AXCELIS TECHNOLOGIES INC
Form 10-Q
November 08, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2006

or

o 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 000-30941

AXCELIS TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**34-1818596**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

108 Cherry Hill Drive

Beverly, Massachusetts 01915

(Address of principal executive offices, including zip code)

(978) 787-4000

(Registrant s telephone number, including area code)

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 x No o.

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

Large accelerated filer o Accelerated filer x Non-accelerated filer o

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

As of November 3, 2006 there were 101,297,394 shares of the registrant s common stock outstanding.

PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements.

Axcelis Technologies, Inc.

Consolidated Statements of Income

(In thousands, except per share amounts)

(Unaudited)

	Three months ended September 30, 2006	2005	Nine months ended September 30, 2006	2005
Revenue				
Systems	$ 78,546	$ 47,083	$ 198,684	$ 155,723
Services	42,062	39,280	133,006	116,724
Royalties, primarily from SEN	2,209	1,019	6,688	7,149
	122,817	87,382	338,378	279,596
Cost of revenue	69,551	51,679	198,128	163,156
Gross profit	53,266	35,703	140,250	116,440
Operating expenses				
Research & development	17,597	17,755	54,000	51,165
Selling	11,743	10,691	33,919	34,565
General & administrative	11,986	11,994	34,258	34,996
Amortization of intangible assets	656	612	1,895	1,836
Restructuring charges	53	1,545	147	5,427
	42,035	42,597	124,219	127,989
Income (loss) from operations	11,231	(6,894)	16,031	(11,549)
Other income (expense)				
Equity income of SEN	2,372	1,395	10,734	11,360
Interest income	2,250	1,505	5,816	3,799
Interest expense	(2,570)	(1,661)	(6,657)	(4,971)
Other net	153	435	837	(2)
	2,205	1,674	10,730	10,186
Income (loss) before income taxes	13,436	(5,220)	26,761	(1,363)
Income taxes (credit)	916	(53)	1,552	1,157
Net income (loss)	$ 12,520	$ (5,167)	$ 25,209	$ (2,520)
Net income (loss) per share				
Basic	$ 0.12	$ (0.05)	$ 0.25	$ (0.03)
Diluted	0.12	(0.05)	0.25	(0.03)
Shares used in computing basic and diluted income (loss) per share				
Basic	101,165	100,428	101,003	100,256
Diluted	101,612	100,428	101,205	100,256

See accompanying Notes to Consolidated Financial Statements

3

Axcelis Technologies, Inc.

Consolidated Balance Sheets

(In thousands)

(Unaudited)

	September 30, 2006	December 31, 2005
ASSETS		
Current assets		
Cash and cash equivalents	$ 90,452	$ 71,417
Marketable securities	91,539	93,797
Restricted cash	9,164	8,037
Accounts receivable, net	98,163	79,379
Inventories, net	146,255	109,972
Prepaid expenses and other current assets	37,644	32,767
Total current assets	473,217	395,369
Property, plant & equipment, net	66,534	71,443
Investment in SEN	119,163	108,815
Goodwill	46,773	46,773
Intangible assets	14,205	16,100
Restricted cash, long-term portion	2,694	3,195
Other assets	23,866	19,748
	$ 746,452	$ 661,443
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Accounts payable	$ 39,627	$ 25,556
Accrued compensation	21,177	18,437
Warranty	6,569	5,739
Income taxes	2,043	3,021
Deferred revenue	40,420	30,140
Other current liabilities	11,587	11,333
Current portion of long-term debt	74,217	
Total current liabilities	195,640	94,226
Long-term debt	76,165	125,000
Long-term deferred revenue	9,468	11,177
Other long-term liabilities	4,601	4,999
Stockholders equity		
Preferred stock		
Common stock	101	101
Additional paid-in capital	468,779	466,454
Deferred compensation		(5,385)
Treasury stock	(1,218)	(1,218)
Accumulated deficit	(5,978)	(31,187)
Accumulated other comprehensive loss	(1,106)	(2,724)
	460,578	426,041
	$ 746,452	$ 661,443

See accompanying Notes to Consolidated Financial Statements

4

Axcelis Technologies, Inc.

Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	Nine months ended September 30, 2006	2005
Operating activities		
Net income (loss)	$ 25,209	$ (2,520)
Adjustments required to reconcile net income to net cash used for operating activities		
Depreciation and amortization	13,138	15,835
Amortization of intangible assets	1,895	1,836
Accretion of premium on long-term debt	1,165	
Stock compensation expense	4,466	593
Impairment of fixed assets		725
Undistributed income of SEN	(10,734)	(11,360)
Changes in operating assets & liabilities		
Accounts receivable	(18,165)	16,719
Inventories	(34,618)	5,981
Other current assets	(4,964)	(24,506)
Accounts payable & other current liabilities	17,817	(11,663)
Deferred revenue	8,571	902
Income taxes	(984)	(1,818)
Other assets and liabilities	(8,700)	3,035
Net cash used for operating activities	(5,904)	(6,241)
Investing activities		
Purchases of marketable securities	(70,329)	(86,297)
Sales and maturities of marketable securities	73,263	77,115
Expenditures for property, plant & equipment	(3,947)	(6,329)
Increase in restricted cash	(627)	(4,372)
Net cash used for investing activities	(1,640)	(19,883)
Financing activities		
Proceeds from issuance of convertible debt	24,217	
Proceeds from the exercise of stock options	1,362	1,142
Proceeds from employee stock purchase plan	1,578	2,150
Net cash provided by financing activities	27,157	3,292
Effect of exchange rate changes on cash	(578)	343
Net increase (decrease) in cash and cash equivalents	19,035	(22,489)
Cash and cash equivalents at beginning of period	71,417	108,295
Cash and cash equivalents at end of period	$ 90,452	$ 85,806

See accompanying Notes to Consolidated Financial Statements

5

Axcelis Technologies, Inc.

Notes To Consolidated Financial Statements (Unaudited)

(All tabular amounts in thousands, except per share amounts)

Note 1. Nature of Business and Basis of Presentation

Axcelis Technologies, Inc. (Axcelis or the Company), is a worldwide producer of ion implantation, dry strip, thermal processing and curing equipment used in the fabrication of semiconductors in the United States, Europe and Asia. In addition, the Company provides extensive aftermarket service and support, including spare parts, equipment upgrades, and maintenance services. The Company owns 50% of the equity of a joint venture with Sumitomo Heavy Industries, Ltd. in Japan. This joint venture, SEN Corporation, an SHI and Axcelis Company (SEN), licenses technology from the Company relating to the manufacture of ion implantation products and has exclusive rights to manufacture and sell these products in the territory of Japan. SEN is the leading producer of ion implantation equipment in Japan.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management all adjustments, which are of a normal recurring nature, considered necessary for a fair presentation have been included. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for other interim periods or for the year as a whole.

