FORM 10-Q

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For quarter ended June 30, 1999

Commission file number 1-19254

Lifetime Hoan Corporation
(Exact name of registrant as specified in its charter)

Delaware	11-2682486
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Merrick Avenue, Westbury, NY	11590
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (516) 683-6000

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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 periods 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

APPLICABLE ONLY TO CORPORATE ISSUERS
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $.01 Par Value 12,599,733 shares outstanding as of July 31, 1999

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LIFETIME HOAN CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	June 30, 1999 (unaudited)	December 31, 1998
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$339	$9,438
Accounts receivable, less allowances of $1,820 in 1999 and $1,527 in 1998	16,347	13,306
Merchandise inventories	55,772	44,938
Prepaid expenses	2,678	2,956
Deferred income taxes	665	397
Other current assets	1,517	1,230
TOTAL CURRENT ASSETS	77,318	72,265
PROPERTY AND EQUIPMENT, net	12,346	11,823
EXCESS OF COST OVER NET ASSETS ACQUIRED,net	9,337	9,316
OTHER INTANGIBLES, net	10,365	10,560
OTHER ASSETS	1,099	1,108
TOTAL ASSETS	$110,465	$105,072
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	$1,200	$ -
Accounts payable and trade acceptances	3,414	2,706
Accrued expenses	11,337	10,263
Income taxes	1,936	956
TOTAL CURRENT LIABILITIES	17,887	13,925
STOCKHOLDERS' EQUITY		
Common stock, $0.01 par value, shares authorized 25,000,000: shares issued and outstanding 12,599,733 in 1999 and 12,588,264 in 1998	126	126
Paid-in capital	76,192	76,115
Retained earnings	17,206	15,859
Notes receivable for shares issued to stockholders	(908)	(908)
Deferred compensation	(38)	(45)
TOTAL STOCKHOLDERS' EQUITY	92,578	91,147
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$110,465	$105,072

See notes to condensed consolidated financial statements.

LIFETIME HOAN CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
Net Sales	$26,903	$24,184	$44,720	$46,052
Cost of Sales	13,525	12,171	22,689	23,643

Gross Profit	13,378	12,013	22,031	22,409
Selling, General and Administrative Expenses	8,945	8,095	17,170	15,380
Income Before Income Taxes	4,433	3,918	4,861	7,029
Income Taxes	1,769	1,600	1,940	2,800
NET INCOME	$2,664	$2,318	$2,921	$4,229
EARNINGS PER COMMON SHARE- BASIC AND DILUTED	$0.21	$0.18	$0.23	$0.33

See notes to condensed consolidated financial statements.

LIFETIME HOAN CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	1999	1998
OPERATING ACTIVITIES		
Net income	$2,921	$4,229
Adjustments to reconcile net income to net cash (used in) operating activities:		
Depreciation and amortization	1,406	1,250
Deferred tax (benefit)	(268)	(548)
Provision for losses on accounts receivable	340	61
Reserve for sales returns and allowances	765	276
Changes in operating assets and liabilities:		
Accounts receivable	(4,145)	1,405
Merchandise inventories	(10,833)	(8,241)
Prepaid expenses, other current assets and other assets	-	231
Accounts payable, trade acceptances and accrued expenses	1,599	(2,028)
Income taxes payable	979	448
NET CASH (USED IN) OPERATING ACTIVITIES	(7,236)	(2,917)
INVESTING ACTIVITIES		
Purchase of property and equipment, net	(1,565)	(1,214)
NET CASH (USED IN) INVESTING ACTIVITIES	(1,565)	(1,214)
FINANCING ACTIVITIES		
Proceeds from short-term borrowings, net	1,200	-
Proceeds from the exercise of stock options	76	300
Cash dividends paid	(1,574)	(1,568)
NET CASH (USED IN) FINANCING ACTIVITIES	(298)	(1,268)
(DECREASE) IN CASH AND CASH EQUIVALENTS	(9,099)	(5,399)
Cash and cash equivalents at beginning of period	9,438	7,773

CASH AND CASH EQUIVALENTS AT END OF PERIOD	$339	$2,374

See notes to condensed consolidated financial statements.

LIFETIME HOAN CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note A - Basis of Presentation
The accompanying unaudited condensed 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 (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six month period ended June 30, 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. It is suggested that these condensed financial statements be read in conjunction with the financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

Note B - Inventories
Merchandise inventories, principally finished goods, are priced at the lower of cost (first-in, first-out basis) or market.

