

Item 8. Financial Statements and Supplementary Data:

**WEIS MARKETS, INC.
CONSOLIDATED BALANCE SHEETS**

(dollars in thousands)

December 31, 2016 and December 26, 2015

	2016	2015
Assets		
Current:		
Cash and cash equivalents	\$ 14,653	\$ 17,596
Marketable securities	67,171	91,629
SERP investment	11,154	9,079
Accounts receivable, net	96,170	88,083
Inventories	276,783	229,399
Prepaid expenses and other current assets	16,310	17,198
Income taxes recoverable	1,625	1,666
Total current assets	483,866	454,650
Property and equipment, net	878,195	738,985
Goodwill	52,330	35,162
Intangible and other assets, net	16,913	7,162
Total assets	\$ 1,431,304	\$ 1,235,959
Liabilities		
Current:		
Accounts payable	\$ 199,159	\$ 160,441
Accrued expenses	50,947	37,819
Accrued self-insurance	19,330	16,770
Deferred revenue, net	6,730	6,898
Total current liabilities	276,166	221,928
Postretirement benefit obligations	15,277	14,368
Accrued self-insurance	21,353	22,761
Deferred income taxes	119,445	97,020
Long-term debt	64,476	-
Other	7,865	8,135
Total liabilities	504,582	364,212
Shareholders' Equity		
Common stock, no par value, 100,800,000 shares authorized, 33,047,807 shares issued, 26,898,443 shares outstanding	9,949	9,949
Retained earnings	1,062,778	1,007,894
Accumulated other comprehensive income, net	4,852	4,761
	1,077,579	1,022,604
Treasury stock at cost, 6,149,364 shares	(150,857)	(150,857)
Total shareholders' equity	926,722	871,747
Total liabilities and shareholders' equity	\$ 1,431,304	\$ 1,235,959

See accompanying notes to Consolidated Financial Statements.

WEIS MARKETS, INC.
CONSOLIDATED STATEMENTS OF INCOME

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

For the Fiscal Years Ended December 31, 2016,

December 26, 2015 and December 27, 2014

	2016 (53 weeks)	2015 (52 weeks)	2014 (52 weeks)
Net sales	\$ 3,136,720	\$ 2,876,748	\$ 2,776,683
Cost of sales, including warehousing and distribution expenses	2,264,565	2,090,016	2,023,721
Gross profit on sales	872,155	786,732	752,962
Operating, general and administrative expenses	773,830	695,953	671,587
Income from operations	98,325	90,779	81,375
Investment income and interest expense	2,457	1,552	2,287
Gain on bargain purchase	23,879	-	-
Income before provision for income taxes	124,661	92,331	83,662
Provision for income taxes	37,499	33,001	29,281
Net income	\$ 87,162	\$ 59,330	\$ 54,381
Weighted-average shares outstanding, basic and diluted	26,898,443	26,898,443	26,898,443
Cash dividends per share	\$ 1.20	\$ 1.20	\$ 1.20
Basic and diluted earnings per share	\$ 3.24	\$ 2.21	\$ 2.02

See accompanying notes to Consolidated Financial Statements.

WEIS MARKETS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollars in thousands)

For the Fiscal Years Ended December 31, 2016,

December 26, 2015 and December 27, 2014

	2016 (53 weeks)	2015 (52 weeks)	2014 (52 weeks)
Cash flows from operating activities:			
Net income	\$ 87,162	\$ 59,330	\$ 54,381
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	66,496	61,834	59,004
Amortization	10,366	8,280	7,865
Loss (gain) on disposition of fixed assets	1,353	(54)	(2,630)
Impairment of fixed assets	894	-	-
Gain on sale of marketable securities	(437)	(27)	(63)
Gain on sale of intangible assets	(200)	-	-
Gain on acquisition of business	(23,879)	-	-
Deferred income taxes	5,703	(212)	3,235
Changes in operating assets and liabilities:			
Inventories	(38,102)	10,242	811
Accounts receivable and prepaid expenses	(5,096)	(17,127)	(13,588)
Income taxes recoverable	41	(1,054)	(612)
Accounts payable and other liabilities	46,131	14,403	17,230
Income taxes payable	-	-	(1,628)
Other	1,161	1,118	(895)
Net cash provided by operating activities	151,593	136,733	123,110
Cash flows from investing activities:			
Purchase of property and equipment	(142,144)	(90,210)	(79,177)
Proceeds from the sale of property and equipment	442	1,929	3,614
Purchase of marketable securities	(40,858)	(31,329)	(20,118)
Proceeds from maturities of marketable securities	1,335	3,201	4,050
Proceeds from the sale of marketable securities	62,566	9,171	7,668
Acquisition of business	(63,632)	-	-
Purchase of intangible assets	(2,568)	(2,649)	(1,479)
Proceeds from sale of intangible assets	200	-	-
Change in SERP investment	(2,075)	42	(369)
Net cash used in investing activities	(186,734)	(109,845)	(85,811)
Cash flows from financing activities:			
Proceeds from long-term debt	64,476	-	-
Dividends paid	(32,278)	(32,278)	(32,278)
Net cash provided by (used in) financing activities	32,198	(32,278)	(32,278)
Net (decrease) increase in cash and cash equivalents	(2,943)	(5,390)	5,021
Cash and cash equivalents at beginning of year	17,596	22,986	17,965
Cash and cash equivalents at end of year	\$ 14,653	\$ 17,596	\$ 22,986

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