The balance sheet at De.1% from our net sales of $174.3 million for the third quarter of fiscal 2014. Net sales for the first thirty-nine weeks of fiscal 2015 increased by $89.7 million, or 15.6%, to $665.8 million from net sales of $576.1 million for the first thirty-nine weeks of fiscal 2014.

Sales volume, measured as pounds sold to customers, increased 5.0 million pounds, or 9.1%, compared to the third quarter of fiscal 2014. Sales volume increased 12.4 million pounds, or 7.0%, compared to the first thirty-nine weeks of fiscal 2014. We continue to see considerable growth in sales volume for *Orchard Valley Harvest* produce products with a 56% increase in sales volume in the quarterly comparison.

Gross profit increased by $7.0 million and our gross profit margin, as a percentage of net sales, increased to 14.2% for the third quarter of fiscal 2015 compared to 13.1% for the third quarter of fiscal 2014. Gross profit increased by $8.6 million year to date; however our gross profit margin, as a percentage of net sales, decreased to 14.7% from 15.5% for the first thirty-nine weeks of fiscal 2015 compared to the first thirty-nine weeks of fiscal 2014.

Total operating expenses for the third quarter of fiscal 2015 increased by $1.6 million, or 9.8%, compared to the third quarter of fiscal 2014. However, as a percentage of net sales, total operating expenses in the third quarter of fiscal 2015 fell to 8.7% compared to 9.6% for the third quarter of fiscal 2014. For the first three quarters of fiscal 2015, total operating expenses increased by $5.3 million to 8.9% of net sales compared to 9.4% of net sales for the first three quarters of fiscal 2014. Operating expenses during the thirty-nine weeks ended March 27, 2014 were favorably impacted by a $1.6 million pretax gain from the sale of the Old Elgin Site.

The total value of inventories on hand at the end of the third quarter of fiscal 2015 increased by $30.3 million, or 15.3%, in comparison to the total value of inventories on hand at the end of the third quarter of fiscal 2014.

With the exception of walnuts, we have seen acquisition costs for domestic tree nuts increase in the 2014 crop year (which falls into our current 2015 fiscal year). We completed procurement of inshell walnuts during the first half of fiscal 2015, and the total payments due to our walnut growers were determined in the current quarter. The final prices paid, and remaining to be paid to the walnut growers was based upon current market prices and other factors, such as crop size and export demand. A large majority of payments to walnut growers were completed in the third quarter of fiscal 2015. Remaining amounts to be paid to walnut growers as of March 26, 2015 are final and are not subject to revision. We reduced our walnut grower liability by approximately $4.0 million during the third quarter of fiscal 2015, as the final payments to walnut growers were slightly less than the amounts estimated at the end of last quarter. This decrease is insignificant compared to our total inshell walnut procurement costs for the year and the adjustment to cost of sales was immaterial to our results of operations.

Table of Contents

RESULTS OF OPERATIONS

Net Sales

Our net sales increased 20.1% to $209.4 million in the third quarter of fiscal 2015 compared to net sales of $174.3 million for the third quarter of fiscal 2014. Sales volume, which is defined as pounds sold to customers, increased by 9.1%, and sales volume increased for all major product types except pecans in the quarterly comparison. The increase in net sales was attributable to a 10.1% increase in the weighted average sales price per pound, driven mainly by selling price increases for most major nut types due to higher commodity acquisition costs, and the aforementioned sales volume increase.

Our net sales were $665.8 million, an increase of $89.7 million, or 15.6%, for the first thirty-nine weeks of fiscal 2015 compared to the same period of fiscal 2014. The increase in net sales was primarily attributable to an 8.0% increase in the weighted average sales price per pound and a 7.0% increase in sales volume, both due to the reasons discussed in the quarterly comparison above.

The following table summarizes sales by product type as a percentage of total gross sales. The information is based upon gross sales, rather than net sales, because certain adjustments, such as promotional discounts, are not allocable to product type.

	For the Quarter Ended		For the Thirty-nine Weeks Ended	
Product Type	**March 26, 2015**	**March 27, 2014**	**March 26, 2015**	**March 27, 2014**
Peanuts	13.7%	15.8%	13.5%	14.7%
Pecans	8.8	10.6	13.4	14.8
Cashews & Mixed Nuts	23.1	20.7	21.9	19.1
Walnuts	10.7	11.6	11.5	12.2
Almonds	25.0	24.2	22.6	21.7
Trail & Snack Mixes	13.5	10.9	11.8	11.0
Other	5.2	6.2	5.3	6.5
Total	100.0%	100.0%	100.0%	100.0%

The following table shows a comparison of net sales by distribution channel (dollars in thousands):

	For the Quarter Ended			
Distribution Channel	**March 26, 2015**	**March 27, 2014**	**Change**	**Percent Change**
Consumer [(1)]	$ 123,155	$ 98,588	$ 24,567	24.9%
Commercial Ingredients	47,988	45,273	2,715	6.0
Contract Packaging	27,517	21,867	5,650	25.8
Export [(2)]	10,736	8,563	2,173	25.4

Total	$ 209,396	$ 174,291	$ 35,105	20.1%

(1) Sales of branded products, primarily all *Fisher* brand, were approximately 25% and 27% of total consumer sales during the third quarter of fiscal 2015 and fiscal 2014, respectively.

(2) Export sales consist primarily of bulk products and consumer branded and private brand products. Consumer branded and private brand products accounted for approximately 55% and 50% of total sales in the export channel during the third quarter of fiscal 2015 and fiscal 2014, respectively.

Table of Contents

The following table shows a comparison of net sales by distribution channel (dollars in thousands):

	For the Thirty-nine Weeks Ended			
Distribution Channel	**March 26, 2015**	**March 27, 2014**	**Change**	**Percent Change**
Consumer [1]	$ 409,110	$ 337,460	$ 71,650	21.2%
Commercial Ingredients	147,035	140,961	6,074	4.3
Contract Packaging	82,868	71,823	11,045	15.4
Export [2]	26,793	25,858	935	3.6
Total	$ 665,806	$ 576,102	$ 89,704	15.6%

(1) Sales of branded products, primarily all *Fisher* brand, were approximately 32% and 33% of total consumer sales during the first thirty-nine weeks of fiscal 2015 and fiscal 2014, respectively.

