2 million or 18%, primarily due to increased sales and gross profit improvement.

INTEREST EXPENSE AND DEFERRED FINANCING AMORTIZATION. Interest expense and deferred financing amortization increased \$1.0 million or 33% to \$4.3 million in fiscal 1995 as compared to \$3.3 million in fiscal 1994, primarily as a result of higher interest rates and deferred financing costs associated with the Company's January 1995 refinancing.

INCOME TAXES. The Company recorded a net tax benefit of \$0.1 million as compared to a tax provision of \$0.6 million in the prior year. The net tax benefit included a credit of \$1.7 million related to NOL utilization and valuation allowance reductions, reflecting management's increased confidence in the utilization of NOL carry-forwards.

NET EARNINGS. Net earnings from continuing operations increased to \$2.7 million in fiscal 1995 from \$2.2 million in fiscal 1994. During fiscal 1995, the Company recorded income from discontinued operations of \$0.4 million compared to \$0.5 million in fiscal 1994. Net earnings increased to \$3.2 million in fiscal 1995 from \$2.7 million in fiscal 1994.

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FINANCIAL CONDITION AND LIQUIDITY

For the six months ended June 28, 1997, net cash provided by operating activities before changes in assets and liabilities was \$5.9 million, as compared to \$3.0 million for the six months ended June 29, 1996. Net cash used by continuing operating activities after changes in assets and liabilities was \$1.9 million as compared to net cash used of \$4.9 million in the prior year-to-date period. Accounts receivable increased \$6.5 million and inventories increased \$3.7 million. The increase in accounts receivable was largely due to the sales increase, particularly in the second quarter. Inventories increased to support the expanding sales level and the increased number of international distribution locations. These increases were partially offset by increased accounts payable and other liabilities of \$3.4 million.

During the first six months of 1997, the Company increased overall outstanding debt by \$1.2 million under various facilities. During this period, the Company increased borrowings under the senior secured revolving credit line by \$2.7 million, repaid \$2.6 million on the senior secured term loans and increased borrowings under the Philippines subsidiary's credit facility by \$1.1 million.

In January 1995, the Company's subsidiaries consummated a \$57.5 million financing package to replace existing bank debt of \$44 million and provide working capital for future growth. The financing includes a \$42.5 million senior secured credit facility from a group of lenders led by an affiliate of a major international bank and a \$15 million senior secured note placement with a major insurance company. The credit facility includes a \$15 million five-year term loan, a \$25 million revolving credit line and a \$2.5 million capital expenditure term loan facility renewable annually. The senior secured notes have an eight-year term with payments beginning in the sixth year and bear interest at 10.99%. As of June 28, 1997, there was \$17.2 million outstanding under the Company's revolving credit line which had \$23.4 million of total borrowing availability. The Company has executed letters of credit of \$1.0 million against this facility, leaving an available line of credit of \$5.2 million as of June 28, 1997.

Management believes that with the net proceeds from this offering, the Company will have sufficient financial resources available to meet its anticipated requirements for working capital needs, capital expenditures and debt amortization for the foreseeable future.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 1997, Financial Accounting Standard No. 128 "Earnings Per Share" ("FAS 128") was issued. FAS 128 specifies modifications to the calculation of earnings per share from that currently used by the Company. Under FAS 128, "basic earnings per share" will be calculated based upon the weighted average number of shares actually outstanding, and "diluted earnings per share" will be calculated based upon the weighted average number of common shares outstanding and other potential common shares if they are dilutive. FAS 128 will be adopted for the Company's fiscal 1997 year and all prior periods will be restated. The adoption of FAS 128 will not change reported earnings per share for the 1996, 1995, or 1994 fiscal years.

In June 1997, Financial Accounting Standard No. 131 "Disclosures About Segments of an Enterprise and Related Information" ("FAS 131") was issued. This statement establishes standards for reporting financial and descriptive information about operating segments. Under FAS 131, information pertaining to the Company's operating segments will be reported on the basis that is used internally for evaluating segment performance and making resource allocation

determinations. FAS 131 will be adopted during the Company's 1998 fiscal year and required disclosures will be presented for each year included in the related consolidated financial statements.

FORWARD-LOOKING STATEMENTS

This Prospectus, particularly the Sections entitled "Prospectus Summary," "Risk Factors," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations"

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and "Business," contains certain forward-looking statements and other statements that are not historical facts concerning, among other things, market conditions of the foodservice and foodservice equipment industries and the Company's strategies for growth and expansion. These statements are highly dependent upon a variety of important factors that could cause such results or events to differ materially from any forward-looking statements deemed to have been made in the Prospectus. These 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. There can be no assurance that the Company has accurately identified and properly weighed all of the factors that affect market conditions and demand for the Company's products and services, that the public information on which the Company has relied is accurate or complete or that the Company's analysis of the market and demand for its products and services is correct and, as a result, that the strategy based on such analysis will be successful.

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BUSINESS

GENERAL

The Company, through its operating subsidiary Middleby Marshall and its subsidiaries, is a leader in the design, manufacture, marketing and service of a broad line of cooking and warming equipment used in all types of foodservice operations, including quick-service restaurants, full-service restaurants, retail outlets, and hotels and other institutions. The Company's products include Middleby Marshall conveyor oven equipment, Toastmaster toasters and counterline cooking and warming equipment, Southbend ranges, convection ovens and heavy-duty cooking equipment, SteamMaster steam cooking equipment, CTX infra-red conveyor cooking equipment and Titan mixers. The Company is also a provider of integrated distribution and service capabilities in international markets. Major customers include leading quick-service chains such as Domino's, KFC, McDonald's, Papa John's, Pizza Hut, Schlotzsky's Deli and Wendy's, and full-service chains such as Brinker, Denny's, Landry's, Perkins Family Restaurants, Rainforest Cafe and Red Lobster.

Founded in 1888 as a manufacturer of baking ovens, Middleby Marshall Oven Company was acquired in 1983 by TMC Industries Ltd., a publicly traded company that changed its name in 1985 to The Middleby Corporation. Throughout its history, the Company had been a leading innovator in the baking equipment industry and in the early 1980s positioned itself as a leading foodservice equipment manufacturer by introducing the conveyor oven that revolutionized the pizza market. In 1989, the Company became a broad line equipment manufacturer through the acquisition of the Foodservice Equipment Group of Hussmann Corporation, which included CTX, Southbend, SteamMaster and Toastmaster. The Company initiated its international distribution and service strategy in 1990 by acquiring a controlling interest in Asbury. In 1991, the Company established Middleby Philippines to provide custom kitchen fabrication and specialty cooking equipment to restaurant and hotel chains in the Asian, Pacific Rim and Middle Eastern markets.

The Company has identified, as a major area of growth, the rapidly growing international markets targeted by restaurant and hotel chains. To capture this market, Middleby established its own export management company, set up master distribution in international markets and began to distribute complementary products of other American and European equipment manufacturers. As the first company in its industry to take these initiatives, Middleby has positioned itself as a preferred foodservice equipment supplier to major chains expanding globally. Middleby's international network enables it to offer a total store

package ("TSP") of kitchen equipment to be delivered virtually anywhere in the world, installed and serviced by Middleby. The Company believes that its TSP program provides it with a competitive marketing advantage and will enable it to develop significant new international business. The Company has delivered and installed equipment in over 100 countries throughout the world.

INDUSTRY OVERVIEW

The foodservice equipment industry provides equipment and services to operators in the commercial and institutional foodservice industry. The foodservice industry consists of four principal categories: (i) fast food or quick-service restaurants, including restaurants that primarily offer pizza, (ii) full-service restaurants, including casual-theme restaurants, (iii) retail outlets, such as convenience stores, supermarkets and department stores and (iv) public and private institutions such as hotels, resorts, schools, hospitals, long-term care facilities, correctional facilities, stadiums, airports, corporate cafeterias, military facilities and government agencies. In 1996, the foodservice industry in the U.S. had sales of approximately \$314 billion through over 740,000 outlets, making it the largest retail industry in the U.S. The international foodservice industry is estimated to have over \$700 billion in annual sales.

During the past several decades, growth in the U.S. foodservice industry has been driven primarily by population growth, economic growth and demographic changes, including the emergence of families with multiple wage-earners and growth in the number of higher-income households. These factors

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have led to a demand for convenience and speed in food preparation and consumption. Eating-out and carry-out continue to be on an upward trend in the U.S., although at a slower rate than during the 1970s and 1980s. The percentage of the U.S. consumer's total food dollar spent on meals prepared outside the home was approximately 52% in 1996, compared with approximately 45% in 1986, and is expected to increase during future periods.

The quick-service restaurant segment is the fastest growing and largest category within the foodservice industry. In 1996, U.S. sales within the quick-service restaurant segment increased 3.6% to \$105 billion, accounting for 33.2% of overall industry sales, while the full-service restaurant segment increased 2.9% to \$96 billion, accounting for 30.6% of industry sales. These figures compare to 1987, when the quick-service restaurant segment sales were \$57.6 billion, or 28.7% of overall industry sales, and full-service restaurant segment sales were \$68 billion, or 33.9% of the overall industry.

The foodservice equipment industry has grown in response to the primary growth factors of the foodservice industry. After high growth in the early- and mid-1980s, growth in the foodservice equipment industry entered a slow period from 1988 through 1991, due to a general decline in the worldwide economy and the maturation of the domestic foodservice industry. In 1992, the industry began to recover due to the development of new quick-service and casual-theme restaurant chain concepts, the expansion into nontraditional locations by quick-service restaurants and store equipment modernization. The international foodservice equipment industry is experiencing stronger growth than the U.S. market due to rapidly expanding international economies and increased opportunity for expansion by U.S. chains into developing regions.

In 1996, the foodservice equipment industry in the U.S. had total sales of approximately \$4.5 billion. The Company's manufactured products compete primarily in the cooking and warming equipment category, which had sales in the U.S. of approximately \$1.1 billion in 1996 and is expected to grow 6.5% in 1997. Management believes that the broader international equipment market the Company serves had 1996 sales of approximately \$10 billion, with expected annual growth of nearly twice the growth rate of the U.S. market.

The Company believes that continuing growth in demand for foodservice equipment will result from (i) the development of new restaurant units, (ii) the expansion of U.S. chains into international markets and (iii) the replacement and upgrade of existing equipment.

RESTAURANT UNIT DEVELOPMENT

While new construction of U.S. restaurant units has slowed since the late 1980s, the Company believes that the domestic foodservice industry will experience substantial growth in restaurant unit development primarily as a

result of the emergence of new quick-service, casual-theme and home-meal replacement restaurant concepts and the expansion of quick-service chains into non-traditional sites.

New chains such as Papa John's and Schlotzsky's Deli have experienced significant growth during the past several years and are expected to continue such growth for the foreseeable future. Papa John's, for example, has expanded from 110 units in 1991 to 1,160 units in 1996 and has announced plans to open over 300 units in 1997. Furthermore, new casual-theme and "eatertainment" restaurant concepts such as Rainforest Cafe and Planet Hollywood, along with home-meal replacement concepts such as Boston Market and Eatzi's, are in the early stages of their unit development program.

As a result of high costs of construction and real estate, in addition to difficulties in finding attractive sites, major quick-service chains have been expanding into non-traditional locations. In an effort to bring food closer to the consumer, chain-branded kiosks are experiencing rapid growth in retail stores, sports stadiums, airports and college campuses. For example, retailers such as Wal-Mart and Home Depot have developed programs with branded foodservice chains, such as McDonald's and Wendy's.

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INTERNATIONAL EXPANSION

International expansion is a major driver of growth for U.S. restaurants, particularly quick-service chains. Aggressive expansion in international markets by these chains is driven by economic development in non-industrialized and industrializing nations, along with favorable operating economics for foodservice operators. The limited penetration of quick-service restaurants outside the U.S. provides these chains with opportunities for international expansion. The largest worldwide restaurant system, PepsiCo's Tricon Global Restaurants, Inc., which includes Pizza Hut, KFC and Taco Bell, had 11% annual growth in international units during the five-year period through 1996, compared to 6% annual growth in U.S. units, and today only 29% of its units are in international markets. McDonald's has announced that it plans to open over 2,000 new units per year, approximately two-thirds of which will be in international markets.

REPLACEMENT AND UPGRADE OF EXISTING EQUIPMENT

Management believes that demand for foodservice equipment will accelerate during the next several years as restaurant chains begin to replace and upgrade equipment installed during the rapid expansion period of the 1970s and 1980s. Furthermore, the trend toward value pricing and discounting, coupled with increasing labor costs and a shortage of labor, have focused the foodservice industry's attention on productivity improvements to maintain profit margins. As a result, foodservice outlets are replacing existing equipment with new equipment that offers innovative technology, product flexibility, reduced food waste, and labor saving and space saving features. Management believes that restaurant chains have one paramount consideration in purchasing equipment: it must be able to produce consistent quality with high productivity using unskilled labor. Red Lobster, for example, has lowered its costs, improved its kitchen productivity and further improved food quality by converting to Middleby Marshall conveyor ovens. Additionally, Middleby's product offerings typically incorporate the latest energy and operating efficiencies. The Accumiser-Registered Trademark- griddle, for example, was recently named the most energy efficient commercial griddle ever tested by Pacific Gas and Electric, the largest utility company in the U.S. In addition, heightened concerns about E-coli bacteria contamination and other related food safety issues have caused foodservice operators, particularly chains, to review the condition of their cooking equipment more frequently. Management believes that these health and safety concerns provide increased sales opportunities for the Company's equipment.

New menu items are constantly being introduced by foodservice chains to stimulate demand. These menu changes often require customized equipment or upgraded equipment to meet their requirements. For example, Middleby supplies a customized Toastmaster food warmer for Wendy's new pita sandwich.

BUSINESS STRATEGY

FOCUS ON MAJOR CHAIN RELATIONSHIPS

The Company has been strengthening its existing relationships and developing

new relationships with the major quick-service and casual-theme restaurant chains. These relationships are handled through an integrated effort by top-level executives and sales managers at the corporate and business division levels to best serve each customer's needs. A sales manager is dedicated to selected major chains to market the full range of the Company's products and services.

Middleby's product development and engineering departments work closely with major customers to develop equipment to meet specialized needs and to satisfy global regulations and utility requirements. The Company has improved its manufacturing flexibility in order to meet the high unit demands of chains over an extended period of time. The Company's technology center at its Elgin, Illinois facility provides a state-of-the-art kitchen that enables customers to work with newly developed or prototype equipment. In addition, the Company supports over 40 demonstration centers, of which fifteen are

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located overseas. Many of the Company's customers utilize the technology center or the demonstration centers to hold training and demonstration meetings for their personnel or franchisees. The Company also provides executive chef assistance to its customers along with the hands-on support of over 200 sales representatives in the domestic market and fifteen sales managers in the international market. As an example of the success of its strategy, the Company designed a specific conveyor oven for Papa John's and was recently appointed exclusive provider of its cooking equipment.

DEVELOP INNOVATIVE EQUIPMENT SOLUTIONS

The Company continuously seeks to improve the functionality and quality of its product offerings through its own development efforts and by licensing products and technologies that the Company believes have significant potential. Global expansion has accelerated the pace of change in the industry, causing the Company's customers, particularly restaurant chains, to demand greater equipment variations, value, service and responsiveness. The Company believes its technical expertise and resources satisfy the demanding requirements of an increasingly competitive global environment. Over 30 professionals support the Company's product development and engineering activities, including project engineers, CAD operators, laboratory technicians, model makers, and engineering documentation and systems support personnel. Cross-functional teams are utilized for all key development activities to speed the design concept to production and minimize corrections upon pilot production and market introduction. The Company has invested in state-of-the-art computer-aided design and manufacturing ("CAD/CAM") systems to streamline engineering operations and provide advanced capabilities for creative design and analysis.

The Company has demonstrated product innovation and market responsiveness throughout its history. For example, within the last two years, the Company designed a specialized conveyor toaster for McDonald's McMuffin-Registered Trademark- breakfast sandwich and is now the sole supplier for this equipment. Additionally, the Accumiser griddle received the California Restaurant Association's 1997 award for innovation.

SUPPORT THE INTERNATIONAL EXPANSION OF MAJOR CHAINS

The Company believes that its ability to support the international growth of restaurant chains and hotels through its worldwide sales and service networks is central to expanding its market position. The turnkey project management capabilities offered by Asbury provide a number of services to customers for which they would otherwise need to maintain internal expertise or source from multiple outside vendors. These services include export documentation, freight forwarding, equipment warehousing and consolidation, installation, warranty service and parts support. Management believes that the Company is uniquely positioned to provide integrated, comprehensive services to large restaurant and hotel chains seeking to expand globally.

The Company has established distribution subsidiaries or sales offices in Canada, Mexico, Spain, France, Saudi Arabia, the Philippines, Taiwan, China, Indonesia, Japan and Korea, and intends to continue to expand in international markets. Sales managers and customer service representatives are based in the local foreign markets to provide customer service and technical support in the local language and time zone. Internationally, over 3,000 independent service technicians are trained in the installation and service of the Company's products and are supported by fifteen internationally-based service managers and thirteen factory-based technical service engineers. This infrastructure enables

the Company to offer standardized total store equipment packages with local training and service support to customers seeking to expand internationally. During the past three years, over 35% of the Company's net sales have been in the international markets.

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BUSINESS DIVISIONS AND PRODUCTS

The Company operates through the following domestic business divisions: conveyor oven equipment (Middleby Marshall and CTX), counterline cooking equipment and specialty products (Toastmaster and various distribution products) and core cooking equipment (Southbend and SteamMaster). Additionally, the Company provides its products and services to the international marketplace through two operating subsidiaries: Asbury, a leading exporter and distributor of foodservice equipment in the global marketplace, and Middleby Philippines, one of the principal suppliers of commercial kitchen fabrication and specialty cooking equipment in the Asian, Pacific Rim and Middle Eastern markets.

CONVEYOR OVEN EQUIPMENT

Principal product lines include conveyor ovens sold under the Middleby Marshall and CTX brand names. The Middleby Marshall product line is the world's conveyor cooking equipment leader. A brand of baking and cooking equipment since 1888, the Middleby Marshall name is renowned for quality and durability. Middleby Marshall ovens are used by a majority of the leading high-volume pizza chains and seafood chains, as well as by other restaurants and institutions. Middleby Marshall conveyor ovens utilize a patented process, Jet-Sweep air impingement, that forces heated air at high velocities through a system of nozzles above and below the food product which is placed on a moving conveyor belt. This process achieves faster baking times and greater consistency of bake than conventional ovens. The CTX line of conveyor ovens utilizes patented infra-red cooking and precision control technology for more specialized, lower volume applications than Middleby Marshall ovens. CTX conveyor ovens are sold to restaurants and pizza outlets and offer such additional features as a programmable time and temperature control as well as a self-cleaning function. Conveyor oven products range in price from approximately \$5,000 to \$30,000 per unit (or as much as \$90,000 for a multiple unit system) and are predominately assembled to order and purchased directly by end-users (who order units customized for their operations) rather than through dealers.

COUNTERLINE COOKING EQUIPMENT AND SPECIALTY PRODUCTS

Principal counterline cooking equipment product lines (predominately light-duty electric equipment) consist of Toastmaster counterline cooking and warming equipment, including toasters, hot food servers, foodwarmers, griddles, fryers, convection ovens, ranges and mixers. Toastmaster products feature energy saving and food safety technologies, such as those offered in the Accumiser griddle. Long in use by major restaurant chains, Toastmaster products have continuously evolved to fit each chain's particular needs. Toastmaster's hot food servers, for example, are found in nearly every KFC in the world. The Company also recently developed a conveyor toaster for McDonald's that has resulted in improved operating efficiencies and less food waste. Counterline cooking equipment products range in price from \$300 to \$10,000 per unit and are predominately purchased from stock by dealers.

The Company does not produce consumer products under the Toastmaster name, as the rights to the Toastmaster brand name for consumer markets are owned by an unaffiliated company, Toastmaster, Inc.

Additionally, the Company distributes certain specialty products under exclusive licenses. The Company has a distribution agreement with Rational GmbH, the inventor and world's leading manufacturer of combi-ovens, to distribute its products in North America. The combi-oven combines steam and hot air in one appliance providing the versatility to use steam, hot air, or both in combination to prepare food items. Also, the Company has a distribution agreement with a European manufacturer of rotisserie cooking and merchandising display equipment. In 1996, the Company entered into another arrangement with the same manufacturer to distribute the RoFry oil-less fryer on an exclusive basis in North and South America and on a non-exclusive basis in certain other parts of the world. RoFry's unique multi-stage cooking process allows the complete cooking of normally deep fried foods without any frying oil,

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resulting in significant cost savings to the operator and a healthier food product. Management believes RoFry could significantly impact the fryer equipment market and represents a substantial growth opportunity. Distribution products range in price from \$1,000 to \$15,000 per unit and are predominately purchased by dealers from stock.

CORE COOKING EQUIPMENT

Principal product lines (mainly heavy-duty gas-fired equipment) include the Southbend product line of ranges, convection ovens, broilers, fryers and griddles. Many of the products in this division are made to specification for use by the professional chef or are offered as standardized equipment for general use in restaurants and institutions. Southbend is known for its innovative product features and premier cooking line. Its 40,000 BTU Pyromax-Registered Trademark- range doubled the industry standard for BTU's when it was introduced in 1996. Southbend's Marathoner Gold-Registered Trademark- convection oven is considered by many in the industry to be the best baking convection oven on the market today. This business division also offers a broad line of steam cooking equipment under the SteamMaster name. Core cooking equipment products range in price from \$1,000 to \$10,000 (or as much as \$60,000 for a complete line-up of modular equipment) and are predominantly purchased by dealers on an order-by-order basis.

INTERNATIONAL SPECIALTY EQUIPMENT

Middleby Philippines designs, engineers, manufactures and installs custom kitchen fabrication and specialty cooking equipment used primarily in conjunction with standard equipment manufactured in the U.S. to provide a complete kitchen installation. Principal products include serving stations, work tables, undercounter refrigeration systems, ventilation systems, cabinets and shelving. In 1992, Middleby Philippines was qualified as a supplier of kitchen fabrication to McDonald's. Customers are primarily Asian, Pacific Rim and Middle Eastern operations of major U.S. and international foodservice chains and hotels. Sales are primarily made on an order-by-order project basis. Middleby Philippines' operations were moved in April 1996 into a newly constructed 54,000 square foot facility outside of Manila. The Company owns 80% of Middleby Philippines, with the remaining 20% owned by O. Neal Asbury, Jr. See "Management."

