FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)
[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended October 2, 2004

or

[_] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File No. 1-9973

THE MIDDLEBY CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware	**36-3352497**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
1400 Toastmaster Drive, Elgin, Illinois	**60120**
(Address of Principal Executive Offices)	(Zip Code)
Registrant's Telephone No., including Area Code	**(847) 741-3300**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve (12) months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO [_]

Indicate by check mark whether the registrant is an accelerated filer (as defined by Rule 12b-2 of the Exchange Act).
Yes [_] No [X]

As of November 5, 2004, there were 9,240,801 shares of the registrant's common stock outstanding.

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

QUARTER ENDED OCTOBER 2, 2004

INDEX

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

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

ASSETS	Oct. 2, 2004	Jan. 3, 2004
Current assets:		
Cash and cash equivalents	$ 2,633	$ 3,652
Accounts receivable, net of reserve for doubtful accounts of $3,252 and $3,146	29,520	23,318
Inventories, net	31,087	25,382
Prepaid expenses and other	1,497	1,776
Current deferred taxes	11,810	12,839
Total current assets	76,547	66,967
Property, plant and equipment, net of accumulated depreciation of $31,360 and $29,146	23,106	24,921
Goodwill	74,761	74,761
Other intangibles	26,300	26,300
Other assets	1,661	1,671
Total assets	$ 202,375	$ 194,620
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ —	$ 14,500
Accounts payable	15,042	11,901
Accrued expenses	41,148	37,076
Total current liabilities	56,190	63,477
Long-term debt	40,615	42,000
Long-term deferred tax liability	8,264	8,264
Other non-current liabilities	14,132	18,789
Stockholders' equity:		
Preferred stock, $0.01 par value; nonvoting; 2,000,000 shares authorized; none issued	—	—
Common stock, $0.01 par value; 20,000,000 shares authorized; 11,288,371 and 11,257,021 shares issued in 2004 and 2003, respectively	113	113
Paid-in capital	55,486	55,279
Treasury stock at cost; 2,047,570 and 2,047,271 shares in 2004 and 2003, respectively	(12,481)	(12,463)
Retained earnings	42,021	21,470
Accumulated other comprehensive loss	(1,965)	(2,309)
Total stockholders' equity	83,174	62,090
Total liabilities and stockholders' equity	$ 202,375	$ 194,620

See accompanying notes

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

	Three Months Ended		Nine Months Ended	
	Oct. 2, 2004	Sep. 27, 2003	Oct. 2, 2004	Sep. 27, 2003
Net sales	$ 70,620	$ 60,894	$ 205,996	$ 182,695
Cost of sales	44,226	38,261	127,633	118,360
Gross profit	26,394	22,633	78,363	64,335
Selling expenses	7,637	7,259	23,340	22,201
General and administrative expenses	6,175	5,388	17,684	16,097
Income from operations	12,582	9,986	37,339	26,037
Net interest expense and deferred financing amortization	643	1,410	2,334	4,747
(Gain) loss on acquisition financing derivatives	(96)	32	(96)	(79)
Other expense (income), net	45	(254)	317	29
Earnings before income taxes	11,990	8,798	34,784	21,340
Provision for income taxes	1,622	3,147	10,536	8,483
Net earnings	$ 10,368	$ 5,651	$ 24,248	$ 12,857
Net earnings per share:				
Basic	$ 1.12	$ 0.63	$ 2.63	$ 1.42
Diluted	$ 1.03	$ 0.59	$ 2.42	$ 1.37

Weighted average number of shares				
Basic	**9,241**	**9,036**	**9,232**	**9,032**
Dilutive stock options[1]	**799**	**469**	**787**	**369**
Diluted	**10,040**	**9,505**	**10,019**	**9,401**

1. There were no anti-dilutive stock options excluded from common stock equivalents for any period presented.

See accompanying notes

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

	Nine Months Ended	
	Oct. 2, 2004	Sep. 27, 2003
Cash flows from operating activities-Net earnings	$ 24,248	$ 12,857
Adjustments to reconcile net earnings to cash provided by operating activities:		
Depreciation and amortization	2,758	3,046
Deferred taxes	1,029	3,492
Unrealized gain on derivative financial instruments	(96)	(80)
Unpaid interest on seller notes(1)	—	567
Changes in assets and liabilities-		
Accounts receivable, net	(6,202)	(236)
Inventories, net	(5,705)	1,895
Prepaid expenses and other assets	(55)	(586)
Accounts payable	3,141	137
Accrued expenses and other liabilities	(145)	1,695
Net cash provided by operating activities	18,973	22,787
Cash flows from investing activities-		
Net additions to property and equipment	(600)	(739)
Acquisition of Blodgett	(2,000)	(16,129)
Net cash (used in) investing activities	(2,600)	(16,868)
Cash flows from financing activities-		
Proceeds under revolving credit facilities, net	39,115	1,150
Net repayments under senior secured bank notes	(53,000)	(11,400)
Payment of special dividend	(3,696)	—
Other financing activities, net	189	43
Net cash (used in) financing activities	(17,392)	(10,207)
Changes in cash and cash equivalents-		
Net (decrease) in cash and cash equivalents	(1,019)	(4,288)
Cash and cash equivalents at beginning of year	3,652	8,378
Cash and cash equivalents at end of quarter	$ 2,633	$ 4,090
Supplemental disclosure of cash flow information:		
Interest paid	$ 2,195	$ 3,444
Income taxes paid	$ 11,428	$ 4,746

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

See accompanying notes

THE MIDDLEBY CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

October 2, 2004
(Unaudited)

1) Summary of Significant Accounting Policies

A) Basis of Presentation

The condensed consolidated financial statements have been prepared by The Middleby Corporation (the "company"), pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements are unaudited and certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations, although the company believes that the disclosures are adequate to make the information not misleading. These financial statements should be read in conjunction with the financial statements and related notes contained in the company's 2003 Form 10-K/A (Amendment No. 2).

In the opinion of management, the financial statements contain all adjustments necessary to present fairly the financial position of the company as of October 2, 2004 and January 3, 2004, and the results of operations for the three and nine months ended October 2, 2004 and September 27, 2003 and cash flows for the nine months ended October 2, 2004 and September 27, 2003.

B) Stock-Based Compensation

As permitted under SFAS No. 123: "Accounting for Stock-Based Compensation", the company has elected to follow APB Opinion No. 25: "Accounting for Stock Issued to Employees" in accounting for stock-based awards to employees and directors. Under APB No. 25, because the exercise price of the company's stock options is equal to or greater than the market price of the underlying stock on the date of grant, no compensation expense is recognized in the company's financial statements for all periods presented.

Pro forma interim information regarding net earnings and earnings per share is required by SFAS No. 148. This information is required to be determined as if the company had accounted for its employee and director stock options granted subsequent to

December 31, 1994 under the fair value method of SFAS No. 123.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the company's options have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in the opinion of management, the existing models do not necessarily provide a reliable single measure of the fair value of its options.

For purposes of these interim pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The company's pro forma net earnings and per share data utilizing a fair value based method is as follows:

	Three Months Ended		Nine Months Ended	
	Oct. 2, 2004	Sep. 27, 2003	Oct. 2, 2004	Sep. 27, 2003
	(in thousands, except per share data)			
Net income - as reported	$ 10,368	$ 5,651	$ 24,248	$ 12,857
Less: Stock-based employee compensation expense, net of taxes	(276)	(121)	(841)	(337)
Net income - pro forma	$ 10,092	$ 5,530	$ 23,407	$ 12,520
Earnings per share - as reported:				
Basic	$ 1.12	$ 0.63	$ 2.63	$ 1.42
Diluted	1.03	0.59	2.42	1.37
Earnings per share - pro forma:				
Basic	$ 1.09	$ 0.61	$ 2.54	$ 1.39
Diluted	1.01	0.58	2.34	1.33

2) Litigation Matters

From time to time, the company is subject to proceedings, lawsuits and other claims related to products, suppliers, employees, customers and competitors. The company maintains insurance to cover product liability, workers compensation, property and casualty, and general liability matters. The company is required to assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of accrual required, if any, for these contingencies is made after assessment of each matter and the related insurance coverage. The required accrual may change in the future due to new developments or changes in approach such as a change in settlement strategy in dealing with these matters. The company does not believe that any such matter will have a material adverse effect on its financial condition or results of operations.

3) New Accounting Pronouncements

In December 2003, the Financial Accounting Standards Board ("FASB") issued a revision to Statement of Financial Accounting Standards ("SFAS") No. 132 "Employers' Disclosure about Pensions and Other Postretirement Benefits." This statement retains the disclosures previously required by SFAS No. 132 but adds additional disclosure requirements about the assets, obligations, cash flows and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. It also calls for the required information to be provided separately for pension plans and for other postretirement benefit plans. The interim-period disclosures required by this statement are effective for interim periods beginning after December 15, 2003. The company has included the required interim period disclosures in footnote 12.

4) Other Comprehensive Income

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

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

	Three Months Ended		Nine Months Ended	
	Oct. 2, 2004	Sep. 27, 2003	Oct. 2, 2004	Sep. 27, 2003
Net earnings	$ 10,368	$ 5,651	$ 24,248	$ 12,857
Cumulative translation adjustment	(3)	119	(15)	267
Minimum pension liability	—	—	10	—

Unrealized gain on interest rate swap	8	285	349	3
Comprehensive income	$ 10,373	$ 6,055	$ 24,592	$ 13,127

Accumulated other comprehensive loss is comprised of minimum pension liability of $2.1 million as of October 2, 2004 and January 3, 2004, foreign currency translation adjustments of $0.1 million as of October 2, 2004 and January 3, 2004, and an unrealized gain on a interest rate swap of $0.2 million at October 2, 2004 and an unrealized loss of $0.2 million at January 3, 2004.