(2) Export sales consist primarily of bulk products and consumer branded and private brand products. Consumer branded and private brand products accounted for approximately 66% and 55% of total sales in the export channel during the first thirty-nine weeks of fiscal 2015 and fiscal 2014, respectively.

Net sales in the consumer distribution channel increased by 24.9% in dollars and 10.2% in sales volume in the third quarter of fiscal 2015 compared to the third quarter of fiscal 2014. Private brand consumer sales volume increased 12.3%, primarily due to a significant increase in sales of snack nut and trail mix products at two significant customers. *Fisher* snack nut sales volume decreased 10.0% due to a change in the timing of merchandising activity at a major customer where that merchandising activity occurred in the second quarter of fiscal 2015 as opposed to the third quarter of fiscal 2014. *Fisher* recipe nut sales volume in the third quarter of fiscal 2015 decreased 4.8% compared to the third quarter of last year, primarily due to reduced merchandising activity at a major customer. Increased sales of *Orchard Valley Harvest* brand products also contributed to the volume increase.

In the first thirty-nine weeks of fiscal 2015, net sales in the consumer distribution channel increased by 21.2% in dollars and 12.4% in sales volume compared to the same period of fiscal 2014. Private brand consumer sales volume increased by 12.9% in the first thirty-nine weeks of fiscal 2015 compared to the same period of fiscal 2014 due to significant increase in sales of snack nut and trail mix products at two significant customers. *Fisher* brand snack nut sales volume increased 22.9% due largely to the distribution of inshell peanuts we regained at a major *Fisher* snack customer. *Fisher* brand recipe nut sales volume increased by 2.6% in the first thirty-nine weeks of fiscal 2015 compared to the first thirty-nine weeks of fiscal 2014. Increased sales volume of *Orchard Valley Harvest* brand products, driven by distribution gains, also contributed to the volume increase in the year to date comparison.

Net sales in the commercial ingredients distribution channel increased by 6.0% in dollars, though sales volume decreased 3.0%, in the third quarter of fiscal 2015 compared to the third quarter of fiscal 2014. In the first thirty-nine weeks of fiscal 2015, net sales in the commercial ingredients distribution channel increased by 4.3% in dollars, though sales volume decreased 1.4%, compared to the same period of fiscal 2014. The sales volume decrease for the quarterly and thirty-nine week period was primarily due to lower bulk pecan sales as a result of a smaller pecan crop and lower sales of bulk macadamia nuts due to lost business with customers using these nuts in their products.

Net sales in the contract packaging distribution channel increased by 25.8% in dollars and 22.8% in sales volume in the third quarter of fiscal 2015 compared to the third quarter of fiscal 2014. In the first thirty-nine weeks of fiscal 2015, net sales in the contract packaging distribution channel increased by 15.4% in dollars and sales volume increased 6.4% compared to the same period of fiscal 2014. The sales volume increase for the quarterly period was due to new product introductions executed by several key existing customers. The sales volume increase for the thirty-nine week period primarily resulted from increased sales of peanut, cashew and mixed nut products to existing customers.

Table of Contents

Net sales in the export distribution channel increased by 25.4% in dollars and 13.1% in sales volume in the third quarter of fiscal 2015 compared to the third quarter of fiscal 2014. Net sales in the export distribution channel in the first thirty-nine weeks of fiscal 2015 increased by 3.6% in dollars; however, sales volume decreased 10.5% compared to the first thirty-nine weeks of fiscal 2014. The sales volume increase for the quarterly period comparison was primarily due to increased sales of *Fisher* snack nut and bulk peanuts, in addition to new item introductions made by an existing customer. The sales volume decrease for the thirty-nine week period comparison was primarily due to a significantly lower supply of inshell walnuts for the export market.

Gross Profit

Gross profit increased by $7.0 million, or 30.6%, to $29.8 million for the third quarter of fiscal 2015 compared to the third quarter of fiscal 2014. Our gross profit margin, as a percentage of net sales, increased to 14.2% for the third quarter of fiscal 2015 compared to 13.1% for the third quarter of fiscal 2014. The gross profit margin and gross profit increases were mainly attributable to faster implementation of selling price increases resulting from increased commodity acquisition costs compared to the timing of selling price increases in last year s third quarter. The volume increase coupled with lower acquisition costs for walnuts also contributed to the increase in gross profit margin and gross profit.

Gross profit increased by $8.6 million, or 9.6%, to $97.7 million for the first thirty-nine weeks of fiscal 2015 from $89.1 million for the first thirty-nine weeks of fiscal 2014. Our gross profit margin, as a percentage of net sales, decreased to 14.7% for the first thirty-nine weeks of fiscal 2015 compared to 15.5% for the first thirty-nine weeks of fiscal 2014. The decrease in gross profit margin in the year to date comparison was primarily due to higher acquisition costs for pecans and almonds in the first quarter of fiscal 2015 combined with the unfavorable impact on selling prices that resulted from increased trade spending in the second quarter of fiscal 2015. The decline in gross profit margin in the year to date comparison was offset in part by improved gross margins in the current third quarter. The increase in gross profit was mainly due to increased sales volume.

Operating Expenses

Total operating expenses for the third quarter of fiscal 2015 increased by $1.6 million to $18.3 million. Operating expenses for the third quarter of fiscal 2015 decreased to 8.7% of net sales from 9.6% of net sales for the third quarter of fiscal 2014 primarily due to a higher net sales base.

Selling expenses for the third quarter of fiscal 2015 were $11.2 million, an increase of $0.9 million, or 8.5%, from the third quarter of fiscal 2014. The increase was driven primarily by increased advertising expense of $0.8 million to support increasing sales volume for our branded products and due to the earlier Easter holiday this year. Compensation related expenses also increased $0.6 million. These increases were partially offset by a $0.6 million reduction of freight expenses driven in part by lower fuel prices combined with a major customer switching from delivery to pick up of their products.

Administrative expenses for the third quarter of fiscal 2015 were $7.1 million, an increase of $0.8 million, or 11.8%, from the third quarter of fiscal 2014. The increase was driven primarily by a $0.8 million increase in incentive compensation expense.

Total operating expenses for the first thirty-nine weeks of fiscal 2015 increased by $5.3 million to $59.5 million due partially to the prior year s $1.6 million pretax gain on the sale of the Old Elgin Site which did not recur this fiscal year. Operating expenses for the first three quarters of fiscal 2015 decreased to 8.9% of net sales from 9.4% of net sales for the first thirty-nine weeks of fiscal 2014 primarily due to a higher net sales base.