INTERNATIONAL DISTRIBUTION

The Company, through its Asbury subsidiary, provides integrated export management and distribution services. Asbury sells the Company's product lines and certain non-competing complementary product lines of other American and European manufacturers throughout the world (except for Canada, where the Company has a distribution operation, Escan). Asbury offers customers a complete package of kitchen equipment, delivered and installed in over 100 countries. For a local country distributor or dealer, Asbury provides centralized sourcing of a broad line of equipment with complete export management services, including export documentation, freight forwarding, equipment warehousing and consolidation, installation, warranty service and parts support. Asbury is headquartered in Miramar, Florida with Asian sales and administrative operations based in the Philippines. Asbury has sales offices or distribution centers in Mexico, Spain, France, Saudi Arabia, the Philippines, Taiwan, China, Indonesia, Japan and Korea. The Company owns 80% of Asbury, with the remaining 20% owned by O. Neal Asbury, Jr. See "Management."

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SERVICES AND PRODUCT WARRANTY

The Company is an industry leader in equipment installation programs and after-sales support and service. The emphasis on global service increases the likelihood of repeat business and enhances Middleby's image as a partner and provider of quality products and services. It is critical to major foodservice chains that equipment providers be capable of supporting equipment on a worldwide basis.

Middleby is unique in providing a one-year parts and labor warranty throughout the world. Domestic sales include a "no quibble" guarantee, which eliminates the premium charges customers normally pay on warranty work done on overtime or weekends. Since many restaurants are busiest during evenings and weekends, the Company provides customers in most major metropolitan areas a guaranteed two-hour response time in emergency situations and a 24-hour toll-free help-line staffed by factory technicians. Other unique services

include on-site repair of portable equipment, which competitors typically require to be delivered to a service center. Many of Middleby's products include complimentary start-up and demonstration service. The Company also provides complete turnkey services whereby new equipment is shipped to an authorized service company, delivered to a job site and installed, with the old equipment removed.

The Company's domestic service network consists of over 80 authorized service parts distributors and 2,500 independent certified technicians that have been formally trained and certified by the Company through its factory training school and on-site installation training programs. The service network is separate from the sales network to ensure that technicians remain focused on service issues rather than new business. Technicians work through service parts distributors, which are required to provide around-the-clock service via a toll-free paging number. The Company provides substantial technical support at each factory to the technicians in the field through thirteen factory-based technical service engineers. The Company has among the most stringent parts stocking requirements in the industry for these agencies, leading to an exceptionally high first call completion rate for service and warranty repairs.

Middleby's international service network consists of distributors in over 100 countries with approximately 3,000 independent service technicians trained in the installation and service of the Company's products and supported by fifteen internationally-based service managers along with the factory-based technical service engineers. As with its domestic service network, the Company maintains stringent parts stocking requirements for its international distributors.

The Company continuously strives to lower warranty costs through its quality control programs. Management believes its warranty cost of less than 2% of net sales is among the lowest in the industry for similar equipment. See "Business--Manufacturing and Quality Control."

MARKETING AND SALES

Middleby's products and services are marketed in the U.S. and in over 100 countries through a combination of the Company's sales personnel and international marketing subsidiaries, together with an extensive network of independent dealers, distributors, consultants, sales representatives and agents. The Company's relationships with major restaurant chains are primarily handled through an integrated effort of top-level executive and sales management at the corporate and business division levels to best serve each customer's needs.

Each of the Company's business divisions is responsible for the marketing of its products and services, under the direction of the division's President or General Manager, Sales Manager and supporting personnel. Each business division manages its own sales, promotion and marketing programs with coordination and support provided by corporate sales and marketing functions.

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Each business division distributes its products to independent end-users through a network of approximately 400 to 1,000 non-exclusive dealers nationwide, who are supported by over 200 manufacturers' marketing representatives. Between 1990 and 1995, the Company reduced its authorized dealers by approximately 50% to increase the importance of each dealer relationship.

International sales are primarily made through Asbury's distribution network to independent local country stocking and servicing distributors and dealers and directly to major chains, hotels and other large end-users.

CUSTOMERS

The Company's products are sold primarily through independent dealers and distributors to end-user customers, including quick-service restaurants, full-service restaurants, retail outlets such as supermarkets and convenience stores, and private and public institutions, such as hotels, resorts, schools, hospitals, long-term care facilities, correctional facilities, stadiums, airports, corporate cafeterias, military facilities and government agencies. Many of the dealers in the U.S. belong to buying groups that negotiate sales terms with the Company. Certain large restaurant and hotel chain customers have purchasing organizations that manage product procurement for their systems.

Some of the Company's major customers include the following:

Quick-service restaurants:	Chick-fil-A, Domino's, KFC, Kenny Rogers Roasters, McDonald's, Papa John's, Pizza Hut, Schlotzsky's Deli, Wendy's
Full-service restaurants:	Applebee's, Brinker International (Chili's, Eatzi's, Macaroni Grill, On the Border), Denny's, Hard Rock Cafe, Landry's, Morton's of Chicago, Perkins Family Restaurants, Planet Hollywood, Rainforest Cafe, Red Lobster, TGI Friday's
Hotels:	Hilton, Holiday Inn, Hyatt, Intercontinental, Marriott, MGM Grand, New World, Shangri-La, Sheraton
Other:	Carnival Cruise Lines, Hillhaven (health care facilities), New York City Schools, Price Costco, Publix, Safeway, U.S. Government Agencies and Departments, Wegman's

The Company's ten largest customers accounted for approximately 25% of net sales in 1996, with no single customer accounting for more than 6% of 1996 net sales.

COMPETITION

The cooking and warming segment of the foodservice equipment industry is highly competitive and fragmented. Within a given product line, the industry remains fairly concentrated, with typically a small number of competitors accounting for the bulk of the line's industry-wide sales. Industry competition includes companies that manufacture a broad line of products and those that specialize in a particular product line. Competition in the industry is based upon many factors, including brand recognition, product features and design, quality, price, delivery lead times, serviceability and after-sale service. The Company believes that its ability to compete depends on strong brand equity, exceptional product performance, short lead-time and timely delivery, competitive pricing, superior customer service support and its unique TSP capability. Management believes that the demand for its labor saving, multi-functional and energy efficient equipment will increase, driven by quick-service chains that face labor supply issues, space limitations and increasing operating costs. The Company also focuses on the user interface and serviceability factors of its equipment across global markets.

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In the international markets, the Company competes with U.S. manufacturers and numerous global and local competitors. Management believes that the Company's integrated international export management and distribution capabilities uniquely position it to provide value-added services to U.S. and internationally-based chains, as well as to local country distributors offering a complete line of kitchen equipment.

The Company believes that it is among the largest multiple-line manufacturers of cooking and warming equipment in the U.S. and worldwide, although some of its competitors are units of operations that are larger than the Company and possess greater financial and personnel resources. Among the Company's major U.S. competitors are certain subsidiaries and divisions of Welbilt Corporation, a subsidiary of Berisford International plc; G.S. Blodgett Corp. (which Maytag Corporation has announced its intent to purchase); Hobart Corporation and Vulcan-Hart Corporation, both subsidiaries of Premark International, Inc.; and Wells Manufacturing Company, a subsidiary of Specialty Equipment Companies, Inc. International-based competitors include Zanussi, a subsidiary of Electrolux AB, and Ali Group.

MANUFACTURING AND QUALITY CONTROL

The Company operates two domestic and one international manufacturing facilities. The Company's conveyor oven and counterline cooking equipment products are manufactured in Elgin, Illinois and its core cooking equipment products are manufactured in Fuquay-Varina, North Carolina. Middleby's international fabrication and specialty cooking equipment operation is located in Laguna, the Philippines. Metal fabrication, finishing, sub-assembly and assembly operations are conducted at each manufacturing facility. Equipment installed at individual locations includes numerically controlled turret presses and machine centers, shears, press brakes, welding equipment, polishing equipment, CAD/CAM systems and product testing and quality assurance measurement

devices. The Company's state-of-the-art CAD/CAM systems enable virtual electronic prototypes to be created, reviewed and refined before the first physical prototype is built. Detailed manufacturing drawings are quickly and accurately derived from the model and passed electronically to manufacturing for programming and optimal parts nesting on various numerically controlled punching cells. The Company believes that this integrated product development and manufacturing process is critical to assuring product performance, customer service and competitive pricing.

Middleby uses sophisticated equipment and procedures to ensure the quality of its products. The Company also utilizes extensive internal programs for analyzing potential product failures and certifying vendors for continuous improvement. Every product manufactured or licensed by the Company is individually tested prior to shipment to ensure compliance with Company quality standards.

The Company has implemented programs to reduce costs and improve operating efficiencies. In some cases, new capital equipment has been acquired to increase automation and productivity. Recently, Middleby began implementing a new, company-wide management information system (including an enterprise-wide resource planning system) that management believes should further improve operating results.

SOURCES OF SUPPLY

The Company purchases raw materials and component parts from a number of suppliers. The majority of Middleby's material purchases are standard commodity-type materials, such as stainless steel, electrical controls and components, hardware and various components. These materials and parts generally are available in adequate quantities from numerous suppliers. Some component parts are obtained from sole sources of supply. In such instances, management believes it can substitute other suppliers as required. The majority of fabrication is done internally through the use of automated equipment. Certain equipment and accessories are manufactured by other suppliers for sale by the

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Company. The Company believes it enjoys good relationships with its suppliers and considers its sources of supply to be adequate for present and anticipated future requirements.

EMPLOYEES AND LABOR RELATIONS

As of June 28, 1997, the Company employed 1,065 persons. Of this amount, 375 were management, administrative, sales, engineering and supervisory personnel; 377 were hourly production non-union workers; and 313 were hourly production union members. Included in these totals were 343 individuals employed outside of the U.S., of which 125 were management, sales, administrative and engineering personnel and 218 were hourly production workers who participate in an employee cooperative. At its Elgin, Illinois facility, the Company has a union contract with the International Brotherhood of Teamsters covering approximately 300 workers that expires in 2002. Management believes that relationships between employees, union and management are good.

LICENSES, PATENTS, AND TRADEMARKS

Middleby Marshall has an exclusive license from Patentsmith to manufacture, use and sell Jetsweep air impingement ovens in the U.S. for commercial food applications in which the interior length or width of a rectangular cooking area, or in which the diameter of a circular cooking area, equals or exceeds 36 inches. The Patentsmith license covers numerous patents, some of which extend beyond the year 2000. Middleby Marshall also holds an exclusive sublicense from Lincoln to manufacture, use and sell throughout the world, other than in the U.S. and Japan, air impingement ovens of the above-described dimensions for commercial food applications. This sublicense covers the foreign analogues of the patents covered by the Patentsmith license and grants Middleby Marshall rights of first refusal for a similar sublicense in Japan. The Patentsmith license and the Lincoln sublicense expire upon the expiration of the last patented improvement covered by the license. While the loss of the Patentsmith license or the Lincoln sublicense could have an adverse effect on the Company, management believes it is capable of designing, manufacturing and selling similar equipment, although not as technologically advanced. Lincoln and Fuji Chubo Setsubi Company, Ltd. are the only other foodservice equipment manufacturers licensed under the Patentsmith patents.

The Company holds numerous patents covering technology and applications related to various products, equipment and systems. Management believes the expiration of any one of these patents would not have a material adverse effect on the overall operations or profitability of the Company.

The Company owns numerous trademarks and trade names; among them, CTX, Middleby Marshall, SteamMaster, Southbend, Toastmaster and Titan are registered with the U.S. Patent and Trademark Office and in various foreign countries.

FACILITIES

The Company's principal executive offices are located in Rolling Meadows, Illinois. The Company operates two manufacturing facilities in the U.S. and one manufacturing facility in the Philippines. The Company also operates a warehousing and office facility located in Florida. The Company's property, plant and equipment are encumbered pursuant to its current credit agreements. See Note 4 to the Consolidated Financial Statements.

The principal properties of the Company are listed below:

LOCATION	BUSINESS DIVISIONS	PRINCIPAL FUNCTION	SQUARE FOOTAGE	OWNED/ LEASED
Elgin, IL	Conveyor Oven Equipment Counterline Cooking Equipment and Specialty Products	Manufacturing, Warehousing and Offices	207,000	Owned
		Warehousing	42,000	Leased(1)
Fuquay-Varina, NC	Core Cooking Equipment	Manufacturing, Warehousing and Offices	131,000	Owned
Miramar, FL	International Distribution	Warehousing and Offices	18,000	Leased(2)
Laguna, the Philippines	International Specialty Equipment	Manufacturing, Warehousing and Offices	54,000	Owned
Rolling Meadows, IL	The Middleby Corporation	Corporate Headquarters	4,000	Leased(3)

- (1) Lease expires in August 1999, with payments of approximately \$17,000 per month.
- (2) Lease expires in October 2002, with payments of approximately \$12,000 per month.
- (3) Lease expires in July 2002, with payments of approximately \$5,000 per month.

At various other locations the Company leases small amounts of office space for administrative and sales functions, and in certain instances limited short-term inventory storage. These locations are in Manila, the Philippines; Bilbao, Spain; Paris, France; Taipei, Taiwan; Shanghai, China; Tokyo, Japan; Seoul, Korea; Jakarta, Indonesia; Mexico City, Mexico; and Toronto, Canada.

Management believes that all of these facilities are adequate for the operation of the Company's business as presently conducted.

ENVIRONMENTAL COMPLIANCE

The Company is subject to a variety of environmental regulations relating to the use, storage, discharge and disposal of hazardous chemicals used during manufacturing. Any failure by the Company to comply with present or future environmental regulations could subject it to future liabilities or the suspension of production, which could have a material adverse effect on the Company's results of operations. These regulations could also restrict the Company's ability to expand its facilities or could require the Company to acquire costly equipment or to incur other expenses to comply with environmental regulations. The Company's operations are subject to a variety of foreign, federal, state and local regulatory requirements, including environmental, waste management, health and safety matters. The Company's customers are also subject

to extensive regulations, including those related to workplace safety and food preparation for consumers.

LEGAL PROCEEDINGS

The Company is routinely involved in litigation incidental to its business, including product liability actions which are generally covered by insurance. Such routine claims are vigorously contested, and management does not believe that the outcome of any such pending litigation will have a material adverse effect upon the financial condition of the Company.

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MANAGEMENT

The following table sets forth certain information concerning Middleby's executive officers, certain key management employees and non-employee directors as of June 28, 1997.

NAME	AGE	POSITION
EXECUTIVE OFFICERS		
William F. Whitman, Jr.	57	Chairman of the Board
David P. Riley	50	President, Chief Executive Officer and Director
John J. Hastings	41	Executive Vice President, Chief Financial Officer, Secretary and Treasurer
CERTAIN KEY MANAGEMENT EMPLOYEES		
O. Neal Asbury, Jr.	40	President, Asbury
Selim A. Bassoul	40	President, Southbend
Adrian A. Bruno	58	Vice President, Technology & Planning
Mark A. Sieron	49	Vice President, General Manager, Sales Divisions
Bernard G. Stever	57	Senior Vice President, Global Market Development
Frank J. Thomas	57	Vice President and General Manager, Middleby Philippines
NON-EMPLOYEE DIRECTORS		
Robert R. Henry	56	Director
A. Don Lummus	61	Director
John R. Miller, III	56	Director
Philip G. Putnam	56	Director
Sabin C. Streeter	55	Director
Joseph G. Tompkins	56	Director
Laura B. Whitman	30	Director
Robert L. Yohe	61	Director

The Company has written employment agreements with Messrs. Whitman, Riley, Asbury and Thomas, and maintains key person life insurance on Mr. Asbury. The Company has no other written employment agreements.

BIOGRAPHIES

EXECUTIVE OFFICERS:

WILLIAM F. WHITMAN, JR. has been Chairman of the Board of the Company and Middleby Marshall since 1983.

DAVID P. RILEY has been President and Chief Executive Officer of the Company and Middleby Marshall since 1983. From 1982 to 1983, he was General Manager of Middleby Marshall Oven Company and Vice President of Stewart Systems, Inc. From 1972 to 1982, Mr. Riley was Director of the Food Machine, Commercial Dishwasher, Weighing, Wrapping and Cooking divisions of the Hobart Corporation. He is also a director of Zebra Technologies Corporation, an industrial equipment manufacturer.

JOHN J. HASTINGS has been the Company's Executive Vice President, Chief Financial Officer, Secretary and Treasurer since 1993. Mr. Hastings has held various financial and executive positions with the Company since 1987.

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CERTAIN KEY MANAGEMENT EMPLOYEES:

O. NEAL ASBURY, JR. has been President of Asbury since 1986. He founded Asbury Associates in 1986, and currently owns 20% of Asbury and 20% of Middleby Philippines. From 1981 to 1986, Mr. Asbury was Asia Pacific sales director of Amimpex/J.D. Marshall, an export management company.

SELIM A. BASSOUL has been Southbend's President since 1996. He served as Vice President, Sales and Marketing of Vulcan-Hart (a division of Premark International, an international food equipment manufacturer) from 1992 to 1996.

Prior thereto, Mr. Bassoul held various marketing and sales positions for Premark International, Kinetic Concepts, Inc. and Baxter International, Inc.

ADRIAN A. BRUNO has been the Company's Vice President, Technology & Planning since 1989. He has also been Vice President of Engineering since 1983. From 1976 to 1983, Mr. Bruno held engineering and marketing management positions in Raytheon's Amana Range and Microwave Cooking Divisions.

MARK A. SIERON has been Vice President, General Manager, Sales Divisions since 1992. He was also Vice President and General Manager of the Toastmaster division from 1988 to 1992 and Vice President of Sales for the Hussmann Foodservice Group from 1986 to 1988. Additionally, Mr. Sieron was Vice President of Sales and Marketing for Toastmaster from 1983 to 1986.

BERNARD G. STEVER has been the Company's Senior Vice President, Global Market Development since 1996. Prior to that he served as Vice President of Sales and Market Development. Prior to the acquisition of the Foodservice Equipment Group from Hussmann Corporation in 1989, Mr. Stever was Vice President of Market Development and Vice President of Marketing for the Foodservice Group of Hussmann Corporation. He is a former President of the North American Association of Food Equipment Manufacturers.

FRANK J. THOMAS has been Middleby Philippines' Vice President and General Manager since 1996. From 1989 to 1996, he was the President of Ice-O-Matic (a division of Welbilt Corporation, an international food equipment manufacturer). Prior thereto, Mr. Thomas held various executive and operational positions in manufacturing concerns.

NON-EMPLOYEE DIRECTORS:

ROBERT R. HENRY has been President of Robert R. Henry Co., Inc., a venture capital firm, since 1989. From 1977 to 1989, he was a Managing Director of Morgan Stanley & Co., Inc. ("Morgan Stanley"). Mr. Henry is an advisory director of Morgan Stanley and a director of Alfacell Corporation, a biotechnology company.

A. DON LUMMUS has been Chairman and Chief Executive Officer of Crudgington Machine Tools since 1995. From 1984 to 1994, he was Vice Chairman and Chief Executive Officer of SASIB Bakery, N.A. (formerly Stewart Systems, Inc.), a manufacturer of automated bakery equipment. Prior thereto, he was President and Chief Executive Officer of Stewart Systems, Inc.

JOHN R. MILLER, III is President of Equal Opportunity Publications, Inc., publishers of special market career and health care magazines. He is also a director of First National Bank of Long Island and its holding company, First of Long Island Corporation.

PHILIP G. PUTNAM has been Executive Vice President of Brean Murray & Co., Inc., investment bankers, since 1996. From 1983 to 1996, he was Executive Vice President of American Asset Management Company, investment advisers, which was acquired by an affiliate of Brean Murray & Co., Inc. in 1993. Brean Murray & Co., Inc. is acting as one of the Representatives of the Underwriters in this offering. See "Underwriting."

SABIN C. STREETER is an Adjunct Professor and Executive-in-Residence at Columbia Business School and a member of Columbia Naples Capital L.L.C. He served as a Managing Director of

Donaldson, Lufkin & Jenrette Securities Corp. ("DLJ"), investment bankers, from 1989 to 1990 and again from 1993 until his retirement in April 1997. From 1991 to 1993, he was Managing Director of Sprout Group, DLJ's venture capital affiliate. He is also a director of Oakwood Homes Corporation, Parker/Hunter Incorporated and Fotoball U.S.A., Inc.

JOSEPH G. TOMPKINS has been President of Saga Investment Co. Inc., an investment advisor, since 1992, and is a member of Columbia Naples Capital L.L.C. From 1992 to 1995, he was an advisory director of Morgan Stanley and from 1976 to 1992 was a Managing Director of Morgan Stanley.

LAURA B. WHITMAN has been Assistant Vice President of Christie's, New York, since March 1997. She served as a Specialist in Chinese Paintings at Christie's from 1995 to February 1997, and held a similar position at Sotheby's, New York, from 1990 to 1995.

ROBERT L. YOHE is an independent director and corporate advisor. He serves as director of Airgas, Inc., Betz Dearborn, Inc., Calgon Carbon Corporation, LaRoche Industries, Inc. and Marsulex Inc. From 1993 to 1994, he was Vice Chairman and Director of Olin Corporation, a chemicals manufacturer, and from 1985 to 1992, he was President of Olin Chemicals, a division of Olin Corporation.

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PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information regarding beneficial ownership of the Common Stock as of September 10, 1997 and as adjusted to reflect the sale of the shares offered hereby, (i) by each Selling Stockholder, (ii) by each person known by the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, (iii) by each director and executive officer of the Company, and (iv) by all executive officers and directors as a group. This information is based upon information received from or on behalf of the named stockholders.

NAME	BENEFICIAL OWNERSHIP PRIOR TO OFFERING (1)		SHARES BEING OFFERED	BENEFICIAL OWNERSHIP AFTER OFFERING (2)	
	NUMBER OF SHARES	PERCENT		NUMBER OF SHARES	PERCENT
William F. Whitman, Jr. (3)	2,153,271	25.3%	300,000	1,853,271	17.6%
Robert R. Henry (4) (7)	1,620,269	19.1	--	1,620,269	15.4
David P. Riley (5)	501,545	5.9	210,000 (10)	291,545 (10)	2.8
A. Don Lummus (6)	208,300	2.4	--	208,300	2.0
John R. Miller, III	26,000	*	--	26,000	*
Philip G. Putnam (7)	6,750	*	--	6,750	*
Sabin C. Streeter	26,000	*	--	26,000	*
Joseph G. Tompkins (7)	7,750	*	--	7,750	*
Laura B. Whitman (7) (8)	242,375	2.8	100,000	142,375	1.4
Robert L. Yohe (7)	24,750	*	--	24,750	*
John J. Hastings (9)	34,397	*	--	34,397	*
All executive officers and directors as a group (11 persons) (4) (5) (6) (7) (9)	4,851,407	56.8	610,000	4,241,407	40.3

* Represents less than 1% of all outstanding shares of Common Stock.