5) Inventories

Inventories are composed of material, labor and overhead and are stated at the lower of cost or market. Costs for inventory at the company's manufacturing facilities in New Hampshire and Vermont, amounting to $12.3 million and representing approximately 39% of the company's total inventory, have been determined using the last-in, first-out ("LIFO") method. Costs for all other inventory have been determined using the first-in, first-out ("FIFO") method. The company estimates reserves for inventory obsolescence and shrinkage based on its judgment of future realization. Inventories at October 2, 2004 and January 3, 2004 are as follows:

	Oct. 2, 2004	Jan. 3, 2004
	(in thousands)	
Raw materials and parts	$ 7,298	$ 3,798
Work-in-process	4,830	5,288
Finished goods	18,780	15,667
	30,908	24,753
LIFO adjustment	179	629
	$ 31,087	$ 25,382

6) Accrued Expenses

Accrued expenses consist of the following:

	Oct. 2, 2004	Jan. 3, 2004
	(in thousands)	
Accrued warranty	$ 11,048	$ 11,563
Accrued payroll and related expenses	9,983	7,094
Accrued customer rebates	7,751	6,935
Accrued product liability and workers comp	2,663	3,398
Accrued income taxes	718	524
Accrued commissions	1,435	1,466
Accrued severance and plant closures	999	1,092
Other accrued expenses	6,551	5,004
	$ 41,148	$ 37,076

7) Warranty Costs

In the normal course of business the company issues product warranties for specific product lines and provides for the estimated future warranty cost in the period in which the sale is recorded. The estimate of warranty cost is based on contract terms and historical warranty loss experience that is periodically adjusted for recent actual experience. Because warranty estimates are forecasts that are based on the best available information, claims costs may differ from amounts provided. Adjustments to initial obligations for warranties are made as changes in the obligations become reasonably estimable.

A rollforward of the warranty reserve is as follows:

	Nine Months Ended Oct. 2, 2004
	(in thousands)
Beginning balance	$ 11,563
Warranty expense	6,542
Warranty claims	(7,057)
Ending balance	$ 11,048

8) Financing Arrangements

		Oct. 2, 2004		Jan. 3, 2004
		(in thousands)		
Senior secured revolving credit line	$	40,615	$	1,500
Senior secured bank term loans		—		53,000
Notes to Maytag		—		2,000
Total debt	$	40,615	$	56,500
Less: Current maturities of long-term debt		—		14,500
Long-term debt	$	40,615	$	42,000

During the second quarter of 2004 the company amended its secured banking facility. Interest costs on borrowings under the amended facility were reduced to reflect improved market conditions and the improved credit profile of the company. Additionally, the company improved its borrowing flexibility under the banking facility by eliminating the term loan component of the facility and replacing it entirely with a $70.0 million revolving credit line. As of October 2, 2004, the company had borrowings of $40.6 million under this revolving credit facility. The interest rate on the credit facility may be adjusted quarterly based upon the company's defined indebtedness ratio computed on a rolling four-quarter basis. Currently, borrowings under the credit facility are assessed interest at floating rates of 1.25% above LIBOR. At October 2, 2004, this interest rate was 3.08%. A variable commitment fee, based upon the indebtedness ratio is charged on the unused portion of the line of credit. This variable commitment fee amounted to 0.30% as of October 2, 2004.

The company maintains two interest rate swap agreements in connection with the secured credit facility. The first, taken out in January 2002, has a notional amount of $20.0 million, swaps one-month LIBOR for a fixed rate of 4.03% and is in effect through December 31, 2004. The second, taken out in February 2003, has a notional amount of $10.0 million, swaps one-month LIBOR for a fixed rate of 2.36% and is in effect through December 30, 2005.

The terms of the secured credit facility limit the paying of dividends, the incurrence of other debt, and require, among other things, a minimum amount, as defined, of stockholders' equity, and certain ratios of indebtedness and fixed charge coverage. The credit agreement also provides that if a material adverse change in the company's business operations or conditions occurs, the lender could declare an event of default. Under terms of the agreement a material adverse effect is defined as (a) a material adverse change in, or a material adverse effect upon, the business, assets, operations, condition (financial or otherwise) or prospects of the company and its subsidiaries taken as a whole, or (b) a material adverse effect upon any substantial portion of the collateral or upon the legality, validity, binding effect or enforceability against the company of any loan document. A material adverse effect is determined on a subjective basis by the company's creditors. At October 2, 2004, the company was in compliance with all covenants pursuant to its borrowing agreements.

9) Acquisition Integration

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

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

Reserves for facility closure costs predominately relate to lease obligations for two manufacturing facilities that were exited in 2001 and 2002. During the second quarter of 2001, prior to the acquisition, reserves were established for lease obligations associated with a manufacturing facility in Quakertown, Pennsylvania that was exited when production at this facility was relocated to an existing facility in Bow, New Hampshire. The lease associated with the exited facility extends through December 11, 2014. The facility is currently subleased for a portion of the lease term through July 2006. During the second quarter of 2002, the company exited leased facilities in Shelburne, Vermont in conjunction with the company's manufacturing consolidation initiatives. The lease associated with the exited facility extends through December 11, 2014. Future lease obligations under these facilities amount to approximately $11.5 million. The remaining reserve balance is reflected net of anticipated sublease income.

The forecast of sublease income could differ from actual amounts, which are subject to the occupancy by a subtenant and a negotiated sublease rental rate. If the company's estimates or underlying assumptions change in the future, the company would be required to adjust the reserve amount accordingly.

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

	Balance Jan. 3, 2004	Cash Payments	Balance Oct. 2,2004
Severance obligations	$ 15	$ (4)	$ 11
Facility closure and lease obligations	8,649	(721)	7,928
Total	$ 8,664	$ (725)	$ 7,939

All actions pertaining to the company's integration initiatives have been completed. At this time, management believes the remaining reserve balance is adequate to cover the remaining costs identified at October 2, 2004.

10) Financial Instruments

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

Foreign Exchange: The company has entered into derivative instruments, principally forward contracts to reduce exposures pertaining to fluctuations in foreign exchange rates. As of October 2, 2004 the company had forward contracts to purchase $6.0 million U.S. Dollars with various foreign currencies, all of which mature in the next fiscal quarter. The fair value of these forward contracts was less than $(0.1) million at the end of the quarter.

Interest Rate: On January 11, 2002, in accordance with the senior bank agreement, the company entered into an interest rate swap agreement with a notional amount of $20.0 million to fix the interest rate applicable to certain of its variable-rate debt. The agreement swaps one-month LIBOR for a fixed rate of 4.03% and is in effect through December 31, 2004. On June 30, 2002, the company designated this swap as a cash flow hedge. The changes in the fair value of the swap that are effectively hedged are recorded as a component of other comprehensive income, while the ineffective portion of the changes in fair value are recorded in earnings. As of October 2, 2004, the fair value of this instrument was $(0.1) million. The change in fair value of this swap agreement in the first nine months of 2004 was $(0.4) million and was recorded as a component of other comprehensive income. The ineffective portion of the swap recorded in earnings was $0.1 million for the nine-month period ended October 2, 2004.

On February 9, 2003 in accordance with the senior bank agreement, the company entered into another interest rate swap agreement with a notional amount of $10.0 million to fix the interest rate applicable to certain of its variable-rate debt. The agreement swaps one-month LIBOR for a fixed rate of 2.36% and is in effect through December 30, 2005. The company designated the swap as a cash flow hedge at its inception and all changes in the fair value of the swap are recognized in accumulated other comprehensive income. As of October 2, 2004, the fair value of this instrument was less than $0.1 million. The change in fair value of this swap agreement in the first nine months of 2004 was a gain of less than $0.1 million.

11) Segment Information

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

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

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

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

Net Sales Summary
(dollars in thousands)

	Three Months Ended				Nine Months Ended			
	Oct. 2, 2004		Sep. 27, 2003		Oct. 2, 2004		Sep. 27, 2003	
	Sales	Percent	Sales	Percent	Sales	Percent	Sales	Percent
Business Divisions:								
Cooking Systems Group:								
Core cooking equipment	$ 48,208	68.3	$ 41,412	67.8	$ 144,175	70.0	$ 125,242	68.4
Conveyor oven equipment	13,657	19.3	11,598	19.2	40,504	19.7	35,787	19.8
Counterline cooking equipment	2,576	3.6	2,697	4.5	7,655	3.7	7,581	4.2
International specialty equipment	1,953	2.8	1,183	2.0	5,413	2.6	5,321	2.9
Cooking Systems Group	66,394	94.0	56,890	93.5	197,747	96.0	173,931	95.3
International Distribution Division (1)	12,102	17.1	10,782	17.9	32,833	15.9	31,017	17.2
Intercompany sales (2)	(7,876)	(11.1)	(6,778)	(11.4)	(24,584)	(11.9)	(22,253)	(12.5)
Total	$ 70,620	100.0%	$ 60,894	100.0%	$ 205,996	100.0%	$ 182,695	100.0%

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

(2) Represents the elimination of sales amongst the Cooking Systems Group and from the Cooking Systems Group to the International Distribution Division.

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

	Cooking Systems Group	International Distribution	Corporate and Other[2]	Eliminations[3]	Total
Three months ended October 2, 2004					
Net sales	$ 66,394	$ 12,102	$ —	$ (7,876)	$ 70,620
Operating income	14,296	735	(2,268)	(181)	12,582
Depreciation expense	719	46	(72)	—	693
Net capital expenditures	87	38	66	—	191
Nine months ended October 2, 2004					
Net sales	$ 197,747	$ 32,833	$ —	$ (24,584)	$ 205,996
Operating income	42,501	1,556	(5,937)	(781)	37,339
Depreciation expense	2,498	117	(201)	—	2,414
Net capital expenditures	341	136	123	—	600
Total assets	178,044	23,141	12,172	(10,982)	202,375
Long-lived assets[4]	121,751	383	3,694	—	125,828
Three months ended September 27, 2003					
Net sales	$ 56,890	$ 10,782	$ —	$ (6,778)	$ 60,894
Operating income	11,387	689	(1,940)	(150)	9,986
Depreciation expense	896	36	(68)	—	864
Net capital expenditures	59	1	5	—	65
Nine months ended September 27, 2003					
Net sales	$ 173,931	$ 31,017	$ —	$ (22,253)	$ 182,695
Operating income	31,241	1,591	(6,095)	(700)	26,037
Depreciation expense	2,830	110	(206)	—	2,734
Net capital expenditures	763	(31)	7	—	739
Total assets	177,409	21,126	9,581	(10,982)	197,134
Long-lived assets[4]	124,688	485	3,159	—	128,332

(1) Non-operating expenses are not allocated to the operating segments. Non-operating expenses consist of interest expense and deferred financing amortization, gains and losses on acquisition financing derivatives, and other income and expenses items outside of income from operations.