Selling expenses for the first thirty-nine weeks of fiscal 2015 were $37.9 million, an increase of $2.6 million, or 7.2%, from the amount recorded for the first thirty-nine weeks of fiscal 2014. The increase was driven primarily by a $1.2 million increase in advertising expense for the reasons discussed in the quarterly comparison above. Also contributing to the increase in selling expense was a $1.1 million increase in compensation related expenses, largely driven by incentive compensation expense.

Administrative expenses for the first thirty-nine weeks of fiscal 2015 were $21.6 million, an increase of $1.1 million, or 5.2%, compared to the same period of fiscal 2014. Changes in administrative expense include a $1.2 million increase in compensation related expenses and $0.6 million more share-based compensation expense. These expenses were partially offset by a $0.4 million decrease in professional expense and $0.3 million lower amortization expense.

Income from Operations

Due to the factors discussed above, income from operations increased to $11.5 million, or 5.5% of net sales, for the third quarter of fiscal 2015 from $6.1 million, or 3.5% of net sales, for the third quarter of fiscal 2014.

Due to the factors discussed above, income from operations increased to $38.2 million, or 5.7% of net sales, for the first thirty-nine weeks of fiscal 2015 from $34.9 million, or 6.1% of net sales, for the first thirty-nine weeks of fiscal 2014.

Interest Expense

Interest expense was $1.0 million for the third quarter of fiscal 2015 compared to $1.1 million in the third quarter of fiscal 2014. Interest expense decreased 10.2% to $2.9 million for the first thirty-nine weeks of fiscal 2015 compared to the same period of fiscal 2014. The decrease in interest expense was due primarily to lower interest rates for the short-term credit facility.

Rental and Miscellaneous Expense, Net

Net rental and miscellaneous expense was $0.4 million for the third quarter of fiscal 2015 compared to $0.5 million for fiscal 2014. Net rental and miscellaneous expense was $2.8 million for the first thirty-nine weeks of fiscal 2015 compared to $1.8 million for the first thirty-nine weeks of fiscal 2014. The increase in the thirty-nine week period was primarily due to increased maintenance expense on the exterior of the office building located on our Elgin, Illinois campus which we incurred in the first quarter of fiscal 2015. This project was completed during the second quarter of fiscal 2015.

Income Tax Expense

Income tax expense was $3.6 million, or 35.4% of income before income taxes (the effective tax rate) for the third quarter of fiscal 2015 compared to $0.9 million, or 20.1% of income before income taxes, for the third quarter of fiscal 2014. For the first thirty-nine weeks of fiscal 2015, income tax expense was $11.6 million, or 35.8% of income before income taxes, compared to $10.2 million, or 34.1% of income before income taxes, for the comparable period last year. The increase in the effective tax rate, for both the quarterly and thirty-nine week periods of fiscal 2015, is mainly due to the tax benefit of losses realized when the Company divested its equity investment in ARMA and cancelled a secured promissory note due from ARMA, in the third quarter of fiscal 2014, which did not recur this fiscal year.

Net Income

Net income was $6.5 million, or $0.58 per common share (basic and diluted), for the third quarter of fiscal 2015, compared to $3.7 million, or $0.33 per common share (basic and diluted), for the third quarter of fiscal 2014.

Net income was $20.8 million, or $1.87 per common share (basic) and $1.86 per common share (diluted), for the first thirty-nine weeks of fiscal 2015, compared to net income of $19.7 million, or $1.79 per common share (basic) and $1.77 per common share (diluted), for the first thirty-nine weeks of fiscal 2014.

LIQUIDITY AND CAPITAL RESOURCES

General

The primary uses of cash are to fund our current operations, fulfill contractual obligations, pursue our Strategic Plan and repay indebtedness. Also, various uncertainties could result in additional uses of cash. The primary sources of cash are results of operations and availability under our Credit Agreement, dated February 7, 2008 and subsequently amended in March 2010, July 2011, October 2011, January 2013, December 2013 and September 2014 (as amended, the Credit Facility), that provides a revolving loan commitment and letter of credit subfacility. We

Table of Contents

anticipate that expected net cash flow generated from operations and amounts available pursuant to the Credit Facility will be sufficient to fund our operations for the next twelve months. Increases in our available credit under our Credit Facility, due to our improved financial performance in the past, have allowed us to consummate business acquisitions, devote more funds to promote our products, (especially our *Fisher* and *Orchard Valley Harvest* brands), develop new products, pay special cash dividends for the past three years, and explore other growth strategies outlined in our Strategic Plan, which includes expansion into existing markets and international markets such as China.

Cash flows from operating activities have historically been driven by net income but are also significantly influenced by inventory requirements, which can change based upon fluctuations in both quantities and market prices of the various nuts and nut products we buy and sell. Current market trends in nut prices and crop estimates also impact nut procurement.

The following table sets forth certain cash flow information for the first three quarters of fiscal 2015 and 2014, respectively (dollars in thousands):

	March 26, 2015	March 27, 2014	$ Change
Operating activities	$ (8,456)	$ (10,894)	$ 2,438
Investing activities	(11,039)	(341)	(10,698)
Financing activities	19,675	11,598	8,077
Total cash flow	$ 180	$ 363	$ (183)

Operating Activities Net cash used in operating activities was $8.5 million for the first thirty-nine weeks of fiscal 2015 compared to $10.9 million for the first thirty-nine weeks of fiscal 2014. This decrease in cash outflows was due primarily to increased net income and the impact of the gain on sale of assets in the comparative period. The impact on cash flows from net changes in working capital was comparable to the prior year. Our nut commodity purchases were $70.8 million higher during the first three quarters of fiscal 2015 than the same period of fiscal 2014, primarily due to the procurement of larger quantities of cashews and pecans combined with increasing pecan and almond acquisition costs.

Total inventories were $228.4 million at March 26, 2015, an increase of $45.5 million, or 24.9%, from the inventory balance at June 26, 2014, and an increase of $30.3 million, or 15.3%, from the inventory balance at March 27, 2014. The increase at March 26, 2015 compared to June 26, 2014 was primarily driven by receipt of the current year crop of inshell walnuts and pecans. The increase at March 26, 2015 compared to March 27, 2014 is primarily due to higher commodity acquisition costs for pecans and almonds and increased quantities of walnuts, work-in-process and finished goods.

