

Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

PUBLIX SUPER MARKETS INC  
Form 10-Q  
August 10, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended July 1, 2006

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

59-0324412

-----  
(State or other jurisdiction of  
incorporation or organization)

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

3300 Publix Corporate Parkway  
Lakeland, Florida

33811

-----  
(Address of principal executive offices)

-----  
(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 X

No

-----

-----

Indicate by check mark whether the Registrant is a large accelerated filer, an

## Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

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  Accelerated filer  Non-accelerated filer   
 -----

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 outstanding of the Registrant's common stock, \$1.00 par value, as of July 28, 2006 was 848,644,313.

### PART I. FINANCIAL INFORMATION

#### Item 1. Financial Statements

-----

PUBLIX SUPER MARKETS, INC.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (Amounts are in thousands, except par value and share amounts)

	ASSETS	July 1, 2006
		-----
Current assets:		
Cash and cash equivalents	\$	385,305
Short-term investments		128,598
Trade receivables		326,412
Merchandise inventories		1,047,731
Deferred tax assets		95,044
Prepaid expenses		21,213
		-----
Total current assets		2,004,303
		-----
Long-term investments		1,847,244
Other noncurrent assets		57,244
Property, plant and equipment		5,751,389
Less accumulated depreciation		(2,685,242)
		-----
Net property, plant and equipment		3,066,147
		-----
Total assets		\$ 6,974,938
		=====

(Unaudited)

#### LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$	892,143
Accrued contribution to retirement plans		223,211
Accrued self-insurance reserves		121,666
Accrued salaries and wages		145,711

Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

Federal and state income taxes	9,151
Other	227,646
	-----
Total current liabilities	1,619,528
	-----
Deferred tax liabilities	255,770
Self-insurance reserves	245,831
Accrued postretirement benefit cost	68,613
Other noncurrent liabilities	115,452
Stockholders' equity:	
Common stock of \$1 par value. Authorized 1,000,000,000 shares; issued 860,766,515 shares at July 1, 2006 and 846,942,360 shares at December 31, 2005	860,767
Additional paid-in capital	513,883
Retained earnings	3,451,077
	-----
	4,825,727
Less 6,797,045 treasury shares at July 1, 2006, at cost	(115,880)
Accumulated other comprehensive losses	(40,103)
	-----
Total stockholders' equity	4,669,744
	-----
Total liabilities and stockholders' equity	\$ 6,974,938
	=====

1

PUBLIX SUPER MARKETS, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS  
(Amounts are in thousands, except shares outstanding and per share amount)

	Three Month July 1, 2006	(Unaudit
	-----	
Revenues:		
Sales	\$ 5,341,527	
Other operating income	41,127	
	-----	
Total revenues	5,382,654	
	-----	
Costs and expenses:		
Cost of merchandise sold	3,893,064	
Operating and administrative expenses	1,109,827	
	-----	
Total costs and expenses	5,002,891	
	-----	
Operating profit	379,763	
	-----	
Investment income, net	27,842	

Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

Other income, net	7,575
	-----
Earnings before income tax expense	415,180
Income tax expense	151,175
	-----
Net earnings	\$ 264,005
	=====
Weighted average number of common shares outstanding	856,937,371
	=====
Basic and diluted earnings per common share based on weighted average shares outstanding	\$ .31
	=====
Cash dividends paid per common share	\$ .20
	=====

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS  
(Amounts are in thousands)

	July 1, 2006	Three Months ended
	-----	(Unaudited)
Net earnings	\$ 264,005	
Other comprehensive losses:		
Unrealized (loss) gain on investment securities available-for-sale, net of tax effect of (\$13,444) and \$7,756 in 2006 and 2005, respectively	(21,408)	
Reclassification adjustment for net realized loss (gain) on investment securities available-for-sale, net of tax effect of \$239 and (\$196) in 2006 and 2005, respectively	381	
	-----	
Comprehensive earnings	\$ 242,978	
	=====	

2

PUBLIX SUPER MARKETS, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS  
(Amounts are in thousands, except shares outstanding and per share amount)

