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 March 31, 1998

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 12,565,325 shares outstanding as of April 30, 1998

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LIFETIME HOAN CORPORATION

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ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS
LIFETIME HOAN CORPORATION
(in thousands, except share data)

	March 31, 1998 (unaudited)	December 31 1997
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$5,596	$7,773
Accounts receivable, less allowances of $1,019 in 1998 and $851 in 1997	12,070	13,274
Merchandise inventories	46,466	42,763
Prepaid expenses	3,197	3,290
Deferred income taxes	591	439
Other current assets	2,509	2,170
TOTAL CURRENT ASSETS	70,429	69,709
PROPERTY AND EQUIPMENT, net	9,672	9,434
EXCESS OF COST OVER NET ASSETS ACQUIRED,net	1,824	1,841
OTHER INTANGIBLES, net	10,852	10,950
OTHER ASSETS	1,026	1,023
TOTAL ASSETS	$93,803	$92,957
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and trade acceptances	$3,067	$5,360
Accrued expenses	7,062	6,152
Income taxes	1,420	539
TOTAL CURRENT LIABILITIES	11,549	12,051
STOCKHOLDERS' EQUITY		
Common Stock, $.01 par value, authorized 25,000,000 shares; issued and outstanding 12,564,109 in 1998 and 12,522,246 in 1997	126	125
Paid-in capital	75,522	75,307
Retained earnings	7,571	6,443
Notes receivable for shares issued to	(908)	(908)
stockholders		
Deferred compensation	(57)	(61)
TOTAL STOCKHOLDERS' EQUITY	82,254	80,906
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$93,803	$92,957

See notes to condensed consolidated financial statements.

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

	Three Months Ended March 31, 1998	1997
Net sales	$21,868	$21,108
Cost of sales	11,472	11,133
	10,396	9,975
Selling, general and administrative expenses	7,370	7,737
INCOME FROM OPERATIONS	3,026	2,238
Interest expense	0	23
Other (income), net	(85)	(40)
INCOME BEFORE INCOME TAXES	3,111	2,255
Provision for federal, state and local Income taxes	1,200	892
NET INCOME	$1,911	$1,363
NET INCOME PER SHARE-BASIC AND DILUTED	$0.15	$0.11

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

(unaudited)

LIFETIME HOAN CORPORATION
(in thousands)

	Common Shares	Stock Amount	Paid-in Capital	Retained Earnings	Notes Receivable from Stockholders	Deferred Compensation	Total
Balance at December 31,1997	12,522	$125	$75,307	$6,443	($908)	($61)	$80,906
Exercise of stock options	42	1	215				216
Net income for the three months ended March 31, 1998				1,911			1,911
Cash Dividend				(783)			(783)
Amortization of deferred compensation						4	4
Balance at March 31, 1998	12,564	$126	$75,522	$7,571	($908)	($57)	$82,254

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
LIFETIME HOAN CORPORATION
(in thousands)

	Three Months Ended March 31, 1998	Three Months Ended March 31, 1997
OPERATING ACTIVITIES		
Net income	$1,911	$1,363
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:		
Depreciation and amortization	527	403
Deferred tax (benefit)	(152)	(27)
Provision for losses on accounts receivable	61	10
Reserve for sales returns and allowances	84	105

Changes in operating assets and liabilities:		
Accounts receivable	1,059	1,869
Merchandise inventories	(3,702)	(1,678)
Prepaid expenses, other current assets and other assets	(248)	371
Accounts payable and trade acceptances and accrued expenses	(1,383)	(1,286)
Income taxes payable	880	(421)
NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES	(963)	709
INVESTING ACTIVITIES		
Purchase of property and equipment, net	(647)	(326)
NET CASH (USED IN) INVESTING ACTIVITIES	(647)	(326)
FINANCING ACTIVITIES		
Repayment of short term borrowings, net	0	(1,000)
Proceeds from the exercise of stock options	216	128
Cash Dividend Paid	(783)	
NET CASH (USED IN) FINANCING ACTIVITIES	(567)	(872)
(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,177)	(489)
Cash and cash equivalents at beginning of period	7,773	1,093
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$5,596	$604

See notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
LIFETIME HOAN CORPORATION

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 three month period ended March 31, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998. For further information, refer to the financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1997.