Raw nut and dried fruit input stocks increased by 3.1 million pounds, or 4.8%, at March 26, 2015 compared to March 27, 2014. The increase was attributable mainly to increased quantities of peanuts and walnuts. The weighted average cost per pound of raw nut input stocks on hand at the end of the third quarter of fiscal 2015 increased 3.7% as compared to the third quarter of fiscal 2014 mainly driven by higher acquisition costs for pecans and almonds.

Accounts payable were $64.6 million at March 26, 2015, an increase of $19.7 million, or 43.8%, from the balance at June 26, 2014, and an increase of $9.8 million, or 17.9%, from the balance at March 27, 2014. The increase in accounts payable from June 26, 2014 to March 26, 2015 is due primarily to the receipt of the new walnut crop and increased payables for inshell pecans. The increase in accounts payable at March 26, 2015 compared to March 27, 2014 is due to increased amounts due for almond and cashew purchases, mainly because of higher acquisition costs.

Investing Activities Cash used in investing activities was $11.0 million during the first thirty-nine weeks of fiscal 2015 compared $0.3 million for the same period last year. The increase was primarily due to the $7.8 million net proceeds from the sale of assets at the Old Elgin Site last year which did not recur this year. We also spent $3.0 million more on capital expenditures in the first three quarters of fiscal 2015 compared to the first three quarters of fiscal 2014. This increase in capital expenditures was primarily for a new production line for the manufacture of our new *Fisher Nut Exactly* snack bite products. We expect total capital expenditures for new equipment and facility upgrades, and food safety enhancements for fiscal 2015 to be approximately $14 million. Absent any material acquisitions or other significant investments, we believe that cash on hand, combined with cash provided by operations and borrowings available under the Credit Facility, will be sufficient to meet the cash requirements for planned capital expenditures.

Financing Activities Cash provided by financing activities was $19.7 million during the first thirty-nine weeks of fiscal 2015 compared to $11.6 million for the same period last year. We paid $16.8 million in dividends during the second quarter of fiscal 2015 compared to $16.6 million during the same quarter last year. Net short term borrowings under our Credit Facility increased $10.1 million during the first three quarters of fiscal 2015 compared to the first three quarters of fiscal 2014, primarily due to the procurement of larger quantities of certain commodities and increasing commodity acquisition costs.

Real Estate Matters

In August 2008, we completed the consolidation of our Chicago-based facilities into the Elgin Site. As part of the facility consolidation project, on April 15, 2005, we closed on the $48.0 million purchase of the Elgin Site. The Elgin Site includes both an office building and a warehouse, and affords us increased production capacity, such that we are currently able to offer our services to existing and new customers on an expanded basis.

We are currently attempting to find additional tenants for the available space in the office building at the Elgin Site. Until additional tenant(s) are found, we will not receive the benefit of rental income associated with such space. Approximately 71% of the office building is currently vacant. There can be no assurance that we will be able to lease the unoccupied space and further capital expenditures may be necessary to lease the remaining space.

Financing Arrangements

On February 7, 2008, we entered into the Credit Facility with a bank group (the Bank Lenders) providing a $117.5 million revolving loan commitment and letter of credit subfacility. Also on February 7, 2008, we entered into a Loan Agreement with an insurance company (the Mortgage Lender) providing us with two term loans, one in the amount of $36.0 million (Tranche A) and the other in the amount of $9.0 million (Tranche B), for an aggregate amount of $45.0 million (the Mortgage Facility).

The Credit Facility, as most recently amended in September 2014, is secured by substantially all our assets other than machinery and equipment, real property, and fixtures. The Mortgage Facility is secured by mortgages on essentially all of our owned real property located in Elgin, Illinois, Gustine, California and Garysburg, North Carolina (the Encumbered Properties).

Credit Facility

On September 30, 2014 we entered into a Sixth Amendment to Credit Agreement (the Sixth Amendment) which extended the maturity date of the Credit Agreement to July 15, 2019 from July 15, 2016 and reduced the interest rates charged for ordinary course and letter of credit borrowings. The revolving loan commitment amount did not change. In addition, the Sixth Amendment allows us to, without obtaining Bank Lender Consent, (i) make up to two cash dividends or distributions on our stock each fiscal year, or (ii) purchase, acquire, redeem or retire stock in any fiscal year, in any case, in an amount not to exceed $25.0 million, individually or in the aggregate, as long as the excess availability under the Credit Agreement remains over $30.0 million after giving effect to any such dividend, distribution, purchase or redemption. The Sixth Amendment also increased the amount of permitted acquisitions to $100.0 million from $50.0 million and removed the annual limit on capital expenditures. At our election, borrowings under the Credit Facility currently accrue interest at either (i) a rate determined pursuant to the administrative agent s prime rate plus an applicable margin determined by reference to the amount of loans which may be advanced under the borrowing base calculation, ranging from 0.50% to 1.00% or (ii) a rate based upon the London interbank offered rate (LIBOR) plus an applicable margin based upon the borrowing base calculation, ranging from 1.50% to 2.00%.

At March 26, 2015, the weighted average interest rate for the Credit Facility was 1.74%. The terms of the Credit Facility contain covenants that, among other things, require us to restrict investments, indebtedness, acquisitions and certain sales of assets and limit annual cash dividends or distributions, transactions with affiliates, redemptions of capital stock and prepayment of indebtedness (if such prepayment, among other things, is of a subordinate debt). If loan availability under the borrowing base calculation falls below $25.0 million, we will be required to maintain a specified fixed charge coverage ratio, tested on a monthly basis, until loan availability equals or exceeds $25.0 million for three consecutive months. All cash received from customers is required to be applied against the Credit Facility. The Bank Lenders have the option to accelerate and demand immediate repayment of our obligations under the Credit Facility in the event of default on the payments required under the Credit Facility, a change in control in the ownership of the Company, non-compliance with the financial covenants or upon the occurrence of other defaults by us under the Credit Facility (including a default under the Mortgage Facility). As of March 26, 2015, we were in compliance with all covenants under the Credit Facility and we currently expect to be in compliance with the financial covenant in the Credit Facility for the foreseeable future. At March 26, 2015, we had $39.0 million of available credit under the Credit Facility. We would still be in compliance with all restrictive covenants under the Credit Facility if this entire amount were borrowed.