Note C - Line of Credit Agreement
The Company has available an unsecured $25,000,000 line of credit with a bank (the "Line") which may be used for short-term borrowings or letters of credit. As of June 30, 1999, the Company had $12,228,000 of letters of credit and trade acceptances outstanding and $1,200,000 of borrowings. The Line is cancelable by either party at any time. Borrowings under the Line bear interest payable daily at a negotiated short-term borrowing rate. The average daily borrowing rate was 6.1%. The Company is also charged a nominal fee on the entire Line.

Note D - Capital Stock
Cash Dividends: On May 3, 1999 the Board of Directors declared a regular quarterly cash dividend of $0.0625 per share to shareholders of record on May 5, 1999 paid on May 19, 1999. On August 4, 1999, the Board of Directors of the Company declared another regular quarterly cash dividend of $0.0625 per share to shareholders of record on August 5, 1999, payable on August 19, 1999.

Earnings Per Share: Basic earnings per share has been computed by dividing net income by the weighted average number of common shares outstanding of 12,599,000 for the three months ended June 30, 1999 and 12,571,000 for the three months ended June 30, 1998. For the six month periods ended June 30, 1999 and June 30, 1998, the weighted average number of common shares outstanding were 12,595,000 and 12,554,000 respectively. Diluted earnings per share has been computed by dividing net income by the weighted average number of common shares outstanding, including the dilutive effects of stock options, of 12,811,000 for the three months ended June 30, 1999 and 12,891,000 for the three months ended June 30, 1998. For the six month periods ended June 30, 1999 and June 30, 1998, the diluted number of common shares outstanding were 12,816,000 and 12,858,000, respectively.

TEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following table sets forth income statement data of the Company as a percentage of net sales for the periods indicated below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	50.3	50.3	50.7	51.3
Gross profit	49.7	49.7	49.3	48.7
Selling, general and administrative expenses	33.2	33.5	38.4	33.5
Income before income taxes	16.5	16.2	10.9	15.2
Income taxes	6.6	6.6	4.4	6.0
Net Income	9.9%	9.6%	6.5%	9.2%

Three Months Ended June 30, 1999
Compared to Three Months ended June 30, 1998

Net Sales

Net sales for the three months ended June 30, 1999 were $26.9 million, an increase of $2.7 million or 11.2% over the comparable 1998 quarter. The sales growth was due principally to shipments of our bakeware and baking-related products relating to the August 1998 acquisition of Roshco, Inc., shipments of our new Reverer branded cutlery, and increased shipments of Farberware and Hoffritzr branded products, partially offset by lower sales in our non-branded products.

Gross Profit

Gross profit for the three months ended June 30, 1999 was $13.4 million, an increase of 11.4% from the comparable 1998 period. Gross profit as a percentage of net sales was 49.7% for both periods.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended June 30, 1999 were approximately $8.9 million, an increase of approximately $850,000, or 10.5% from the comparable 1998 quarter. As a percentage of sales these expenses decreased slightly to 33.2% compared to 33.5% in the 1998 quarter. The higher expenses were attributable to the added expenses of operating the Roshco warehouse and office facility and increased personnel costs.

Six Months Ended June 30, 1999
Compared to Six Months ended June 30, 1998

Net Sales

Net sales for the six months ended June 30, 1999 were $44.7 million, a decrease of $1.3 million or 2.9% as compared to the corresponding 1998 period. The decrease in sales was attributable to the Company's inability to ship customer orders in the first quarter of 1999 due to significant problems related to the installation of a new warehouse management system in January 1999. As a consequence, net sales during the first quarter of 1999 declined sharply as compared to the corresponding quarter in the prior year. All significant issues relating to the installation of the new warehouse management system have been resolved.

Gross Profit
Gross profit for the six months ended June 30, 1999 was $22.0 million, a decrease of 1.7% from the comparable 1998 period. Gross profit as a percentage of net sales increased to 49.3% from 48.7% in the comparable 1998 period due primarily to changes in the overall sales product mix.

Selling, General and Administrative Expenses
Selling, general and administrative expenses for the six months ended June 30, 1999 were $17.2 million, an increase of 11.6% from the comparable 1998 period. The higher expenses were attributable to the added expenses of operating the Roshco warehouse and office facility and increased personnel costs.

