WEYCO GROUP INC Form 10-Q November 08, 2007

FORM 10-Q SECURITIES & EXCHANGE COMMISSION Washington, D. C. 20549

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

For the quarterly period ended September 30, 2007

Or

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

For the transition period from ______ to _____

Commission file number 0-9068

WEYCO GROUP, INC.

(Exact name of registrant as specified in its charter)

WISCONSIN

(State or other jurisdiction of incorporation or organization)

39-0702200 (I.R.S. Employer Identification No.)

333 W. Estabrook Boulevard
P. O. Box 1188
Milwaukee, Wisconsin 53201
(Address of principal executive offices)
(Zip Code)

(414) 908-1600

(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 5, 2007 the following shares were outstanding:

Common Stock, \$1.00 par value

11,553,410Shares

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

The condensed financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's latest annual report on Form 10-K.

WEYCO GROUP, INC. AND SUBSIDIARIES CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)

ASSETS CURRENT ASSETS: \$ 7,423,770 \$ 15,314,140 Cash and cash equivalents \$ 2,499,012 \$ 1,600,871 Accounts receivable, net 38,089,137 \$ 30,641,632 Inventories 45,307,078 \$ 51,000,849 Deferred income tax benefits 705,027 \$ 949,109 Prepaid expenses and other current assets 1,166,362 \$ 17,15,859 Total current assets 95,190,386 \$ 101,222,460 MARKETABLE SECURITIES, at amortized cost 44,759,685 \$ 40,361,296 OTHER ASSETS 9,904,678 \$ 8,725,346 PLANT AND EQUIPMENT, net 28,730,355 \$ 28,445,900 TRADEMARK 10,867,969 \$ 10,867,969 LIABILITIES & SHAREHOLDERS' INVESTMENT S 188,643,073 \$ 189,622,971 LIABILITIES & SHAREHOLDERS' INVESTMENT S 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 \$ 12,398,740 Dividend payable 8,768,857 \$ 12,398,740 Dividend payable 8,768,857 \$ 12,398,740 Accrued liabilities 9,310,892 \$ 8,430,267 Accrued liabilities 9,310,892 \$ 8,430,267 Accrued liabilities 25,728,334 \$ 32,913,786 LONG-TERM PENSION LIABILITIES 1,815,869 \$ 1,915,8		Se	September 30, 2007		December 31, 2006	
Cash and cash equivalents \$ 7,423,770 \$ 15,314,104 Marketable securities, at amortized cost 2,499,012 1,600,871 Accounts receivable, net 38,089,137 30,641,632 Inventories 45,307,078 51,000,849 Deferred income tax benefits 705,027 949,109 Prepaid expenses and other current assets 1,166,362 1,715,859 Total current assets 95,190,386 101,222,460 MARKETABLE SECURITIES, at amortized cost 44,759,685 40,361,296 OTHER ASSETS 9,094,678 8,725,346 PLANT AND EQUIPMENT, net 28,730,355 28,445,900 TRADEMARK 10,867,969 10,867,969 TRADEMARK 10,867,969 10,867,969 Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 8,768,857 12,398,740 Dividend payable 8,768,857 1,054,354 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786	ASSETS					
Marketable securities, at amortized cost 2,499,012 1,600,871 Accounts receivable, net 38,089,137 30,641,632 Inventories 45,307,078 51,000,849 Deferred income tax benefits 705,027 949,109 Prepaid expenses and other current assets 1,166,362 1,715,859 Total current assets 95,190,386 101,222,460 MARKETABLE SECURITIES, at amortized cost 44,759,685 40,361,296 OTHER ASSETS 9,094,678 8,725,346 PLANT AND EQUIPMENT, net 28,730,355 28,445,900 TRADEMARK 10,867,969 10,867,969 TRADEMARK 10,867,969 10,867,969 Short-term borrowings \$ 5,528,380 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 11,553,410 9,129,	CURRENT ASSETS:					
Accounts receivable, net 38,089,137 30,641,632 Inventories 45,307,078 51,000,849 Deferred income tax benefits 705,027 949,109 Prepaid expenses and other current assets 1,166,362 1,715,859 Total current assets 95,190,386 101,222,460 MARKETABLE SECURITIES, at amortized cost 44,759,685 40,361,296 OTHER ASSETS 9,094,678 8,725,346 PLANT AND EQUIPMENT, net 28,730,355 28,445,900 TRADEMARK 10,867,969 10,867,969 TRADEMARK 10,867,969 10,867,969 CURRENT LIABILITIES: *** *** Short-term borrowings \$,528,380 \$,10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8430,267 Accrued liabilities 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFER	Cash and cash equivalents	\$	7,423,770	\$	15,314,140	
Inventories 45,307,078 51,000,849 Deferred income tax benefits 705,027 949,109 Prepaid expenses and other current assets 1,166,362 1,715,859 Total current assets 95,90,386 101,222,460 MARKETABLE SECURITIES, at amortized cost 44,759,685 40,361,296 OTHER ASSETS 9,094,678 8,725,346 PLANT AND EQUIPMENT, net 28,730,355 28,445,900 TRADEMARK 10,867,969 10,867,969 TRADEMITIES & SHAREHOLDERS' INVESTMENT *** *** CURRENT LIABILITIES: *** *** Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable \$ 7,0875 1,954,354 Accounts payable 1,270,875 1,954,354 Accrued income taxes 849,330 72,907 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 1,954,932 4,602,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1915,869	Marketable securities, at amortized cost		2,499,012		1,600,871	
Deferred income tax benefits 705,027 949,109 Prepaid expenses and other current assets 1,166,362 1,715,859 Total current assets 95,190,386 101,222,460 MARKETABLE SECURITIES, at amortized cost 44,759,685 40,361,296 OTHER ASSETS 9,094,678 8,725,346 PLANT AND EQUIPMENT, net 28,730,355 28,445,900 TRADEMARK 10,867,969 10,867,969 TRADEMARK 10,867,969 10,867,969 ILIABILITIES & SHAREHOLDERS' INVESTMENT TURRENT LIABILITIES: Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 12,998,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: 2,585,087	Accounts receivable, net		38,089,137		30,641,632	
Prepaid expenses and other current assets 1,166,362 1,715,859 Total current assets 95,190,386 101,222,460 MARKETABLE SECURITIES, at amortized cost 44,759,685 40,361,296 OTHER ASSETS 9,094,678 8,725,346 PLANT AND EQUIPMENT, net 28,730,355 28,445,900 TRADEMARK 10,867,969 10,867,969 LIABILITIES & SHAREHOLDERS' INVESTMENT CURRENT LIABILITIES Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: 2 2 Common stock 11,553,410 9,129,256 Class B common stock 2,585,087	Inventories		45,307,078		51,000,849	