Mortgage Facility

We are subject to interest rate resets for each of Tranche A and Tranche B. Specifically, on March 1, 2018 (the Tranche A Reset Date) and March 1, 2016 and every two years thereafter (each, a Tranche B Reset Date), the Mortgage Lender may reset the interest rates for each of Tranche A and Tranche B, respectively, in its sole and absolute discretion. If the reset interest rate for either Tranche A or Tranche B is unacceptable to us and we (i) do not have sufficient funds to repay amounts due with respect to Tranche A or Tranche B on the Tranche A Reset Date or Tranche B Reset Date, in each case, as applicable, or (ii) are unable to refinance amounts due with respect to Tranche A or Tranche B on the Tranche A Reset Date or Tranche B Reset Date, in each case, as applicable, on terms more favorable than the reset interest rates, then, depending on the extent of the changes in the reset interest rates, our interest expense could increase materially.

The Mortgage Facility matures on March 1, 2023. Tranche A under the Mortgage Facility accrues interest at a fixed interest rate of 7.63% per annum, payable monthly. As mentioned above, such interest rate may be reset by the Mortgage Lender on the Tranche A Reset Date. Monthly principal payments in the amount of $0.2 million commenced on June 1, 2008. Tranche B under the Mortgage Facility accrues interest, as reset on March 1, 2014, at a floating rate of the greater of (i) one month LIBOR plus 3.75% per annum or (ii) 4.50%, payable monthly (the Floating Rate). The margin on such Floating Rate may be reset by the Mortgage Lender on each Tranche B Reset Date; provided, however, that the Mortgage Lender may also change the underlying index on each Tranche B Reset Date occurring on or after March 1, 2016. Monthly principal payments in the amount of $0.1 million commenced on June 1, 2008. We do not currently anticipate that any change in the Floating Rate or the underlying index will have a material adverse effect upon our business, financial condition or results of operations.

The terms of the Mortgage Facility contain covenants that require us to maintain a specified net worth of $110.0 million and maintain the Encumbered Properties. The Mortgage Lender is entitled to require immediate repayment of our obligations under the Mortgage Facility in the event we default in the payments required under the Mortgage Facility, non-compliance with the covenants or upon the occurrence of certain other defaults by us under the Mortgage Facility. As of March 26, 2015, we were in compliance with all covenants under the Mortgage Facility. We currently believe that we will be in compliance with the financial covenant in the Mortgage Facility for the foreseeable future and therefore $17.2 million of Tranche A and $4.3 million of Tranche B have been classified as long-term debt which represent scheduled principal payments that are due at least twelve months beyond March 26, 2015.

Selma Property

In September 2006, we sold our Selma, Texas properties (the Selma Properties) to two related party partnerships for $14.3 million and are leasing them back. The selling price was determined by an independent appraiser to be the fair market value which also approximated our carrying value. The lease for the Selma Properties has a ten-year term at a fair market value rent with three five-year renewal options. Also, we currently have an option to purchase the Selma

Properties from the partnerships at 95% (100% in certain circumstances) of the then fair market value, but not less than the original $14.3 million purchase price. The provisions of the arrangement are not eligible for sale-leaseback accounting and the $14.3 million was recorded as a debt obligation. No gain or loss was recorded on the Selma Properties transaction. As of March 26, 2015, $12.0 million of the debt obligation was outstanding.

Critical Accounting Policies and Estimates

For information regarding our Critical Accounting Policies and Estimates, see the Critical Accounting Policies and Estimates section of Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations in our Form 10-K for the fiscal year ended June 26, 2014.

Table of Contents

Recent Accounting Pronouncements

Refer to Note 15 Recent Accounting Pronouncements of the Notes to Consolidated Financial Statements, contained in Part I, Item 1 of this form 10-Q, for a discussion of recently issued accounting pronouncements.

FORWARD LOOKING STATEMENTS

The statements contained in this report that are not historical (including statements concerning our expectations regarding market risk) are forward looking statements. These forward-looking statements may be generally identified by the use of forward-looking words and phrases such as will , anticipates , intends , may , believes , should and and are based on our current expectations or beliefs concerning future events and involve risks and uncertainties. We caution that such statements are qualified by important factors, including the factors referred to in Part II, Item 1A Risk Factors , and other factors, risks and uncertainties that are beyond our control. Consequently, our actual results could differ materially. We undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or other factors that affect the subject of these statements, except where expressly required to do so by law. Among the factors that could cause results to differ materially from current expectations are: (i) the risks associated with our vertically integrated model with respect to pecans, peanuts and walnuts; (ii) sales activity for our products, such as a decline in sales to one or more key customers, a decline in sales of private brand products or changing consumer preferences; (iii) changes in the availability and costs of raw materials and the impact of fixed price commitments with customers; (iv) the ability to pass on price increases to customers if commodity costs rise and the potential for a negative impact on demand for, and sales of, our products from price increases; (v) the ability to measure and estimate bulk inventory and fluctuations in the value and quantity of our nut inventories due to fluctuations in the market prices of nuts and bulk inventory estimation adjustments, respectively, (vi) our ability to appropriately respond to, or lessen the negative impact of, competitive and pricing pressures; (vii) losses associated with product recalls, product contamination, food labeling or other food safety issues, or the potential for lost sales or product liability if customers lose confidence in the safety of our products or in nuts or nut products in general, or are harmed as a result of using our products; (viii) our ability to retain key personnel; (ix) the effect of the actions and decisions of the group that has the majority of the voting power with regard to our outstanding common equity (which may make a takeover or change in control more difficult), including the effect of any agreements pursuant to which such group has pledged a substantial amount of its securities of the Company; (x) the potential negative impact of government regulations and laws and regulations pertaining to food safety, such as the Food Safety Modernization Act; (xi) our ability to do business in emerging markets while protecting our intellectual property in such markets; (xii) uncertainty in economic conditions, including the potential for economic downturn; (xiii) our ability to obtain additional capital, if needed; (xiv) the timing and occurrence (or nonoccurrence) of other transactions and events which may be subject to circumstances beyond our control; (xv) the adverse effect of labor unrest or disputes, litigation and/or legal settlements, including potential unfavorable outcomes exceeding any amounts accrued; (xvi) losses due to significant disruptions at any of our production or processing facilities; (xvii) the inability to implement our Strategic Plan or realize efficiency measures including controlling medical and personnel costs; (xviii) technology disruptions or failures; (xix) the inability to protect our intellectual property or avoid intellectual property disputes; (xx) our ability to manage successfully the price gap between our private brand products and those of our branded competitors; and (xxi) potential increased industry-specific regulation pending the U.S. Food and Drug Administration assessment of the risk of Salmonella contamination associated with tree nuts.

Table of Contents

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change in our assessment of our sensitivity to market risk since our presentation set forth in Part I Item 7A Quantitative and Qualitative Disclosures About Market Risk, in our Annual Report on Form 10-K for the fiscal year ended June 26, 2014.