LIQUIDITY AND CAPITAL RESOURCES

The Company has a $25,000,000 unsecured line of credit with a bank (the "Line") which may be used for short-term borrowings or letters of credit and trade acceptances. Borrowings under the Line bear interest payable daily at a negotiated short-term borrowing rate. The Company is also charged a nominal fee on the entire Line. As of June 30, 1999, the Company had $12,228,000 of letters of credit and trade acceptances outstanding under the Line and $1,200,000 of borrowings and, as a result, the availability under the Line was $11,572,000. The average daily borrowing rate was 6.1%. The Line is cancelable by either party at any time.

At June 30, 1999, the Company had cash and cash equivalents of $339,000 versus $9.4 million at December 31, 1998.

The decrease in cash and increase in short-term borrowings during the first six months of 1999 were used primarily to fund the Company's increased inventory levels and accounts receivable, partially offset by increases in current liabilities.

On August 4, 1999, the Board of Directors declared another regular quarterly cash dividend of $0.0625 per share to shareholders of record on August 5, 1999, to be paid on August 19, 1999. The dividend to be paid will be $787,000.

The Company expects that all capital expenditures expected to be incurred in 1999 will be financed from current operations, cash and cash equivalents and, if needed, short term borrowings.

The Company believes that its cash and cash equivalents, internally generated funds and its existing credit arrangements will be sufficient to finance its operations for at least the next 12 months.

The results of operations of the Company for the periods discussed have not been significantly affected by inflation or foreign currency fluctuation. The Company negotiates its purchase orders with its foreign manufacturers in United States dollars. Thus, notwithstanding any fluctuation in foreign currencies, the Company's cost for any purchase order is not subject to change after the time the order is placed. However, any weakening of the United States dollar against local currencies could lead certain manufacturers to increase their United States dollar prices for products. The Company believes it would be able to compensate for any such price increase.

Year 2000
The Company is in the process of investigating issues that could affect its operations regarding Year 2000 compliance issues. The Year 2000 compliance issues revolve around the fact that most computer systems do not recognize a year by its traditional four digit format. Instead, computer systems recognize the last two digits for a specified year. If not properly addressed, these issues could potentially have an adverse material impact on the Company's operations.

The Company has installed a new financial/accounting systems and a separate new warehouse management system to address the financial and operational needs of its business. These systems are operational and the Company has received confirmation from the management of these new systems certifying that these systems are in fact Year 2000 compliant. Testing of these systems to ensure that they are Year 2000 compliant has begun and should be fully completed by the end of the third quarter of 1999. As results of this testing process become available over the next two months, the Company will make contingency plans where it deems necessary.

The Company relies on third parties for inventory, supplies, financial products and other key services. Third party entities that could have a potential material impact on the operations of the Company's business have been contacted to determine the progress that each has made in connection with Year 2000 compliance issues. Despite the Company's efforts, there can be no guarantee that the systems of other companies which the Company relies on to conduct its day-to-day business will be compliant. In such event, the Company may, among other things, experience difficulties in obtaining inventory and supplies. The Company will make contingency plans for any entity it feels has not made satisfactory progress towards being Year 2000 compliant. Contingency plans may include increasing inventory levels, securing alternate supply sources and taking other appropriate measures.

The Company is also dependent upon its customers for sales and cash flow. Interruption in our customers' operations due to Year 2000 issues could result in reduced sales and cash flow for the Company, and higher inventories. The Company is monitoring the status of its customers to determine potential risks and develop possible alternatives.

Although the Company believes that with the implementation of the new financial/accounting and warehouse management systems, along with the evaluation process of significant third party entities, the possibility of significant interruptions of normal operations should be reduced, there can be no assurance that failure of the Company, third party vendors or customers to be Year 2000 compliant could have an adverse material impact on the operations of the Company's business.

Notwithstanding Year 2000 issues, the Company decided to install the new financial/accounting systems and a separate new warehouse management system to accommodate the Company's growth. Therefore, at this time, the costs relating to Year 2000 compliance activities have not been significant and, based on management's best estimates, are not expected to be significant. However, due to the complexity and pervasiveness of Year 2000 issues, in particular the uncertainty regarding the compliance programs of third parties, no assurance can be given that costs will not exceed those currently anticipated by the Company.