	July 1, 2006	Six Months ended
	-----	(Unaudited)
Revenues:		
Sales	\$ 10,851,817	

Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

Other operating income	81,915
	-----
Total revenues	10,933,732
	-----
Costs and expenses:	
Cost of merchandise sold	7,903,971
Operating and administrative expenses	2,232,481
	-----
Total costs and expenses	10,136,452
	-----
Operating profit	797,280
	-----
Investment income, net	54,264
Other income, net	13,148
	-----
Earnings before income tax expense	864,692
Income tax expense	312,280
	-----
Net earnings	\$ 552,412
	=====
Weighted average number of common shares outstanding	853,305,568
	=====
Basic and diluted earnings per common share based on weighted average shares outstanding	\$ .65
	=====
Cash dividends paid per common share	\$ .20
	=====

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS  
(Amounts are in thousands)

	July 1, 2006	Six Months
	-----	
Net earnings	\$ 552,412	
Other comprehensive losses:		
Unrealized (loss) gain on investment securities available-for-sale, net of tax effect of (\$16,702) and \$1,731 in 2006 and 2005, respectively	(26,594)	
Reclassification adjustment for net realized loss (gain) on investment securities available-for-sale, net of tax effect of \$93 and (\$1,516) in 2006 and 2005, respectively	147	
	-----	
Comprehensive earnings	\$ 525,965	
	=====	

Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

PUBLIX SUPER MARKETS, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (Amounts are in thousands)

Six Months

July 1, 2006

(Unaudited)

Cash flows from operating activities:	
Cash received from customers	\$ 10,899,969
Cash paid to employees and suppliers	(9,537,394)
Income taxes paid	(471,740)
Payment for self-insured claims	(97,461)
Dividends and interest received	56,096
Other operating cash receipts	75,600
Other operating cash payments	(3,800)
	-----
Net cash provided by operating activities	921,270
	-----
Cash flows from investing activities:	
Payment for property, plant and equipment	(223,814)
Proceeds from sale of property, plant and equipment	8,632
Proceeds from sale-leasebacks	6,247
Payment for investment securities - available-for-sale (AFS)	(559,669)
Proceeds from sale and maturity of investment securities - AFS	234,610
Net (payments to) proceeds from joint ventures and other investments	(5,086)
Other, net	4,414
	-----
Net cash used in investing activities	(534,666)
	-----
Cash flows from financing activities:	
Payment for acquisition of common stock	(282,717)
Proceeds from sale of common stock	117,225
Dividends paid	(171,645)
Other	(131)
	-----
Net cash used in financing activities	(337,268)
	-----
Net increase (decrease) in cash and cash equivalents	49,336
Cash and cash equivalents at beginning of period	335,969
	-----
Cash and cash equivalents at end of period	\$ 385,305
	=====

# Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)  
(Amounts are in thousands)

		Six Months July 1, 2006 -----	
Reconciliation of net earnings to net cash provided by operating activities			(Unaudited)
Net earnings	\$	552,412	
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization		193,159	
Retirement contributions paid or payable in common stock		141,350	
Deferred income taxes		(21,169)	
Loss on sale of property, plant and equipment		6,116	
Amortization of deferred income from sale-leasebacks		(2,510)	
Loss (gain) on sale of investments		240	
Self-insurance reserves in excess of current payments		5,709	
Postretirement accruals in excess of (less than) current payments		525	
Decrease in advance purchase allowances		(717)	
Other, net		(5,380)	
Change in cash from:			
Trade receivables		28,538	
Merchandise inventories		61,812	
Prepaid expenses		21,308	
Accounts payable and accrued expenses		79,078	
Federal and state income taxes		(139,201)	
Total adjustments		368,858	
Net cash provided by operating activities	\$	921,270	
		=====	

5

PUBLIX SUPER MARKETS, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. The accompanying condensed consolidated financial statements included herein are unaudited; however, in the opinion of management, such information reflects all adjustments (consisting solely of normal recurring adjustments) which are necessary for the fair statement of results for the interim period. These condensed consolidated financial statements should be read in conjunction with the fiscal 2005 Form 10-K Annual Report of the Company.
2. Due to the seasonal nature of the Company's business, the results for the

## Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

three months and six months ended July 1, 2006 are not necessarily indicative of the results for the entire 2006 fiscal year.

3. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
  4. On April 18, 2006, the Company's stockholders approved an increase in the number of authorized shares of common stock from 300 million shares to 1 billion shares to allow for a 5-for-1 stock split effective July 1, 2006. All applicable data, including share and per share amounts, in the accompanying condensed consolidated financial statements have been retroactively restated to give effect to the stock split.
  5. In November 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard No. 151, "Inventory Costs," (SFAS 151) effective for fiscal years beginning after June 15, 2005. SFAS 151 amends Accounting Research Bulletin No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material. SFAS 151 requires that those items be recognized as current period charges and requires that allocation of fixed production overhead to the cost of conversion be based on the normal capacity of the production facilities. The adoption of SFAS 151 did not have a material effect on the Company's financial condition, results of operations or cash flows.
  6. In December 2004, the FASB issued a revision to Statement of Financial Accounting Standard No. 123, "Share-Based Payment," (SFAS 123(R)) effective for fiscal years beginning after June 15, 2005. SFAS 123(R) requires all stock-based compensation awards to be recorded at fair value as an expense in the Company's consolidated financial statements. The adoption of SFAS 123(R) had no effect on the Company's financial condition, results of operations or cash flows.
  7. In May 2005, the FASB issued Statement of Financial Accounting Standard No. 154, "Accounting Changes and Error Corrections," (SFAS 154) effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. SFAS 154 replaces Accounting Principles Board Opinion 20, "Accounting Changes," and Statement of Financial Accounting Standard No. 3 "Reporting Accounting Changes in Interim Financial Statements." Among other changes, SFAS 154 requires retrospective application to prior periods' financial statements for changes in accounting principle, unless it is impractical to determine either the period-specific effects or the cumulative effect of the change. SFAS 154 also requires that a change in depreciation, amortization, or depletion method for long-lived non-financial assets be accounted for as a change in accounting estimate effected by a change in accounting principle. The adoption of SFAS 154 will only affect the Company's financial condition or results of operations if it has such changes or corrections of errors in the future.
- 6
8. In June 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes--an interpretation of FASB Statement No. 109," (FIN 48) effective for fiscal years beginning after December 15, 2006. FIN 48 clarifies the accounting for uncertainty in tax positions. FIN 48



## Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

requires financial statement recognition of the impact of a tax position when it is more likely than not, based on its technical merits, that the position will be sustained upon examination and the cumulative effect of the change in accounting principle is to be recorded as an adjustment to opening retained earnings. The adoption of FIN 48 is not expected to have a material effect on the Company's financial condition, results of operations or cash flows.

9. In June 2006, the FASB ratified Emerging Issues Task Force Issue No. 06-3, "How Sales Taxes Collected From Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross Versus Net Presentation)," (EITF 06-3) effective for periods beginning after December 15, 2006. EITF 06-3 allows taxes assessed by various governmental authorities that are directly imposed on revenue-producing transactions between a seller and a customer, such as sales and some excise taxes, to be presented on either a gross or net basis. If such taxes are significant, the accounting policy should be disclosed as well as the amount of taxes included in revenue if presented on a gross basis. The Company records sales net of applicable sales taxes. As a result, the adoption of EITF 06-3 will not have an effect on the presentation of the Company's financial statements.

7

### PUBLIX SUPER MARKETS, INC.

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

#### Results of Operations

##### Overview

The Company is primarily engaged in the retail food industry, operating stores in Florida, Georgia, South Carolina, Alabama and Tennessee. As of July 1, 2006, the Company operated 882 supermarkets, five convenience stores and 14 liquor stores. In addition, the Company has a majority position in the Crispers restaurant chain. As of July 1, 2006, Crispers operated 36 restaurants, all located in Florida.