Item 4. Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of March 26, 2015. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 26, 2015, the Company s disclosure controls and procedures were effective.

In connection with the evaluation by our management, including our Chief Executive Officer and Chief Financial Officer, there were no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the quarter ended March 26, 2015 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Table of Contents

PART II OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of legal proceedings, see Note 13 Commitments and Contingent Liabilities in Part I, Item 1 of this Form 10-Q.

Item 1A. Risk Factors

In addition to the other information set forth in this report on Form 10-Q, you should also consider the factors, risks and uncertainties which could materially affect our Company s business, financial condition or future results as discussed in Part I, Item 1A Risk Factors of our Annual Report on Form 10-K for the fiscal year ended June 26, 2014. There were no significant changes to the risk factors identified on the Form 10-K for the fiscal year ended June 26, 2014 during the third quarter of fiscal 2015.

See Part I, Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources in this Form 10-Q, and see Part II, Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources in the Company s Annual Report on Form 10-K for the fiscal year ended June 26, 2014.

Item 6. Exhibits

The exhibits filed herewith are listed in the exhibit index that follows the signature page and immediately precedes the exhibits filed.

Table of Contents

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 on April 29, 2015.

JOHN B. SANFILIPPO & SON, INC.

By /s/ MICHAEL J. VALENTINE
Michael J. Valentine
Chief Financial Officer, Group President and Secretary

Table of Contents

EXHIBIT INDEX

(Pursuant to Item 601 of Regulation S-K)

Exhibit Number	Description
1-2	Not applicable
3.1	Restated Certificate of Incorporation of John B. Sanfilippo & Son, Inc. (the Registrant or the Company)[12]
3.2	Amended and Restated Bylaws of Registrant[11]
4.1	Specimen Common Stock Certificate[3]
4.2	Specimen Class A Common Stock Certificate[3]
5-9	Not applicable
10.1	Tax Indemnification Agreement between Registrant and certain Stockholders of Registrant prior to its initial public offering[2]
10.2	Indemnification Agreement between Registrant and certain Stockholders of Registrant prior to its initial public offering[2]
*10.3	The Registrant s 1998 Equity Incentive Plan[4]
*10.4	First Amendment to the Registrant s 1998 Equity Incentive Plan[5]
*10.5	Amended and Restated John B. Sanfilippo & Son, Inc. Split-Dollar Insurance Agreement Number One among John E. Sanfilippo, as trustee of the Jasper and Marian Sanfilippo Irrevocable Trust, dated September 23, 1990, Jasper B. Sanfilippo, Marian R. Sanfilippo and Registrant, dated December 31, 2003[6]
*10.6	Amended and Restated John B. Sanfilippo & Son, Inc. Split-Dollar Insurance Agreement Number Two among Michael J. Valentine, as trustee of the Valentine Life Insurance Trust, Mathias Valentine, Mary Valentine and Registrant, dated December 31, 2003[6]
*10.7	Amendment, dated February 12, 2004, to Amended and Restated John B. Sanfilippo & Son, Inc. Split-Dollar Insurance Agreement Number One among John E. Sanfilippo, as trustee of the Jasper and Marian Sanfilippo Irrevocable Trust, dated September 23, 1990, Jasper B. Sanfilippo, Marian R. Sanfilippo and Registrant, dated December 31, 2003[7]
*10.8	Amendment, dated February 12, 2004, to Amended and Restated John B. Sanfilippo & Son, Inc. Split-Dollar Insurance Agreement Number Two among Michael J. Valentine, as trustee of the Valentine Life Insurance Trust, Mathias Valentine, Mary Valentine and Registrant, dated December 31, 2003[7]
*10.9	The Registrant s Restated Supplemental Retirement Plan[9]
*10.10	Form of Option Grant Agreement under 1998 Equity Incentive Plan[8]
*10.11	Amended and Restated Sanfilippo Value Added Plan, dated August 27, 2014[25]
10.12	

	Credit Agreement, dated as of February 7, 2008, by and among the Company, the financial institutions named therein as lenders, Wells Fargo Foothill, LLC (WFF), as the arranger and administrative agent for the lenders, and Wachovia Capital Finance Corporation (Central), in its capacity as documentation agent[10]
10.13	Security Agreement, dated as of February 7, 2008, by the Company in favor of WFF, as administrative agent for the lenders[10]
10.14	Loan Agreement, dated as of February 7, 2008, by and between the Company and Transamerica Financial Life Insurance Company (TFLIC)[10]
10.15	Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated as of February 7, 2008, made by the Company related to its Elgin, Illinois property for the benefit of TFLIC[10]

Table of Contents

Exhibit Number	Description
10.16	Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated as of February 7, 2008, made by JBSS Properties, LLC related to its Elgin, Illinois property for the benefit of TFLIC(10)
10.17	Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated as of February 7, 2008, made by the Company related to its Gustine, California property for the benefit of TFLIC(10)
10.18	Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated as of February 7, 2008, made by the Company related to its Garysburg, North Carolina property for the benefit of TFLIC(10)
10.19	Promissory Note (Tranche A), dated February 7, 2008, in the principal amount of $36.0 million executed by the Company in favor of TFLIC(10)
10.20	Promissory Note (Tranche B) dated February 7, 2008, in the principal amount of $9.0 million executed by the Company in favor of TFLIC(10)
*10.21	The Registrant s 2008 Equity Incentive Plan, as amended(1)
*10.22	First Amendment to the Registrant s 2008 Equity Incentive Plan(13)
*10.23	The Registrant s Employee Restricted Stock Unit Award Agreement under 2008 Equity Incentive Plan (14)
*10.24	The Registrant s First Form of Non-Employee Director Restricted Stock Unit Award Agreement under 2008 Equity Incentive Plan (14)
*10.25	The Registrant s Second Form of Non-Employee Director Restricted Stock Unit Award Agreement under 2008 Equity Incentive Plan (17)
10.26	Form of Indemnification Agreement(15)
**10.27	First Amendment to Credit Agreement, dated as of March 8, 2010, by and among the Registrant, Wells Fargo Capital Finance, LLC (f/k/a Wells Fargo Foothill, LLC), as a lender and administrative agent and Burdale Financial Limited, as a lender(16)
10.28	Form of Change-of-Control Employment Security Agreement and Non-Compete(18)
10.29	Second Amendment to Credit Agreement, dated as of July 15, 2011, by and among the Registrant, Wells Fargo Capital Finance, LLC (f/k/a Wells Fargo Foothill, LLC), as a lender and administrative agent, and Southwest Georgia Farm Credit, ACA for itself and as agent/nominee for Southwest Georgia Farm Credit, FLCA, as a lender(19)
10.30	Third Amendment to Credit Agreement, dated as of October 31, 2011, by and among the Registrant, Wells Fargo Capital Finance, LLC (f/k/a Wells Fargo Foothill, LLC), as a lender and administrative agent, and Southwest Georgia Farm Credit, ACA, for itself and as agent/nominee for Southwest Georgia Farm Credit, FLCA, as a lender(21)
10.31	Consent and Fourth Amendment to Credit Agreement, dated as of January 22, 2013, by and among the Registrant, Wells Fargo Capital Finance, LLC (f/k/a Wells Fargo Foothill, LLC), as a lender and administrative agent, and Southwest Georgia Farm Credit, ACA, for itself and as agent/nominee for Southwest Georgia Farm Credit, FLCA, as a lender(22)