- (1) Unless otherwise indicated in the footnotes to this table, the Company believes that the individuals named in this table have sole voting and investment power with respect to all shares of Common Stock reflected in this table.
- (2) Assumes no exercise of the Underwriters' over-allotment option.
- (3) Does not include 1,537,125 shares owned by the trusts described in Note (4) below, as to which Mr. Whitman disclaims beneficial ownership. Includes 255,300 shares owned by Mr. Whitman's spouse.
- (4) Includes 1,537,125 shares of Common Stock held by Mr. Henry as trustee under trusts as follows: (a) 1,255,875 shares for the benefit of Mr. Whitman's two adult children, W. Fifield Whitman III and Laura B. Whitman (218,625 shares owned by a trust for the benefit of Laura B. Whitman and 437,250 shares owned by a trust for the benefit on W. Fifield Whitman III, and 300,000 shares owned by each of two other trusts), and (b) 281,250 shares for the benefit of Mr. Whitman's spouse. Mr. Henry disclaims beneficial ownership of these shares.
- (5) Includes 78,650 shares of Common Stock owned by trusts for the benefit of Mr. Riley's two adult children, Christopher Riley and Kevin Riley, and for which Mr. Riley and his spouse Linda serve as trustees. Mr. Riley disclaims beneficial ownership of all of these shares. Also includes 173,670 shares of Common Stock held by Mr. Riley's spouse in trust.
- (6) Includes 1,000 shares of Common Stock deemed issued upon exercise of stock options granted in May 1992.

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- (7) Includes 3,750 shares of Common Stock deemed issued upon exercise of stock

options granted in February 1996.

- (8) Does not include shares owned by trusts for the benefit of Ms. Whitman described in Note (4) above.
- (9) Includes 16,000 shares of Common Stock deemed issued upon exercise of stock options.
- (10) Of the shares being offered, 180,000 are directly owned by Mr. Riley and 30,000 shares are owned by Mr. Riley and his spouse as trustees for the benefit of their children. After the offering, the shares shown as owned by Mr. Riley will include 48,650 shares owned by trusts for the benefit of his children and 173,670 shares held by his spouse in trust. See Note (5) above.

William F. Whitman, Jr. and David P. Riley, two of the Selling Stockholders, are executive officers and directors of the Company. Laura B. Whitman, the other Selling Stockholder, is a director of the Company. See "Management."

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of the Company is 20,000,000 shares of Common Stock, \$0.01 par value per share (the "Common Stock"), and 2,000,000 shares of Preferred Stock, \$0.01 par value (the "Preferred Stock"). Immediately prior to the commencement of this offering, there were 8,501,453 shares of Common Stock issued and outstanding and held by approximately 2,500 beneficial owners. No shares of Preferred Stock were outstanding.

COMMON STOCK

The holders of shares of Common Stock are entitled to one vote for each share held of record on all matters on which stockholders are entitled or permitted to vote. Such holders may not cumulate votes in the election of directors. The holders of Common Stock are entitled to receive such dividends as may lawfully be declared by the Board of Directors out of funds legally available therefor and to share pro rata in any other distribution to the holders of Common Stock. The holders of Common Stock are entitled to share ratably in the assets of the Company remaining after payment of liabilities and any preferences of any Preferred Stock in the event of any liquidation, dissolution or winding up of the affairs of the Company. The holders of Common Stock have no preemptive rights. There are no conversion rights, redemption or sinking fund provisions or fixed dividend rights with respect to the Common Stock. All outstanding shares of Common Stock are fully paid and non-assessable, and the shares of Common Stock to be issued in this offering, upon payment therefor, will be fully paid and non-assessable.

PREFERRED STOCK

The Board of Directors has the authority to issue Preferred Stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of such series, without further vote or action by the stockholders. The issuance of Preferred Stock may have the effect of delaying, deferring or preventing a change in control of the Company or the removal of existing management and may adversely affect the voting and other rights of the holders of Common Stock.

PROVISIONS IN COMPANY'S CERTIFICATE OF INCORPORATION

The Company's Certificate of Incorporation (the "Certificate") provides that no agreement or plan providing for the dissolution, liquidation, merger or consolidation of the Company or the sale, lease or transfer of substantially all of its assets, shall be effective, unless approved by the affirmative vote of not

less than two-thirds of the votes of all the shares of stock outstanding and entitled to vote thereon. This supermajority requirement may have the effect of delaying, deferring or preventing a change in control of the Company or the removal of existing management.

The Company has adopted provisions in the Certificate that, to the fullest extent provided under Delaware law, limit the liability of its directors and officers for monetary damages arising from a breach of their fiduciary duties as

directors or officers. Such limitation of liability does not affect the availability of equitable remedies such as injunctive relief or rescission, nor does it limit liability for acts of fraud, knowing violations of law, or unlawful payment of distributions. Furthermore, equitable remedies may not, as a practical matter, be effective for various reasons. The Certificate also provides that the Company shall indemnify its directors and officers and other agents to the fullest extent permitted by the Delaware law, including in circumstances in which indemnification is otherwise discretionary to the Company under Delaware law.

DELAWARE LAW PROVISIONS

The Company is subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, the statute prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date that the person became an interested stockholder unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is previously approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior thereto, did own) 15% or more of the corporation's voting stock.

WARRANTS AND REGISTRATION RIGHTS

In conjunction with the issuance of its senior secured notes in January 1995, the Company issued a transferrable warrant to the noteholders for the purchase of 250,000 shares (the "Underlying Shares") of Common Stock at an exercise price of \$3.00 per share. Alternatively, under certain conditions, the terms of the warrant provide for the purchase of 200,000 shares at \$0.01 per share. The warrant provides for adjustment of the exercise price if the Company issues additional shares at a purchase price below the then current market price, as defined, and for adjustment of the number of shares if the Company declares a stock dividend. The warrant is currently exercisable for 250,000 shares at \$3.00 per share and expires July 10, 2003.

The warrant also provides to its holders certain rights to demand registration of the Underlying Shares under the Securities Act of 1933 (the "Securities Act") or other applicable law upon written notice to the Company and to all holders of the warrant or Underlying Shares. If such a demand is made, the Company may, at its option and instead of registering the Underlying Shares, repurchase such shares from the holders at a price based on the current market price of the Common Stock. In addition, in the event that the Company proposes to register any class of its Common Stock under the Securities Act in an underwritten public offering, the holders of the warrants have certain rights to request that the Underlying Shares be included in the registration. The registration rights provided in the warrant expire with the expiration of the warrant on July 10, 2003.

Under the Company's written employment agreement with William F. Whitman, Jr., the Company's Chairman, Mr. Whitman possesses certain rights to request registration of shares of Common Stock owned by him, consisting of one demand registration and two incidental registration rights during the term of such agreement, all at the expense of the Company. The agreement is for a term ending December 31, 2000.

TRANSFER AGENT

The transfer agent and registrar for the Common Stock is Continental Stock Transfer & Trust Company.

UNDERWRITING

Subject to the terms and conditions of the Underwriting Agreement, each of the Underwriters named below, and each of the Underwriters for whom Schroder & Co. Inc. and Brean Murray & Co., Inc. are acting as Representatives (the "Representatives") has severally agreed to purchase from the Company and the Selling Stockholders an aggregate of 2,610,000 shares of Common Stock at the price to the public less the underwriting discounts set forth on the cover page of this Prospectus, in the amounts set forth below opposite their respective names.

UNDERWRITERS	NUMBER OF SHARES

Schroder & Co. Inc.....	
Brean Murray & Co., Inc.....	

Total.....	2,610,000

The Underwriting Agreement provides that the Underwriters' obligation to pay for and accept delivery of the shares of Common Stock offered hereby is subject to certain conditions precedent and that the Underwriters will be obligated to purchase all such shares, excluding shares covered by the over-allotment option, if any are purchased. The Underwriters have informed the Company that no sales of Common Stock will be confirmed to discretionary accounts.

The Company has been advised by the Underwriters that they propose initially to offer the Common Stock to the public at the public offering price set forth on the cover page of this Prospectus and to certain dealers at such price, less a concession not in excess of \$ per share. The Underwriters may allow and such dealers may reallow a concession not in excess of \$ per share to certain other brokers and dealers. After the offering, the public offering price, the concession and reallowances to dealers and other selling terms may be changed by the Underwriters.

The Company has granted to the Underwriters an option exercisable for 30 days after the date of this Prospectus to purchase up to an aggregate of 391,500 additional shares of Common Stock to cover over-allotments, if any, at the same price per share to be paid by the Underwriters for the other shares of Common Stock offered hereby. If the Underwriters purchase any such additional shares pursuant to the over-allotment option, each Underwriter will be committed, subject to certain conditions, to purchase a number of the additional shares of Common Stock proportionate to such Underwriter's initial commitment.

The Company, its directors and executive officers and the Selling Stockholders, who will beneficially own an aggregate of 4,241,407 shares of the Common Stock outstanding after the offering, have agreed with the Representatives, for a period of 120 days after the date of this Prospectus, not to issue, sell, offer to sell, grant any options for the sale of, or otherwise dispose of any shares of Common Stock or any rights to purchase shares of Common Stock (other than stock issued or options granted pursuant to the Company's stock incentive plans), without the prior written consent of the Representatives.

The Company and the Selling Stockholders have severally agreed to indemnify the Underwriters against certain liabilities that may be incurred in connection with the sale of the Common Stock, including liabilities arising under the Securities Act, and to contribute to payments that the Underwriters may be required to make with respect thereto.

In order to facilitate the offering of the Common Stock, the Underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Common Stock. Specifically, the Underwriters

may over-allot in connection with the offering, creating a short position in the Common Stock for their own account. In addition, to cover over-allotments or to stabilize the price of the Common Stock, the Underwriters may bid for, and purchase, shares of Common Stock in the open market. Finally, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the Common Stock in the offering, if the syndicate repurchases previously distributed Common Stock in transactions to cover syndicate short positions, in stabilization or otherwise. Any of these activities may stabilize or maintain the market price of the Common Stock above independent market levels. The Underwriters are not required to engage in these activities and may end any of these activities at any time.

Philip G. Putnam, a director of the Company, is Executive Vice President of Brean Murray & Co., Inc., which is participating in the offering as one of the Representatives.

LEGAL MATTERS

Certain legal matters with respect to the Common Stock offered hereby will be passed upon for the Company and the Selling Stockholders by D'Ancona & Pflaum, Chicago, Illinois and for the Underwriters by Thompson Hine & Flory LLP, Cleveland, Ohio. Nathaniel Sack, a partner of D'Ancona & Pflaum, owns 5,000 shares of Common Stock, and other attorneys of D'Ancona & Pflaum own additional shares of such Common Stock, which ownership is not material in the aggregate.

EXPERTS

The Consolidated Financial Statements included in this Prospectus have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and is included herein in reliance upon the authority of such firm as experts in giving such reports.

AVAILABLE INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission") in Washington, D.C., a Registration Statement on Form S-2 under the Securities Act, relating to the Common Stock offered hereby. This Prospectus, which constitutes a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement, certain items of which are contained in exhibits and schedules to the Registration Statement as permitted by the rules and regulations of the Commission. Statements contained in this Prospectus as to the contents of any contract, agreement or any other document referred to herein are not necessarily complete. Where such contract, agreement or other document is an exhibit to the Registration Statement, reference is made to such exhibit for a more complete description of the matter involved, each such statement being qualified in all respects by such reference. For further information regarding the Company and the securities offered hereby, reference is made to the Registration Statement and to the exhibits filed as a part thereof, which may be inspected at the office of the Commission without charge or copies of which may be obtained from and upon request the Commission and payment of the prescribed fee.

The Company is subject to the informational requirements of the Securities Exchange Act, as amended, and in accordance therewith, files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information filed by the Company can be inspected and copied at prescribed rates at the public reference facilities maintained by the Commission's Headquarters at 450 Fifth Street, Room 1024, N.W., Judiciary Plaza, Washington, D.C. 20549, and at the Commission's Regional Offices at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and 7 World Trade Center, 13th Floor, New York, New York 10048. The Common Stock is listed on the Nasdaq National Market System. The Commission maintains a Web site that contains reports, proxy statements and other information of the Company at <http://www.sec.gov>.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company's Annual Report on Form 10-K for the fiscal year ended December 28, 1996, as amended, the Company's Quarterly Reports on Form 10-Q for the quarterly periods ending March 29, 1997 and June 28, 1997, and the Current Report of the Company on Form 8-K dated January 23, 1997, and filed on February 7, 1997, in each case as filed by the Company with the Commission are incorporated herein by reference. All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this Prospectus and prior to the termination of the offering made hereby shall be deemed incorporated by reference in this Prospectus and to be a part hereof from the date of the filing of such documents. See "Available Information." Any statements contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person to whom this Prospectus is delivered, upon a written or oral request of such person, a copy of any or all of the foregoing documents incorporated by reference into this Prospectus (other than exhibits to such documents, unless such exhibits are specifically incorporated by reference to such documents). Requests for such copies should be directed to the Chief Financial Officer of the Company, 2850 West Golf Road, Suite 405, Rolling Meadows, Illinois 60008, Telephone: (847) 758-3880; Facsimile: (847) 758-3883.

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F-1

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	JUNE 28, 1997	DEC. 28, 1996
	-----	-----
	(UNAUDITED)	
ASSETS		
Cash and cash equivalents.....	\$ 1,330	\$ 1,410
Accounts receivable, net.....	26,384	19,859
Inventories, net.....	24,681	20,956
Prepaid expenses and other.....	1,036	939
Net assets of discontinued operations.....	1,400	4,082
Current deferred taxes.....	2,099	2,086
	-----	-----
Total current assets.....	56,930	49,332
Property, plant and equipment, net of accumulated depreciation of \$12,546 and \$11,741.....	19,625	18,843
Excess purchase price over net assets acquired, net of accumulated amortization of \$4,444 and \$4,216.....	13,111	13,339
Deferred taxes.....	1,897	2,950
Other assets.....	2,329	1,504
	-----	-----
Total assets.....	\$ 93,892	\$ 85,968
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current maturities of long-term debt.....	\$ 2,786	\$ 3,916
Accounts payable.....	13,472	10,369
Accrued expenses.....	10,305	10,001
	-----	-----
Total current liabilities.....	26,563	24,286
Long-term debt.....	39,666	37,352
Minority interest and other non-current liabilities.....	2,554	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; 8,476,000 and 8,468,000 issued and outstanding in 1997 and 1996, respectively.....	85	85
Paid-in capital.....	28,350	28,108
Cumulative translation adjustment.....	(176)	(184)
Accumulated deficit.....	(3,150)	(5,559)
Total shareholders' equity.....	25,109	22,450
Total liabilities and shareholders' equity.....	\$ 93,892	\$ 85,968

See accompanying notes

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 28, 1997	RESTATED JUNE 29, 1996	JUNE 28, 1997	RESTATED JUNE 29, 1996
Net sales.....	\$ 42,082	\$ 28,661	\$ 74,780	\$ 58,171
Cost of sales.....	29,268	20,132	51,492	41,075
Gross margin.....	12,814	8,529	23,288	17,096
Selling and distribution expenses.....	6,035	4,472	10,716	8,482
General and administrative expenses.....	3,044	2,386	5,719	4,655
Income from operations.....	3,735	1,671	6,853	3,959
Interest expense and deferred financing amortization.....	1,257	1,079	2,338	2,136
Other (income) expense, net.....	18	(23)	(20)	(5)
Earnings before income taxes.....	2,460	615	4,535	1,828
Provision for income taxes.....	873	214	1,562	661
Earnings from continuing operations.....	1,587	401	2,973	1,167
Loss from discontinued operations, net of tax....	--	(432)	--	(512)
Estimated loss on sale of discontinued operations.....	(564)	--	(564)	--
Net earnings.....	\$ 1,023	\$ (31)	\$ 2,409	\$ 655
Earnings per share from continuing operations....	\$ 0.18	\$ 0.04	\$ 0.34	\$ 0.13
Loss per share from discontinued operations.....	(0.06)	(0.04)	(0.06)	(0.05)
Net earnings per share.....	\$ 0.12	\$ 0.00	\$ 0.28	\$ 0.08

See accompanying notes

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(DOLLARS IN THOUSANDS)
(UNAUDITED)

SIX MONTHS ENDED	
JUNE 28, 1997	RESTATED JUNE 29, 1996

Cash flows from operating activities--net earnings.....	\$	2,409	\$	655
Adjustments to reconcile net earnings to cash provided by continuing operating activities--				
Depreciation and amortization.....		1,500		1,522
Utilization of NOLs.....		1,416		325
Discontinued operations.....		564		512
Changes in assets and liabilities--				
Accounts receivable.....		(6,525)		(3,775)
Inventories.....		(3,725)		(3,743)
Prepaid expenses and other assets.....		(914)		(999)
Accounts payable and other liabilities.....		3,407		628
		-----		-----
Net cash used in continuing operating activities.....		(1,868)		(4,875)
Net cash (used in) provided by discontinued operations.....		(2,963)		119
		-----		-----
Net cash used in operating activities.....		(4,831)		(4,756)
		-----		-----
Cash flows from investing activities--				
Proceeds from sale of discontinued operations.....	\$	5,081	\$	--
Additions to property and equipment.....		(1,702)		(2,099)
		-----		-----
Net cash provided by (used in) investing activities.....		3,379		(2,099)
		-----		-----
Cash flows from financing activities--				
Increase in revolving credit line, net.....	\$	2,687	\$	4,735
Reduction in term loans.....		(2,595)		(799)
Proceeds (reduction) from capital expenditure loan.....		(50)		475
Increase in foreign bank debt.....		1,142		2,557
Other financing activities, net.....		188		--
		-----		-----
Net cash provided by financing activities.....		1,372		6,968
		-----		-----
Changes in cash and cash equivalents--				
Net (decrease) increase in cash and cash equivalents.....	\$	(80)	\$	113
Cash and cash equivalents at beginning of year.....		1,410		972
		-----		-----
Cash and cash equivalents at end of quarter.....	\$	1,330	\$	1,085
		-----		-----
Interest paid.....	\$	2,011	\$	2,264
		-----		-----
Income taxes paid.....	\$	120	\$	61
		-----		-----

See accompanying notes

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JUNE 28, 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.

In the opinion of management, the financial statements contain all adjustments necessary to present fairly the financial position of the Company as of June 28, 1997 and December 28, 1996, and the results of operations for the three and six months ended June 28, 1997 and June 29, 1996 and cash flows for the six months ended June 28, 1997 and June 29, 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 at Victory. Gross proceeds from the sale are expected to amount to approximately \$6,700,000, less amounts for retained liabilities and transaction costs aggregating approximately \$2,600,000. The gross proceeds are subject to post-closing adjustments and have been adjusted from \$7,300,000 at December 28, 1996 to reflect negotiations with the investor

group. 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 the Victory Refrigeration Company subsidiary 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 the Victory Refrigeration Company for the quarter ended June 29, 1996 are as follows:

	JUNE 29, 1996	
	THREE MONTHS	SIX MONTHS
	(DOLLARS IN THOUSANDS)	
Net sales.....	\$ 8,778	\$ 17,814
Operating income	(424)	(303)
(Loss) earnings before taxes.....	(646)	(766)
Provision for taxes.....	(214)	(254)
(Loss) earnings from discontinued operations.....	\$ (432)	\$ (512)

Interest expense of \$222,000 and \$463,000 for the second quarter of 1996 and year to date 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

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

JUNE 28, 1997
(UNAUDITED)

2) DISCONTINUED OPERATION (CONTINUED)

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 June 28, 1997 and December 28, 1996 amounted to \$1,600,000 and \$4,082,000, respectively. The June 28, 1997 amount represents the remaining amount due from the buyers. The Company expects that \$1,200,000 will be received during the third quarter of 1997, with the remaining \$400,000 payable in two annual installments on June, 1998 and June, 1999 with accrued interest. 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 \$1,562,000 for the fiscal six months ended June 28, 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 NOL 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 included stock options and a warrant issued in conjunction with the senior secured note. The terms of the warrant provide for the purchase of 250,000 shares at \$3.00 per share. Alternatively, under certain conditions, the warrant terms provide for the purchase of 200,000 shares at \$0.01 per share. Earnings per share were computed based upon the weighted average number of common shares outstanding of 8,795,000 and 8,715,000 for the fiscal quarters ended June 28, 1997 and June 29, 1996, respectively and 8,758,000 and 8,707,000 for the fiscal year-to-date periods ended June 28, 1997 and June 29, 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 for the basic earnings per share calculation would have been 8,481,000 and 8,405,000 for the fiscal quarters ended June 28, 1997 and June 29, 1996, respectively and 8,476,000 and 8,401,000 for the year-to-date periods ended June 28, 1997 and June 29, 1996, respectively. Diluted earnings per share would not be presented since dilution would be less than three percent. The adoption of this accounting method would not affect earnings per share for the quarter or year-to-date periods ended June 28, 1997 and June 29, 1996.

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

JUNE 28, 1997
(UNAUDITED)

5) INVENTORIES

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

Inventories consist of the following:

	JUNE 28, 1997	DEC. 28, 1996
	-----	-----
	(DOLLARS IN THOUSANDS)	
Raw materials and parts.....	\$ 7,528	\$ 6,492
Work-in-process.....	4,535	4,621
Finished goods.....	12,618	9,843
	-----	-----
	\$ 24,681	\$ 20,956
	-----	-----

6) ACCRUED EXPENSES

Accrued expenses consist of the following:

	JUNE 28, 1997	DEC. 28, 1996
	-----	-----
	(DOLLARS IN THOUSANDS)	
Accrued payroll and related expenses.....	\$ 3,345	\$ 3,567
Accrued commissions.....	1,549	1,392
Accrued warranty.....	1,363	1,252
Other accrued expenses.....	4,048	3,790
	-----	-----
	\$ 10,305	\$ 10,001
	-----	-----

7) RECLASSIFICATIONS AND RESTATEMENT

SALE OF DISCONTINUED OPERATIONS:

The financial statements exclude Victory Refrigeration Company which has been accounted for as a discontinued operation. See Note 2 to the Consolidated 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 June 28, 1997 and June 29, 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.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors
of The Middleby Corporation

We have audited the accompanying consolidated balance sheets of THE MIDDLEBY CORPORATION (a Delaware corporation) and Subsidiaries as of December 28, 1996, and December 30, 1995, and the related consolidated statements of earnings, changes in shareholders' equity and cash flows for each of the three years in the period ended December 28, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Middleby Corporation and Subsidiaries as of December 28, 1996, and December 30, 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 28, 1996, in conformity with generally accepted accounting principles.

As explained in Note 2(n) to the consolidated financial statements, the Company has given retroactive effect to the change in accounting for the 1993 litigation settlement with the Hussmann Corporation.