##### Liquidity and Capital Resources

Cash and cash equivalents, short-term investments and long-term investments totaled \$2,361.1 million as of July 1, 2006, as compared with \$2,029.1 million as of December 31, 2005.

##### Net cash provided by operating activities

Net cash provided by operating activities was \$921.3 million for the six months ended July 1, 2006, as compared with \$738.1 million for the six months ended June 25, 2005. As a result of hurricane Wilma that occurred during the fourth quarter of 2005, the Company received an extension on its Federal income tax payment due December 15, 2005 until February 28, 2006. The delay in this tax payment decreased net cash provided by operating activities by \$95.0 million during the six months ended July 1, 2006. During 2004, the Company experienced an unprecedented four major hurricanes in six weeks. As a result, the Company received an extension on its Federal income tax payments due September 15, 2004 and December 15, 2004 until December 30, 2004. The delay in these tax payments decreased net cash provided by operating activities by \$190.0 million during the

## Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

six months ended June 25, 2005. Any net cash in excess of the amount needed for current operations is invested in short-term and long-term investments.

### Net cash used in investing activities

-----

Net cash used in investing activities was \$534.7 million for the six months ended July 1, 2006, as compared with \$505.3 million for the six months ended June 25, 2005. The primary use of net cash in investing activities was funding capital expenditures and purchasing investments. During the six months ended July 1, 2006, capital expenditures totaled \$223.8 million. These expenditures were incurred in connection with the opening of seven net new supermarkets (13 new supermarkets opened and six supermarkets closed) and remodeling 15 supermarkets. Net new supermarkets added an additional 0.3 million square feet in the six months ended July 1, 2006, a 0.8% increase. Expenditures were also incurred for new or enhanced information technology applications. During the six months ended June 25, 2005, capital expenditures totaled \$152.2 million. These expenditures were primarily incurred in connection with the opening of four net new supermarkets (11 new supermarkets opened and seven supermarkets closed) and remodeling or expanding 21 supermarkets. Net new supermarkets added an additional 0.2 million square feet in the six months ended June 25, 2005, a 0.6% increase. Significant expenditures were also incurred in the expansion of warehouses and new or enhanced information technology applications.

### Capital expenditure projection

-----

Capital expenditures for the remainder of 2006, primarily consisting of new supermarkets, remodeling and expanding certain existing supermarkets, expansion of warehouses, installation of generators at hurricane prone locations, and new or enhanced information technology applications, are expected to be approximately \$251.2 million. This capital program is subject to continuing change and review. In the normal course of operations, the Company replaces supermarkets and closes supermarkets that are not meeting performance expectations. The impact of future supermarket closings is not expected to be material.

8

### Net cash used in financing activities

-----

Net cash used in financing activities was \$337.3 million for the six months ended July 1, 2006, as compared with \$373.9 million for the six months ended June 25, 2005. The primary use of net cash in financing activities was funding net common stock repurchases and payment of an annual cash dividend. The Company currently repurchases common stock at the stockholders' request in accordance with the terms of the Company's Employee Stock Purchase Plan, 401(k) Plan, Employee Stock Ownership Plan and Non-Employee Directors Stock Purchase Plan. Net common stock repurchases totaled \$165.5 million for the six months ended July 1, 2006, as compared with \$251.8 million for the six months ended June 25, 2005. The amount of common stock offered to the Company for repurchase is not within the control of the Company, but is at the discretion of the stockholders. The Company expects to continue to repurchase its common stock, as offered by its stockholders from time to time, at its then currently appraised value for amounts similar to those in prior years. However, such purchases are not required and the Company retains the right to discontinue them at any time.

### Dividends

-----

The Company paid an annual cash dividend on its common stock of \$0.20 per share or \$171.6 million on June 1, 2006 to stockholders of record as of the

## Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

close of business April 21, 2006. In 2005, the Company paid an annual cash dividend on its common stock of \$0.14 per share or \$121.9 million.