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

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

(4) Long-lived assets of the Cooking Systems Group includes assets located in the Philippines which amounted to $2,232 and $2,449 in 2004 and 2003, respectively.

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

	Three Months Ended		Nine Months Ended	
	Oct. 2, 2004	Sep. 27, 2003	Oct. 2, 2004	Sep. 27, 2003
United States and Canada	$ 57,060	$ 48,648	$ 169,316	$ 147,890
Asia	5,637	5,321	14,225	14,687
Europe and Middle East	5,898	5,176	16,853	15,721
Latin America	2,025	1,749	5,602	4,397
Net sales	$ 70,620	$ 60,894	$ 205,996	$ 182,695

12) Employee Benefit Plans

The company maintains a non-contributory defined benefit plan for its union employees at the Elgin, Illinois facility. Benefits are determined based upon retirement age and years of service with the company. This defined benefit plan was frozen on April 30, 2002 and no further benefits accrue to the participants beyond this date. Plan participants will receive or continue to receive payments for benefits earned on or prior to April 30, 2002 upon reaching retirement age. The employees participating in the defined benefit plan were enrolled in a newly established 401K savings plan on July 1, 2002. The defined benefit plan continues to be funded in accordance with provisions of the Employee Retirement Income Security Act of 1974. Company funding contributions amounted to $280,000 in fiscal 2003 and $377,000 in fiscal 2002. The anticipated minimum funding requirement for fiscal 2004 is approximately $285,000 of which $162,000 was funded during the nine-month period ended October 2, 2004.

The company also maintains a retirement benefit agreement with its Chairman. The retirement benefits are based upon a percentage of the Chairman's final base salary. Additionally, the company maintains a retirement plan for non-employee directors. The plan provides for an annual benefit upon retirement from the Board of Directors at age 70, equal to 100% of the director's last annual retainer, payable for a number of years equal to the director's years of service up to a maximum of 10 years. Company funding contributions are made at the discretion of the board of directors in consideration of the plan requirements and company's cash flows. Funding contributions amounted to $1,007,000 in fiscal 2003 and $16,000 in fiscal 2002. Funding in the nine-month period ended October 2, 2004 amounted to $1,550,000.

The net pension expense for the first nine months of 2004 for these plans was as follows :

	Union Plan	Directors Plans
Service cost	$ —	$ 215,090
Interest on benefit obligations	182,449	255,387
Return on assets	(210,476)	—
Net amortization and deferral	98,868	300,444
Net pension expense	$ 70,841	$ 770,921

13) Subsequent Event

On November 10, 2004, subsequent to the end of the third quarter, the company entered into an agreement with Pizzagalli Properties, LLC, to terminate the company's lease obligations related to a manufacturing facility in Shelburne, Vermont. This transaction occurred simultaneously with a sale of the property from Pizzagalli Properties, LLC to an unrelated third party. The company had exited this facility in the second quarter of 2002 as operations in that location were moved and consolidated within other existing manufacturing facilities. The original lease had a term extending through December 11, 2014. Under terms of the lease termination agreement the company will pay the lessor $600,000 in cash and enter into an interest bearing note in the amount of $2,513,884. The company had existing reserves of approximately $5.7 million representing the future lease obligations under the facility net of estimated sublease income. As a result, the company anticipates recording a gain, net of transaction related costs, of approximately $2.4 million in the fourth quarter of 2004 on this transaction.

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

Informational Note

This report contains forward-looking statements subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. The company cautions readers that these projections are based upon future results or events and are highly dependent upon a variety of important factors which could cause such results or events to differ materially from any forward-looking statements which may be deemed to have been made in this report, or which are otherwise made by or on behalf of the company. Such factors include, but are not limited to, volatility in earnings resulting from goodwill impairment losses which may occur irregularly and in varying amounts; variability in financing costs; quarterly variations in operating results; dependence on key customers; international exposure; foreign exchange and political risks affecting international sales; changing market conditions; the impact of competitive products and pricing; the timely development and market acceptance of the company’s products; the availability and cost of raw materials; and other risks detailed herein and from time-to-time in the company’s SEC filings, including the 2003 report on Form 10-K/A (Amendment No. 2).

Net Sales Summary
(dollars in thousands)

	Three Months Ended				Nine Months Ended			
	Oct. 2, 2004		Sep. 27, 2003		Oct. 2, 2004		Sep. 27, 2003	
	Sales	Percent	Sales	Percent	Sales	Percent	Sales	Percent
Business Divisions:								
Cooking Systems Group:								
Core cooking equipment	$ 48,208	68.3	$ 41,412	67.8	$ 144,175	70.0	$ 125,242	68.4
Conveyor oven equipment	13,657	19.3	11,598	19.2	40,504	19.7	35,787	19.8
Counterline cooking equipment	2,576	3.6	2,697	4.5	7,655	3.7	7,581	4.2
International specialty equipment	1,953	2.8	1,183	2.0	5,413	2.6	5,321	2.9
Cooking Systems Group	66,394	94.0	56,890	93.5	197,747	96.0	173,931	95.3
International Distribution Division (1)	12,102	17.1	10,782	17.9	32,833	15.9	31,017	17.2
Intercompany sales (2)	(7,876)	(11.1)	(6,778)	(11.4)	(24,584)	(11.9)	(22,253)	(12.5)
Total	$ 70,620	100.0%	$ 60,894	100.0%	$ 205,996	100.0%	$ 182,695	100.0%

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

(2) Represents the elimination of sales amongst the Cooking Systems Group and from the Cooking Systems Group to the International Distribution Division.

Results of Operations

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

	Three Months Ended		Nine Months Ended	
	Oct. 2, 2004	Sep. 27, 2003	Oct. 2, 2004	Sep. 27, 2003
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	62.6	62.8	62.0	64.8
Gross profit	37.4	37.2	38.0	35.2
Selling, general and administrative expenses	19.6	20.8	19.9	21.0
Income from operations	17.8	16.4	18.1	14.2
Interest expense and deferred financing amortization, net	0.9	2.3	1.1	2.6
Loss (gain) on acquisition financings derivatives	(0.1)	—	—	—
Other expense, net	—	(0.4)	0.1	—
Earnings before income taxes	17.0	14.5	16.9	11.6
Provision for income taxes	2.3	5.2	5.1	4.6
Net earnings	14.7%	9.3%	11.8%	7.0%

Three Months Ended October 2, 2004 Compared to Three Months Ended September 27, 2003

NET SALES. Net sales for the third quarter of fiscal 2004 were $70.6 million as compared to $60.9 million in the third quarter of 2003.

Net sales at the Cooking Systems Group amounted to $66.4 million in the third quarter of 2004 as compared to $56.9 million in the prior year quarter.

- Core cooking equipment sales increased by $6.8 million to $48.2 million from $41.4 million, primarily due to increased fryer, convection oven, and cooking range sales resulting from new product introductions and improved market conditions.
- Conveyor oven equipment sales increased $2.1 million to $13.7 million from $11.6 million in the prior year quarter, reflecting an increase in sales of ovens replacing older equipment and higher parts sales.
- Counterline cooking equipment sales decreased slightly to $2.6 million from $2.7 million in the prior year quarter due to reduced toaster sales resulting from competitive pricing pressures.
- International specialty equipment sales increased to $2.0 million compared to $1.2 million in the prior year quarter due to the introduction of a new product line of counter griddles and charbroilers.

Net sales at the International Distribution Division increased by $1.3 million to $12.1 million, reflecting higher sales in Asia, Latin America and Europe. International sales benefited from expansion of the U.S. chains overseas.

GROSS PROFIT. Gross profit increased to $26.4 million from $22.6 million in the prior year period, reflecting the impact of higher sales volumes. The gross margin rate was 37.4% in the quarter as compared to 37.2% in the prior year quarter. The net increase in the gross margin rate reflects:

- Increased sales volumes that benefited manufacturing efficiencies and provided for greater leverage of fixed manufacturing costs.
- Improved sales mix of products driven by higher margins on newly introduced products which generally are more cost efficient to manufacture due to standardization of product platforms and improvement in product design resulting in lower warranty costs.
- The adverse impact from rising steel prices.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Combined selling, general, and administrative expenses increased from $12.6 million in the third quarter of 2003 to $13.8 million in the third quarter of 2004. As a percentage of net sales operating expenses amounted to 19.6% in the third quarter of 2004 versus 20.8% in the third quarter of 2003 reflecting greater leverage on higher sales volumes. Selling expenses increased from $7.3 million to $7.6 million, reflecting higher commission costs associated with the increased sales volumes. General and administrative expenses increased from $5.4 to $6.2 million due to higher incentive compensation and general corporate administrative costs.

NON-OPERATING EXPENSES. Interest and deferred financing amortization costs decreased to $0.6 million from $1.4 million in the prior year as a result of lower debt balances and lower average interest rates. The gain on financing derivatives was $0.1 million in the current year quarter compared to a loss of less than $0.1 million in the prior year quarter. Other expense was less than $0.1 million in the current year compared to other income of $0.3 million in the prior year and primarily consists of foreign exchange losses.

INCOME TAXES. A tax provision of $1.6 million, at an effective rate of 13.5%, was recorded during the quarter as compared to a $3.1 million provision at a 36% effective rate in the prior year quarter. The 2004 third quarter included a $3.2 million tax benefit for reserve adjustments associated with closed tax years.

Nine Months Ended October 2, 2004 Compared to Nine Months Ended September 27, 2003

NET SALES. Net sales for the nine-month period ended October 2, 2004 were $206.0 million as compared to $182.7 million in the nine-month period ended September 27, 2003.