Arthur Andersen LLP

Chicago, Illinois
February 17, 1997

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 28, 1996 AND DECEMBER 30, 1995
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	1996	RESTATED 1995
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 1,410	\$ 972
Accounts receivable, net.....	19,859	14,058
Inventories, net.....	20,956	18,320
Prepaid expenses and other.....	939	879
Net assets of discontinued operations.....	4,082	12,803
Current deferred taxes.....	2,086	2,086
Total current assets.....	49,332	49,118
Property, plant and equipment, net.....	18,843	17,305
Excess purchase price over net assets acquired, net.....	13,339	13,796
Deferred taxes.....	2,950	2,930
Other assets.....	1,504	2,082
Total assets.....	\$ 85,968	\$ 85,231
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt.....	\$ 3,916	\$ 1,710
Accounts payable.....	10,369	10,587
Accrued expenses.....	10,001	8,075
Total current liabilities.....	24,286	20,372
Long-term debt.....	37,352	41,318
Minority interest and other non-current liabilities.....	1,880	1,783
Shareholders' equity:		
Preferred stock, \$.01 par value; none issued.....	--	--
Common stock, \$.01 par value; 8,468,000 and 8,388,000 shares issued and outstanding in 1996 and 1995, respectively.....	85	84
Paid-in capital.....	28,108	27,934
Cumulative translation adjustment.....	(184)	(228)
Accumulated deficit.....	(5,559)	(6,032)
Total shareholders' equity.....	22,450	21,758
Total liabilities and shareholders' equity.....	\$ 85,968	\$ 85,231

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

FOR THE FISCAL YEARS ENDED DECEMBER 28, 1996, DECEMBER 30, 1995
AND DECEMBER 31, 1994
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	1996	RESTATED 1995	RESTATED 1994
Net sales.....	\$ 124,765	\$ 106,348	\$ 94,158
Cost of sales.....	87,330	73,841	65,594
Gross margin.....	37,435	32,507	28,564
Selling and distribution expenses.....	18,319	15,385	13,398
General and administrative expenses.....	10,439	9,326	8,573
Provision for product line discontinuance.....	--	900	--
Income from operations.....	8,677	6,896	6,593
Interest expense and deferred financing amortization.....	4,351	4,327	3,262
Other (income) expense, net.....	(146)	(36)	482
Earnings before income taxes.....	4,472	2,605	2,849
Provision (benefit) for income taxes.....	1,389	(140)	614

Earnings from continuing operations.....	3,083	2,745	2,235
Discontinued operations, net of income tax:			
(Loss) earnings from discontinued operations.....	(744)	419	505
Loss on disposal including operating losses during the phase out period.....	(1,866)	--	--
Net earnings.....	\$ 473	\$ 3,164	\$ 2,740
Net earnings (loss) per share:			
Continuing operations.....	\$ 0.35	\$ 0.31	\$ 0.26
Discontinued operations.....	(0.30)	0.05	0.06
Net earnings per share.....	\$ 0.05	\$ 0.36	\$ 0.32

The accompanying Notes to Consolidated Financial Statements
are an integral part of these statements.

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE FISCAL YEARS ENDED DECEMBER 28, 1996, DECEMBER 30, 1995
AND DECEMBER 31, 1994
(DOLLARS IN THOUSANDS)

	COMMON STOCK	PAID-IN CAPITAL	ACCUMULATED DEFICIT	CTA	TOTAL
BALANCE, January 1, 1994 (restated).....	\$ 83	\$ 22,207	\$ (11,936)	\$ (254)	\$ 10,100
Net earnings (restated).....	--	--	2,740	--	2,740
NOL utilization and change in tax asset valuation allowance.....	--	1,924	--	--	1,924
Exercise of employee stock options.....	--	23	--	--	23
Change in cumulative translation adjustment.....	--	--	--	(130)	(130)
BALANCE, December 31, 1994 (restated).....	\$ 83	\$ 24,154	\$ (9,196)	\$ (384)	\$ 14,657
Net earnings (restated).....	--	--	3,164	--	3,164
NOL utilization and change in tax asset valuation allowance.....	--	3,409	--	--	3,409
Exercise of employee stock options.....	1	121	--	--	122
Issuance of deferred warrant.....	--	250	--	--	250
Change in cumulative translation adjustment.....	--	--	--	156	156
BALANCE, December 30, 1995 (restated).....	\$ 84	\$ 27,934	\$ (6,032)	\$ (228)	\$ 21,758
Net earnings.....	--	--	473	--	473
Exercise of employee stock options.....	1	174	--	--	175
Change in cumulative translation adjustment.....	--	--	--	44	44
BALANCE, December 28, 1996.....	\$ 85	\$ 28,108	\$ (5,559)	\$ (184)	\$ 22,450

The accompanying Notes to Consolidated Financial Statements
are an integral part of these statements.

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED DECEMBER 28, 1996, DECEMBER 30, 1995
AND DECEMBER 31, 1994

(DOLLARS IN THOUSANDS)

	1996	RESTATED 1995	RESTATED 1994
Cash flows from operating activities--			
Net earnings.....	\$ 473	\$ 3,164	\$ 2,740
Adjustments to reconcile net earnings to net cash provided by continuing operating activities--			
Depreciation and amortization.....	2,752	3,024	2,107
Utilization of NOL.....	98	(137)	601
Discontinued operations.....	2,610	(419)	(505)
Cash effects of changes in--			
Accounts receivable.....	(5,801)	862	(2,782)
Inventories.....	(2,636)	(3,147)	812
Prepaid expenses and other assets.....	(99)	911	28
Accounts payable.....	(218)	3,071	(785)
Accrued expenses and other liabilities.....	1,925	(198)	2,463
Net cash (used in) provided by continuing operating activities.....	(896)	7,131	4,679
Net cash provided by (used in) discontinued operating activities.....	1,311	(2,268)	408
Net cash provided by operating activities.....	415	4,863	5,087
Cash flows from investing activities--			
Additions to property and equipment.....	\$ (2,966)	\$ (2,728)	\$ (1,922)
Proceeds from sale and leaseback of discontinued operations.....	4,800	--	--
Net cash received from sale of investment.....	--	1,337	--
Net cash provided by (used in) investing activities.....	1,834	(1,391)	(1,922)
Cash flows from financing activities--			
Proceeds from senior secured note.....	\$ --	\$ 15,000	\$ --
Proceeds from credit facility.....	--	31,000	--
Extinguishment of bank debt.....	--	(44,055)	--
Reduction in revolving credit line, net.....	(425)	(1,000)	(3,366)
Reduction in term loans.....	(3,597)	(2,932)	(20)
Proceeds from foreign bank debt.....	2,233	1,200	--
Cost of financing activities.....	--	(1,726)	--
Other financing activities, net.....	(22)	(640)	457
Net cash used in financing activities.....	(1,811)	(3,153)	(2,929)
Changes in cash and cash equivalents--			
Net increase in cash and cash equivalents.....	\$ 438	\$ 319	\$ 236
Cash and cash equivalents at beginning of year.....	972	653	417
Cash and cash equivalents at end of year.....	\$ 1,410	\$ 972	\$ 653

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) NATURE OF OPERATIONS

The Middleby Corporation (the "Company") is engaged in the design, manufacture and sale of commercial and institutional foodservice equipment. Its major lines of products consist of conveyor ovens, toasters, counter-top cooking and warming equipment, heavy duty gas ovens, convection ovens, broilers, steamers and semi-custom fabrication units. The Company manufactures and assembles most of this equipment at two factories in the United States and one operation in the Philippines. The Company conducts its business principally through three domestic and two international divisions. Each division operates primarily on a decentralized basis.

The Company's products are sold primarily to independent dealers and distributors and are marketed primarily through the Company's sales personnel and network of independent manufacturers' representatives. The Company's customers include: (i) fast food or quick-service restaurants, including those restaurants that primarily offer pizza, (ii) full-service restaurants, including casual-theme restaurants, (iii) retail outlets, such as convenience stores, supermarkets and department stores and (iv) public and private institutions, such as hotels, resorts, schools, hospitals, long-term care facilities, correctional facilities, stadiums, airports, corporate cafeterias, military facilities and government agencies. Included in these customers are several large multi-national restaurant chains which account for a significant portion of the Company's business, although no single customer accounts for more than

10% of net sales.

The Company purchases raw materials and component parts, the majority of which are standard commodity type materials, from a number of suppliers. Although certain component parts are procured from a sole source, the Company can purchase such parts from alternate vendors.

The Company has numerous licenses and patents to manufacture, use and sell its products and equipment. Certain of these licenses begin to expire in the year 2000. Management believes the loss of any one of these licenses or patents would not have a material adverse effect on the financial and operating results of the Company.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PRESENTATION

The Consolidated Financial Statements include the accounts of the Company and its wholly-owned and majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Company's fiscal year ends on the Saturday nearest December 31. Fiscal years 1996, 1995 and 1994 ended on December 28, 1996, December 30, 1995 and December 31, 1994, respectively, and each included 52 weeks.

(B) ACCOUNTS RECEIVABLE

Accounts receivable, as shown in the consolidated balance sheets, is net of allowances for doubtful accounts of \$495,000 and \$413,000 at December 28, 1996 and December 30, 1995, respectively.

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) INVENTORIES

Inventories are stated at the lower of cost or market. Cost is determined utilizing the first-in, first-out (FIFO) inventory method. Inventories, as of December 28, 1996 and December 30, 1995, are as follows:

	1996	RESTATED 1995
	-----	-----
	(DOLLARS IN	THOUSANDS)
Raw materials and parts.....	\$ 6,492	\$ 6,338
Work in process.....	4,621	4,652
Finished goods.....	9,843	7,330
	-----	-----
	\$ 20,956	\$ 18,320
	-----	-----

The amounts shown above are net of inventory reserves of \$946,000 and \$1,016,000 as of December 28, 1996 and December 30, 1995, respectively.

(D) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost as follows:

	1996	RESTATED 1995
	-----	-----
	(DOLLARS IN	THOUSANDS)
Land and improvements.....	\$ 3,322	\$ 3,293

Building and improvements.....	11,012	10,206
Machinery and equipment.....	16,250	14,516
	-----	-----
	30,584	28,015
Less accumulated depreciation.....	(11,741)	(10,710)
	-----	-----
Property, plant and equipment, net.....	\$ 18,843	\$ 17,305
	-----	-----
	-----	-----

Depreciation is provided for financial statement purposes using the straight-line method and amounted to \$1,594,000, \$1,543,000 and \$1,547,000 in fiscal 1996, 1995 and 1994, respectively. Following is a summary of the estimated useful lives:

DESCRIPTION	LIFE
-----	-----
Land improvements.....	7 years
Building and improvements.....	20 to 40 years
Machinery and equipment.....	3 to 10 years

Expenditures which significantly extend useful lives are capitalized. Maintenance and repairs are charged to expense as incurred.

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
(E) EXCESS PURCHASE PRICE OVER NET ASSETS ACQUIRED

The excess purchase price over net assets acquired is being amortized using a straight-line method over 40 years. Amounts presented are net of accumulated amortization of \$4,216,000 in fiscal 1996 and \$3,759,000 in fiscal 1995. The Company periodically evaluates the useful life and realizability of the excess purchase price over net assets acquired based on current events and circumstances. Impairments are measured utilizing an undiscounted forecasted income method pertaining to business units and are recorded at the time management deems an impairment has occurred.

(F) INTANGIBLE ASSETS

Trademarks, patents, license agreements and other intangibles, included in other assets in the consolidated balance sheets, are being amortized on a straight-line basis over estimated useful lives ranging from 5 to 14 years. Net recorded intangible assets of \$243,000 and \$364,000 are presented net of accumulated amortization of \$2,314,000 and \$2,193,000 in fiscal 1996 and 1995, respectively.

(G) ACCRUED EXPENSES

Accrued expenses consist of the following:

	1996	RESTATED 1995
	-----	-----
	(DOLLARS IN THOUSANDS)	
Accrued payroll and related expenses.....	\$ 3,567	\$ 3,200
Accrued commissions.....	1,392	1,190
Accrued warranty.....	1,252	879
Other accrued expenses.....	3,790	2,806
	-----	-----
	\$ 10,001	\$ 8,075
	-----	-----

(H) RESEARCH AND DEVELOPMENT COSTS

Research and development costs, included in cost of sales in the consolidated statements of earnings, are charged to expense when incurred. These costs were \$1,515,000, \$1,438,000 and \$1,295,000 in fiscal 1996, 1995 and 1994, respectively.

(I) EARNINGS PER SHARE

Primary earnings per share is based upon the weighted average number of outstanding shares of common stock and common stock equivalents. The weighted average number of shares outstanding was 8,666,000, 8,678,000 and 8,434,000 shares for the fiscal years 1996, 1995 and 1994, respectively. Fully diluted earnings per common and common equivalent shares are not presented, since dilution is less than 3%.

(J) CONSOLIDATED STATEMENTS OF CASH FLOWS

For purposes of the consolidated statements of cash flows, the Company considers all highly liquid instruments with a maturity of three months or less to be cash equivalents. Cash paid for interest was \$4,397,000, \$4,076,000 and \$4,060,000 in fiscal 1996, 1995 and 1994, respectively. Cash payments

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

totaling \$256,000, \$371,000 and \$192,000 were made for income taxes during fiscal 1996, 1995 and 1994, respectively.

(K) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(L) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of all assets and liabilities approximates the fair value of those financial instruments.

(M) ADOPTION OF ACCOUNTING STANDARDS

In fiscal 1996, the Company adopted "SFAS 121: Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets To Be Disposed Of" and "SFAS 123: Accounting for Stock-Based Compensation." The adoption of these accounting standards did not have a material impact on the financial statements.

(N) RESTATEMENTS

SALE OF DISCONTINUED OPERATIONS:

The financial statements presented have been restated for all periods presented to exclude the Victory Refrigeration Company which has been accounted for as a discontinued operation. See Note 3 to the Consolidated Financial Statements.

LITIGATION SETTLEMENT ACCOUNTING:

During 1996, the Company restated its accounting for proceeds received from the September 1993 litigation settlement with the Hussmann Corporation in accordance with generally accepted accounting principles (GAAP). This settlement related to a dispute arising from the Company's acquisition of the Hussmann Corporation's Foodservice Equipment Group in July 1989. The effect of this accounting change was to record a greater gain from the 1993 litigation settlement. Certain assets related to the 1989 acquisition, that were

written-off in conjunction with the Company's original accounting for the settlement in 1993, have been restored in the historical balance sheets or written-off prior to 1993. This accounting has been reflected in the respective periods in the Consolidated Financial Statements.

The effect on the 1991 financial statements was to write-off amounts related to the 1991 arbitration settlement, and other amounts due from Hussmann, deemed to be unrealizable under the revised accounting treatment. This resulted in a decrease to net earnings, excess purchase price over net assets acquired, and shareholders equity of \$3,902,000. The effect on the 1993 financial statements was to record a greater gain on the settlement, resulting in an increase to net earnings and shareholders equity of \$10,936,000. Excess purchase price over net assets acquired and property, plant and equipment

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

were also increased by \$10,936,000 to restore amounts written-off under the original accounting treatment. The resulting impact on non-cash amortization and depreciation charges was to increase such amounts by \$104,000, \$310,000 and \$310,000 in 1993, 1994 and 1995, respectively. The net effect of these restatements on earnings per share resulted in a decrease of \$0.47 in 1991, an increase of \$1.29 in 1993, a decrease of \$0.04 in 1994 and a decrease of \$0.03 in 1995.

(3) 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 at Victory. Gross proceeds from the sale are expected to amount to approximately \$7,300,000, less amounts for retained liabilities and transaction costs aggregating approximately \$2,600,000. The proceeds are subject to post-closing adjustments. 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 are as follows:

	1996	1995	1994
	-----	-----	-----
	(DOLLARS IN THOUSANDS)		
Net sales.....	\$ 27,261	\$ 32,841	\$ 35,809
Operating (loss) income.....	(458)	1,642	1,572
(Loss) earnings before taxes.....	(1,111)	603	754
Provision for taxes.....	(367)	184	249
	-----	-----	-----
(Loss) earnings from discontinued operations.....	(744)	419	505
Estimated loss on disposal including operating results during the phase-out period.....	(1,866)	--	--
	-----	-----	-----
Total (loss) earnings related to discontinued operations.....	\$ (2,610)	\$ 419	\$ 505
	-----	-----	-----

During the fourth quarter of 1996, the Company provided for additional losses on the disposal of Victory of \$495,000, net of taxes. The additional provision was required due to higher than anticipated operating losses prior to the sale of Victory. The loss on disposal of Victory consists primarily of operating losses of \$1,409,000 during the fourth quarter of 1996 and \$457,000

during 1997 until the sale was completed. The effective tax rate included in these amounts differs from the U.S. statutory rate due to permanent book versus tax differences.

Interest expense of \$809,000, \$771,000 and \$818,000 for 1996, 1995 and 1994, respectively, 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

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(3) DISCONTINUED OPERATION (CONTINUED)

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 December 28, 1996 and December 30, 1995 amounted to \$4,082,000 and \$12,803,000, respectively, and consist primarily of receivables, inventory, and property, plant and equipment related to the discontinued operations, net of accounts payable, accrued liabilities and closing costs associated with the sale. Property and plant are not included in the December 28, 1996 amount, as the sale and leaseback transaction was completed on December 27, 1996.

(4) FINANCING ARRANGEMENTS

The following is a summary of long-term debt as of December 28, 1996 and December 30, 1995.

	1996	1995
	-----	-----
	(DOLLARS IN THOUSANDS)	
Senior secured credit facility:		
Revolving credit line.....	\$ 14,575	\$ 15,000
Term loans.....	8,362	11,959
Senior secured note.....	15,000	15,000
Other.....	3,331	1,069
	-----	-----
	41,268	43,028
Less current maturities of long-term debt.....	3,916	1,710
	-----	-----
Total long-term debt.....	\$ 37,352	\$ 41,318
	-----	-----

On January 10, 1995, the Company's subsidiaries consummated a \$57,500,000 financing package to replace the existing bank debt and provide working capital for future growth. The financing included a \$42,500,000 senior secured credit facility from a group of lenders led by an affiliate of a major international bank and a \$15,000,000 senior secured note placement with a major insurance company.

The senior secured credit facility included a \$15,000,000 five-year term loan, a \$2,500,000 capital expenditure facility renewable annually, and a \$25,000,000 revolving credit line expiring in January, 2000. Borrowings under the revolving credit line are limited to specified percentages of defined accounts receivable and inventories. The credit agreement initially permitted borrowings for the term loan and revolving credit line at floating rates of 2.5% above LIBOR rate or 1.0% above base rate. The interest rate can be adjusted quarterly based on the Company's achievement of defined coverage ratios on a rolling four quarter basis. As of December 28, 1996, borrowings under LIBOR contracts were at 2.5% above the LIBOR rate and borrowings under prime rate contracts were at 1.0% above the base rate. A facility fee of 0.0625% is payable annually and a commitment fee of 0.375% is charged on the unused portion of the revolving credit facility and capital expenditure facility. The term loan is repayable in quarterly installments that total \$2,325,000 in 1997, plus a one-time payment of \$1,470,000 related to the sale of Victory due also in 1997.

Additional scheduled repayments towards the term loan will total \$2,625,000 in 1998 and \$1,517,000 in 1999. The outstanding capital expenditure loans of \$425,000 are repayable in quarterly installments that total \$100,000 in each of 1997, 1998, and 1999 with a lump sum payment of \$125,000 or the remaining balance on January 2, 2000. Mandatory prepayments are required in the case of any excess cash flow, as defined, or in the event of any sale or disposition of assets. The credit facility

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(4) FINANCING ARRANGEMENTS (CONTINUED)

is secured by a senior security interest of substantially all property, plant and equipment and all accounts receivable and inventory of the Company's domestic subsidiaries.

As of December 28, 1996, the Company's revolving credit facility provided \$23,650,000 of total borrowing availability. There was \$14,575,000 outstanding under that facility at December 28, 1996. The Company had executed letters of credit of \$632,000 against this facility, leaving an available line of credit of \$8,443,000 at December 28, 1996. As of December 28, 1996, the assets of Victory provided \$5,412,000 of the \$23,650,000 total borrowing availability of the revolving credit facility.

The senior secured note bears interest at 10.99% and has an eight-year term maturing January 2003 with semi-annual payments of \$2,500,000 beginning in July 2000. A warrant for the purchase of 250,000 shares of Common Stock of the Company at an exercise price of \$3.00 per share was issued in conjunction with the note. Alternatively, the terms of the warrant provide for the purchase of 200,000 shares at \$0.01 per share. The note agreement is secured by a senior security interest in substantially all the intellectual property collateral of the Company's subsidiaries.

The terms of the credit and note agreements prohibit the paying of dividends, limit capital expenditures and leases, and require, among other terms, a minimum amount, as defined, of shareholders' equity, and minimum ratios of current assets to current liabilities, cash flow coverage indebtedness and fixed charged coverage. The credit and note agreements also provide that if a material adverse change in the Company's business operations or conditions occurs, the lender and noteholder could declare an event of default. The Company was in compliance with all covenants as amended for the period ending December 28, 1996.

A foreign subsidiary of the Company had borrowings of \$3,433,000 at December 28, 1996, including a \$1,700,000 term loan and a \$1,733,000 omnibus revolving credit line. The term loan is secured by the real property of the foreign subsidiary. The revolving credit line is guaranteed by the Company. Interest on both the term loan and the revolving credit line are at the prevailing bank rate. The term loan is repayable in twenty equal quarterly installments starting on March 31, 1998 and the revolving credit line is payable in full on January 1, 1998 if not renewed for an additional one-year period.

The weighted average interest rates under credit agreements during fiscal 1996, 1995 and 1994 were 9.3%, 9.5% and 8.7%, respectively.

The aggregate amount of long-term debt payable during each of the next five years is as follows:

	(DOLLARS IN THOUSANDS)	
1997.....	\$	3,916
1998.....		4,819
1999.....		1,963
2000.....		17,390
2001.....		5,340
Thereafter.....		7,840

Total.....	\$	41,268

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(5) COMMON AND PREFERRED STOCK

(A) SHARES AUTHORIZED

At December 28, 1996 and December 30, 1995, the Company had 20,000,000 shares of Common Stock and 2,000,000 shares of Preferred Stock authorized.

(B) WARRANT

In conjunction with the issuance of the senior secured notes in January 1995 (see Note 4), the Company issued a transferrable warrant to the noteholders for the purchase of 250,000 shares of Common Stock at an exercise price of \$3.00 per share. Alternatively under certain conditions, the terms of the warrant provide for the purchase of 200,000 shares at \$0.01 per share. The warrant provides for adjustment of the exercise price if the Company issues additional shares at a purchase price below the then current market price, as defined, and for adjustment of the number of shares if the Company declares a stock dividend. The warrant became exercisable on February 10, 1995 and expires July 10, 2003.