Total current assets 95,190,386 101,222,460 MARKETABLE SECURITIES, at amortized cost 44,759,685 40,361,296 OTHER ASSETS 9,094,678 8,725,346 PLANT AND EQUIPMENT, net 28,730,355 28,445,900 TRADEMARK 10,867,969 10,867,969 LIABILITIES & SHAREHOLDERS' INVESTMENT CURRENT LIABILITIES: Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: 2 2,585,087 Common stock 11,553,410 9,129,256 Class B common stock 2,585,087 Capital in excess of par value 10,584,871 7,576,096 <	Deferred income tax benefits		705,027		949,109	
MARKETABLE SECURITIES, at amortized cost 44,759,685 40,361,296 OTHER ASSETS 9,094,678 8,725,346 PLANT AND EQUIPMENT, net 28,730,355 28,445,900 TRADEMARK 10,867,969 10,867,969 I 88,643,073 189,622,971 LIABILITIES & SHAREHOLDERS' INVESTMENT CURRENT LIABILITIES: Short-term borrowings \$ 5,528,380 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: — 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,	Prepaid expenses and other current assets		1,166,362		1,715,859	
OTHER ASSETS 9,094,678 8,725,346 PLANT AND EQUIPMENT, net 28,730,355 28,445,900 TRADEMARK 10,867,969 10,867,969 \$ 188,643,073 \$ 189,622,971 LIABILITIES & SHAREHOLDERS' INVESTMENT CURRENT LIABILITIES: Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: — 2,585,087 Common stock — 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) <td>Total current assets</td> <td></td> <td>95,190,386</td> <td></td> <td>101,222,460</td>	Total current assets		95,190,386		101,222,460	
PLANT AND EQUIPMENT, net 28,730,355 28,445,900 TRADEMARK 10,867,969 10,867,969 \$ 188,643,073 \$ 189,622,971 LIABILITIES & SHAREHOLDERS' INVESTMENT CURRENT LIABILITIES: Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: - 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	MARKETABLE SECURITIES, at amortized cost		44,759,685		40,361,296	
TRADEMARK 10,867,969 10,867,969 \$ 188,643,073 \$ 189,622,971 LIABILITIES & SHAREHOLDERS' INVESTMENT CURRENT LIABILITIES: Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: 2,585,087 Common stock 11,553,410 9,129,256 Class B common stock - 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	OTHER ASSETS		9,094,678		8,725,346	
\$ 188,643,073 \$ 189,622,971 LIABILITIES & SHAREHOLDERS' INVESTMENT CURRENT LIABILITIES: Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: - Common stock 11,553,410 9,129,256 Class B common stock - 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	PLANT AND EQUIPMENT, net		28,730,355		28,445,900	
LIABILITIES & SHAREHOLDERS' INVESTMENT CURRENT LIABILITIES: Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: — 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	TRADEMARK		10,867,969		10,867,969	
LIABILITIES & SHAREHOLDERS' INVESTMENT CURRENT LIABILITIES: Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: - 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474		\$	188,643,073	\$	189,622,971	
CURRENT LIABILITIES: Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: — Common stock 11,553,410 9,129,256 Class B common stock — 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474						
Short-term borrowings \$ 5,528,380 \$ 10,957,518 Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: - 2,585,087 Class B common stock - 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	LIABILITIES & SHAREHOLDERS' INVESTMENT					
Accounts payable 8,768,857 12,398,740 Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: - 2,585,087 Class B common stock 11,553,410 9,129,256 Class B common stock - 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	CURRENT LIABILITIES:					
Dividend payable 1,270,875 1,054,354 Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: - 2,585,087 Class B common stock - 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	Short-term borrowings	\$	5,528,380	\$	10,957,518	
Accrued liabilities 9,310,892 8,430,267 Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: 11,553,410 9,129,256 Class B common stock — 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	Accounts payable		8,768,857		12,398,740	
Accrued income taxes 849,330 72,907 Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: Common stock 11,553,410 9,129,256 Class B common stock — 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	Dividend payable		1,270,875		1,054,354	
Total current liabilities 25,728,334 32,913,786 LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: Common stock 11,553,410 9,129,256 Class B common stock — 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	Accrued liabilities		9,310,892		8,430,267	
LONG-TERM PENSION LIABILITY 7,015,883 6,620,842 DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: Common stock 11,553,410 9,129,256 Class B common stock — 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	Accrued income taxes		849,330		72,907	
DEFERRED INCOME TAX LIABILITIES 1,834,695 1,915,869 SHAREHOLDERS' INVESTMENT: Common stock 11,553,410 9,129,256 Class B common stock — 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	Total current liabilities		25,728,334		32,913,786	
SHAREHOLDERS' INVESTMENT: Common stock 11,553,410 9,129,256 Class B common stock — 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	LONG-TERM PENSION LIABILITY		7,015,883		6,620,842	
Common stock 11,553,410 9,129,256 Class B common stock — 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	DEFERRED INCOME TAX LIABILITIES		1,834,695		1,915,869	
Class B common stock — 2,585,087 Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	SHAREHOLDERS' INVESTMENT:					
Capital in excess of par value 10,584,871 7,576,096 Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	Common stock		11,553,410		9,129,256	
Reinvested earnings 137,249,323 134,264,076 Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	Class B common stock		_	_	2,585,087	
Accumulated other comprehensive loss (5,323,443) (5,382,041) Total shareholders investment 154,064,161 148,172,474	Capital in excess of par value		10,584,871		7,576,096	
Total shareholders investment 154,064,161 148,172,474	Reinvested earnings		137,249,323		134,264,076	
	Accumulated other comprehensive loss		(5,323,443)		(5,382,041)	
	Total shareholders investment		154,064,161		148,172,474	
		\$	188,643,073	\$	189,622,971	