Net sales at the Cooking Systems Group amounted to $197.7 million in the nine-month period ended October 2, 2004 as compared to $173.9 million in the prior year nine-month period.

- Core cooking equipment sales increased by $19.0 million to $144.2 million from $125.2 million, primarily due to increased fryer, cooking range and convection oven sales resulting from new product introductions and improved market conditions.
- Conveyor oven equipment sales increased $4.7 million to $40.5 million from $35.8 million in the prior year nine-month period. The increase in sales reflects higher equipment sales to U.S. chain customers expanding internationally and increased sales of service parts.

- Counterline cooking equipment increased to $7.7 million from $7.6 million in the prior year period.

- International specialty equipment sales increased to $5.4 million compared to $5.3 million in the prior year.

Net sales at the International Distribution Division increased by $1.8 million to $32.8 million, driven by increased sales into Latin America and Europe, resulting from improved market conditions and expansion of U.S. regional chains. This increase was partly offset by reduced sales into Asia, which had slowed in the first half of the year due to a delay in store openings by certain major chain customers. These customers resumed purchases in the third quarter.

GROSS PROFIT. Gross profit increased to $78.4 million from $64.3 million in the prior year period, reflecting the impact of higher sales volumes. The gross margin rate was 38.0% in the nine-month period as compared to 35.2% in the prior year period. The net increase in the overall gross margin rate reflects:

- Increased sales volumes that benefited manufacturing efficiencies and provided for greater leverage of fixed manufacturing costs.

- Improved sales mix of products driven by higher margins on newly introduced products which tend to be more cost efficient to manufacture due to standardization of product platforms and improvement in product design resulting in lower warranty costs.

- The adverse impact from rising steel prices.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Combined selling, general, and administrative expenses increased from $38.3 million in the nine-month period ended September 27, 2003 to $41.0 million in the nine-month period ended October 2, 2004. As a percentage of net sales operating expenses amounted to 19.9% in the nine-month period ended October 2, 2004 versus 21.0% in the nine-month period ended September 27, 2003 reflecting greater leverage on higher sales volumes. Selling expenses increased from $22.2 million to $23.3 million, reflecting higher commissions cost associated with the increased sales volumes. General and administrative expenses increased from $16.1 million to $17.7 million due to higher incentive compensation and general corporate administrative costs.

NON-OPERATING EXPENSES. Interest and deferred financing amortization costs decreased to $2.3 million from $4.7 million in the prior year as a result of lower debt balances and lower average interest rates. The gain on financing derivatives of $0.1 million remained consistent with the prior year period. Other expense increased from less than $0.1 million in the prior year to $0.3 million in the current year and primarily consists of foreign exchange losses.

INCOME TAXES. A tax provision of $10.5 million, at an effective rate of 30%, was recorded for the nine-month period of 2004 as compared to an $8.5 million provision at a 40% effective rate in the prior year comparative period. The 2004 tax provision included a $3.2 million tax benefit for reserve adjustments associated with closed tax years.

Financial Condition and Liquidity

During the nine months ended October 2, 2004, cash and cash equivalents decreased by $1.0 million to $2.7 million at October 2, 2004 from $3.7 million at January 3, 2004. Net borrowings decreased from $56.5 million at January 3, 2004 to $40.6 million at October 2, 2004.

OPERATING ACTIVITIES. Net cash provided by operating activities after changes in assets and liabilities was $19.0 million as compared to $22.8 million in the prior year period.

During the nine months ended October 2, 2004, working capital levels increased due to the higher sales volumes and increased seasonal working capital needs, which historically peak in the second quarter. The changes in working capital included a $6.2 million increase in accounts receivable, a $5.7 million increase in inventory and a $3.1 million increase in accounts payable. Accrued expenses increased by $4.5 million due to an increase in sales rebate reserves resulting from higher sales volumes and increased incentive compensation accruals. Other liabilities decreased by $4.6 million due to funding of pension obligations, payments on lease obligations and adjustments to tax reserves.

INVESTING ACTIVITIES. During the nine months ending October 2, 2004, net cash used in investing activities was $2.6 million. This included $0.6 million of property additions and $2.0 in repayments of principal associated with seller notes due to Maytag related to the 2001 Blodgett acquisition.

FINANCING ACTIVITIES. Net cash flows used in financing activities were $17.4 million during the nine months ending October 2, 2004. During the second quarter the company amending its secured banking facility to reduce interest costs on borrowings under the facility to reflect improved market conditions and the improved credit profile of the company. Additionally, the company improved its borrowing flexibility under the banking facility by eliminating the term loan component of the facility and replacing it entirely with a $70.0 million revolving credit line. As a result, the company utilized proceeds from borrowings under the revolving credit facility during the first six months of 2004 to fund the repayment of $53.0 million in term loans under the senior credit facility. During the nine-month period ending October 2, 2004 total borrowings under the secured credit facility were reduced by $13.9 million from $54.5 million at January 3, 2004 to $40.6 million at October 2, 2004.

In July 2004, the company issued a $0.40 per share dividend, which amounted to $3.7 million.

At October 2, 2004, the company was in compliance with all covenants pursuant to its borrowing agreements. Management believes that future cash flows from operating activities and borrowing availability under the revolving credit facility will provide the company with sufficient financial resources to meet its anticipated requirements for working capital, capital expenditures and debt amortization for the foreseeable future.

New Accounting Pronouncements

In December 2003, the Financial Accounting Standards Board ("FASB") issued a revision to Statement of Financial Accounting Standards ("SFAS") No. 132 "Employers' Disclosure about Pensions and Other Postretirement Benefits." This statement retains the disclosures previously required by SFAS No. 132 but adds additional disclosure requirements about the assets, obligations, cash flows and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. It also calls for the required information to be provided separately for pension plans and for other postretirement benefit plans. The interim-period disclosures required by this statement are effective for interim periods beginning after December 15, 2003. The company has included the required interim period disclosures in footnote 12.

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations are based upon the company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses as well as related disclosures. On an ongoing basis, the company evaluates its estimates and judgments based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Property and equipment: Property and equipment are depreciated or amortized on a straight-line basis over their useful lives based on management's estimates of the period over which the assets will be utilized to benefit the operations of the company. The useful lives are estimated based on historical experience with similar assets, taking into account anticipated technological or other changes. The company periodically reviews these lives relative to physical factors, economic factors and industry trends. If there are changes in the planned use of property and equipment or if technological changes were to occur more rapidly than anticipated, the useful lives assigned to these assets may need to be shortened, resulting in the recognition of increased depreciation and amortization expense in future periods.

Long-lived assets: Long-lived assets (including goodwill and other intangibles) are reviewed for impairment on the last day of the fiscal year and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In assessing the recoverability of the company's long-lived assets, the company considers changes in economic conditions and makes assumptions regarding estimated future cash flows and other factors. Estimates of future cash flows are judgments based on the company's experience and knowledge of operations. These estimates can be significantly impacted by many factors including changes in global and local business and economic conditions, operating costs, inflation, competition, and consumer and demographic trends. If the company's estimates or the underlying assumptions change in the future, the company may be required to record impairment charges.

Warranty: In the normal course of business the company issues product warranties for specific product lines and provides for the estimated future warranty cost in the period in which the sale is recorded. The estimate of warranty cost is based on contract terms and historical warranty loss experience that is periodically adjusted for recent actual experience. Because warranty estimates are forecasts that are based on the best available information, claims costs may differ from amounts provided. Adjustments to initial obligations for warranties are made as changes in the obligations become reasonably estimable.

Lease obligations: In 2002 and 2001, the company established reserves associated with lease obligations for manufacturing facilities that were exited in conjunction with manufacturing consolidation efforts related to the acquisition of Blodgett. The term of the leases associated with the two facilities in Shelburne, Vermont and Quakertown, Pennsylvania extends through December 2014. The company currently has a subtenant for the Quakertown, Pennsylvania facility for a portion of the lease term. The recorded reserves are established for the future lease obligations net of an estimate for anticipated sublease income. The forecast of sublease income could differ from actual amounts, which are subject to the occupancy by a subtenant and a negotiated sublease rental rate. If the company's estimates or underlying assumptions change in the future, the company would be required to adjust the reserve amount accordingly.

Litigation: From time to time, the company is subject to proceedings, lawsuits and other claims related to products, suppliers, employees, customers and competitors. The company maintains insurance to cover product liability, workers compensation, property and casualty, and general liability matters. The company is required to assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of accrual required, if any, for these contingencies is made after assessment of each matter and the related insurance coverage. The required accrual may change in the future due to new developments or changes in approach such as a change in settlement strategy in dealing with these matters. The company does not believe that any such matter will have a material adverse effect on its financial condition or results of operations.

Income taxes: The company operates in numerous taxing jurisdictions where it is subject to various types of tax, including sales tax and income tax. The company's tax filings are subject to audits and adjustments. Because of the nature of the company’s operations, the nature of the audit items can be complex, and the objectives of the government auditors can result in a tax on the same transaction or income in more than one state or country. As part of the company's calculation of the provision for taxes, the company establishes reserves for the amount that it expects to incur as a result of audits. The reserves may change in the future due to new developments related to the various tax matters.

Contractual Obligations

The company's contractual cash payment obligations are set forth below (in thousands):

	Long-term Debt	Operating Leases	Idle Facility Leases	Total Contractual Cash Obligations
Less than 1 year	$ —	$ 658	$ 1,181	$ 1,839
1-3 years	—	889	2,189	3,078
4-5 years	40,615	394	2,390	43,399
After 5 years	—	29	5,787	5,816
	$ 40,615	$ 1,970	$ 11,547	$ 54,132

Idle facility leases consist of obligations for two manufacturing locations that were exited in conjunction with the company's manufacturing consolidation efforts. The lease obligations continue through December 2014. The obligations presented above do not reflect any anticipated sublease income from the facilities.