Note B - Inventories
Merchandise inventories, principally finished goods, are recorded 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 March 31, 1998, the Company had $16,592,000 of letters of credit and trade acceptances outstanding and no 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 Company is charged a nominal fee on the entire Line.

Note D - Capital Stock
Cash Dividends: On January 20, 1998, the Board of Directors of the Company declared a quarterly cash dividend of $0.0625 per share to shareholders of record on February 5, 1998, paid on February 19, 1998 and on April 22, 1998 the Board of Directors declared another regular quarterly cash dividend of $0.0625 per share to shareholders of record on May 5, 1998, to be paid on May 19, 1998.

Earnings Per Share: In February 1997, the Financial Accounting Standards Board issued Statement No. 128, Earnings Per Share. Statement No. 128 replaced the calculation of primary earnings per share and fully diluted earnings per share with basic and diluted earnings per share. Unlike primary earnings per share, basic earnings per share excludes any dilutive effects of options, warrants, and convertible securities. Diluted earnings per share is very similar to the previously reported fully diluted earnings per share. All earnings per share amounts have been presented, and where appropriate, restated to conform to Statement No. 128 requirements.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended March 31, (in thousands, except per share data)	
	1998	1997
Numerator for basic and diluted earnings per share - net income	$1,911	$1,363
Denominator:		
Denominator for basic earnings per share - weighted average shares	12,538	12,417
Effect of dilutive securities:		
Employee stock options	287	383
Denominator for diluted earnings per share - adjusted weighted-average shares and assumed conversions	12,825	12,800
Net income per share - basic	$0.15	$0.11
Net income per share - diluted	$0.15	$0.11

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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 March 31,	
	1998	1997
Net Sales	100.0 %	100.0 %
Cost of sales	52.5	52.7
Gross profit	47.5	47.3
Selling, general and administrative expenses	33.7	36.7
Income from operations	13.8	10.6
Other (income), expense	(0.4)	(0.1)
Income before income taxes	14.2	10.7
Income taxes	5.5	4.2
Net Income	8.7 %	6.5 %

Three Months Ended March 31, 1998
Compared to Three Months ended March 31, 1997

Net Sales

Net sales for the three months ended March 31, 1998 were $21.9 million, an increase of $760,000 or 3.6% from the comparable 1997 period. Excluding sales from the Company's Farberware outlet stores, net sales in the core business increased by approximately 12% in 1998. The sales growth was due principally to increased shipments of Hoffritz and Farberware branded products, partially offset by lower sales in non-branded products.

Net sales from the Farberware outlet stores were $1.1 million in 1998, as compared to $2.5 million for the comparable period in 1997. The lower sales in the 1998 period resulted from the restructuring of the operations of the outlet stores pursuant to an agreement with Meyer Corporation which became effective in the third quarter of 1997. Under the terms of the agreement Meyer Corporation receives all revenue from sales of cookware products in the Farberware outlet stores and is responsible for 62.5% of the operating expenses.

Gross Profit

Gross profit for the three months ended March 31, 1998 was $10.4 million, an increase of 4.2% from the comparable 1997 period. Gross profit as a percentage of net sales improved to 47.5% due primarily to a favorable change in the overall sales product mix.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended March 31, 1998 were $7.4 million, a decrease of 4.8% from the comparable 1997 period. Excluding the expenses related to the outlet stores, S,G&A expenses increased in the 1998 quarter by 8.8%. This increase was primarily attributable to higher selling and distribution expenses related to the 12% sales increase in the core business.

Selling, general and administrative expenses for the Farberwarer outlet stores decreased by $910,000 in 1998 as compared to the comparable period in 1997, reflecting the restructuring of the operations of the outlet stores.

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; 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.

LIQUIDITY AND CAPITAL RESOURCES

The Company has 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 and trade acceptances. Borrowings under the Line bear interest payable daily at a negotiated short term borrowing rate. The Company is charged a nominal fee on the entire Line. As of March 31, 1998, the Company had $16,592,000 of letters of credit and trade acceptances outstanding under the Line and no borrowings and, as a result, the availability under the Line was $8,408,000. The Line is cancelable by either party at any time.