(C) STOCK OPTIONS

The Company maintains an Amended and Restated 1989 Stock Incentive Plan (the "Plan"), effective as of February 16, 1989, which provides key employees of the Company rights to purchase shares of Common Stock at the fair market value of the stock on the date of grant. The Plan was amended in 1996, by shareholder approval, to increase the maximum amount that can be issued under the Plan to 400,000 shares from 200,000 shares. Options may be exercised upon certain vesting requirements being met but expire, to the extent unexercised, within a maximum of ten years from the date of grant. 147,075 shares remain available for issue at December 28, 1996 under the Plan. The weighted average exercise price of options outstanding under the Plan was \$4.43 at December 28, 1996 and \$3.10 at December 30, 1995.

In addition to the above Plan, the directors of the Company have options for 7,000 shares exercisable at \$1.875 per share and 75,000 shares exercisable at \$7.50 per share.

A summary of stock option activity is presented below:

STOCK OPTION ACTIVITY	KEY EMPLOYEES	DIRECTORS	OPTION PRICE PER SHARE
Outstanding at, December 31, 1994.....	140,000	9,000	\$1.25 to \$4.38
Granted.....	39,000	--	\$5.63
Exercised.....	(22,000)	--	\$1.25 to \$4.38
Forfeited.....	(2,000)	--	\$3.00
Outstanding at, December 30, 1995.....	155,000	9,000	\$1.25 to \$5.63
Granted.....	60,000	75,000	\$5.25 to \$7.50
Exercised.....	(72,500)	(2,000)	\$1.25 to \$4.38
Forfeited.....	(5,900)	--	\$3.00 to \$5.63
Outstanding at, December 28, 1996.....	136,600	82,000	\$1.25 to \$7.50

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(5) COMMON AND PREFERRED STOCK (CONTINUED)

The weighted average fair value of options granted was \$5.78 and \$3.82 in 1996 and 1995, respectively. The Company accounts for options under APB Opinion No. 25, under which no compensation cost has been recognized. Had compensation cost for these options been recorded, the Company's net income and earnings per share would have been reduced as follows:

		1996		RESTATED 1995	
		(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)			
Earnings from continuing operations.....	As reported	\$	3,083	\$	2,745
	Pro forma	\$	2,893	\$	2,671
Net earnings.....	As reported	\$	473	\$	3,164
	Pro forma	\$	283	\$	3,090
Continuing operations EPS.....	As reported	\$	0.35	\$	0.31
	Pro forma	\$	0.33	\$	0.31
EPS.....	As reported	\$	0.05	\$	0.36
	Pro forma	\$	0.03	\$	0.36

Under SFAS 123, the fair value of each option grant is estimated on the date of grant using the following general assumptions for 1995 and 1996: risk-free interest rate of 6.5%, no expected dividend yield, expected lives of four to five years, and an expected annual increase in stock value of ten percent.

(6) PROVISION FOR PRODUCT LINE DISCONTINUANCE AND RESTRUCTURING CHARGE

Company management made the decision to discontinue the production of a unique line of mixers during the fourth quarter of 1995. A provision of \$900,000 was recorded for this product line discontinuance. The charge related to the disposal and rationalization of assets associated with the product line and its operations. No changes in operating personnel were made as a result of this decision.

(7) INCOME TAXES

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

The provision for income taxes for continuing operations is summarized as follows:

	1996	RESTATED 1995	RESTATED 1994
(DOLLARS IN THOUSANDS)			
Federal.....	\$ 1,153	\$ (385)	\$ 460
State and local.....	188	183	144
Foreign.....	48	62	10
Total.....	\$ 1,389	\$ (140)	\$ 614

(7) INCOME TAXES (CONTINUED)

Although the Company is not a federal taxpayer due to its NOL carry-forwards, a tax provision is still required to be recorded. The majority

of the NOL carry-forwards expiring prior to 1998 relate to a 1983 quasi-reorganization and were not recorded as a credit to the tax provision, but were directly credited to paid-in-capital. NOLs expiring in 1998 and thereafter will be recorded entirely as a credit to the tax provision as they are recognized. Reconciliation of the differences between income taxes computed at the federal statutory rate and effective rate are as follows:

	1996	RESTATED 1995	RESTATED 1994
U.S. federal statutory tax rate.....	34.0%	34.0%	34.0%
Utilizations of NOL and reductions in valuation allowance.....	(19.3)	(65.6)	(18.1)
Permanent book vs. tax differences.....	1.2	15.5	7.6
Foreign tax losses and rate differentials.....	11.0	3.7	(7.0)
State taxes, net of federal benefit.....	4.2	7.0	5.1
Consolidated effective tax rate for continuing operations.....	31.1%	(5.4%)	21.6%

As of December 28, 1996 and December 30, 1995, the Company had recorded the following deferred tax assets and liabilities which were comprised of the following:

	1996	RESTATED 1995
(DOLLARS IN THOUSANDS)		
Deferred tax assets:		
Net operating loss carry-forwards.....	\$ 12,073	\$ 13,736
Tax credit carry-forwards.....	1,503	1,426
Accrued pension benefits.....	703	606
Accrued warranty.....	641	469
Other.....	1,141	960
Valuation allowance.....	(9,437)	(10,515)
Deferred tax assets.....	6,624	6,682
Deferred tax liabilities:		
Depreciation.....	(1,588)	(1,666)
Net deferred tax assets.....	\$ 5,036	\$ 5,016

As of December 28, 1996, the consolidated tax loss carry-forwards for federal income tax purposes were approximately \$12,073,000 on a tax effected basis. These carry-forwards expire as follows: \$6,849,000 in 1997; \$3,000 in 1998; \$264,000 in 2001; \$508,000 in 2004; \$1,619,000 in 2005; \$1,913,000 in 2006; and \$917,000 in 2007. Consolidated business tax credit carry-forwards available at December 28, 1996 to reduce future tax liabilities were approximately \$898,000 and expire from 1996 through 2000. The Company also has tax credits of approximately \$605,000 resulting from federal AMT payments which do not expire.

The decrease in the gross tax asset and the related valuation allowance was primarily due to the utilization of NOL carry-forwards during the year. The utilization of the NOL and credit carry-forwards depends on future taxable income during the applicable carry-forward periods. Management evaluates

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.

(8) COMMITMENTS AND CONTINGENCIES

The Company leases office and plant facilities and equipment under operating leases which expire in fiscal 1997 through 2001. Rental expense was \$692,000, \$816,000 and \$897,000 in fiscal 1996, 1995 and 1994, respectively. Future minimum rental payments under these leases are as follows:

(DOLLARS IN THOUSANDS)	
1997.....	\$ 782
1998.....	709
1999.....	550
2000.....	552
2001.....	405
Thereafter.....	--

Total.....	\$ 2,998

In addition to the above, the Company entered into an agreement with the landlord of the Victory facility (before that subsidiary was sold--see Note 3) to guarantee Victory's lease payments. The duration of this lease guarantee is 19 months. The contingent liability related to this guarantee totals approximately \$996,000 at December 28, 1996. This contingent liability is scheduled to decrease by approximately \$52,400 per month during fiscal 1997.

(9) SEGMENT INFORMATION

The Company is engaged in the manufacture and sale of commercial and institutional food cooking and preparation equipment for the foodservice industry. The Company's principal operations are in the United States, with a majority of sales made to domestic dealers and distributors. No customer accounted for 10% or more of sales during fiscal 1996, 1995 and 1994.

Sales outside the United States, based on dealer locations, are given below. These export sales represented 37%, 36% and 35% of the Company's net sales in fiscal 1996, 1995 and 1994, respectively. Additionally, a small amount of sales to U.S. customers are transshipped by those customers for installation at their international locations.

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(9) SEGMENT INFORMATION (CONTINUED)

The following represents net sales as reported by each major geographic region:

	1996	RESTATED 1995	RESTATED 1994
	-----	-----	-----
(DOLLARS IN THOUSANDS)			
United States.....	\$ 78,594	\$ 67,878	\$ 60,971
	-----	-----	-----
Asia/Pacific.....	25,606	20,161	13,641
Europe/other.....	11,248	10,430	8,986
Latin America.....	5,281	4,036	6,790
Canada.....	4,036	3,843	3,770
	-----	-----	-----
Total international.....	46,171	38,470	33,187
	-----	-----	-----

Total net sales.....	\$ 124,765	\$ 106,348	\$ 94,158
	-----	-----	-----
	-----	-----	-----

(10) EMPLOYEE BENEFIT PLANS

The Company has a discretionary profit sharing plan and a 401(k) savings plan for salaried and non-union hourly employees. The company had profit sharing expense of \$350,000, \$325,000 and \$300,000 in fiscal 1996, 1995 and 1994, respectively.

The Company has a defined benefit pension plan for union hourly plant employees at the Elgin, Illinois facility. The company's funding policy is to contribute the minimum required by the Employee Retirement Income Security Act of 1974. The plan had projected benefit obligations of \$1,911,000 and \$1,653,000 at December 28, 1996 and December 30, 1995, respectively. The market values of plan assets were \$1,549,000 and \$1,371,000 at December 28, 1996 and December 30, 1995, respectively. The discount rates used to determine the projected benefit obligations were 7.5% and 7.5% for 1996 and 1995, respectively. The net pension expense for this plan was \$155,000, \$140,000 and \$185,000 for fiscal 1996, 1995 and 1994, respectively.

In fiscal 1993, the Company adopted a non-qualified defined benefit pension plan for certain officers of the Company and entered into a retirement benefit agreement with its President. The Company also has a retirement benefit agreement with its Chairman. The retirement benefit is based on a percentage of the officer's final base salary and the number of years of employment. The projected benefit obligations under these agreements were \$2,067,000 and \$1,812,000 at December 28, 1996 and December 30, 1995, respectively, and are currently unfunded. The discount rates used to determine the projected benefit obligations were 7.5% and 7.5% for 1996 and 1995, respectively. Retirement benefit expense was \$255,000, \$255,000 and \$259,000 in fiscal 1996, 1995 and 1994, respectively.

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THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(11) QUARTERLY DATA (UNAUDITED)

	RESTATEd			
	FIRST	SECOND	THIRD	FOURTH
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)			
1996				
Net sales.....	\$ 29,510	\$ 28,661	\$ 31,400	\$ 35,194
Gross margin.....	8,567	8,529	9,373	10,966
Operating income.....	2,288	1,671	2,062	2,656
Earnings from continuing operations.....	766	401	624	1,292
(Loss) earnings from discontinued operations.....	(80)	(432)	(1,603)	(495)
Net earnings (loss).....	\$ 686	\$ (31)	\$ (979)	\$ 797
Net earnings (loss) per share:				
Continuing operations.....	\$ 0.09	\$ 0.04	\$ 0.07	\$ 0.15
Discontinued operations.....	(0.01)	(0.04)	(0.19)	(0.06)
Net earnings (loss) per common share.....	\$ 0.08	\$ 0.00	\$ (0.12)	\$ 0.09
1995				
Net sales.....	\$ 25,743	\$ 25,646	\$ 27,558	\$ 27,401
Gross margin.....	7,667	7,492	8,389	8,959
Operating income.....	1,836	1,484	2,117	1,459
Earnings from continuing operations.....	497	437	739	1,072
(Loss) earnings from discontinued operations.....	168	180	144	(73)
Net earnings.....	\$ 665	\$ 617	\$ 883	\$ 999
Net earnings (loss) per share:				
Continuing operations.....	\$ 0.06	\$ 0.05	\$ 0.08	\$ 0.12
Discontinued operations.....	0.02	0.02	0.02	(0.01)
Net earnings per common share.....	\$ 0.08	\$ 0.07	\$ 0.10	\$ 0.11

NO DEALER, SALESPERSON OR ANY OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING COVERED BY THIS PROSPECTUS. IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE SELLING STOCKHOLDERS OR THE UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, THE COMMON STOCK IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE FACTS SET FORTH IN THIS PROSPECTUS OR IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

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2,610,000 SHARES

[THE MIDDLEBY CORPORATION]

COMMON STOCK
(\$0.01 PAR VALUE)

SCHRODER & CO. INC.
BREAN MURRAY & CO., INC.

, 1997

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the various expenses payable by the Registrant in connection with the sale and distribution of the securities being registered, other than underwriting discounts. All of the amounts shown are

estimated except the Securities and Exchange Commission registration fee, the Nasdaq National Market System filing fee and the NASD filing fee. All of such expenses will be paid by the Registrant.

SEC registration fee.....	\$	8,243
Nasdaq National Market System filing fee.....		17,500
NASD filing fee.....		3,220
Printing and engraving expenses.....		100,000
Legal fees and expenses.....		75,000
Accounting fees and expenses.....		50,000
Transfer agent and registrar fees.....		2,500
Miscellaneous.....		43,537

Total.....	\$	300,000

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law ("Delaware GCL") empowers a corporation, subject to certain limitations, to indemnify its directors and officers against expenses (including attorneys' fees, judgments, fines and certain settlements) actually and reasonably incurred by them in connection with any suit or proceeding to which they are a party, so long as they acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to a criminal action or proceeding, so long as they had no reasonable cause to believe their conduct to have been unlawful. Such indemnification may extend to certain liabilities under the Securities Act of 1933. The Registrant's Certificate of Incorporation provides that the Registrant shall indemnify its directors and such of its officers, employees and agents as the Board of Directors may determine from time to time, to the fullest extent permitted by Section 145 of the Delaware GCL.

Section 102 of the Delaware GCL permits a Delaware corporation to include in its certificate of incorporation a provision eliminating or limiting a director's liability to a corporation or its stockholders for monetary damages for breaches of fiduciary duty. The enabling statute provides, however, that liability for breaches of the duty of loyalty, acts or omissions not in good faith or involving intentional misconduct, or knowing violation of the law, and the unlawful purchase or redemption of stock or payment of unlawful dividends or the receipt of improper personal benefits cannot be eliminated or limited in this manner. The Registrant's Certificate of Incorporation includes a provision which eliminates, to the fullest extent permitted, director liability for monetary damages for breaches of fiduciary duty.

The Registrant has purchased liability coverage for its officers and directors insuring such officers and directors against losses arising from any wrongful act in his or her capacity as an officer or director.

The form of Underwriting Agreement filed as Exhibit 1 hereto provides for the indemnification of the Registrant, its directors and officers and each person who controls the Registrant within the meaning of the Securities Act of 1933 or the Securities Exchange Act of 1934, by the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933. Indemnification provisions are also contained in the warrant incorporated by reference as Exhibit 4.2 hereto and the employment agreement incorporated by reference as Exhibit 10.13 hereto.

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ITEM 16. EXHIBITS

EXHIBIT

NO. DESCRIPTION

1 Form of Underwriting Agreement

- 3.1 Unofficial Restated Certificate of Incorporation of The Middleby Corporation (as amended to August 23, 1996), incorporated by reference to the Company's Form 10-Q/A, Amendment No. 1, Exhibit 3(i), for the fiscal quarter ended June 29, 1996, filed on August 23, 1996
- 3.2 Unofficial Amended and Restated Bylaws of The Middleby Corporation (as amended to August 23, 1996), incorporated by reference to the Company's Form 10-Q/A, Amendment No. 1, Exhibit 3(ii), for the fiscal quarter ended June 29, 1996, filed on August 23, 1996
- 4.1 Certificate of Designations dated October 30, 1987, and specimen stock certificate relating to the Company's Preferred Stock, incorporated by reference from the Company's Form 10-K, Exhibit (4), for the fiscal year ended December 31, 1988, filed on March 15, 1989
- 4.2 Warrant to purchase common stock of The Middleby Corporation dated January 10, 1995, incorporated by reference to the Company's Form 10-K, Exhibit (4) (d), for the fiscal year ended December 31, 1994, filed on March 31, 1995
- 5 Opinion of D'Ancona & Pflaum
- 10.1 Loan and Security Agreement dated January 9, 1995, by and among Middleby Marshall Inc. and Asbury Associates, Inc., as Borrowers, certain lenders named therein, as Lenders, and Sanwa Business Credit Corporation, as Agent and Lender, incorporated by reference to the Company's Form 10-K, Exhibit (4) (b), for the fiscal year ended December 31, 1994, filed on March 31, 1995
- 10.2 First Amendment to Loan and Security Agreement, incorporated by reference to the Company's Form 10-Q, Exhibit (4) (b) (i), for the fiscal quarter ended June 29, 1996, filed on August 13, 1996
- 10.3 Second Amendment to Loan and Security Agreement, dated as of December 26, 1996, incorporated by reference to the Company's Form 10-K, Exhibit 4(b) (ii), for the fiscal year ended December 28, 1996
- 10.4 Third Amendment to Loan and Security Agreement, dated as of January 22, 1997, incorporated by reference to Company's Form 10-K, Exhibit 4(b) (iii), for the fiscal year ended December 28, 1996
- 10.5 Note Agreement dated as of January 1, 1995, among Middleby Marshall Inc. and Asbury Associates, Inc. as Obligors, incorporated by reference to the Company's Form 10-K, Exhibit (4) (c), for the fiscal year ended December 31, 1994, filed on March 31, 1995
- 10.6 Amendment No. 1 to Note Agreement, incorporated by reference to the Company's Form 10-Q, Exhibit (4) (c) (i), for the fiscal quarter ended June 29, 1996, filed August 13, 1996
- 10.7 Amendment No. 2 to Note Agreement, incorporated by reference to the Company's Form 10-Q, Exhibit (4) (c) (ii), for the fiscal quarter ended June 29, 1996, filed on August 13, 1996

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EXHIBIT

NO. DESCRIPTION

-
- 10.8 Amendment No. 3 to Note Agreement, dated as of August 15, 1996, incorporated by reference to the Company's Form 10-K, Exhibit 4(c) (iii), for the fiscal year ended December 28, 1996
 - 10.9 "Second Amendment" (Amendment No. 4) to Note Agreement, dated as of January 15, 1997, incorporated by reference to the Company's Form 10-K, Exhibit 4(c) (iv), for the fiscal year ended December 28, 1996
 - 10.10 Intercreditor Agreement dated as of January 10, 1995, by and among Sanwa Business Credit Corporation, as Agent, the Northwestern Mutual Life Insurance Company, as the Senior Noteholder, and First Security Bank of Utah, National Association, as Security Trustee and collateral Agent,

incorporated by reference to the Company's Form 10-K, Exhibit (4) (e), for the fiscal year ended December 31, 1994, filed on March 31, 1995

- 10.11 Amendment No. 1 to Intercreditor Agreement, incorporated by reference to the Company's Form 10-Q, Exhibit (4) (e) (i), for the fiscal quarter ended June 29, 1996, filed on August 13, 1996
- 10.12 Amendment No. 2 to Intercreditor Agreement, incorporated by reference to the Company's Form 10-Q, Exhibit (4) (e) (ii), for the fiscal quarter ended June 29, 1996, filed on August 13, 1996
- 10.13 Amended and Restated Employment Agreement of William F. Whitman, Jr., dated January 1, 1995, incorporated by reference to the Company's Form 10-Q, Exhibit (10) (iii) (a), for the fiscal quarter ended April 1, 1995
- 10.14 Amended and Restated Employment Agreement of David P. Riley, dated January 1, 1995, incorporated by reference to the Company's 10-Q, Exhibit (10) (iii) (b) for the fiscal quarter ended April 1, 1995
- 10.15 Amended and Restated Employment Agreement of independent directors adopted as of January 1, 1995, incorporated by reference to the Company's Form 10-Q, Exhibit (10) (iii) (c), for the fiscal quarter ended April 1, 1995
- 10.16 The Middleby Corporation Amended and Restated 1989 Stock Incentive Plan, as amended, incorporated by reference to the Company's Form 10-Q, Exhibit (10) (iii) (d), for the fiscal quarter ended June 29, 1996, filed on August 13, 1996
- 10.17 1993 Performance Bonus Plan (Corporate Vice Presidents) incorporated by reference to the Company's Form 10-K, Exhibit 10 (iii) (g), for the fiscal year ended January 1, 1994, filed on March 31, 1994
- 10.18 1996 Management Incentive Plan (Corporate Vice Presidents), incorporated by reference to Company's Form 10-Q, Exhibit 10 (iii) (f), for the fiscal quarter ended June 29, 1996, filed on August 13, 1996
- 10.19 Description of Supplemental Retirement Program, incorporated by reference to Amendment No. 1 to the Company's Form 10-Q, Exhibit 10 (c), for the fiscal quarter ended July 3, 1993, filed on August 25, 1993
- 10.20 The Middleby Corporation Stock Ownership Plan, incorporated by reference to the Company's Form 10-K, Exhibit (10) (iii) (m), for the fiscal year ended January 1, 1994, filed on March 31, 1994
- 10.21 Amendment to The Middleby Corporation Stock Ownership Plan dated as of January 1, 1994; incorporated by reference to the Company's Form 10-K, Exhibit (10) (iii) (n), for the fiscal year ended December 31, 1994, filed on March 31, 1995

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EXHIBIT

NO. DESCRIPTION

-
- 10.22 Agreement of Purchase and Sale of the Company's Cherry Hill, New Jersey facility, with attached lease, incorporated by reference to the Company's Form 10-Q, Exhibit (10) (iii) (j), for the fiscal quarter ended September 28, 1996, filed on November 12, 1996
 - 10.23 Asset Purchase Agreement among Middleby Marshall Inc., Victory Refrigeration Company and Victory Acquisition Group dated December 27, 1996, incorporated by reference to the Company's Form 8-K dated January 23, 1997, Exhibit (10) (iii) (k), filed on February 7, 1997
 - 23.1 Consent of Arthur Andersen LLP
 - 23.2 Consent of D'Ancona & Pflaum (included in Exhibit 5)
 - 24 Powers of Attorney (included on Page II-5)

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions (see response to Item 15 above), or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in said Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES AND POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-2 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Rolling Meadows, State of Illinois on September 11, 1997.