On November 10, 2004, subsequent to the end of the third quarter, the company entered into an agreement with Pizzagalli Properties, LLC, to terminate the company's lease obligations related to a manufacturing facility in Shelburne, Vermont. This transaction occurred simultaneously with a sale of the property from Pizzagalli Properties, LLC to an unrelated third party. The original lease had a contractual payment obligation that amounted to approximately $7.8 million. Under terms of the lease termination agreement the company will pay the lessor $600,000 in cash and enter into an interest bearing note in the amount of $2,513,884.

The company maintains a non-contributory defined benefit plan for its union employees at the Elgin, Illinois facility. Benefits are determined based upon retirement age and years of service with the company. This defined benefit plan was frozen on April 30, 2002 and no further benefits accrue to the participants beyond this date. Plan participants will receive or continue to receive payments for benefits earned on or prior to April 30, 2002 upon reaching retirement age. The employees participating in the defined benefit plan were enrolled in a newly established 401K savings plan on July 1, 2002. As of January 3, 2004, the unfunded benefit obligation under the pension plan was $0.7 million. The defined benefit plan continues to be funded in accordance with provisions of the Employee Retirement Income Security Act of 1974. Company funding contributions amounted to $280,000 in fiscal 2003 and $377,000 in fiscal 2002. The anticipated minimum funding requirement for fiscal

2004 is approximately $285,000 of which $162,000 was funded during the nine-month period ending October 2, 2004.

The company also maintains a retirement benefit agreement with its Chairman. The retirement benefits are based upon a percentage of the Chairman's final base salary. Additionally, the company maintains a retirement plan for non-employee directors. The plan provides for an annual benefit upon retirement from the Board of Directors at age 70, equal to 100% of the director's last annual retainer, payable for a number of years equal to the director's years of service up to a maximum of 10 years. As of January 3, 2004, the unfunded benefit obligation under these plans amounted to $3.4 million. Company funding contributions are made at the discretion of the board of directors in consideration of the plan requirements and company's cash flows. Funding contributions amounted to $1,007,000 in fiscal 2003 and $16,000 in fiscal 2002. Funding in the nine-month period ending October 2, 2004 amounted to $1,550,000.

The company has $1.8 million in outstanding letters of credit, which expire on March 30, 2005 with an automatic one-year renewal, to secure potential obligations under insurance programs.

The company places purchase orders with its suppliers in the ordinary course of business. These purchase orders are generally to fulfill short-term manufacturing requirements of less than 90 days and most are cancelable with a restocking penalty. The company has no long-term purchase contracts or minimum purchase obligations with any supplier.

The company has no activities, obligations or exposures associated with off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

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

	Fixed Rate Debt	Variable Rate Debt
Twelve Month Period Ending	(in thousands)	

September 30, 2005	$ —	$ —
September 30, 2006	—	—
September 30, 2007	—	—
September 30, 2008	—	—
September 30, 2009	—	40,615
	$ —	$ 40,615

The company maintains a $70.0 million revolving credit facility under a secured credit agreement. As of October 2, 2004, the company had borrowings of $40.6 million under this facility. The interest rate on the credit facility may be adjusted quarterly based upon the company's defined indebtedness ratio computed on a rolling four-quarter basis. Currently, borrowings under the credit facility are assessed interest at floating rates of 1.25% above LIBOR. At October 2, 2004, this interest rate was 3.08%. A variable commitment fee, based upon the indebtedness ratio is charged on the unused portion of the line of credit. This variable commitment fee amounted to 0.30% as of October 2, 2004.

The company maintains two interest rate swap agreements in connection with the secured credit facility. The first, taken out in January 2002, has a notional amount of $20.0 million, swaps one-month LIBOR for a fixed rate of 4.03% and is in effect through December 31, 2004. The second, taken out in February 2003, has a notional amount of $10.0 million, swaps one-month LIBOR for a fixed rate of 2.36% and is in effect through December 30, 2005.

The terms of the secured credit facility limit the paying of dividends, the incurrence of other debt, and require, among other things, a minimum amount, as defined, of stockholders' equity, and certain ratios of indebtedness and fixed charge coverage. The credit agreement also provides that if a material adverse change in the company's business operations or conditions occurs, the lender could declare an event of default. Under terms of the agreement a material adverse effect is defined as (a) a material adverse change in, or a material adverse effect upon, the business, assets, operations, condition (financial or otherwise) or prospects of the company and its subsidiaries taken as a whole, or (b) a material adverse effect upon any substantial portion of the collateral or upon the legality, validity, binding effect or enforceability against the company of any loan document. A material adverse effect is determined on a subjective basis by the company's creditors. At October 2, 2004, the company was in compliance with all covenants pursuant to its borrowing agreements.

Financing Derivative Instruments

On January 11, 2002 the company entered into an interest rate swap agreement with a notional amount of $20.0 million to fix the interest rate applicable to certain of its variable-rate debt. The agreement swaps one-month LIBOR for a fixed rate of 4.03% and is in effect through December 31, 2004. On June 30, 2002, the company designated this swap as a cash flow hedge. The changes in the fair value of the swap that are effectively hedged are recorded as a component of other comprehensive income, while the ineffective portion of the changes in fair value are recorded in earnings. As of October 2, 2004, the fair value of this instrument was $(0.1) million. The change in fair value of this swap agreement in the nine-month period ended October 2, 2004 was $(0.4) million and was recorded as a component of other comprehensive income. The ineffective portion of the swap recorded in earnings was $0.1 million for the nine-month period ended October 2, 2004.

On February 9, 2003 the company entered into another interest rate swap agreement with a notional amount of $10.0 million to fix the interest rate applicable to certain of its variable-rate debt. The agreement swaps one-month LIBOR for a fixed rate of 2.36% and is in effect through December 30, 2005. The company designated the swap as a cash flow hedge at its inception and all changes in the fair value of the swap are recognized in accumulated other comprehensive income. As of October 2, 2004, the fair value of this instrument was less than $0.1 million. The change in fair value of this swap agreement in the first nine months of 2004 was a gain of less than $0.1 million.

Foreign Exchange Derivative Financial Instruments

The company uses foreign currency forward purchase and sale contracts with terms of less than one year, to hedge its exposure to changes in foreign currency exchange rates. The company's primary hedging activities are to mitigate its exposure to changes in exchange rates on intercompany and third party trade receivables and payables. The company does not currently enter into derivative financial instruments for speculative purposes. In managing its foreign currency exposures, the company identifies and aggregates naturally occurring offsetting positions and then hedges residual balance sheet exposures. The following table summarizes the forward and option purchase contracts outstanding at October 2, 2004, the fair value of these forward contracts were approximately $(0.1) million at the end of the quarter:

Sell		Purchase		Maturity
1,400,000	Euro	$ 1,714,200	U.S. Dollars	October 22, 2004
1,000,000	British Pounds	$ 1,788,300	U.S. Dollars	October 22, 2004
12,700,000	Mexican Pesos	$ 1,107,100	U.S. Dollars	October 22, 2004
17,250,000	Taiwan Dollars	$ 509,100	U.S. Dollars	October 22, 2004
1,000,000,000	Korean Won	$ 868,100	U.S. Dollars	October 22, 2004

Item 4. Controls and Procedures

The company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the company's management, including its Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of October 2, 2004, the company carried out an evaluation, under the supervision and with the participation of the company's management, including the company's Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer, of the effectiveness of the design and operation of the company's disclosure controls and procedures. Based on the foregoing, the company's Chief Executive Officer, Chief Financial Officer and Chief Administrative Officer concluded that the company's disclosure controls and procedures were effective as of the end of this period.

During the quarter ended October 2, 2004, there have been no significant changes in the company's internal controls over financial reporting or in other factors that could significantly affect the internal controls subsequent to the date the company completed its evaluation.

PART II. OTHER INFORMATION

The company was not required to report the information pursuant to Items 1 through 6 of Part II of Form 10-Q for the three months ended October 2, 2004, except as follows:

Item 6. Exhibits

Exhibits - The following exhibits are filed herewith:

Exhibit 10.1 - Amendment No. 6 to Employment Agreement of William F. Whitman, Jr., dated September 13, 2004, incorporated by reference to the company's Form 8-K, Exhibit 10, dated September 13, 2004, filed on September 17, 2004.

Exhibit 10.2 - Retention Agreement of Timothy J. FitzGerald, dated July 22, 2004.

Exhibit 10.3 - Lease Termination Agreement between The Middleby Corporation, Cloverleaf Properties, Inc., Blodgett Holdings, Inc., and Pizzagalli Properties, LLC, dated November 10, 2004.

Exhibit 10.4 - Certificate of Lease Termination between Cloverleaf Properties, Inc., and Pizzagalli Properties, LLC, dated November 10, 2004.

Exhibit 10.5 -	Commercial Promissory Note between The Middleby Corporation and Pizzagalli Properties, LLC, dated November 10, 2004.
Exhibit 31.1 -	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2 -	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.3 -	Rule 13a-14(a)/15d-14 Certification of the Chief Administrative Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1 -	Certification by the Principal Executive Officer of The Middleby Corporation Pursuant to Rule 13A-14(b) under the Exchange Act and Section 906 of the Sarbanes-Oxley Act of 2002(18 U.S.C. 1350).
Exhibit 32.2 -	Certification by the Principal Financial Officer of The Middleby Corporation Pursuant to Rule 13A-14(b) under the Exchange Act and Section 906 of the Sarbanes-Oxley Act of 2002(18 U.S.C. 1350).
Exhibit 32.3 -	Certification by the Principal Administrative Officer of The Middleby Corporation Pursuant to Rule 13A-14(b) under the Exchange Act and Section 906 of the Sarbanes-Oxley Act of 2002(18 U.S.C. 1350).

SIGNATURE

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

THE MIDDLEBY CORPORATION
(Registrant)

Date: November 16, 2004

By: /s/ Timothy J. FitzGerald

Timothy J. FitzGerald
Vice President
Chief Financial Officer

Exhibit 10.2

RETENTION AGREEMENT

This Retention Agreement (the "Agreement") is made this 22nd day of July, 2004, by and between THE MIDDLEBY CORPORATION, a Delaware corporation, ("Employer") and TIMOTHY J. FITZGERALD ("Employee").