At March 31, 1998, the Company had cash and cash equivalents of

$5.6 million versus $7.8 million at December 31, 1997. The decrease is primarily attributable to the Company's increased inventory levels, decreased accounts payable and trade acceptances and the cash dividend paid in February 1998, offset by decreased accounts receivable, increased accrued expenses and increased income taxes payable.

On April 22, 1998 the Board of Directors declared another regular quarterly cash dividend of $0.0625 per share to shareholders of record on May 5, 1998, to be paid on May 19, 1998. The dividend to be paid will be $783,000.

The Company estimates that approximately $6.0 million of capital expenditures will be incurred in 1998. These expenditures are primarily for the equipment and a management system to be used in a new, more modern, leased distribution facility, and the installation of a new financial reporting system. These expenditures will be financed from current operations, cash and cash equivalents and, if needed, short term borrowings.

Products are sold to retailers primarily on 30-day credit terms, and to distributors primarily on 60-day credit terms.

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 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, the 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.

The Company is in the process of installing a new financial/accounting system and a separate warehouse management system which the Company believes will significantly enhance capabilities. These systems are expected to be fully operational by the middle of 1999 and be Year 2000 compliant. The Company also has initiated discussions with its significant suppliers, large customers and financial institutions to ensure that those parties have appropriate plans to remedy Year 2000 issues where their systems interface with the Company's systems or otherwise impact its operations. The Company will assess the extent to which its operations are vulnerable should those organizations fail to remedy properly their computer systems. While the Company believes its planning efforts are adequate to address its Year 2000 concerns, there can be no guarantee that the systems of other companies on which the Company's systems and operations rely will be converted on a timely basis and will not have a material effect on the Company.

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ART II - OTHER INFORMATION

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

(a) Exhibit(s) in the first quarter of 1998:

Exhibit No.	Description
27	Financial Data Schedule

(b) Reports on Form 8-K in the first quarter of 1998: 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 three months ended March 31, 1998.
(in thousands, except per share data)

Item Number	Item Description		Amount	
5-02(1)	Cash and Cash Items	$	5,596	
5-02(2)	Marketable Securities	$	0	
5-02(3)(a)(1)	Notes and Accounts Receivable - Trade	$	12,145	
5-02(4)	Allowances for Doubtful Accounts	$	75	Accounts
5-02(6)	Inventory	$	46,466	
5-02(9)	Total Current Assets	$	70,429	
5-02(13)	Property, Plant and Equipment	$	15,576	
5-02(14)	Accumulated Depreciation	$	5,904	
5-02(18)	Total Assets	$	93,803	
5-02(21)	Total Current Liabilities	$	11,549	
5-02(22)	Bonds, Mortgages and Similar Debt	$	0	Debt
5-02(28)	Preferred Stock - Mandatory Redemption	$	0	Redemption
5-02(29)	Preferred Stock - No Mandatory Redemption	$	0	Redemption
5-02(30)	Common Stock	$	126	
5-02(31)	Other Stockholders' Equity	$	82,128	
5-02(32)	Total Liabilities and Stockholders' Equity	$	93,803	Stockholders' Equity
5-03(b)1(a)	Net Sales of Tangible Products	$	21,843	
5-03(b)1	Total Revenues	$	21,868	
5-03(b)2(a)	Cost of Tangible Goods Sold	$	11,472	
5-03(b)2	Total Costs and Expenses Applicable to Sales and Revenues	$	11,472	Applicable
5-03(b)3	Other Costs and Expenses	$	0	
5-03(b)5	Provision for Doubtful Accounts and Notes	$	61	
5-03(b)(8)	Interest and Amortization of Debt Discount	$	0	
5-03(b)(10)	Income Before Taxes and Other Items	$	3,111	
5-03(b)(11)	Income Tax Expense	$	1,200	
5-03(b)(14)	Income/Loss Continuing Operations	$	1,911	
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	$	1,911	
5-03(b)(20)	Earnings Per Share - Primary	$	0.15	
5-03(b)(20)	Earnings Per Share - Fully Diluted	$	0.15	

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

May 14, 1998

/s/ Milton Cohen

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

May 14, 1998

/s/ Robert McNally

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