### Cash requirements

In 2006, the cash requirements for current operations, capital expenditures and common stock repurchases are expected to be financed by internally generated funds or liquid assets. Based on the Company's financial position, it is expected that short-term and long-term borrowings would be readily available to support the Company's liquidity requirements if needed.

### Results of Operations

#### Sales

Sales for the three months ended July 1, 2006, were \$5.3 billion as compared with \$4.8 billion for the three months ended June 25, 2005, an increase of \$529.1 million or an 11.0% increase. The Company estimates that its sales increased approximately \$120.0 million or 2.5% from net new supermarkets and approximately \$409.1 million or 8.5% in comparable store sales (supermarkets open for the same weeks in both periods, including replacement supermarkets) since the beginning of the second quarter of 2005. Additionally, sales for the second quarter of 2006 included approximately \$62.0 million of sales or 1.3% due to the later Easter holiday which was in the first quarter of 2005.

Sales for the six months ended July 1, 2006 were \$10.9 billion, as compared with \$10.0 billion for the six months ended June 25, 2005, an increase of \$897.1 million or a 9.0% increase. This reflects an increase of approximately \$230.1 million or 2.3% from net new supermarkets and an increase of approximately \$667.0 million or 6.7% in comparable store sales.

#### Gross profit

Gross profit, as a percentage of sales, was 27.1% and 27.7% for the three months ended July 1, 2006 and June 25, 2005, respectively. These gross profit percentages were 27.2% and 27.4% for the six months ended July 1, 2006 and June 25, 2005, respectively. The decreases in gross profit as a percentage of sales for the three months and six months ended July 1, 2006 were primarily due to an increase in the LIFO reserve and aggressive promotional pricing.

9

#### Operating and administrative expenses

Operating and administrative expenses, as a percentage of sales, were 20.8% and 21.2% for the three months ended July 1, 2006 and June 25, 2005, respectively. The operating and administrative expenses, as a percentage of sales, were 20.6% and 20.8% for the six months ended July 1, 2006 and June 25, 2005, respectively. The decreases in operating and administrative expenses as a percentage of sales during the three and six months ended July 1, 2006 were primarily due to decreases in payroll and employee benefit costs which were partially offset by increases in utilities and other operating expenses.

#### Investment income, net

Investment income, net was \$27.8 million and \$16.9 million for the three months ended July 1, 2006 and June 25, 2005, respectively. Investment income, net was \$54.3 million and \$33.0 million for the six months ended July 1, 2006 and June 25, 2005, respectively. The increase in investment income, net was

## Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

primarily due to higher investment balances as well as higher interest rates during the three and six months ended July 1, 2006.

### Income taxes

The effective income tax rates were 36.4% and 36.5% for the three months ended July 1, 2006 and June 25, 2005, respectively. The effective income tax rates were 36.1% and 36.7% for the six months ended July 1, 2006 and June 25, 2005, respectively. The effective income tax rates differ from the expected U.S. Federal statutory rate of 35.0% in both periods due to the impact of state income taxes, partially offset by the Federal benefit of state income taxes, tax exempt interest and dividends paid to ESOP participants.

### Net earnings

Net earnings were \$264.0 million or \$0.31 per share and \$234.9 million or \$0.27 per share for the three months ended July 1, 2006 and June 25, 2005, respectively. Net earnings were \$552.4 million or \$0.65 per share and \$494.0 million or \$0.57 per share for the six months ended July 1, 2006 and June 25, 2005, respectively.