RECITALS

WHEREAS, Employee is a very valuable employee of Employer and Employer wishes to provide an incentive for Employee to continue to remain in the Employee's service.

AGREEMENT

NOW THEREFORE the parties agree as follows:

1. In the event that for any reason whatsoever other than (i) termination of Employee's employment for "Cause", as defined in the Severance Agreement by and between Employee and Employer dated March 1, 2004, or (ii) voluntary resignation by Employee prior to February 1, 2005, Employer does not offer, on or before February 1, 2005, to enter into an employment agreement with Employee or Employee does not accept such employment offer on or before February 1, 2005, then Employer shall pay to Employee, not later than February 15, 2005, the sum of $500,000.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and year first above stated.

THE MIDDLEBY CORPORATION	**TIMOTHY J. FITZGERALD**
/s/ Selim A. Bassoul	/s/ Timothy J. FitzGerald

Exhibit 10.3

LEASE TERMINATION AGREEMENT

This Lease Termination Agreement (the "Agreement") is made by and between Pizzagalli Properties, LLC, (the "Landlord"), Cloverleaf Properties, Inc., Blodgett Holdings, Inc. (“Blodgett”), and The Middleby Corporation ("Middleby") as of the date on which Middleby, Blodgett, and the Landlord have executed this Agreement (the “Effective Date”).

Background

A. The Landlord and Cloverleaf Properties, Inc. (the “Tenant”), Blodgett and Middleby’s subsidiary or affiliate, have previously entered into a certain Lease by and between Pizzagalli Property Company (predecessor in interest to Landlord) and Cloverleaf Properties, Inc., dated December 11, 1989, as amended by a First Amendment, also dated December 11, 1989, and by a Second Amendment, dated April 16, 1993 (as amended, the “Lease”).

B. Pursuant to the Lease, Cloverleaf Properties, Inc., leased certain land and buildings premises located at 116 Blodgett Road and 19 Harbor Road in Shelburne, Vermont (the “Premises”).

C. Middleby and Blodgett wish to terminate the Lease, and have arranged for the sale of the Premises by the Landlord to Field House, LLC (“Field House”).

D. The Landlord is willing to terminate the Lease on certain agreed terms and conditions provided that the termination occurs simultaneously with the sale of the Premises to Field House in accordance with the terms and conditions of a certain Purchase and Sale Agreement by and between the Landlord and Field House, dated November 10, 2004 (the “Field House Agreement”).

Agreement

NOW, THEREFORE, in consideration of the foregoing background, and the mutual covenants and promises set forth in this Agreement, the parties hereby agree as follows.

1. **Defined Terms.** Except as otherwise specifically defined in this Agreement, all capitalized terms shall have the meanings set forth in the Lease.

2. **Agreement to Terminate**. Subject to the terms and conditions of this Agreement, the Landlord, the Tenant, Blodgett, and Middleby agree to terminate the Lease as of the date of the Closing (as defined below). The termination of the Lease will be effective upon the execution and delivery at Closing of a Certificate of Lease Termination by the Landlord and the Tenant, substantially in the form of Exhibit A attached hereto. Upon the termination of the Lease, the Tenant shall give, grant, and surrender to the Landlord all of the Tenant’s right, title and interest in and to the Lease and the Premises, and the Landlord hereby agrees to accept such surrender as of the date of Closing subject to the requirements of this Agreement. Upon the termination of the Lease, the Tenant shall be released from further liability to the Landlord pursuant to the Lease, except for: (i) liabilities accruing prior to the effective date of termination; (ii) obligations and liabilities that shall survive the termination pursuant to Section 12 below; and (iii) liabilities and obligations pursuant to this Agreement.

---

3. **Termination Fee**. In consideration of the Landlord’s termination of the Lease and partial release of Blodgett and the Tenant from future liability pursuant to the Lease, Middleby shall pay a Termination Fee to the Landlord of Three Million, Three Hundred Seventy Five Thousand Dollars ($3,375,000.00), payable as follows:

a. Six Hundred Thousand Dollars ($600,000.00) in immediately available funds by wire transfer or by cashiers or certified check at the Closing; and

b. the balance of Two Million, Seven Hundred Seventy Five Thousand Dollars ($2,775,000.00) in the form of a promissory note of Middleby to the Landlord substantially in the form of Exhibit B, attached hereto, executed and delivered by

Middleby at the Closing (the “Note”).

The Termination Fee shall be reduced by all rental payments made by Middleby or the Tenant pursuant to the Lease attributable to the portion of the Lease term subsequent to March 31, 2004. For purposes of this Section 3, “rental payments” shall include only the basic monthly rental due and payable pursuant to the Lease, and not other sums paid or payable pursuant to the Lease for other items such as property taxes, operating costs, insurance, utilities, and comparable expenses. This reduction in the Termination Fee shall be deducted from the original principal amount of the Note and shall not reduce the amount of the cash payment at Closing.

4. **Letter of Credit**. At the Closing, Middleby shall cause to be delivered to the Landlord a letter of credit in the original principal amount of Two Million, One Hundred Twenty Five Thousand Dollars ($2,125,000.00)], substantially in the form of Exhibit C, attached hereto, issued by Bank of America, N.A. (the “Letter of Credit”). The amount of the Letter of Credit may be reduced from time to time by Middleby (with the written consent of the Landlord, which consent shall not be unreasonably withheld or delayed) to reflect the reductions in the Note balance resulting from scheduled and unscheduled payments on the Note by Middleby. The Letter of Credit shall be for a term of not less than one (1) year, shall allow for automatic one year extensions of the term and shall contain an agreement by Bank of America, N.A., to notify the Landlord at least forty-five (45) days prior to any election by it not to extend the term of the Letter of Credit. If the term of the Letter of Credit expires prior to the date forty-five (45) days after the maturity date of the Note, Middleby shall provide a replacement Letter of Credit not less than fifteen (15) days prior to the expiration of the then current Letter of Credit. In the event of the occurrence and continuation of any event of default by Middleby under the Note, or if the Letter of Credit is not renewed at least fifteen (15) days prior to any date of termination, the Landlord shall have the right, if any such event of default is continuing, to immediately draw on the Letter of Credit for the outstanding principal balance, any accrued interest, and any other amounts due pursuant to the Note; provided, however, that Landlord shall not have the right to draw on the Letter of Credit during the first year of the term of the Note, except for a default based on Middleby’s failure to provide a replacement Letter of Credit. Landlord shall have the right to draw on the Letter of Credit for an event of default that has occurred and is continuing during the first year of the term of the Note provided that (i) the draw occurs after the first year of the term of the Note and (ii) such event of default is continuing at the time of such draw.

5. **Closing**. The Closing of the termination of the Lease (the "Closing") shall take place at 3:00 p.m. on November 10, 2004, at the offices of the Landlord in South Burlington, Vermont, unless the parties agree to an earlier date and time. It is the intention of the parties that the Closing shall occur simultaneously with the closing on the sale of the Premises to Field House pursuant to the Field House Agreement, as described in Section 7(c) below.

6. **Conditions to Middleby's Obligations**. Middleby's obligations pursuant to this Agreement are contingent upon the fulfillment of each of the following conditions:

a. The Landlord shall have satisfied, performed, and complied in all material respects with the terms, covenants, and conditions required by this Agreement to be performed and complied with by the Landlord on or before the Closing date.

b. The Landlord shall have provided to Middleby at or prior to the Closing evidence reasonably satisfactory to Middleby that the person executing the documents necessary to implement the lease termination provided for in this Agreement on behalf of the Landlord has the authority to execute and deliver the transfer documents and thereby bind the Landlord.

7. **Conditions to the Landlord's Obligations**. The Landlord's obligation to terminate the Lease pursuant to this Agreement is contingent upon the fulfillment of each of the following conditions:

a. Middleby, Blodgett, and the Tenant shall have satisfied, performed, and complied in all material respects with the terms, covenants, and conditions required by this Agreement to be performed and complied with by Middleby, Blodgett, and the Tenant on or before the Closing date.

b. Middleby, Blodgett, and the Tenant shall have provided to the Landlord at or prior to the Closing a corporate resolution, certified by Middleby's, Blodgett's, or the Tenant's corporate secretary and in form and substance satisfactory to the Landlord, authorizing a named individual or officer to execute on behalf of Middleby, Blodgett, and the Tenant all documents necessary to implement the transfer provided for in this Agreement.

c. Prior to or simultaneously with the Closing, the Landlord shall have closed on the sale of the Premises substantially in accordance with the terms and conditions of the Field House Agreement.

d. On the date of the Closing, there shall be no default by the Tenant under the Lease, and there shall be no event or condition that with the giving of notice or the passing of time would constitute a default by the Tenant under the Lease.

8. **Possession.** At the Closing, the Tenant shall deliver possession of the Premises to the Landlord in accordance with the terms and conditions of the Lease.

9. **Access.** The Tenant shall allow the Landlord and Field House, and their respective employees, agents, and consultants, to enter upon the Premises at all reasonable times upon reasonable advance notice to the Tenant for the purposes of viewing the Premises prior to the Closing. In addition, if any tests, inspections, or other activities that must be performed on the Premises or require access to the Premises are demanded by any permit authority, said authority, and their agents or designees, shall be allowed to enter upon the Premises at all reasonable times upon reasonable advance notice. Field House shall return the Premises to the condition it was in prior to any testing or inspection and shall indemnify and hold the Landlord and the Tenant harmless from and against any and all liability arising from its entry upon the Premises in connection with said testing or inspection.

10. **Closing Adjustments**. All property taxes, water, fire, school, sewer, or other municipal charges or assessments, fuel, rent, association dues, and interest on assumed mortgages that are the responsibility of the Tenant under the Lease, if applicable, shall be apportioned as of date of Closing from the beginning of the current tax or billing period for each taxing or billing entity. Should any tax, charge, or rate be undetermined on the date of the Closing, the last determined tax, charge, or rate shall be used for the purpose of apportionment. Because Middleby, or Middleby's subsidiary or affiliate the Tenant, is currently responsible for all property taxes and operating costs with respect to the Premises pursuant to the Lease, adjustments of property taxes, fuel, and the like shall be made directly between Middleby and Field House at the Closing. All such apportionments shall be final as of the date of the Closing.