The accompanying notes to consolidated condensed financial statements are an integral part of these financial statements.

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WEYCO GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS FOR THE PERIODS ENDED SEPTEMBER 30, 2007 AND 2006 (UNAUDITED)

	Three Months ended September 30,			Nine Months ended September 30,				
		2007		2006		2007		2006
NET SALES	\$	58,162,778	\$	56,084,718	\$	170,391,645	\$	160,484,367
COST OF SALES		36,345,977		35,484,325		106,830,085		101,391,210
Gross earnings		21,816,801		20,600,393		63,561,560		59,093,157
SELLING AND								
ADMINISTRATIVE EXPENSES		13,897,896		12,744,934		41,057,321		37,547,263
Earnings from operations		7,918,905		7,855,459		22,504,239		21,545,894
INTEREST INCOME		566,611		488,670		1,628,915		1,468,378
INTEREST EXPENSE		(79,546)		(145,271)		(287,690)		(442,565)
OTHER INCOME (EXPENSE), net		3,118		(5,720)		7,364		(2,248)
Earnings before provision for income								
taxes		8,409,088		8,193,138		23,852,828		22,569,459
PROVISION FOR INCOME TAXES		3,075,000		3,025,000		8,775,000		8,450,000
Net earnings	\$	5,334,088	\$	5,168,138	\$	15,077,828	\$	14,119,459

WEIGHTED AVERAGE SHARES OUTSTANDING