

PUBLIX SUPER MARKETS INC  
Form 10-Q  
November 03, 2011

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

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

For the quarterly period ended September 24, 2011

**OR**

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

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

Commission File Number 0-00981

**PUBLIX SUPER MARKETS, INC.**

(Exact name of Registrant as specified in its charter)

**Florida**  
(State of incorporation)

**59-0324412**  
(I.R.S. Employer Identification No.)

**3300 Publix Corporate Parkway**

**Lakeland, Florida**  
(Address of principal executive offices)

**33811**  
(Zip code)

Registrant's telephone number, including area code: **(863) 688-1188**

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

Yes  No

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Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The number of shares of the Registrant's common stock outstanding as of October 14, 2011 was 782,767,000.

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## PUBLIX SUPER MARKETS, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts are in thousands, except par value)

	September 24, 2011	December 25, 2010 (Unaudited)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 478,956	605,901
Short-term investments	438,579	336,282
Trade receivables	477,198	492,311
Merchandise inventories	1,310,502	1,359,028
Deferred tax assets	67,646	59,126
Prepaid expenses	28,789	25,354
<b>Total current assets</b>	<b>2,801,670</b>	<b>2,878,002</b>
Long-term investments	3,562,510	2,759,751
Other noncurrent assets	167,750	168,398
Property, plant and equipment	8,529,494	8,315,981
Accumulated depreciation	(4,122,558)	(3,963,045)
<b>Net property, plant and equipment</b>	<b>4,406,936</b>	<b>4,352,936</b>
	<b>\$ 10,938,866</b>	<b>10,159,087</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,093,252	1,156,181
Accrued expenses:		
Contribution to retirement plans	339,145	376,002
Self-insurance reserves	123,708	114,133
Salaries and wages	211,195	113,794
Other	287,435	249,633
Current portion of long-term debt	39,709	72,879
Federal and state income taxes	32,149	23,462
<b>Total current liabilities</b>	<b>2,126,593</b>	<b>2,106,084</b>
Deferred tax liabilities	251,894	225,695
Self-insurance reserves	223,855	221,337
Accrued postretirement benefit cost	92,339	90,935
Long-term debt	114,076	76,482
Other noncurrent liabilities	118,614	132,962

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Total liabilities	2,927,371	2,853,495
Common stock related to Employee Stock Ownership Plan (ESOP)	2,179,671	2,016,696
Stockholders' equity:		
Common stock of \$1 par value. Authorized 1,000,000 shares; issued 793,624 shares in 2011 and 780,969 shares in 2010	793,624	780,969
Additional paid-in capital	1,348,571	1,092,008
Retained earnings	6,023,145	5,349,387
Treasury stock at cost, 10,325 shares in 2011	(224,222)	
Accumulated other comprehensive earnings	25,272	38,226
Total stockholders' equity	7,966,390	7,260,590
Noncontrolling interests	45,105	45,002
Common stock related to ESOP	(2,179,671)	(2,016,696)
	5,831,824	5,288,896
	\$ 10,938,866	10,159,087

See accompanying notes to condensed consolidated financial statements.

**PUBLIX SUPER MARKETS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**

(Amounts are in thousands, except per share amounts)

	Three Months Ended	
	September 24, 2011	September 25, 2010
	(Unaudited)	
<b>Revenues:</b>		
Sales	\$ 6,369,656	6,038,369
Other operating income	55,723	47,707
 Total revenues	 6,425,379	 6,086,076
<b>Costs and expenses:</b>		
Cost of merchandise sold	4,651,148	4,363,418
Operating and administrative expenses	1,327,396	1,312,977
 Total costs and expenses	 5,978,544	 5,676,395
 Operating profit	 446,835	 409,681
Investment income	22,757	22,040
Other-than-temporary impairment losses	(6,082)	
 Investment income, net	 16,675	 22,040
Other income, net	14,308	6,370
 Earnings before income tax expense	 477,818	 438,091
Income tax expense	165,916	154,869
 Net earnings	 \$ 311,902	 283,222
 Weighted average shares outstanding	 786,019	 788,064
 Basic and diluted earnings per share	 \$ 0.40	 0.36
 Cash dividends paid per common share	 \$	