11. **Broker.** The Landlord and Middleby acknowledge that Pomerleau Real Estate has facilitated all or portions of this transaction on behalf of Middleby pursuant to an agreement between Middleby and Pomerleau. Middleby shall be solely responsible for any commission, fee, or other compensation due to Pomerleau Real Estate in connection with the termination of the Lease pursuant to this Agreement or the sale of Premises to Field House pursuant to the Field House Agreement. Middleby shall defend, indemnify, and hold the Landlord harmless against and from any loss or damage, including attorneys' fees, arising out of any claims for real estate commissions, fees, or broker compensation by Pomerleau Real Estate or any other party claiming by or through Middleby or the Tenant.

12. **Survival.** Notwithstanding the termination of the Lease pursuant to this Agreement and notwithstanding any provisions to the contrary contained in the Lease, including Section 9.9 thereof, the terms, conditions, and obligations of the Tenant contained in Sections 4.7.5, 4.7.6, and 4.8 of Lease only shall survive the termination of the Lease, provided, however, that the indemnification obligations of the Tenant thereunder shall in no event relate to liability resulting from actions or events that occur after the termination of this Lease pursuant to this Agreement. Notwithstanding anything to the contrary contained in Section 20 below, Blodgett shall assume the obligations of the Tenant under the Lease that survive the termination of the Lease pursuant to this Section 12 and the Tenant and Blodgett shall be jointly and severally liable to the Landlord for the performance of the obligations of the Tenant under the Lease that survive the termination of the Lease pursuant to this Section 12.

13. **Effect.** This Agreement contains the entire agreement by and between the parties regarding the purchase and sale of the Premises and supersedes any and all prior agreements, written or oral, relating to the purchase or sale of the Premises. This Agreement shall be governed by and construed in accordance with the laws of the State of Vermont.

14. **Modification and Amendment.** No modification, amendment, or deletion affecting this Agreement shall be effective unless in writing and signed by all parties.

15. **Notice.** Any notice required to be given by the terms of this Agreement shall be deemed duly served when deposited in the U.S. mails, certified or registered mail, return receipt requested, postage prepaid, or sent by nationally recognized overnight courier, and properly addressed to the parties at the addresses shown below:

If to Landlord:	Pizzagalli Properties, LLC Attn: James Pizzagalli 50 Joy Drive, P.O. Box 2009 South Burlington, VT 05407-2009 Telephone No.: (802) 659-4100 Telecopier No.: (802) 651-1307
with a Copy to:	Austin D. Hart, Esq. Dinse, Knapp & McAndrew, P.C. 209 Battery Street P.O. Box 988 Burlington, VT 05402-0988 Telephone No.: (802) 864-5751 Telecopier No.: (802) 864-1603
If to Middleby, Blodgett, or Tenant:	The Middleby Corporation Attn: Timothy FitzGerald 1400 Toastmaster Drive Elgin, IL 60120 Telephone No.: (___) ________ Telecopier No.: (___) ________
with a copy to:	Skadden, Arps, Slate, Meagher & Flom LLP 4 Times Square New York, New York Attn: Blaine (Fin) V. Fogg, Esq. Facsimile No. (212) 735-2000

or to such other person, address or number as the party entitled to such notice or communication shall have specified by notice to the other party given in accordance with the provisions of this Section. Any such notice or other communication shall be deemed given: (i) if mailed, when deposited in the mail, properly addressed and with postage prepaid; or (ii) if sent by overnight service, next-day after sending.

16. **Further Assurances.** Following the execution of this Agreement, Middleby, Blodgett, the Tenant, and the Landlord shall cooperate fully with each other and take any and all actions and sign any and all documents as are reasonably necessary to facilitate the transactions contemplated by this Agreement.

17. **No Amendment of Lease.** This Agreement is not intended as an amendment or modification of the Lease, which shall remain in full force and effect in accordance with its terms until the Certificate of Termination is executed and delivered at the Closing.

18. **Exhibits.** The following Exhibits are hereby incorporated herein by reference:

Exhibit A - Form of Certificate of Lease Termination
Exhibit B - Form of Promissory Note
Exhibit C - Form of Letter of Credit.

19. **Counterpart Copies**. This Agreement may be executed in two or more counterpart copies, each of which shall be deemed to be an original and all of which counterparts shall have the same force and effect as if the parties hereto had executed a single copy of this Agreement.

20. **Guaranties**. The Guaranty of Lease of Blodgett Holdings, Inc. ("BHI") and the Guaranty of Lease of G.S. Blodgett Corporation (together with BHI, the "Guarantors" and each a "Guarantor") (each such guaranty, a "Guaranty", and collectively the "Guaranties") shall each be deemed terminated as of the effective date of termination of the Lease pursuant to this Agreement. As of such termination date, Landlord hereby releases and discharges the Guarantors and their respective successors, assigns, affiliates, shareholders and any other entities that are controlled by, under the control of such Guarantor, from all manner of actions, causes of action, suits, debts, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, claims and demands whatsoever, in law or in equity which Landlord ever had, now has or hereafter can, shall or may have against such Guarantor or its successors or assigns for, upon or by reason of any matter, cause or thing whatsoever relating to or arising out of the Guaranties, this Agreement, or the Premises. Nothing in this Section 20 shall be deemed to affect the assumption of certain obligations by Blodgett pursuant to Section 12 above.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Lease Termination Agreement to be executed by their respective duly authorized agents as of the dates set forth opposite their signatures below.

PIZZAGALLI PROPERTIES, LLC

Date: November 10, 2004

By: /s/ James Pizzagalli

James Pizzagalli, President

THE MIDDLEBY CORPORATION

Date: November 10, 2004

By: /s/ Timothy J. FitzGerald

Vice President

CLOVERLEAF PROPERTIES, INC.

Date: November 10, 2004

By: /s/ Timothy J. FitzGerald

Vice President

BLODGETT HOLDINGS, INC.

Date: November 10, 2004

By: /s/ Timothy J. FitzGerald

Vice President

Exhibit 10.4

CERTIFICATE OF LEASE TERMINATION

This Certificate of Lease Termination is being executed by Pizzagalli Properties, LLC, as landlord (the "Landlord"), and Cloverleaf Properties, Inc., as tenant (the "Tenant"), as of the 10th day of November, 2004.

Background

A. The Landlord and the Tenant have previously entered into a certain Lease by and between Pizzagalli Property Company (predecessor in interest to Landlord) and Cloverleaf Properties, Inc., dated December 11, 1989, as amended by a First Amendment, also dated December 11, 1989, and by a Second Amendment, dated April 16, 1993 (as amended, the "Lease").

B. The Lease is evidenced by a certain Short Form Lease With Option To Purchase, dated December 11, 1989, and recorded in Volume 128, Page 273 of the Town of Shelburne land records.

C. The Landlord and the Tenant have entered into that certain Lease Termination Agreement, dated November 10, 2004 (the "Lease Termination Agreement").

D. The Landlord and the Tenant desire to provide notice of the termination of the Lease by executing this Certificate of Lease Termination for recording in the Town of Shelburne land records.

Notice of Termination

The Landlord and the Tenant hereby give notice of the termination of the Lease.

1. Termination. The Landlord and the Tenant hereby confirm that the Lease has been terminated in accordance with the terms and conditions of the Lease Termination Agreement. The effective date of the termination is November 10th, 2004. The Tenant hereby acknowledges that the Option to Purchase set forth in the Lease was not exercised within the time period provided in the Lease and has expired and is void and of no further force and effect.

2. Effect. This Certificate of Lease Termination is intended to confirm the effective date of termination of the Lease and for purposes of giving notice of the termination of the Lease. It is not intended to amend, modify, or otherwise alter the terms and conditions of the Lease Termination Agreement. In the event of any inconsistency between the terms of this Certificate of Lease Termination and the terms of the Lease Termination Agreement, the terms of the Lease Termination Agreement shall control.

IN WITNESS WHEREOF, the Landlord and the Tenant have caused this instrument to be executed as of the date set forth above.

IN THE PRESENCE OF:	**TENANT** Cloverleaf Properties, Inc.
Martin Lindsay______________________ Witness	By: /s/ Timothy J. FitzGerald Its Vice President and Duly Authorized Agent

STATE OF ________________
COUNTY OF ________________, SS.

At ______________, in said County, this ___ day of November, 2004, _____________________, duly authorized agent of Cloverleaf Properties, Inc., personally appeared, and he/she acknowledged this instrument, by him/her subscribed, to be his/her free act and deed and the free act and deed of Cloverleaf Properties, Inc.

Before me: ____
Notary Public
My Commission Expires: 2/10/07

LANDLORD
PIZZAGALLI PROPERTIES, LLC

______________________________ By: __/s/ James Pizzagalli___________
Witness Its President Duly Authorized Agent

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

At ___________, in said County, this ___ day of November, 2004, ___________________, duly authorized agent of Pizzagalli Properties, LLC, personally appeared, and he acknowledged this instrument, by him subscribed, to be his free act and deed and the free act and deed of Pizzagalli Properties, LLC.

Before me: ____
Notary Public
My Commission Expires: 2/10/07

Exhibit 10.5

COMMERCIAL PROMISSORY NOTE

$2,513,884.16 November 10, 2004

FOR VALUE RECEIVED, The Middleby Corporation, a Delaware corporation with its principal place of business in Elgin, Illinois (the "Borrower"), promises to pay to Pizzagalli Properties, LLC, a Vermont limited liability company with its principal place of business in South Burlington, Vermont (together with any successors or assigns, the "Lender") at the principal offices of the Lender, 50 Joy Drive, P.O. Box 2009, South Burlington, Vermont 05403-2009, Two Million, Five Hundred Thirteen Thousand, Eight Hundred Eighty-Four and 16/100 Dollars ($2,513,884.16) as provided below:

The Borrower shall repay this Note in equal monthly payments of principal and interest of $40,000.00 beginning December 1, 2004, and on the same day of each consecutive month thereafter, until and including November 1, 2009. If not sooner paid, the entire remaining principal balance, plus accrued interest and all other charges shall be due and payable December 1, 2009.