THE MIDDLEBY CORPORATION,
A DELAWARE CORPORATION (REGISTRANT)

By: /s/ DAVID P. RILEY

David P. Riley
PRESIDENT AND CHIEF EXECUTIVE OFFICER
(PRINCIPAL EXECUTIVE OFFICER)

By: /s/ JOHN J. HASTINGS

John J. Hastings
EXECUTIVE VICE PRESIDENT, CHIEF
FINANCIAL OFFICER, TREASURER AND SECRETARY
(PRINCIPAL FINANCIAL AND ACCOUNTING
OFFICER)

KNOW ALL PEOPLE BY THESE PRESENTS, that the undersigned directors and officers of The Middleby Corporation, a Delaware corporation, which is filing a registration statement on Form S-2 with the Securities and Exchange Commission, under the provisions of the Securities Act of 1933, as amended, hereby

constitute and appoint David P. Riley, John J. Hastings and William F. Whitman, Jr., and each of them, each as their true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign such Registration Statement and any or all pre-effective and post-effective amendments to the registration statement, including a Prospectus or an amended Prospectus therein and any subsequent registration statement for the same offering that may be filed under Rule 462(b) under the Securities Act of 1933, as amended, and all other documents in connection therewith to be filed with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all interests and purposes as each of them might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ DAVID P. RILEY ----- David P. Riley	President, Chief Executive Officer and Director (Principal Executive Officer)	September 11, 1997
/s/ JOHN J. HASTINGS ----- John J. Hastings	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	September 11, 1997
/s/ WILLIAM F. WHITMAN, JR. ----- William F. Whitman, Jr.	Chairman of the Board and Director	September 11, 1997
/s/ ROBERT R. HENRY ----- Robert R. Henry	Director	September 11, 1997
/s/ A. DON LUMMUS ----- A. Don Lummus	Director	September 11, 1997
/s/ JOHN R. MILLER, III ----- John R. Miller, III	Director	September 11, 1997
/s/ PHILIP G. PUTNAM ----- Philip G. Putnam	Director	September 11, 1997
/s/ SABIN C. STREETER ----- Sabin C. Streeter	Director	September 11, 1997
/s/ JOSEPH G. TOMPKINS ----- Joseph G. Tompkins	Director	September 11, 1997
/s/ LAURA B. WHITMAN ----- Laura B. Whitman	Director	September 11, 1997
/s/ ROBERT L. YOHE ----- Robert L. Yohe	Director	September 11, 1997

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INDEX TO EXHIBITS

EXHIBIT

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-
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 - 10.9 "Second Amendment" (Amendment No. 4) to Note Agreement, dated as of January 15, 1997, incorporated by reference to the Company's Form 10-K, Exhibit 4(c) (iv), for the fiscal year ended December 28, 1996

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EXHIBIT

NO. DESCRIPTION

-
- 10.10 Intercreditor Agreement dated as of January 10, 1995, by and among Sanwa Business Credit Corporation, as Agent, the Northwestern Mutual Life Insurance Company, as the Senior Noteholder, and First Security Bank of Utah, National Association, as Security Trustee and collateral Agent, incorporated by reference to the Company's Form 10-K, Exhibit (4) (e), for the fiscal year ended December 31, 1994, filed on March 31, 1995
 - 10.11 Amendment No. 1 to Intercreditor Agreement, incorporated by reference to the Company's Form 10-Q, Exhibit (4) (e) (i), for the fiscal quarter ended

June 29, 1996, filed on August 13, 1996

- 10.12 Amendment No. 2 to Intercreditor Agreement, incorporated by reference to the Company's Form 10-Q, Exhibit (4)(e)(ii), for the fiscal quarter ended June 29, 1996, filed on August 13, 1996
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- 10.14 Amended and Restated Employment Agreement of David P. Riley, dated January 1, 1995, incorporated by reference to the Company's 10-Q, Exhibit (10)(iii)(b) for the fiscal quarter ended April 1, 1995
- 10.15 Amended and Restated Employment Agreement of independent directors adopted as of January 1, 1995, incorporated by reference to the Company's Form 10-Q, Exhibit (10)(iii)(c), for the fiscal quarter ended April 1, 1995
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- 10.20 The Middleby Corporation Stock Ownership Plan, incorporated by reference to the Company's Form 10-K, Exhibit (10)(iii)(m), for the fiscal year ended January 1, 1994, filed on March 31, 1994
- 10.21 Amendment to The Middleby Corporation Stock Ownership Plan dated as of January 1, 1994 incorporated by reference to the Company's Form 10-K, Exhibit (10)(iii)(n), for the fiscal year ended December 31, 1994, filed on March 31, 1995
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- 10.23 Asset Purchase Agreement among Middleby Marshall Inc., Victory Refrigeration Company and Victory Acquisition Group dated December 27, 1996, incorporated by reference to the Company's Form 8-K dated January 23, 1997, Exhibit (10)(iii)(k), filed on February 7, 1997

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EXHIBIT

NO. DESCRIPTION

-
- 23.1 Consent of Arthur Andersen LLP
 - 23.2 Consent of D'Ancona & Pflaum (included in Exhibit 5)
 - 24 Powers of Attorney (included on Page II-5)

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THE MIDDLEBY CORPORATION
2,610,000 Shares
Common Stock
(Par Value \$0.01 Per Share)

UNDERWRITING AGREEMENT

New York, New York
September ___, 1997

SCHRODER & CO. INC.
BREAN MURRAY & CO., INC.

As Representatives of the several
Underwriters named in Schedule I hereto
c/o Schroder & Co. Inc.
Equitable Center
787 Seventh Avenue
New York, New York 10019-6016

Ladies & Gentlemen:

THE MIDDLEBY CORPORATION, a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters"), an aggregate of 2,000,000 shares of Common Stock, par value \$0.01 per share (the "Common Stock"), and the persons named in Schedule II hereto (the "Selling Stockholders"), propose, subject to the terms and conditions stated herein, to sell to the Underwriters an aggregate of 610,000 shares of Common Stock. The 2,610,000 shares of Common Stock to be sold by the Company and the Selling Stockholders are herein referred to as the "Firm Securities." In addition, the Company proposes to grant to the Underwriters an option to purchase up to an additional 391,500 shares of Common Stock (the "Option Securities"), on the terms and for the purposes set forth in Section 2 hereof. The Firm Securities and the Option Securities are herein collectively referred to as the "Securities." Except as may be expressly set forth below, any reference to you in this Agreement shall be solely in your capacity as the Representatives.

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1A. The Company and each of Messrs. William F. Whitman, Jr. and David P. Riley (the "Principal Selling Stockholders"), jointly and severally, represent and warrant to, and agree with, each of the Underwriters that:

(a) A registration statement on Form S-2 (File No. 333-), and as a part thereof a preliminary prospectus, in respect of the Securities, has been filed with the Securities and Exchange Commission (the "Commission") in the form heretofore delivered to you and, with the exception of exhibits to the registration statement, also delivered to you for each of the other Underwriters; if such registration statement has not become effective, an amendment (the "Final Amendment") to such registration statement, including a form of final prospectus, necessary to permit such registration statement to become effective, will promptly be filed by the Company with the Commission; if such registration statement has become effective and any post-effective amendment to such registration statement has been filed with the Commission prior to the execution and delivery of this Agreement, which amendment or amendments shall be in form acceptable to you, the most recent such amendment has been declared effective by the Commission; if such registration statement has become effective, a final prospectus (the "Rule 430A Prospectus") relating to the Securities containing information permitted to be omitted at the time of effectiveness by Rule 430A of the rules and regulations of the

Commission under the Securities Act of 1933, as amended (the "Act"), will promptly be filed by the Company pursuant to Rule 424(b) of the rules and regulations of the Commission under the Act (any preliminary prospectus filed as part of such registration statement being herein called a "Preliminary Prospectus," and the final prospectus relating to the Securities in the form first filed pursuant to Rule 424(b)(1) or (4) of the rules and regulations of the Commission under the Act or, if no such filing is required, the form of final prospectus included in the registration statement, being herein called the "Prospectus"); "Registration Statement" means such registration statement as amended at the time that it becomes or became effective, or, if applicable, as amended at the time the most recent post-effective amendment to such

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registration statement filed with the Commission prior to the execution and delivery of this Agreement became effective (the "Effective Date"), including all exhibits thereto and all information deemed to be a part thereof at such time pursuant to Rule 430A of the rules and regulations of the Commission under the Act; any reference herein to any Preliminary Prospectus or the Prospectus or the Registration Statement shall be deemed to include any information incorporated by reference therein, as of the date of such Preliminary Prospectus, the Prospectus or the Registration Statement, as the case may be, and any reference to any amendment or supplement to any Preliminary Prospectus, the Prospectus or the Registration Statement shall be deemed to include any documents filed after such date under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations of the Commission thereunder and so incorporated by reference;

(b) No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; PROVIDED, HOWEVER, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through you expressly for use therein;

(c) On the Effective Date and the date the Prospectus is filed with the Commission, and when any further amendment or supplements thereto become effective or are filed with the Commission, as the case may be, the Registration Statement, the Prospectus and such amendment or supplements did and will conform in all material respects to the requirements of the Act and the rules and regulations of the

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Commission thereunder, and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; PROVIDED, HOWEVER, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through you expressly for use therein;

(d) The documents incorporated by reference in the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(e) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and to conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction where the nature of the property owned or leased by it, or the nature of the business conducted by it, makes such qualification necessary (except where the failure to so qualify would not have a material adverse effect on the condition, financial or otherwise, or the business affairs or prospects of the Company and its subsidiaries, taken as a whole); and each of the Company's subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, with power and authority (corporate and other) to own its properties and to conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under

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the laws of each other jurisdiction where the nature of the property owned or leased by it, or the nature of the business conducted by it, makes such qualification necessary (except where the failure to so qualify would not have a material adverse effect on the condition, financial or otherwise, or the business affairs or prospects of the Company and its subsidiaries, taken as a whole);

(f) All the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and, except as otherwise set forth in the Prospectus, are owned by the Company free and clear of all liens, encumbrances, equities, security interests, or claims; and, except as otherwise set forth in the Prospectus, there are no outstanding options, warrants or other rights calling for the issuance of, and there are no commitments, plans or arrangements to issue, any shares of capital stock of any subsidiary or any security convertible or exchangeable or exercisable for capital stock of any subsidiary; except for the shares of stock of each subsidiary owned by the Company and as otherwise set forth in the Prospectus, neither the Company nor any subsidiary owns, directly or indirectly, any shares of capital stock of any corporation or has any equity interest in any firm, partnership, joint venture, association or other entity;

(g) The Company has all requisite power and authority (corporate and other) to execute, deliver and perform its obligations under this Agreement; the execution, delivery and performance by the Company of its obligations under this Agreement have been duly and validly authorized by all requisite corporate action of the Company; and this Agreement constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms;

(h) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included in the Prospectus, any loss of or material dispute with any of its ten largest customers or its ten largest suppliers of

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products or services (measured by dollar volume during the Company's most recent fiscal year) or any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute, work stoppage or work slowdown or court or governmental action, order or decree, which loss or interference is material to the Company and its subsidiaries, taken as a whole; and, since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been, and prior to the Time of Delivery (as defined in Section 4 hereof) there will not be, any change in the capital stock, other than shares issued pursuant to exercise of employee or director stock options that the Prospectus indicates are outstanding (the "Option

Shares"), pursuant to exercise of warrants that the Prospectus indicates are outstanding, or pursuant to the terms of convertible or exchangeable securities of the Company or its subsidiaries outstanding on the date hereof and described in the Prospectus or short-term debt or long-term debt of the Company or any of its subsidiaries that is described in the Prospectus, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Prospectus;

(i) The Company and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property purported to be owned by them, in each case free and clear of all liens, encumbrances and defects except those that are described or contemplated by the Prospectus, or those that do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such real property and

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buildings by the Company and its subsidiaries; and the properties of the Company and its subsidiaries, and their respective operations, are insured to the extent insurance is customarily obtained by similar businesses;

(j) The Company has an authorized, issued and outstanding capitalization as set forth in the Registration Statement, and all the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable, are free of any preemptive rights, rights of first refusal or similar rights, were issued and sold in compliance with the applicable federal and state securities laws, are quoted on the Nasdaq National Market System and conform in all material respects to the description thereof in the Prospectus; except as described in the Prospectus, there are no outstanding options, warrants or other rights calling for the issuance of, and there are no commitments, plans or arrangements to issue, any shares of capital stock of the Company or any security convertible or exchangeable or exercisable for capital stock of the Company; except for William F. Whitman, Jr., there are no holders of securities of the Company who, by reason of the filing of the Registration Statement have the right (and have not waived such right) to request the Company to include in the Registration Statement securities owned by them;

(k) The Securities to be issued and sold by the Company to the Underwriters hereunder have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued, fully paid and non-assessable, and will conform in all material respects to the description thereof in the Prospectus and will be quoted on the Nasdaq National Market System as of the Effective Date;

(l) The performance of this Agreement, the consummation of the transactions herein contemplated, the issue and sale of the Securities and the compliance by the Company with all the provisions of this Agreement will not conflict with or result in a breach or violation of any of the terms or

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provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, claim or encumbrance upon, any of the property or assets of the Company or any of its subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party

or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the Certificate of Incorporation or the By-laws (or similar corporate constituent documents), in each case as amended to the date hereof, of the Company or any of its subsidiaries or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their respective properties; and no consent, approval, authorization, order, registration or qualification of or with any court or governmental agency or body is required for the issue and sale of the Securities or the consummation of the other transactions contemplated by this Agreement, except the registration under the Act of the Securities, and such consents, approvals, authorizations, registrations or qualifications as may be required under state or foreign securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Underwriters;

(m) Except as set forth in the Prospectus, there is no legal or governmental action, suit, proceeding or investigation pending to which the Company or any of its subsidiaries or any of their respective officers or directors is a party or of which the Company or any of its subsidiaries or their respective properties is the subject, other than actions, suits, proceedings or investigations incident to the business conducted by the Company and its subsidiaries that will not individually or in the aggregate have a material adverse effect on the current or future financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole; to the best of the Company's knowledge, no such actions, suits, proceedings or investigations are threatened or

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contemplated by governmental authorities or threatened or contemplated by others; neither the Company nor any of its subsidiaries is involved in any labor dispute, work stoppage, or work slowdown, nor, to the Company's knowledge, is any labor dispute, work stoppage, or work slowdown threatened; and neither the Company nor any of its subsidiaries is subject to any outstanding order, ruling, judgment, award or decree that may have a material adverse effect upon the Company and its subsidiaries, taken as a whole;

(n) The Company and its subsidiaries have such licenses, permits and other approvals or authorizations of and from governmental or regulatory authorities ("Permits") as are necessary under applicable law to own their respective properties and to conduct their respective businesses in the manner now being conducted and as described in the Prospectus; and the Company and its subsidiaries have fulfilled and performed all of their respective obligations with respect to such Permits, and no event has occurred that allows, or after notice or lapse of time or both would allow, revocation or termination thereof or result in any other material impairment of the rights of the holder of any such permits;

(o) Arthur Andersen LLP have certified certain financial statements of the Company and its consolidated subsidiaries, have delivered their report with respect to the audited consolidated financial statements and schedules included in the Registration Statement and the Prospectus, and are independent public accountants as required by the Act and the rules and regulations of the Commission thereunder;

(p) The consolidated financial statements and schedules of the Company and its subsidiaries included or incorporated by reference in the Registration Statement and the Prospectus present fairly the financial condition, the results of operations and the cash flows of the Company and its subsidiaries as of the dates and for the periods therein specified in conformity with generally accepted accounting principles consistently applied throughout the periods

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involved, except as otherwise stated therein; and the other financial and statistical information and data set forth in the Registration Statement and the Prospectus is accurately presented and, to the extent such information and data is derived from the financial statements and books and records of the Company and its subsidiaries, is prepared on a basis consistent with such financial statements and the books and records of the Company and its subsidiaries; and no other financial statements or schedules are required to be included in the Registration Statement and the Prospectus;

(q) There are no statutes or governmental regulations, or any contracts or other documents that are required to be described in or filed as exhibits to the Registration Statement that are not described therein or filed or incorporated by reference as exhibits thereto; and all such contracts to which the Company or any subsidiary is a party have been duly authorized, executed and delivered by the Company or such subsidiary, constitute valid and binding agreements of the Company or such subsidiary, have been performed or are being performed in all material respects and are enforceable against the Company or such subsidiary in accordance with the terms thereof;

(r) The Company and its subsidiaries own or possess adequate patent rights or licenses or other rights to use patent rights, inventions, trademarks, service marks, trade names, copyrights, technology and know-how necessary to conduct the general business now or proposed to be operated by them as described in the Prospectus; neither the Company nor any of its subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any patent, patent rights, inventions, trademarks, service marks, trade names, copyrights, technology or know-how that, individually or in the aggregate, could materially adversely affect the business, operations, financial condition, income or business prospects of the Company and its subsidiaries, taken as a whole; and, the discoveries, inventions, products or processes of the Company and its subsidiaries referred to in the Prospectus do not, to the Company's knowledge,

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infringe or conflict with any patent or other right of any third party, or any discovery, invention, product or process that is the subject of a patent application filed by any third party, known to the Company;

(s) Neither the Company nor any of its subsidiaries are in violation of any term or provision of its Certificate of Incorporation or By-Laws (or similar corporate constituent documents), in each case as amended to the date hereof, or any law, ordinance, administrative or governmental rule or regulation applicable to the Company or any of its subsidiaries, or of any decree of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries;

(t) No default exists, and no event has occurred that with notice or lapse of time, or both, would constitute a default in the due performance and observance of any term, covenant or condition of any indenture, mortgage, deed of trust, bank loan or credit agreement, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which any of them or their respective properties is bound or may be affected in any material adverse respect with regard to the property, business or operations of the Company and its subsidiaries;

(u) The Company and its subsidiaries have timely filed all necessary tax returns and notices and have paid all federal, state, county, local and foreign taxes of any nature whatsoever for all tax years through December 28, 1996, to the extent such taxes have become due. The Company has no knowledge, or any reasonable grounds to know, of any tax deficiencies that would have a material adverse effect on the Company or any of its subsidiaries; the Company and its subsidiaries have paid all taxes that have become due, whether pursuant to any assessments or otherwise, and there is no further liability (whether or not disclosed on such returns) or assessments

for any such taxes, and no interest or penalties accrued or accruing with respect thereto, except as may be set forth or adequately reserved for in the financial statements included or incorporated by reference in the Registration

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Statement; the amounts currently set up as provisions for taxes or otherwise by the Company and its subsidiaries on their books and records are sufficient for the payment of all their unpaid federal, state, county, local and foreign taxes accrued through the dates as of which they speak, and for which the Company and its subsidiaries may be liable in their own right, or as a transferee of the assets of, or as successor to, any other corporation, association, partnership, joint venture or other entity;

(v) The Company and its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit the preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(w) Neither the Company nor any of its subsidiaries is in violation of, nor has any of them received any outstanding notice of a violation of, any foreign, federal, state, county or local law or regulation relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants, antitrust or trade regulation matters, any federal or state law relating to equal employment or discrimination in the hiring, promotion or paying of employees or civil rights generally, any applicable federal or state wages and hours laws, or any provisions of the Employee Retirement Income Security Act of 1974, as amended, or the rules and regulations promulgated thereunder, where such violation would have a material adverse effect on the Company and its subsidiaries, taken as a whole;

(x) None of the Company or its subsidiaries, or any of their respective officers,

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directors, employees or agents have used any corporate funds for any unlawful contribution, payment, gift or entertainment or other unlawful expense relating to political activity, or made any unlawful payment of funds of the Company or any subsidiary or received or retained any contribution, payment, gift or expenditure in violation of any law, rule or regulation;

(y) None of the Company or its subsidiaries, or any of their respective officers, directors, employees or agents have taken or will take, directly or indirectly, any action designed to or that has constituted or that might be reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities; and

(z) The conditions for use of Form S-2 as set forth in the General Instructions thereto, have been satisfied.

1B. Each Selling Stockholder, severally and not jointly, represents and warrants to, and agrees with, each of the Underwriters that:

(a) Such Selling Stockholder has, and at the Time of Delivery (as defined in Section 4 hereof) will have, good and valid title to the Securities to be sold by such Selling Stockholder hereunder, free and clear of any liens, encumbrances, equities, security interests, claims and other restrictions of any nature whatsoever, and such

Selling Stockholder has the full legal, right, power and authority, and any approval required by law, to enter into this Agreement and to sell, assign, transfer and deliver the Securities being sold by such Selling Stockholder hereunder and to make the representations, warranties, covenants and agreements made by it in this Agreement; and upon the delivery of and payment for such Securities as herein provided, the Underwriters will acquire good and valid title thereto, free and clear of all liens, encumbrances, equities, security interests, claims and other restrictions of any nature whatsoever;

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(b) Such Selling Stockholder has duly executed and delivered an agreement and power of attorney (with respect to such Selling Stockholder, the "Power-of-Attorney", in the form heretofore delivered to the Representatives, appointing John J. Hastings as such Selling Stockholder's attorney-in-fact (the "Attorney-in-Fact") with authority to execute, deliver and perform this Agreement on behalf of the Selling Stockholder and appointing the Company as custodian thereunder (the "Custodian"). Certificates in negotiable form, endorsed in blank or accompanied by blank stock powers duly executed, with signatures appropriately guaranteed, representing the Securities to be sold by such Selling Stockholder hereunder have been deposited with the Custodian pursuant to the Power-of-Attorney for the purpose of delivery pursuant to this Agreement. Such Selling Stockholder has all requisite power and authority to execute, deliver and perform its obligations under the Power-of-Attorney. The execution and delivery of the Power-of-Attorney have been duly authorized by all necessary action of such Selling Stockholder; the Power-of-Attorney has been duly executed and delivered by such Selling Stockholder and, assuming due authorization, execution and delivery by the Custodian, is the legal, valid, binding and enforceable instrument of such Selling Stockholder. Such Selling Stockholder agrees that each of the Securities represented by the certificates on deposit with the Custodian is subject to the interests of the Underwriters, the Company and the other Selling Stockholders hereunder, that the arrangements made for such custody, the appointment of the Attorney-in-Fact and the right, power and authority of the Attorney-in-Fact to execute and deliver this Agreement and to carry out the terms of this Agreement, are to that extent irrevocable and that the obligations of such Selling Stockholder hereunder shall not be terminated, except as provided in this Agreement or the Power-of-Attorney, by any act of such Selling Stockholder, by operation of law or otherwise, whether by the death or incapacity of such Selling Stockholder or by the occurrence of any other event. If any Selling Stockholder should die or become incapacitated or if any other event should

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occur, before the delivery of the Securities hereunder, the certificates for the Securities deposited with the Custodian shall be delivered by the Custodian in accordance with the respective terms and conditions of this Agreement as if such death, incapacity or other event had not occurred, regardless of whether or not the Custodian or the Attorney-in-Fact shall have received notice thereof. Neither the execution, delivery or performance of the Power-of-Attorney, the consummation of the transactions therein contemplated nor the compliance with the terms thereof by such Selling Stockholder will conflict with, or result in a breach or violation of any of the terms and provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, claim or encumbrance on any property of the Company or any of its subsidiaries under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder's property is bound, or any statute, ruling, judgment, decree, order to regulation of any court or other governmental authority or any arbitrator applicable to such Selling Stockholder.