### Forward-Looking Statements

From time to time, certain information provided by the Company, including written or oral statements made by its representatives, may contain forward-looking information as defined in Section 21E of the Securities Exchange Act of 1934. Forward-looking information includes statements about the future performance of the Company, which is based on management's assumptions and beliefs in light of the information currently available to them. When used, the words "plan," "estimate," "project," "intend," "believe" and other similar expressions, as they relate to the Company, are intended to identify such forward-looking statements. These forward-looking statements are subject to uncertainties and other factors that could cause actual results to differ materially from those statements including, but not limited to: competitive practices and pricing in the food and drug industries generally and particularly in the Company's principal markets; results of programs to control or reduce costs, improve buying practices and control shrink; results of programs to increase sales, including private-label sales, improve perishable departments and improve pricing and promotional efforts; changes in the general economy; changes in consumer spending; changes in population, employment and job growth in the Company's principal markets; and other factors affecting the Company's business in or beyond the Company's control. These factors include changes in the rate of inflation, changes in state and Federal legislation or regulation, adverse determinations with respect to litigation or other claims, ability to recruit and retain employees, increases in operating costs including, but not limited to, labor costs, credit card fees and utility costs, particularly electric utility costs, ability to construct new supermarkets or complete remodels as rapidly as planned and stability of product costs. Other factors and assumptions not identified above could also cause the actual results to differ materially from those set forth in the forward-looking statements. The Company assumes no obligation to update publicly these forward-looking statements.

10

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company does not utilize financial instruments for trading or other speculative purposes, nor does it utilize leveraged financial instruments. There have been no material changes in the market risk factors from those disclosed in

## Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

the Company's Form 10-K for the year ended December 31, 2005.

### Item 4. Controls and Procedures

-----

As of the end of the period covered by this quarterly report, 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 and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic Securities and Exchange Commission filings. There have been no changes in the Company's internal control over financial reporting during the quarter ended July 1, 2006, that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

11

PUBLIX SUPER MARKETS, INC.

### PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

-----

As reported in the Company's Form 10-K for the year ended December 31, 2005, the Company is a party in various legal claims and actions considered in the normal course of business. In the opinion of management, the ultimate resolution of these legal proceedings will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

### Item 1A. Risk Factors

-----

There have been no material changes in the risk factors from those disclosed in the Company's Form 10-K for the year ended December 31, 2005.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

-----

#### Issuer Purchases of Equity Securities

-----

Shares of common stock repurchased by the Company during the three months ended July 1, 2006 were as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
-----	-----	-----	-----	-----

## Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

April 2, 2006 through May 6, 2006	1,727,655	\$17.10	N/A	N/A
May 7, 2006 through June 3, 2006	1,925,260	17.63	N/A	N/A
June 4, 2006 through July 1, 2006	3,177,615 -----	17.65 -----	N/A	N/A
Total	6,830,530 =====	\$17.51 =====	N/A	N/A

- (1) Common stock is made available for sale only to the Company's current employees through the Company's Employee Stock Purchase Plan (ESPP) and 401(k) Plan. In addition, common stock is made available under the Employee Stock Ownership Plan (ESOP). Common stock is also made available for sale to members of the Company's Board of Directors through the Non-Employee Directors Stock Purchase Plan (Directors Plan). The Company currently repurchases common stock subject to certain terms and conditions. The ESPP, 401(k) Plan, ESOP and Directors Plan each contain provisions prohibiting any transfer for value without the owner first offering the common stock to the Company.

12

The Company's common stock is not traded on any public stock exchange. The amount of common stock offered to the Company for repurchase is not within the control of the Company, but is at the discretion of the stockholders. The Company does not believe that these repurchases of its common stock are within the scope of a publicly announced plan or program (although the terms of the plans discussed above have been communicated to the participants). Thus, the Company does not believe that it has made any repurchases during the three months ended July 1, 2006 required to be disclosed in the last two columns of the table.

Item 3. Defaults Upon Senior Securities  
-----

Not Applicable.

Item 4. Submission of Matters to a Vote of Security Holders  
-----

Not Applicable.

Item 5. Other Information  
-----

Not Applicable.

Item 6. Exhibits  
-----

31.1 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Edgar Filing: PUBLIX SUPER MARKETS INC - Form 10-Q

- 31.2 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

13

SIGNATURES

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.

PUBLIX SUPER MARKETS, INC.

Date: August 10, 2006

/s/ John A. Attaway, Jr.

-----  
John A. Attaway, Jr., Secretary

Date: August 10, 2006

/s/ David P. Phillips

-----  
David P. Phillips, Chief Financial Officer  
and Treasurer (Principal Financial and  
Accounting Officer)

14