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS**

(Amounts are in thousands)

Three Months Ended  
September 24, 2011      September 25, 2010

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(Unaudited)

Net earnings	\$ 311,902	283,222
Other comprehensive (losses) earnings:		
Unrealized (loss) gain on available-for-sale (AFS) securities, net of tax effect of (\$14,589) and \$16,038 in 2011 and 2010, respectively	(23,168)	25,469
Reclassification adjustment for net realized loss (gain) on AFS securities, net of tax effect of \$343 and (\$1,881) in 2011 and 2010, respectively	545	(2,987)
Adjustment to postretirement benefit plan obligation, net of tax effect of \$103 and \$9 in 2011 and 2010, respectively	164	14
Comprehensive earnings	\$ 289,443	305,718

See accompanying notes to condensed consolidated financial statements.

**PUBLIX SUPER MARKETS, INC.****CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**

(Amounts are in thousands, except per share amounts)

	Nine Months Ended	
	September 24, 2011	September 25, 2010 (Unaudited)
<b>Revenues:</b>		
Sales	\$ 19,730,716	18,754,265
Other operating income	152,699	142,307
<b>Total revenues</b>	<b>19,883,415</b>	<b>18,896,572</b>
<b>Costs and expenses:</b>		
Cost of merchandise sold	14,224,751	13,482,242
Operating and administrative expenses	4,097,738	3,981,940
<b>Total costs and expenses</b>	<b>18,322,489</b>	<b>17,464,182</b>
<b>Operating profit</b>	<b>1,560,926</b>	<b>1,432,390</b>
Investment income	79,762	70,209
Other-than-temporary impairment losses	(6,082)	
<b>Investment income, net</b>	<b>73,680</b>	<b>70,209</b>
<b>Other income, net</b>	<b>27,854</b>	<b>18,940</b>
<b>Earnings before income tax expense</b>	<b>1,662,460</b>	<b>1,521,539</b>
<b>Income tax expense</b>	<b>570,022</b>	<b>525,494</b>
<b>Net earnings</b>	<b>\$ 1,092,438</b>	<b>996,045</b>
<b>Weighted average shares outstanding</b>	<b>785,940</b>	<b>787,173</b>
<b>Basic and diluted earnings per share</b>	<b>\$ 1.39</b>	<b>1.27</b>
<b>Cash dividends paid per common share</b>	<b>\$ 0.53</b>	<b>0.46</b>

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS**

(Amounts are in thousands)

Nine Months Ended  
 September 24, 2011      September 25, 2010

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(Unaudited)

Net earnings	\$ 1,092,438	996,045
Other comprehensive (losses) earnings:		
Unrealized (loss) gain on AFS securities, net of tax effect of (\$866) and \$12,532 in 2011 and 2010, respectively	(1,376)	19,900
Reclassification adjustment for net realized gain on AFS securities, net of tax effect of (\$7,601) and (\$7,710) in 2011 and 2010, respectively	(12,071)	(12,243)
Adjustment to postretirement benefit plan obligation, net of tax effect of \$310 and \$28 in 2011 and 2010, respectively	493	44
Comprehensive earnings	\$ 1,079,484	1,003,746

See accompanying notes to condensed consolidated financial statements.



**PUBLIX SUPER MARKETS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts are in thousands)

	Nine Months Ended	
	September 24, 2011	September 25, 2010
	(Unaudited)	
Cash flows from operating activities:		
Cash received from customers	\$ 19,796,702	18,839,689
Cash paid to employees and suppliers	(17,392,751)	(16,497,248)
Income taxes paid	(535,358)	(575,496)
Self-insured claims paid	(208,424)	(203,152)
Dividends and interest received	97,757	67,263
Other operating cash receipts	146,617	