(c) Neither the execution and delivery or performance of this Agreement or the Power of Attorney or the consummation of the transactions herein or therein contemplated nor the compliance with the terms hereof or thereof by such Selling Stockholder will conflict

with, or result in a breach or violation of any of the terms and provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, claim or encumbrance on any property of the Company or any of its subsidiaries under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder's property is bound, or the constituent documents of such Selling Stockholder or any statute, ruling, judgment, decree, order or regulation of any court or other governmental authority or any arbitrator applicable to such Selling Stockholder; and no consent, approval, authorization, order, registration or qualification of or with any governmental authority, except those as have been

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obtained, those as may be required under state or foreign securities or Blue Sky laws or by the by-laws and rules of the National Association of Securities Dealers, Inc. and, if the Registration Statement filed with respect to the Securities is not effective under the Act as of the time of execution hereof, those as may be required (and shall be obtained as provided in this Agreement) under the Act and the Exchange Act;

(d) Such Selling Stockholder will not, during the period of 120 days after the date hereof, except pursuant to this Agreement, offer, sell, contract to sell or otherwise dispose of any capital stock of the Company (or securities convertible into, or exchangeable for, capital stock of the Company), directly or indirectly, without the prior written consent of Schroder & Co. Inc.;

(e) Such Selling Stockholder has not taken, and will not take, directly or indirectly, any action designed to cause or result in, or that has constituted or that might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or otherwise;

(f) The sale by such Selling Stockholder of Securities pursuant hereto is not prompted by any adverse information concerning the Company or its subsidiaries that is not set forth in the Registration Statement or the Prospectus;

(g) Such Selling Stockholder is disposing of Securities for its own account and is not selling such Securities, directly or indirectly, for the benefit of the Company or the Underwriters. No part of the proceeds of such sale to be received by such Selling Stockholder will inure, either directly or indirectly, to the benefit of the Company;

(h) All information furnished in writing to the Company or the Underwriters by such Selling Stockholder for use in the preparation of the Registration Statement and the Prospectus and other documents to be filed with the National Association of Securities Dealers, Inc. or state securities or Blue Sky

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authorities is true and correct and does not contain an untrue statement of material fact nor does it omit to state any material fact required to be stated therein or necessary to make such information, in the light of the circumstances under which it was made, not misleading;

(i) Such Selling Stockholder has reviewed the Prospectus and the Registration Statement, and the information regarding such Selling Stockholder set forth therein under the caption "Principal and Selling Stockholders" is complete and accurate;

(j) At the Time of Delivery, all stock transfer or other taxes (other than income taxes) that are required to be paid in connection with the sale and transfer of the Securities to be sold by such Selling Stockholder to the Underwriters hereunder will have been fully

paid or provided for by such Selling Stockholder and all laws imposing such taxes will have been fully complied with;

2. Subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the Underwriters an aggregate of 2,000,000 Firm Securities, each Selling Stockholder agrees to sell to the Underwriters the number of Firm Securities set forth on Schedule II opposite the name of such Selling Stockholder and each of the Underwriters agrees to purchase from the Company and the Selling Stockholders, at a purchase price of \$_____ per share, the respective aggregate number of Firm Securities determined in the manner set forth below. The obligation of each Underwriter to the Company and each of the Selling Stockholders, respectively, shall be to purchase that portion of the number of shares of Common Stock to be sold by the Company or such Selling Stockholder pursuant to this Agreement as the number of Firm Securities set forth opposite the name of such Underwriter on Schedule I bears to the total number of Firm Securities to be purchased by the Underwriters pursuant to this Agreement, in each case adjusted by you in order that no Underwriter shall be obligated to purchase Firm Securities other than in 100 share amounts. In making this Agreement, each Underwriter is contracting severally and not jointly.

In addition, subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the Underwriters, as required (for the sole purpose of covering over-allotments in the sale of the Firm Securities), up to 391,500 Option Securities at the purchase price per share of the Firm Securities being sold by the Company as stated in the preceding paragraph. The right to purchase the Option Securities may be exercised by you giving 48 hours prior written or telephonic notice

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(subsequently confirmed in writing) to the Company of your determination to purchase all or a portion of the Option Securities. Such notice may be given at any time within a period of 30 days following the date of this Agreement. Option Securities shall be purchased severally for the account of each Underwriter in proportion to the number of Firm Securities set forth opposite the name of such Underwriter in Schedule I hereto. No Option Securities shall be delivered to or for the accounts of the Underwriters unless the Firm Securities shall be simultaneously delivered or shall theretofore have been delivered as herein provided. The respective purchase obligations of each Underwriter shall be adjusted by you in order that no Underwriter shall be obligated to purchase Option Securities other than in 100 share amounts. The Underwriters may cancel any purchase of Option Securities at any time prior to the Option Securities Delivery Date (as defined in Section 4 hereof) by giving written notice of such cancellation to the Company.

3. The Underwriters propose to offer the Securities for sale upon the terms and conditions set forth in the Prospectus.

4. Certificates in definitive form for the Firm Securities to be purchased by each Underwriter hereunder shall be delivered by or on behalf of the Company and the Selling Stockholders to you for the account of such Underwriter, against payment by such Underwriter or on its behalf of the purchase price therefor at the election of the Company and the Selling Stockholders by (i) wire transfer or (ii) certified or official bank check or checks, payable in New York Clearing House funds, to the order of the Company, for the purchase price of the Firm Securities being sold by the Company, and to the order of the Attorney-in-Fact for the purchase price of the Firm Securities being sold by the Selling Stockholders, at the office of Schroder & Co. Inc., Equitable Center, 787 Seventh Avenue, New York, New York, at 9:30 A.M., New York City time, on _____, 1997, or at such other time, date and place as you and the Company may agree upon in writing, such time and date being herein called the "Time of Delivery."

Certificates in definitive form for the Option Securities to be purchased by each Underwriter hereunder shall be delivered by or on behalf of the Company to you for the account of such Underwriter, against payment by such Underwriter or on its behalf of the purchase price thereof at the election of the Company and the Selling Stockholders by (i) wire transfer or (ii) certified or official bank check or checks, payable in New York Clearing House funds, to the order of the Company, for the purchase price of the Option Securities, in New York, New York, at such time and on such date (not earlier than the Time of Delivery nor later than ten business days after giving of the notice delivered by you to the

Company with reference thereto) and in such denominations and registered in such names as shall be specified in the notice delivered by you to the Company with respect to the purchase of such Option Securities. The date and time of such delivery and payment are herein sometimes referred to as the "Option Securities Delivery Date." The obligations of the Underwriters shall be subject, in their discretion, to the condition that there shall be delivered to the Underwriters on the Option Securities Delivery Date opinions and

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certificates, dated such Option Securities Delivery Date, referring to the Option Securities, instead of the Firm Securities, but otherwise to the same effect as those required to be delivered at the Time of Delivery pursuant to Section 7(d), 7(e), 7(f), 7(g) and 7(j).

Certificates for the Firm Securities and the Option Securities to be delivered as aforesaid will be in good delivery form, and in such denominations and registered in such names as you may request not less than 48 hours prior to the Time of Delivery and the Option Securities Delivery Date, respectively. Such certificates will be made available for checking and packaging in New York, New York, at least 24 hours prior to the Time of Delivery and Option Securities Delivery Date.

5. (a) The Company covenants and agrees with each of the Underwriters:

(i) If the Registration Statement has not become effective, to file promptly the Final Amendment with the Commission and use its best efforts to cause the Registration Statement to become effective; if the Registration Statement has become effective, to file promptly the Rule 430A Prospectus with the Commission; to make no further amendment or any supplement to the Registration Statement or Prospectus that shall be disapproved by you after reasonable notice thereof; to advise you, promptly after it receives notice thereof of the time when the Registration Statement, or any amendment thereto, or any amended Registration Statement has become effective or any supplement to the Prospectus or any amended Prospectus has been filed, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending any such qualification, to use promptly its best efforts to obtain withdrawal of such order;

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(ii) Promptly from time to time, to take such action as you may request to qualify the Securities for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(iii) To furnish each of the Representatives and counsel for the Underwriters, without charge, signed copies of the registration statement originally filed with respect to the Securities and each amendment thereto (in each case including all exhibits thereto) and to each other Underwriter, without charge, a conformed copy of such registration statement and each amendment thereto (in each case without exhibits thereto) and, so long as a prospectus relating to the Securities is required to be delivered under the Act, as many copies of each Preliminary Prospectus, the Prospectus and all amendments or supplements thereto as you may from time to time reasonably request. If at any time when the delivery of a prospectus is required to be delivered under the Act an event shall have occurred as a result of

which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or if for any other reason it shall be necessary to amend or supplement the Prospectus in order to comply with the Act, the Company will forthwith prepare and, subject to the provisions of Section 5(a)(i) hereof, file with the Commission an appropriate supplement or amendment thereto, and will furnish to each Underwriter and to any dealer in securities, without charge, as many copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus or make an appropriate filing under Section 13, 14 or 15(d) of the Exchange Act that will correct such statement or omission or effect such

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compliance in accordance with the requirements of Section 10 of the Act;

(iv) To make generally available to its stockholders as soon as practicable, but in any event not later than 45 days after the close of the period covered thereby, an earnings statement in form complying with the provisions of Section 11(a) of the Act (including, at the option of the Company, Rule 158) covering a period of 12 consecutive months beginning not later than the first day of the Company's fiscal quarter next following the Effective Date;

(v) To file promptly all documents required to be filed with the Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act subsequent to the Effective Date and during any period when the Prospectus is required to be delivered;

(vi) For a period of five years from and after the Effective Date, to furnish to its stockholders after the end of each fiscal year an annual report (including a consolidated balance sheet and statements of income, cash flow and stockholders' equity of the Company and its subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the Effective Date), consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail;

(vii) During a period of five years from and after the Effective Date, to furnish to you copies of all reports or other communications (financial or other) furnished to its stockholders, and deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request;

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(viii) To apply the net proceeds from the sale of the Securities in the manner set forth in the Prospectus under the caption "Use of Proceeds";

(ix) That it will not, and will cause its subsidiaries, officers, directors, employees, agents and affiliates not to, take, directly or indirectly, any action designed to cause or result in, or that might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities;

(x) That prior to the Time of Delivery there will not be any change in the capital stock or material change in the short-term debt or long-term debt of the Company or any of its subsidiaries, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs,

management, financial position, stockholders' equity or results of operations of the Company or any of its subsidiaries, otherwise than as set forth or contemplated in the Prospectus;

(xi) That it will not, during the period of 120 days after the date hereof (other than pursuant to this Agreement), offer, sell, contract to sell or otherwise dispose of any capital stock of the Company (or securities convertible into, or exchangeable for, capital stock of the Company), directly or indirectly, without the prior written consent of Schroder & Co. Inc., except for the issuance of Option Shares, grants of stock options under the Company's Amended and Restated 1989 Stock Incentive Plan, issuance of shares of common stock in connection with the establishment of Middleby Japan Corporation, pursuant to exercise of warrants that the Prospectus indicates are outstanding, or pursuant to the terms of convertible or exchangeable securities of the Company or its subsidiaries outstanding on the date hereof and described in the Prospectus;

(xii) That it has caused the Securities to be included for quotation on the Nasdaq National Market System as of the Effective Date; and

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(xiii) To file with the Commission such reports on Form SR as may be required pursuant to Rule 463 under the Act.

(b) Each Selling Stockholder, severally and not jointly, covenants and agrees with each of the Underwriters that:

(i) Such Selling Stockholder will not, during the period of 120 days after the date hereof, except pursuant to this Agreement, offer, sell, contract to sell or otherwise dispose of any capital stock of the Company (or securities convertible into, or exchangeable for, capital stock of the Company), directly or indirectly, without the prior written consent of Schroder & Co. Inc.;

(ii) Such Selling Stockholder will not, directly or indirectly, take any action designed to cause or result in, or that has constituted or that might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities;

(iii) As soon as any Selling Stockholder is advised thereof, such Selling Stockholder will advise the Representatives and confirm such advice in writing, (i) of receipt by such Selling Stockholder or by any representative or agent of such Selling Stockholder, of any communication from the Commission relating to the Registration Statement, the Prospectus or any Preliminary Prospectus, or any notice or order of the Commission relating to the Company or any of the Selling Stockholders in connection with the transactions contemplated by this Agreement and (ii) of the happening of any event that makes or may make any statement made in the Registration Statement, the Prospectus or any Preliminary Prospectus untrue or that requires the making of any change in the Registration Statement, Prospectus or Preliminary Prospectus, as the case may be, in order to make such statement, in light of the circumstances in which it was made, not misleading; and

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(iv) Such Selling Stockholder will deliver to the Representatives prior to the Time of Delivery a properly completed and executed United States Treasury Department Form W-9.

6. The Company covenants and agrees with the Underwriters that the Company will pay or cause to be paid: (i) the fees, disbursements and expenses of counsel and accountants for the Company and the Selling Stockholders, and all other expenses, in connection with the preparation, printing and filing of the Registration Statement and the Prospectus and amendments and supplements thereto

and the furnishing of copies thereof, including charges for mailing, air freight and delivery and counting and packaging thereof and of any Preliminary Prospectus and related offering documents to the Underwriters and dealers;

(ii) the cost of printing this Agreement, the Agreement Among Underwriters, the Selling Agreement, communications with the Underwriters and selling group and the Preliminary and Supplemental Blue Sky Memoranda and any other documents in connection with the offering, purchase, sale and delivery of the Securities;

(iii) all expenses in connection with the qualification of the Securities for offering and sale under securities laws as provided in Section 5(a) hereof, including filing and registration fees and the fees, disbursements and expenses of counsel for the Underwriters in connection with such qualification and in connection with Blue Sky surveys or similar advice with respect to sales;

(iv) the filing fees incident to, and the fees and disbursements of counsel for the Underwriters in connection with, securing any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Securities; (v) all fees and expenses in connection with quotation of the Securities on the Nasdaq National Market System; and (vi) all other costs and expenses incident to the performance of their obligations hereunder that are not otherwise specifically provided for in this Section 6, including the fees of the Company's Transfer Agent and Registrar, the cost of any stock issue or transfer taxes on sale of the Securities to the Underwriters, the cost of the Company's personnel and other internal costs, the cost of printing and engraving the certificates representing the Securities and all expenses and taxes incident to the sale and delivery of the Securities to be sold by the Company and the Selling Stockholders to the Underwriters hereunder.

Each Selling Stockholder will pay any transfer taxes incident to the transfer to the Underwriters of the Securities being sold by such Selling Stockholder.

It is understood, however, that, except as provided in this Section, Section 8 and Section 11 hereof, the Underwriters will pay all their own costs and expenses, including the fees of their counsel, stock transfer taxes on resale of any of the Securities by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters hereunder shall be subject, in their discretion, to the condition that all representations and warranties and

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other statements of the Company and the Selling Stockholders herein are, at and as of the Time of Delivery, true and correct, the condition that the Company and the Selling Stockholders shall have performed all its and their obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Registration Statement shall have become effective, and you shall have received notice thereof not later than 10:00 P.M., New York City time, on the date of execution of this Agreement, or at such other time as you and the Company may agree; if required, the Prospectus shall have been filed with the Commission in the manner and within the time period required by Rule 424(b); no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction.

(b) All corporate proceedings and related legal and other matters in connection with the organization of the Company and the registration, authorization, issue, sale and delivery of the Securities shall have been reasonably satisfactory to Thompson Hine & Flory LLP, counsel to the Underwriters, and Thompson Hine & Flory LLP shall have been timely furnished with such papers and information as they may reasonably have requested to enable them to pass upon the matters referred to in this subsection.

(c) You shall not have advised the Company or any Selling Stockholder that the Registration Statement or Prospectus, or any amendment or supplement thereto, contains an untrue statement of fact or omits to state a fact that in your judgment is in either case material and in the case of an omission is required to be stated therein or is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) D'Ancona & Pflaum, counsel to the Company, shall have furnished to you its written opinion, dated the Time of Delivery, in form and substance

satisfactory to you and to Thompson Hine & Flory LLP, to the effect that:

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and to conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction identified in such opinion, which, to such

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counsel's knowledge, are the only jurisdictions where the nature of the property owned or leased by it, or the nature of the business conducted by it, makes such qualification necessary (except where the failure to so qualify would not have a material adverse effect on the condition, financial or otherwise, or the business affairs or prospects of the Company and its subsidiaries, taken as a whole);

(ii) Based solely upon certificates of public officials, each of the Company's subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, with power and authority (corporate and other) to own its properties and to conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction identified in such opinion, which, to such counsel's knowledge, are the only jurisdictions where the nature of the property owned or leased by it, or the nature of the business conducted by it, makes such qualification necessary (except where the failure to so qualify would not have a material adverse effect on the condition, financial or otherwise, or the business affairs or prospects of the Company and its subsidiaries, taken as a whole);

(iii) All the outstanding shares of capital stock of each of the Company's subsidiaries have been duly authorized and are validly issued and outstanding, are fully paid and non-assessable and, except as otherwise set forth in the Prospectus, are owned by the Company of record and, to the best knowledge of such counsel, (A) beneficially and (B) free and clear of all liens, encumbrances, equities, security interests or claims of any nature whatsoever; and neither the Company nor any of its subsidiaries has granted any outstanding options, warrants or commitments with respect to any shares of its capital stock, whether issued or unissued, except as otherwise described in the Prospectus;

(iv) The Company has an authorized capitalization as set forth in the Registration Statement, and all the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable, are free of any preemptive rights, and were issued and sold in compliance with all applicable federal and state securities laws; except as described in the

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Prospectus, to the knowledge of such counsel, there are no outstanding options, warrants or other rights calling for the issuance of, and there are no commitments, plans or arrangements to issue, any shares of capital stock of the Company; the Securities being sold by the Company have been duly and validly authorized and, when duly countersigned by the Company's Transfer Agent and Registrar and issued, delivered and paid for in accordance with the provisions of the Registration Statement and this Agreement, will be duly and validly issued, fully paid and non-assessable; the Securities conform to the description thereof in the Prospectus; the Securities to be sold by the Company have been duly authorized for quotation on the Nasdaq National Market System, as of the Effective Date, and the Securities to be sold by the Selling Stockholders are quoted on the Nasdaq National Market System; and the certificates for the Securities are in valid and legal form;

(v) To the best of such counsel's knowledge, except as set forth

in the Prospectus, there are no legal or governmental proceedings pending or threatened to which the Company or any of its subsidiaries or any of their respective officers or directors is a party or of which any property of the Company or any of its subsidiaries is the subject that, if resolved against the Company or any of its subsidiaries or any of their respective officers or directors, individually or in the aggregate, is of a character required to be disclosed in the Prospectus that has not been properly disclosed therein;

(vi) This Agreement has been duly authorized, executed and delivered by the Company and is a legal, valid and binding agreement of the Company enforceable in accordance with its terms, except as enforceability of the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors rights generally and except as enforceability of those provisions relating to indemnity may be limited by the federal securities laws and principles of public policy;

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(vii) The Company has full corporate power and authority to execute, deliver and perform this Agreement, and the execution, delivery and performance of this Agreement, the consummation of the transactions herein contemplated and the issue and sale of the Securities and the compliance by the Company with all the provisions of this Agreement will not conflict with, or result in a breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, claim or encumbrance upon, any of the property or assets of the Company or any of its subsidiaries pursuant to, the terms of any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument known to such counsel to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the Certificate of Incorporation or the By-Laws (or similar corporate constituent documents), in each case as amended, of the Company or any of its subsidiaries, or any statute or any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties;

(viii) No consent, approval, authorization, order, registration or qualification of or with any court or any regulatory authority or other governmental body is required for the issue and sale of the Securities or the consummation of the other transactions contemplated by this Agreement, except those as have been obtained under the Act and such consents, approvals, authorizations, registrations or qualifications as may be required under state or foreign securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Underwriters;

(ix) Neither the Company nor any of its subsidiaries is currently in violation of its Certificate of Incorporation or By-Laws (or similar corporate constituent documents) or, to the best of such counsel's knowledge, in default under, any indenture, mortgage, deed

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of trust, lease, bank loan or credit agreement or any other agreement or instrument of which such counsel has knowledge to which the Company or any of its subsidiaries is a party or by which any of them or any of their property may be bound or affected (in any respect that is material in light of the financial condition of the Company and its subsidiaries, taken as a whole);

(x) There are no preemptive or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of, any Securities pursuant to the Company's Certificate of Incorporation or By-Laws, in each case as amended to the date hereof, or, to the best of such counsel's knowledge, any agreement or other instrument, except

as described in the Prospectus; and, except for William F. Whitman, Jr., no holders of securities of the Company have rights to the registration thereof under the Registration Statement or, if any such holders have such rights, such holders have waived such rights;

(xi) To the extent summarized therein, all contracts and agreements summarized in the Registration Statement and the Prospectus are fairly summarized therein, conform in all material respects to the descriptions thereof contained therein, and, to the extent such contracts or agreements or any other material agreements are required under the Act or the rules and regulations thereunder to be filed or incorporated by reference therein, as exhibits to the Registration Statement, they are so filed or incorporated by reference; and such counsel does not know of any contracts or other documents required to be summarized or disclosed in the Prospectus or to be so filed or incorporated by reference as an exhibit to the Registration statement, which have not been so summarized or disclosed, or so filed or incorporated by reference;

(xii) All descriptions in the Prospectus of statutes, regulations or legal or governmental proceedings are fair summaries

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thereof and fairly present the information required to be shown with respect to such matters;

(xiii) Nothing has come to such counsel's attention to give such counsel reason to believe that any of the representations and warranties of the Company contained in this Agreement or in any certificate or document contemplated under this Agreement to be delivered are not true or correct or that any of the covenants and agreements herein contained to be performed on the part of the Company or any of the conditions herein contained, or set forth in the Registration Statement and the Prospectus, to be fulfilled or complied with by the Company have not been or will not be duly and timely performed, fulfilled or complied with;

(xiv) The Registration Statement has become effective under the Act, the Prospectus has been filed in accordance with Rule 424(b) of the rules and regulations of the Commission under the Act, including the applicable time periods set forth therein, or such filing is not required and, to the best knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or threatened under the Act, and the Registration Statement, the Prospectus and each amendment or supplement thereto, as of their respective effective or issue dates, complied as to form in all material respects with the requirements of the Act and the rules and regulations thereunder; and the documents incorporated by reference in the Prospectus comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder; it being understood with respect to all of the foregoing that such counsel need express no opinion as to the financial statements and schedules or other financial data contained or incorporated by reference in the Registration Statement or the Prospectus; and

(xv) The conditions for use of Form S-2 set forth in the General Instructions thereto have been satisfied.