Commencing on the date hereof, interest shall accrue on the unpaid principal balance outstanding from time to time at a floating rate per annum equal to the LIBOR Rate (as defined below) plus four (4) percentage points; provided, however, that at no time shall interest accrue at a rate higher than nine percent (9%) per annum.

"LIBOR Rate" means the offered rate for deposits of U.S. Dollars in an amount approximately equal to the then outstanding principal balance for a one month period that the British Bankers' Association fixes as its LIBOR rate and which appears on the Telerate Page 3750 as of 11:00 a.m. London time on the day which is two London Banking Days prior to the Adjustment Date (as defined below).

"London Banking Day" means a day on which dealings in US dollar deposits are transacted in the London interbank market.

The applicable floating rate shall change on the first day of each calendar month throughout the term of this Note (the "Adjustment Date"). Interest shall be calculated on the basis of actual days elapsed in a 365/366 day year, including holidays and days on which the Lender is not open for business.

Section 1. Payment Terms.

1.1 Payments; Prepayments. All payments hereunder shall be made by the Borrower to the Lender in United States currency at the Lender's address specified below (or at such other address as the Lender may specify), in immediately available funds, on or before 3:00 p.m. (Burlington, Vermont time) on the due date thereof. All payments under this Note shall to Lender in the manner designated by the Lender: (i) by Automated Clearing House (ACH) payment initiated by the Lender to an account designated by the Lender, (ii) by wire transfer via the Federal Banking Wire Transfer system to an account designated by the Lender, or (iii) to the Lender at Pizzagalli Properties, LLC, P.O. Box 752031, Charlotte, North Carolina 2875-2031, or at such other place as the Lender shall designate to the Borrower in writing. Payments received by the Lender will be applied first to fees, expenses, and other amounts due hereunder (excluding principal and interest), if any, pursuant to Section 4.2 hereof; second, to accrued and unpaid interest; and third to outstanding principal. The Borrower may pay all or a portion of the amount owed earlier than is due without premium or penalty. Prepayments shall be applied to installments of principal in the direct order of the date on which they become due. Amounts prepaid may not be re-borrowed.

1.2 Default Rate. To the extent permitted by applicable law, upon and after the occurrence of an Event of Default, but only so long as such Event of Default shall be continuing (whether or not the Lender has accelerated payment of this Note), interest on principal and overdue interest shall, at the option of the Lender, be payable on demand and shall accrue during such period at a rate per annum equal to two (2) percentage points above the rate of interest otherwise payable hereunder.

1.3 Letter of Credit. The Borrower's payment obligations under this Note shall be partially supported by Letter of Credit #7415646 issued by Bank of America, N.A., dated November 10, 2004, and all substitutions and replacements (the "Letter of Credit"), all in accordance with a certain Lease Termination Agreement between the Borrower and the Lender, dated November 10, 2004 (as amended from time to time, the "Lease Termination Agreement").

Section 2. Defaults and Remedies.

2.1 Default. The occurrence of any of the following events shall constitute an "Event of Default" hereunder:

(a) (i) default in the payment when due of the principal of or interest on this Note, which default continues for ten (10) consecutive days or (ii) any other default in the payment or performance of this Note, which default continues for ten (10) consecutive days;

(b) failure of any representation or warranty of the Borrower hereunder or under the Lease Termination Agreement or the failure of any representation or warranty of the Tenant under the Lease that survives the termination of the Lease pursuant to the Lease Termination Agreement to be true and correct in any material respect on the date as of which made or deemed made;

(c) dissolution, termination of existence, insolvency, appointment of a receiver, trustee, or other custodian of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against the Borrower; or

(d) failure to maintain in effect at all times the Letter of Credit, or to provide a replacement Letter of Credit not less than fifteen (15) days prior to the expiration of the then current Letter of Credit, unless such expiring Letter of Credit is subject to automatic renewal.

2.2 Remedies. Upon the occurrence and during the continuance of an Event of Default, at the option of the Lender and following notice to the Borrower, all obligations of the undersigned hereunder shall become immediately due and payable without demand and the Lender shall then have the right to draw on the Letter of Credit, subject to the limitations set forth in the Lease Termination Agreement. Nothing in this Note shall be deemed to deprive the Lender of the right to reject a payment made after the due date, and the expiration of any applicable grace period, and accelerate repayment of the indebtedness and draw on the Letter of Credit. All rights and remedies of the Lender are cumulative and are not exclusive of any rights or remedies provided by laws or any other agreement, and may be exercised separately or concurrently.

Section 3. [Intentionally Omitted]

Section 4. Miscellaneous.

4.1 Waiver; Amendment. No delay or omission on the part of the Lender in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Note. No waiver of any right or amendment to this Note shall be effective unless in writing and signed by the Lender nor shall a waiver on one occasion be construed as a bar to a waiver of any such right on any future occasion. The Borrower waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, and assents to any extensions or postponements of the time of payment or any and all other indulgences under this Note or with respect to the Letter of Credit, or to any and all substitutions, exchanges or releases of the Letter of Credit, or to any and all additions or releases of any other parties or persons primarily or secondarily liable under this Note, which from time to time may be granted by the Lender in connection herewith regardless of the number or period of any extensions.

4.2 Expenses. The Borrower will pay on demand all reasonable expenses of the Lender in connection with the default, collection or enforcement of this Note or the Letter of Credit, or any waiver or amendment of any provision of any of the foregoing, including, without limitation, reasonable attorneys' fees, and the amount of all such expenses shall, until paid, be an obligation supported by the Letter of Credit.

4.3 Lender Records. The entries on the records of the Lender (including any appearing on this Note) shall be prima facie evidence of the aggregate principal amount outstanding under this Note and interest accrued thereon, absent manifest error.

4.4 Governing Law; Consent to Jurisdiction. This Note shall be governed by, and construed in accordance with, the laws of the State of Vermont. The Borrower agrees that any suit for the enforcement of this Note may be brought in the courts of the State of Vermont or any federal court sitting in such state and consents to the non-exclusive jurisdiction of each such court and to service of process in any such suit being made upon the Borrower by mail at the address specified in the Lease Termination Agreement by and between the Lender, the Borrower, Cloverleaf Properties, Inc., and Blodgett Holdings, Inc., of approximately even date herewith. The Borrower hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit was brought in an inconvenient court.

4.5 Severability; Authorization to Complete; Paragraph Headings. If any provision of this Note shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of this Note and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Paragraph headings are for the convenience of reference only and are not a part of this Note and shall not affect its interpretation.

4.6 Certain References. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person, persons, entity or entities may require. The terms "herein", "hereof" or "hereunder" or similar terms used in this Note refer to this entire Note and not only to the particular provision in which the term is used.

4.7 Assignments. This Note shall not be assignable by the Borrower without the Lender's prior written consent, and any attempted assignment without the Lender's prior written consent shall be void and of no force and effect. This Note shall not be assignable by the Lender without the Borrower's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed.

IN THE PRESENCE OF:	BORROWER:
	THE MIDDLEBY CORPORATION
Witness /s/ Martin Lindsay	By: /s/ Timothy J. FitzGerald
Print/Type Full Name	Its Vice President and duly authorized agent

EXHIBIT 31.1

CERTIFICATIONS

I, Selim A. Bassoul, President and Chief Executive Officer, certify that:

1. I have reviewed this report on Form 10-Q of The Middleby Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

D a
N o
1 6

/ s
A .

S	e
B	a
P	r
a	n
E	x
O	f
T	h
M	i
C	o

EXHIBIT 31.2

CERTIFICATIONS

I, Timothy J. Fitzgerald, Chief Financial Officer, certify that:

1. I have reviewed this report on Form 10-Q of The Middleby Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

D a
N o
1 6

/ s
J .
F i

T	i
F	i
C	h
F	i
O	f
T	h
M	i
C	o

EXHIBIT 31.3

CERTIFICATIONS

I, David B. Baker, Chief Administrative Officer, certify that:

1. I have reviewed this report on Form 10-Q of The Middleby Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

D	a
N	o
2	0
/	s
B	a
D	a
B	a
C	h
A	d
O	f
T	h
C	o

Exhibit 32.1

CERTIFICATION BY THE PRINCIPAL EXECUTIVE OFFICER OF THE MIDDLEBY CORPORATION PURSUANT TO RULE 13A-14(b) UNDER THE EXCHANGE ACT AND SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

This certification is being furnished pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

I, Selim A. Bassoul, President and Chief Executive Officer (principal executive officer) of The Middleby Corporation (the “Registrant”), certify, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-Q for the period ended October 2, 2004 of the Registrant (the “Report”), that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

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

Date: November 16, 2004

By: /s/ Selim A. Bassoul

Selim A. Bassoul

Exhibit 32.2

CERTIFICATION BY THE PRINCIPAL FINANCIAL OFFICER OF THE MIDDLEBY CORPORATION PURSUANT TO RULE 13A-14(b) UNDER THE EXCHANGE ACT AND SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

This certification is being furnished pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

I, Timothy J. FutzGerald, Vice President and Chief Financial Officer (principal financial officer) of The Middleby Corporation (the “Registrant”), certify, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-Q for the period ended October 2, 2004 of the Registrant (the “Report”), that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

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

Date: November 16, 2004

By: /s/ Timothy J. FitzGerald

Timothy J. FitzGerald

Exhibit 32.3

CERTIFICATION BY THE PRINCIPAL ADMINISTRATIVE OFFICER OF THE MIDDLEBY CORPORATION PURSUANT TO RULE 13A-14(b) UNDER THE EXCHANGE ACT AND SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

This certification is being furnished pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

I, David B. Baker, Vice President, Chief Administrative Officer and Secretary (principal administrative officer) of The Middleby Corporation (the “Registrant”), certify, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-Q for the period ended October 2, 2004 of the Registrant (the “Report”), that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

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

Date: November 16, 2004

By: /s/ David B. Baker

David B. Baker