Forward Looking Statements: This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including statements concerning the Company's future products, results of operations and prospects. These forward-looking statements involve risks and uncertainties, including risks relating to general economic and business conditions, including changes which could affect customer payment practices or consumer spending; industry trends; the loss of major customers; changes in demand for the Company's products; the timing of orders received from customers; cost and availability of raw materials; increases in costs relating to manufacturing and transportation of products; dependence on foreign sources of supply and foreign manufacturing; risks relating to Year 2000 issues; and the seasonal nature of the business as detailed elsewhere in this Quarterly Report on Form 10-Q and from time to time in the Company's filings with the Securities and Exchange Commission. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements.

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ART II - OTHER INFORMATION

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

The Company's annual meeting of stockholders was held on June 9, 1999. At the meeting, all six director nominees were elected and the appointment of Ernst & Young, LLP as independent auditors was ratified.

(a) The following directors were elected for a one-year term by the votes indicated:

	FOR	AGAINST	ABSTAIN
Milton L. Cohen	11,364,770	18,730	0
Jeffrey Siegel	11,365,548	17,952	0
Craig Phillips	11,366,101	17,399	0
Bruce Cohen	11,364,270	19,230	0
Ronald Shiftan	11,366,101	17,399	0
Howard Bernstein	11,358,601	24,899	0

(b) Ernst & Young LLP was re-appointed as independent auditors to audit the Company's financial statements for the fiscal year ending December 31, 1999 by the following vote:

FOR	AGAINST	ABSTAIN
11,373,105	10,395	0

Item 6. Exhibit(s) and Reports on Form 8-K.

(a) Exhibit(s) in the second quarter of 1999:

Exhibit	Description
No. 27	Financial Data Schedule

(b) Reports on Form 8-K in the second quarter of 1999:
NONE

Exhibit 27. Financial Data Schedule

Lifetime Hoan Corporation

Financial Data Schedule

Pursuant to Item 601(c) of Regulation S-K

This schedule contains summary financial information extracted from the financial statements included in the form 10-Q and is qualified in its entirety by reference to such financial statements for the Six Months ended June 30, 1999.

(in thousands, except per share data)

Item Number	Item Description	Amount
5-02(1)	Cash and Cash Items	$ 339
5-02(2)	Marketable Securities	$ 0
5-02(3)(a)(1)	Notes and Accounts Receivable - Trade	$ 16,432
5-02(4)	Allowances for Doubtful Accounts	$ 85
5-02(6)	Inventory	$ 55,772
5-02(9)	Total Current Assets	$ 77,318
5-02(13)	Property, Plant and Equipment	$ 19,439
5-02(14)	Accumulated Depreciation	$ 7,093
5-02(18)	Total Assets	$ 110,465
5-02(21)	Total Current Liabilities	$ 17,887
5-02(22)	Bonds, Mortgages and Similar Debt	$ 0
5-02(28)	Preferred Stock - Mandatory Redemption	$ 0
5-02(29)	Preferred Stock - No Mandatory Redemption	$ 0
5-02(30)	Common Stock	$ 126
5-02(31)	Other Stockholders' Equity	$ 92,452
5-02(32)	Total Liabilities and Stockholders' Equity	$ 110,465
5-03(b)1(a)	Net Sales of Tangible Products	$ 44,422
5-03(b)1	Total Revenues	$ 44,720
5-03(b)2(a)	Cost of Tangible Goods Sold	$ 22,689
5-03(b)2	Total Costs and Expenses Applicable to Sales and Revenues	$ 22,689
5-03(b)3	Other Costs and Expenses	$ 0
5-03(b)5	Provision for Doubtful Accounts and Notes	$ 340
5-03(b)(8)	Interest and Amortization of Debt Discount	$ 0
5-03(b)(10)	Income Before Taxes and Other Items	$ 4,861
5-03(b)(11)	Income Tax Expense	$ 1,940
5-03(b)(14)	Income/Loss Continuing Operations	$ 2,921
5-03(b)(15)	Discontinued Operations	$ 0
5-03(b)(17)	Extraordinary Items	$ 0
5-03(b)(18)	Cumulative effect - Changes in Accounting Principles	$ 0
5-03(b)(19)	Net Income or Loss	$ 2,921
5-03(b)(20)	Earnings Per Share - Primary	$ 0.23
5-03(b)(20)	Earnings Per Share - Fully Diluted	$ 0.23

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.

Lifetime Hoan Corporation

August 13, 1999

/s/ Milton L. Cohen
____
Milton L. Cohen
Chairman of the Board of Directors
and President
(Principal Executive Officer)

August 13, 1999

/s/ Robert McNally
____
Robert McNally
Vice President - Finance and Treasurer
(Principal Financial and Accounting
Officer)