10.32	Consent and Fifth Amendment to Credit Agreement, dated as of December 16, 2013, by and among the Registrant, Wells Fargo Capital Finance, LLC (f/k/a Wells Fargo Foothill, LLC), as a lender and administrative agent, and Southwest Georgia Farm Credit, ACA, for itself and as agent/nominee for Southwest Georgia Farm Credit, FLCA, as a lender(23)
10.33	Sixth Amendment to Credit Agreement, dated as of September 30, 2014, by and among the Registrant, Wells Fargo Capital Finance, LLC (f/k/a Wells Fargo Foothill, LLC), as a lender and administrative agent, and Southwest Georgia Farm Credit, ACA, as lender. (24)
10.34	The Registrant s 2014 Omnibus Incentive Plan(20)

Exhibit Number	Description
10.35	The Registrant s Form of Non-Employee Director Restricted Stock Unit Award Agreement (non-deferral) under 2014 Omnibus Plan(25)
10.36	The Registrant s Form of Non-Employee Director Restricted Stock Unit Award Agreement (deferral) under 2014 Omnibus Plan(25)
10.37	The Registrant s Form of Employee Restricted Stock Unit Award Agreement under 2014 Omnibus Plan(25)
11-30	Not applicable
31.1	Certification of Jeffrey T. Sanfilippo pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended, filed herewith
31.2	Certification of Michael J. Valentine pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended, filed herewith
32.1	Certification of Jeffrey T. Sanfilippo pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended, filed herewith
32.2	Certification of Michael J. Valentine pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended, filed herewith
33-100	Not applicable
101.INS	XBRL Instance Document, filed herewith
101.SCH	XBRL Taxonomy Extension Schema Document, filed herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document, filed herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document, filed herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase Document, filed herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document, filed herewith

* Indicates a management contract or compensatory plan or arrangement.

** Confidential treatment has been requested for portions of this exhibit. These portions have been omitted and submitted separately to the Securities and Exchange Commission.

(1) Incorporated by reference to the Registrant s Annual Report on Form 10-K for the fiscal year ended June 28, 2012 (Commission File No. 0-19681).

(2) Incorporated by reference to the Registrant s Annual Report on Form 10-K for the fiscal year ended December 31, 1991 (Commission File No. 0-19681).

(3) Incorporated by reference to the Registrant s Registration Statement on Form S-1 (Amendment No. 3), Registration No. 33-43353, as filed with the Commission on November 25, 1991 (Commission File No. 0-19681).

(4) Incorporated by reference to the Registrant s Quarterly Report on Form 10-Q for the first quarter ended September 24, 1998 (Commission File No. 0-19681).

(5) Incorporated by reference to the Registrant s Quarterly Report on Form 10-Q for the second quarter ended December 28, 2000 (Commission File No. 0-19681).

(6)

Incorporated by reference to the Registrant s Quarterly Report on Form 10-Q for the second quarter ended December 25, 2003 (Commission File No. 0-19681).

(7) Incorporated by reference to the Registrant s Quarterly Report on Form 10-Q for the third quarter ended March 25, 2004 (Commission File No. 0-19681).
(8) Incorporated by reference to the Registrant s Annual Report on Form 10-K for the fiscal year ended June 30, 2005 (Commission File No. 0-19681).
(9) Incorporated by reference to the Registrant s Annual Report on Form 10-K for the year ended June 28, 2007 (Commission File No. 0-19681).
(10) Incorporated by reference to the Registrant s Current Report on Form 8-K dated February 8, 2008 (Commission File No. 0-19681).
(11) Incorporated by reference to the Registrant s Current Report on Form 8-K dated February 3, 2014 (Commission File No. 0-19681).
(12) Incorporated by reference to the Registrant s Quarterly Report on Form 10-Q for the third quarter ended March 24, 2005 (Commission File No. 0-19681).
(13) Incorporated by reference to the Registrant s Quarterly Report on Form 10-Q for the second quarter ended December 25, 2008 (Commission File No. 0-19681).
(14) Incorporated by reference to the Registrant s Current Report on Form 8-K dated November 12, 2009 (Commission File No. 0-19681).
(15) Incorporated by reference to the Registrant s Current Report on Form 8-K dated May 5, 2009 (Commission File No. 0-19681).
(16) Incorporated by reference to the Registrant s Current Report on Form 8-K dated March 12, 2010 (Commission File No. 0-19681).
(17) Incorporated by reference to the Registrant s Current Report on Form 8-K dated November 8, 2010 (Commission File No. 0-19681).
(18) Incorporated by reference to the Registrant s Current Report on Form 8-K dated January 31, 2011 (Commission File No. 0-19681).
(19) Incorporated by reference to the Registrant s Current Report on Form 8-K dated July 18, 2011 (Commission File No. 0-19681).
(20) Incorporated by reference to the Registrant s Registration Statement on Form S-8, filed with the Commission on October 28, 2014 (Commission File No. 0-19681).
(21) Incorporated by reference to the Registrant s Quarterly Report on Form 10-Q for the first quarter ended September 29, 2011 (Commission File No. 0-19681).
(22) Incorporated by reference to the Registrant s Current Report on Form 8-K dated February 1, 2013 (Commission File No. 0-19681).
(23) Incorporated by reference to the Registrant s Current Report on Form 8-K dated December 17, 2013 (Commission File No. 0-19681).
(24) Incorporated by reference to the Registrant s Current Report on Form 8-K dated October 3, 2014 (Commission File No. 0-19681).
(25) Incorporated by reference to the Registrant s Quarterly Report on Form 10-Q for the first quarter ended September 25, 2014 (Commission File No. 0-19681).