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Such counsel shall also state that nothing has come to such counsel's attention that would lead such counsel to believe that either the Registration Statement or any amendment or supplement thereto, at the time such Registration Statement or amendment or supplement became effective and as of the Time of Delivery, or the Prospectus or any amendment or supplement thereto, as of its date and as of the Time of Delivery, contains or contained any untrue statement of material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

In rendering its opinion set forth in Section 7(d) above, such counsel may rely, to the extent deemed advisable by such counsel, (a) as to factual matters, upon certificates of public officials and officers of the Company, and (b) as to the laws of any jurisdiction other than the United States and jurisdictions in which they are admitted, on opinions of counsel (PROVIDED, HOWEVER, that you shall have received a copy of each of such opinions which shall be dated the Time of Delivery, addressed to you or otherwise authorizing you to rely thereon, and D'Ancona & Pflaum in its opinion to you delivered pursuant to this subsection, shall state that such counsel are satisfactory to them and that D'Ancona & Pflaum has no reason to believe that the Underwriters and they are not justified to so rely);

(e) With respect to each of the Selling Stockholders, D'Ancona & Pflaum, counsel for the Selling Stockholders shall have furnished to you its written opinion, dated the Time of Delivery, in form and substance satisfactory to you and to Thompson Hine & Flory LLP to the effect that:

(i) each Selling Stockholder has full legal right, power and authority to enter into this Agreement and the Power-of-Attorney and to sell, transfer and deliver the Securities being sold by such Selling Stockholder hereunder in the manner provided in this Agreement and to perform its obligations under the Power-of-Attorney; the execution and delivery of this Agreement and the Power-of-Attorney have been duly authorized by all necessary action of each Selling Stockholder; this Agreement and the Power-of-Attorney have been duly executed and delivered by each Selling Stockholder; assuming due authorization, execution and delivery by the Custodian, the Power-of-Attorney is the legal, valid and binding agreement of each Selling Stockholder, enforceable in accordance with its terms, except as enforcement of the same may be limited by bankruptcy, insolvency,

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reorganization, moratorium or other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(ii) upon delivery of and payment for the Securities being sold by each Selling Stockholder, the Underwriters will receive good and valid title to such Securities, free and clear of all liens, encumbrances, equities, security interests, claims or other defects;

(iii) the sale of the Securities to the Underwriters by the Selling Stockholders pursuant to this Agreement, the compliance by the Selling Stockholders with the other provisions of this Agreement and the Power-of-Attorney and the consummation of the other transactions herein contemplated do not (i) conflict with, or result in a breach or violation of any of the terms and provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, claim or encumbrance on any property of any Selling Stockholder under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which any Selling Stockholder is a party or by which any Selling Stockholder or any of the Selling Stockholders' property is bound or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator applicable to any Selling Stockholder, or (ii) require the consent, approval, authorization, order, registration or qualification of or with any governmental authority, except such as have been obtained and such as may be required under state or foreign securities or Blue Sky laws; and

(iv) there are no transfer or other taxes (other than income taxes) known to such counsel payable in connection with the sale and delivery of the Securities by the Selling Stockholders to the Underwriters or all such taxes have been fully paid in connection with such sale and delivery.

Such counsel shall also state that nothing has come to such counsel's attention that would lead such counsel to believe that either the Registration Statement or any amendment or supplement thereto, at the time such Registration Statement or amendment or supplement became effective and as of the Time of

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Delivery, or the Prospectus or any amendment or supplement thereto, as of its date and as of the Time of Delivery, contains or contained any untrue statement of material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

In rendering its opinion set forth in Section 7(e) above, such counsel may rely, to the extent deemed advisable by such counsel, as to factual matters, upon certificates of public officials and the Selling Stockholders.

(f) Thompson Hine & Flory LLP, counsel to the Underwriters, shall have furnished to you its written opinion or opinions, dated the Time of Delivery, in form and substance satisfactory to you, with respect to the incorporation of the Company, the validity of the Securities, the Registration Statement, the Prospectus and other related matters as you may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters.

(g) With respect to the letter of Arthur Andersen LLP delivered to you concurrently with the execution of this Agreement (the "initial letter"), the Company shall have furnished to you a letter (as used in this paragraph, the "bring-down letter") of Arthur Andersen LLP, addressed to you and dated the Time of Delivery (i) confirming that they are independent public accountants with respect to the Company and its subsidiaries within the meaning of the Act and the applicable rules and regulations thereunder, (ii) stating, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than five days prior to the date of the bring-down letter), the conclusions and findings of Arthur Andersen LLP with respect to the financial information and other matters covered by the initial letter, and (iii) confirming in all material respects the conclusions and findings set forth in the initial letter.

(h) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus, any loss of or material dispute with any of its ten largest customers or its ten largest suppliers of products or services (measured by dollar volume during the Company's most recent fiscal year) or any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute, work stoppage or work slowdown or court or governmental action, order or decree; and since the respective dates as of which information is given in the Prospectus, there shall not have been any change in the capital stock (other than shares issued pursuant to the exercise of Option Shares, pursuant to the exercise of warrants that the Prospectus indicates are outstanding, or pursuant to the terms of convertible or exchangeable securities of the Company or its subsidiaries outstanding on the date hereof and described in the Prospectus) or short-term debt or long-term debt of the Company or any of its subsidiaries that is described in the Prospectus nor any change or any development involving a prospective change, in or affecting the general affairs, management, financial

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position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case is in your judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated in the Prospectus.

(i) Between the date hereof and the Time of Delivery, there shall have been no declaration of war by the Government of the United States; at the Time of Delivery, there shall not have occurred any material adverse change in the financial or securities markets in the United States or in political, financial or economic conditions in the United States or any outbreak or material escalation of hostilities or other calamity or crisis, the effect of which is such as to make it, in the judgment of the Representatives, impracticable to market the Securities or to enforce contracts for the resale of Securities and no event shall have occurred resulting in (i) trading in securities generally on the New York Stock Exchange or in the Common Stock on the principal securities exchange or market in which the Common Stock is listed or quoted being suspended or limited or minimum or maximum prices being generally established on such exchange or market, or (ii) additional material governmental restrictions, not

in force on the date of this Agreement, being imposed upon trading in securities generally by the New York Stock Exchange or in the Common Stock on the principal securities exchange or market in which the Common Stock is listed or quoted or by order of the Commission or any court or other governmental authority, or (iii) a general banking moratorium being declared by either federal or New York authorities.

(j) The Company and the Selling Stockholders shall have furnished or caused to be furnished to you at the Time of Delivery certificates signed by the chief executive officer and the chief financial officer, on behalf of the Company, and by each Selling Stockholder or the Attorney-in-Fact on behalf of each Selling Stockholder, satisfactory to you as to such matters as you may reasonably request and as to (i) the accuracy of its and their respective representations and warranties herein at and as of the Time of Delivery and (ii) the performance by the Company and each Selling Stockholder of all their respective obligations hereunder to be performed at or prior to the Time of Delivery; the Company and the Selling Stockholders shall have furnished or caused to be furnished to you at the Time of Delivery certificates signed by the chief executive officer and the chief financial officer, on behalf of the Company, and by each Selling Stockholder as to (i) the fact that they have carefully examined the Registration Statement and Prospectus and, (a) as of the Effective Date, the statements contained or incorporated by reference in the Registration Statement and the Prospectus were true and correct and neither the Registration Statement nor the Prospectus omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and

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(b) since the Effective Date, no event has occurred that is required by the Act or the rules and regulations of the Commission thereunder to be set forth in an amendment of, or a supplement to, the Prospectus that has not been set forth in such an amendment or supplement; and (ii) the matters set forth in subsection (a) of this Section 7.

(k) Each director, executive officer, Selling Stockholder and five percent stockholder of the Company shall have delivered to you an agreement not to offer, sell, contract to sell or otherwise dispose of any shares of capital stock of the Company (or securities convertible into, or exchangeable for, capital stock of the Company), directly or indirectly, for a period of 120 days after the date of this Agreement, without the prior written consent of Schroder & Co. Inc.

(l) The Company shall have delivered to you evidence that the Securities to be sold by the Company have been authorized for quotation on the Nasdaq National Market System as of the Effective Date.

8. (a) The Company and each Principal Selling Stockholder, jointly and severally, will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or in any Blue Sky application or other document executed by the Company specifically for that purpose or based upon information furnished by the Company filed in any state or other jurisdiction in order to qualify any or all of the Securities under the securities laws thereof or filed with the Commission or any securities association or securities exchange (each, an "Application"), or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements made or incorporated by reference therein, in the light of the circumstances under which they were made, not misleading, or (ii) any untrue statement or alleged untrue statement made by the Company and the Principal Selling Stockholders in Section 1A of this Agreement, or (iii) the employment by the Company of any device, scheme or artifice to defraud, or the engaging by the Company in any act, practice or course of business that operates or would operate as a fraud or deceit, or any conspiracy with respect thereto, in which the Company shall participate, in connection with the issuance and sale of any of the Securities, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating, preparing to defend, defending or appearing as a third-party witness in connection with any such action or claim; PROVIDED, HOWEVER, that the Company and the Principal Selling

Stockholders shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue

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statement or alleged untrue statement or omission or alleged omission relating to an Underwriter made in any Preliminary Prospectus, the Registration Statement, the Prospectus or such amendment or supplement or any Application in reliance upon and in conformity with written information furnished to the Company by such Underwriter through you expressly for use therein.

(b) Each Selling Stockholder, severally and not jointly, will indemnify and hold harmless each Underwriter, the Company and the other Selling Stockholders against any losses, claims, damages or liabilities to which such Underwriter, the Company or such Selling Stockholder may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Preliminary Prospectus, the Registration Statement, or the Prospectus, or any amendment or supplement thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements made or incorporated by reference therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Preliminary Prospectus, the Registration Statement, the Prospectus or such amendment or supplement in reliance upon and in conformity with information furnished to such Underwriter or the Company by such Selling Stockholder expressly for use therein, or (ii) any untrue statement or alleged untrue statement made by such Selling Stockholder in Section 1B of this Agreement, and will reimburse such Underwriter, the Company or such Selling Stockholder for any legal or other expenses reasonably incurred by such Underwriter, the Company or such Selling Stockholder in connection with investigating, preparing to defend, defending or appearing as a third-party witness in connection with any such action or claim.

(c) In addition to any obligations of the Company and each of the Selling Stockholders under Section 8(a) and 8(b), the Company and each of the Selling Stockholders agree that they shall perform their indemnification obligations under Section 8(a) and Section 8(b) (as modified by the last paragraph of this Section 8(c)) with respect to counsel fees and expenses and other expenses reasonably incurred by making payments within 45 days to the Underwriter in the amount of the statements of the Underwriter's counsel or other statements that shall be forwarded by the Underwriter, and that it shall make such payments notwithstanding the absence of a judicial determination as to the propriety and enforceability of the obligation to reimburse the Underwriters for such expenses and the possibility that such payments might later be held to have been improper by a court until such time as a court orders the return of such payments.

The indemnity agreement in Section 8(a) and Section 8(b) shall be in addition to any liability that the Company or any of the Selling Stockholders may otherwise have and shall extend upon the same terms and conditions to each person, if any, who controls any Underwriter within the meaning of the Act or the Exchange Act.

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(d) Each Underwriter will indemnify and hold harmless the Company and the Selling Stockholders against any losses, claims, damages or liabilities to which the Company or such Selling Stockholder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or any Application, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement, the Prospectus or such amendment or supplement or any Application in reliance upon and in conformity with written information furnished to the Company or such Selling Stockholder by such Underwriter

relating to such Underwriter through you expressly for use therein, and will reimburse the Company or such Selling Stockholder for any legal or other expenses reasonably incurred by the Company or such Selling Stockholder in connection with investigating or defending any such action or claim.

The indemnity agreement in this Section 8(d) shall be in addition to any liability that the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company or of any Selling Stockholder and to each person, if any, who controls the Company or any Selling Stockholder within the meaning of the Act or the Exchange Act.

(e) Promptly after receipt by an indemnified party under Section 8(a), 8(b) or 8(d) of notice of the commencement of any action (including any governmental investigation), such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party under Section 8(a), 8(b) or 8(d) except to the extent it was unaware of such action and has been prejudiced in any material respect by such failure or from any liability that it may have to any indemnified party otherwise than under such Section 8(a), 8(b) or 8(d). In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. If, however, (i) the indemnifying party has authorized

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the employment of counsel for the indemnified party at the expense of the indemnifying party or (ii) an indemnified party shall have reasonably concluded that representation of such indemnified party and the indemnifying party by the same counsel would be inappropriate under applicable standards of professional conduct due to actual or potential differing interests between them and the indemnified party so notifies the indemnifying party, then the indemnified party shall be entitled to employ counsel different than counsel for the indemnifying party at the expense of the indemnifying party, and the indemnifying party shall not have the right to assume the defense of such indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to local counsel) for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same set of allegations or circumstances. The counsel with respect to which fees and expenses shall be so reimbursed shall be designated in writing by Schroder & Co. Inc. in the case of parties indemnified pursuant to Section 8(a) and Section 8(b) and by the Company in the case of parties indemnified pursuant to Section 8(d).

If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by Section 8(c), the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party, without the prior written consent of the indemnified party, shall effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(f) In order to provide for just and equitable contribution under the Act in any case in which (i) any Underwriter (or any person who controls any Underwriter within the meaning of the Act or the Exchange Act) makes claim for indemnification pursuant to Section 8(a) or Section 8(b) hereof, but is judicially determined (by the entry of a final judgment or decree by a court of

competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that Section 8(a) or Section 8(b) provides for indemnification in such case or (ii) contribution under the Act may be required

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on the part of any Underwriter or any such controlling person in circumstances for which indemnification is provided under Section 8(d), then, and in each such case, each indemnifying party shall contribute to the aggregate losses, claims, damages or liabilities to which they may be subject as an indemnifying party hereunder (after contribution from others) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other from the offering of the Securities. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under Section 8(e) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Selling Stockholders on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities purchased under this Agreement (before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters with respect to the Securities purchased under this Agreement, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Stockholders on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, each of the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 8(f) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to above in this Section 8(f). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this Section 8(f) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8(f), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this Section 8(f) to contribute are several in proportion to their respective underwriting obligations and not joint.

(g) Promptly after receipt by any party to this Agreement of notice of the commencement of any action, suit or proceeding, such party will, if a claim for contribution in respect thereof is to be made against another party (the "contributing party"), notify the contributing party of the commencement

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thereof; but the omission so to notify the contributing party will not relieve it from any liability that it may have to any other party for contribution under the Act except to the extent it was unaware of such action and has been prejudiced in any material respect by such failure or from any liability that it may have to any other party other than for contribution under the Act. In case any such action, suit or proceeding is brought against any party, and such party notifies a contributing party of the commencement thereof, the contributing party will be entitled to participate therein with the notifying party and any

other contributing party similarly notified.

9. (a) If any Underwriter shall default in its obligation to purchase the Firm Securities that it has agreed to purchase hereunder, you may in your discretion arrange for you or another party or other parties to purchase such Firm Securities on the terms contained herein. If the aggregate number of Firm Securities as to which Underwriters default is more than one-eleventh of the aggregate number of all the Firm Securities and within 36 hours after such default by any Underwriter you do not arrange for the purchase of such Firm Securities, then the Company and the Selling Stockholders shall be entitled to a further period of 36 hours within which to procure another party or other parties satisfactory to you to purchase such Firm Securities on such terms. In the event that, within the respective prescribed periods, you notify the Company and the Selling Stockholders that you have so arranged for the purchase of such Firm Securities, or the Company and the Selling Stockholders notify you that they have so arranged for the purchase of such Firm Securities, you or the Company shall have the right to postpone the Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement or the Prospectus that in your opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Firm Securities.

(b) If, after giving effect to any arrangements for the purchase of the Firm Securities of such defaulting Underwriter or Underwriters by you or the Company and the Selling Stockholders or both as provided in subsection (a) above, the aggregate number of such Firm Securities that remain unpurchased does not exceed one-eleventh of the aggregate number of all the Firm Securities, then the Company and the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the number of the Firm Securities that such Underwriter agreed to purchase hereunder and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Firm Securities that such Underwriter agreed to purchase hereunder) of the Firm Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing shall relieve a defaulting Underwriter from liability for its default.

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(c) If, after giving effect to any arrangements for the purchase of the Firm Securities of a defaulting Underwriter or Underwriters by you or the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Firm Securities which remain unpurchased exceeds one-eleventh of the aggregate number of all the Firm Securities, or if the Company and the Selling Stockholders shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Firm Securities of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate without liability on the part of any non-defaulting Underwriter, the Company or any Selling Stockholder, except for the expenses to be borne by the Company and the Selling Stockholders and the Underwriters as provided in Section 6 hereof and the indemnity agreement in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company, each of the Selling Stockholders and the Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or an officer or director or controlling person of the Company, or any of the Selling Stockholders, or any controlling person of any of the Selling Stockholders, and shall survive delivery of and payment for the Securities.

11. This Agreement shall become effective (a) if the Registration Statement has not heretofore become effective, at the earlier of 12:00 Noon, New York City time, on the first full business day after the Registration Statement becomes effective, or at such time after the Registration Statement becomes effective as you may authorize the sale of the Securities to the public by Underwriters or other securities dealers, or (b) if the Registration Statement

has heretofore become effective, at the earlier of 24 hours after the filing of the Prospectus with the Commission or at such time as you may authorize the sale of the Securities to the public by Underwriters or securities dealers, unless, prior to any such time you shall have received notice from the Company that it elects that this Agreement shall not become effective, or you, or through you such of the Underwriters as have agreed to purchase in the aggregate fifty percent or more of the Firm Securities hereunder, shall have given notice to the Company that you or such Underwriters elect that this Agreement shall not become effective; PROVIDED, HOWEVER, that the provisions of this Section and Section 6 and Section 8 hereof shall at all times be effective.

If this Agreement shall be terminated pursuant to Section 9 hereof, or if this Agreement, by election of you or the Underwriters, shall not become effective pursuant to the provisions of this Section, the Company and the Selling Stockholders shall not then be under any liability to any Underwriter except as provided in Section 6 and Section 8 hereof, but if this Agreement becomes effective and is not so terminated but the Securities are not delivered by or on behalf of the Company or any of the Selling Stockholders as provided

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herein because the Company or any of the Selling Stockholders has been unable for any reason beyond its control and not due to any default by it to comply with the terms and conditions hereof, the Company will reimburse the Underwriters through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Securities, but the Company and the Selling Stockholders shall then be under no further liability to any Underwriter except as provided in Section 6 and Section 8 hereof.

12. The statements set forth in the last paragraph on the front cover page of the Preliminary Prospectus or Prospectus, the paragraph on the inside front cover of the Preliminary Prospectus or Prospectus containing language relating to stabilization and the second and last paragraphs under the caption "Underwriting" in the Preliminary Prospectus or Prospectus constitute the only information furnished by any Underwriter through the Representatives to the Company for purposes of Sections 1A(b), 1A(c) and 8 hereof.

13. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by you jointly or by Schroder & Co. Inc. on behalf of you as the Representatives, and in all dealings with the Selling Stockholders hereunder, you and the Company shall be entitled to act and rely upon any statement, request, notice or agreement furnished in writing by or on behalf of such Selling Stockholder or made or given by the Attorney-in-Fact for such Selling Stockholder.

All statements, requests, notices and agreements hereunder, unless otherwise specified in this Agreement, shall be in writing and, if to the Underwriters, shall be delivered or sent by mail, telex or facsimile transmission (subsequently confirmed by delivery or by letter sent by mail) to you as the Representatives in care of Schroder & Co. Inc., Equitable Center, 787 Seventh Avenue, New York, New York 10019, Attention: Syndicate Department; and if to the Company or the Selling Stockholders, shall be delivered or sent by letter sent by mail, telex or facsimile transmission (subsequently confirmed by delivery or by letter sent by mail) to the address of the Company set forth in the Registration Statement, Attention: _____; PROVIDED, HOWEVER, that any notice to any Underwriter pursuant to Section 8(d) hereof shall be delivered or sent by mail, telex or facsimile transmission (subsequently confirmed by delivery or by letter sent by mail) to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by you upon request. Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof.

14. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and each of the Selling Stockholders and, to the extent provided in Section 8 and Section 10 hereof, the officers and

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directors of the Company and each person who controls the Company, any Selling Stockholder or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Securities from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

16. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

17. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. If the foregoing is in accordance with your understanding, please sign and return to us two counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement among each of the Underwriters, the Company and each of the Selling Stockholders. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement Among Underwriters, manually or facsimile executed counterparts of which, to the extent practicable and upon request, shall be submitted to the Company for examination, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,
THE MIDDLEBY CORPORATION

By: _____
Name:
Title:

SELLING STOCKHOLDERS

By: _____
As Attorney-in-Fact for each of
the Selling Stockholders listed in
Schedule II

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Accepted as of the date hereof:

SCHRODER & CO. INC.
BREAN MURRAY & CO., INC.
as Representatives of the several Underwriters

By: SCHRODER & CO. INC.

By: _____
Managing Director

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SCHEDULE I

UNDERWRITER

Schroder & Co. Inc.
Brean Murray & Co., Inc.

NUMBER OF FIRM SECURITIES

Total

2,610,000

SCHEDULE II

SELLING STOCKHOLDER -----	NUMBER OF FIRM SECURITIES TO BE SOLD -----
William F. Whitman, Jr.	300,000
David P. Riley	210,000
Laura B. Whitman	100,000
Total	----- 610,000 ----- -----

EXHIBIT 5

D'ANCONA & PFLAUM

Suite 2900
30 North LaSalle Street
Chicago, Illinois 60602
Telephone (312)580-2000
Telecopier (312)580-0923

September 11, 1997

The Middleby Corporation
2850 W. Golf Road, Suite 405
Rolling Meadows, IL 60008

Ladies and Gentlemen:

In connection with the proposed registration under the Securities Act of 1933, as amended, by The Middleby Corporation, a Delaware corporation (the "Company"), of up to 3,001,500 shares of the Company's Common Stock, \$0.01 par value per share (the "Shares"), as described in the Company's registration statement on Form S-2 to be filed with the Securities and Exchange Commission (such registration statement, including all amendments and exhibits thereto, being herein called the "Registration Statement"), we hereby advise you that as counsel for the Company we have examined the original or certified copies of the Certificate of Incorporation of the Company and all amendments thereto, the by-laws of the Company, the minute books of the Company, and such other documents and records as we have deemed necessary for the purposes of this opinion.

Based upon such examination, it is our opinion that:

(1) the 2,391,500 Shares to be sold by the Company (including up to 391,500 Shares which the Underwriters have the option to purchase from the Company to cover over-allotments, if any) are duly authorized and, when issued and sold pursuant to the terms of the Underwriting Agreement included as an exhibit to the Registration Statement, will be legally issued, fully paid and nonassessable; and

(2) the 610,000 Shares to be sold by the Selling Stockholders referred to in the Registration Statement are duly authorized, legally issued, fully paid and nonassessable.

We hereby consent to the references to our firm under the heading "Legal Matters" in the Prospectus of the Company included in the Registration Statement, and to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

D'ANCONA & PFLAUM

By: /s/ Nathaniel Sack

Nathaniel Sack, a Partner

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report and to all references to our Firm included in or made a part of this Registration Statement.

ARTHUR ANDERSEN LLP

Chicago, Illinois
September 11, 1997