FORM 10-Q

UNITED STATES 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, 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 12,598,264 shares outstanding as of April 30, 1999

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LIFETIME HOAN CORPORATION

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

	March 31, 1999 (unaudited)	December 31, 1998
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$3,047	$9,438
Accounts receivable, less allowances of $1,130 in 1999 and $1,527 in 1998	11,924	13,306
Merchandise inventories	53,688	44,938
Prepaid expenses	2,730	2,956
Deferred income taxes	445	397
Other current assets	1,195	1,230
TOTAL CURRENT ASSETS	73,029	72,265
PROPERTY AND EQUIPMENT, net	11,639	11,823
EXCESS OF COST OVER NET ASSETS ACQUIRED, net	9,257	9,316
OTHER INTANGIBLES, net	10,462	10,560
OTHER ASSETS	1,430	1,108
TOTAL ASSETS	$105,817	$105,072
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and trade acceptances	$2,895	$2,706
Accrued expenses	12,006	10,263
Income taxes	232	956
TOTAL CURRENT LIABILITIES	15,133	13,925
STOCKHOLDERS' EQUITY		
Common Stock, $.01 par value, shares authorized 25,000,000; shares issued and outstanding 12,598,264 in 1999 and 12,588,264 in 1998	126	126
Paid-in capital	76,179	76,115
Retained earnings	15,329	15,859
Notes receivable for shares issued to stockholders	(908)	(908)
Deferred compensation	(42)	(45)
TOTAL STOCKHOLDERS' EQUITY	90,684	91,147
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$105,817	$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 March 31, 1999	1998
Net Sales	$17,817	$21,868
Cost of Sales	9,164	11,472
Gross Profit	8,653	10,396

Selling, General and Administrative Expenses	8,225	7,285
Income Before Income Taxes	428	3,111
Income Taxes	171	1,200
NET INCOME	$257	$1,911
EARNINGS PER COMMON SHARE-BASIC AND DILUTED	$0.02	$0.15

See notes to condensed consolidated financial statements.

LIFETIME HOAN CORPORATION

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

	Three Months Ended March 31, 1999	1998
OPERATING ACTIVITIES		
Net income	$257	$1,911
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:		
Depreciation and amortization	695	527
Deferred tax (benefit)	(48)	(152)
Provision for losses on accounts receivable	331	61
Reserve for sales returns and allowances	(107)	84
Changes in operating assets and liabilities:		
Accounts receivable	1,157	1,059
Merchandise inventories	(8,750)	(3,702)
Prepaid expenses, other current assets and other assets	(60)	(248)
Accounts payable and trade acceptances and accrued expenses	1,912	(1,383)
Income taxes payable	(725)	880
NET CASH (USED IN) OPERATING ACTIVITIES	(5,338)	(963)
INVESTING ACTIVITIES		
Purchase of property and equipment, net	(330)	(647)
NET CASH (USED IN) INVESTING ACTIVITIES	(330)	(647)
FINANCING ACTIVITIES		
Proceeds from the exercise of stock options	64	216
Cash dividends paid	(787)	(783)
NET CASH (USED IN) FINANCING ACTIVITIES	(723)	(567)

(DECREASE) IN CASH AND CASH EQUIVALENTS	(6,391)	(2,177)
Cash and cash equivalents at beginning of period	9,438	7,773
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$3,047	$5,596

See notes to condensed consolidated financial statements.

LIFETIME HOAN CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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, 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 method.

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, letters of credit, or trade acceptances. As of March 31, 1999, the Company had letters of credit and trade acceptances of $9,515,000 outstanding and no outstanding 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, 1999, the Board of Directors of the Company declared a quarterly cash dividend of $0.0625 per share to shareholders of record on February 5, 1999, paid on February 19, 1999. On May 3, 1999, the Board of Directors declared another regular quarterly cash dividend of $0.0625 per share to shareholders of record on May 5, 1999, to be paid on May 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 12,591,000 for the three months ended March 31, 1999 and 12,537,000 for the three months ended March 31, 1998. 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 12,821,000 for the three months ended March 31, 1999 and 12,825,000 for the three months ended March 31, 1998.

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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, 1999	1998
Net Sales	100.0 %	100.0 %
Cost of sales	51.4	52.5
Gross profit	48.6	47.5
Selling, general and administrative expenses	46.2	33.3
Income before income taxes	2.4	14.2
Income taxes	1.0	5.5
Net Income	1.4 %	8.7 %

Three Months Ended March 31, 1999
Compared to Three Months ended March 31, 1998

Net Sales
Net sales for the three months ended March 31, 1999 were $17.8 million, a decrease of $4.1 million or 18.5% from the comparable 1998 period. The decrease in sales was attributable to significant problems which arose from the installation of the new warehouse management system. These problems resulted in an inability to ship customer orders. As a consequence, net sales during the quarter declined sharply as compared to the corresponding quarter in the prior year. The Company believes it has solved all of the significant issues relating to the installation of the new warehouse management system.

Gross Profit
Gross profit for the three months ended March 31, 1999 was $8.7 million, a decrease of 16.8% from the comparable 1998 period. Gross profit as a percentage of net sales improved to 48.6% from 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, 1999 were $8.2 million, an increase of 12.9% from the comparable 1998 period. The increase was attributable to the added expenses of operating the warehouse and office facility related to the August 1998 acquisition of Roshco, Inc., increased personnel and personnel related costs, and increased bad debt expense.

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.

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, letters of credit or 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, 1999, the Company had $9,515,000 of letters of credit and trade acceptances outstanding under the Line and no borrowings and, as a result, the availability under the Line was $15,485,000. The Line is cancelable by either party at any time.

At March 31, 1999, the Company had cash and cash equivalents of $3.0 million versus $9.4 million at December 31, 1998. The decrease is primarily attributable to the Company's increased inventory levels, the result of lower sales during the first quarter of 1999 due to problems in installing a new warehouse management system, and the cash dividend paid in February 1999, partially offset by decreased accounts receivable and the increased combined balances of accounts payable, trade acceptances, and accrued expenses.

On May 3, 1999 the Board of Directors declared another regular quarterly cash dividend of $0.0625 per share to shareholders of record on May 5, 1999, to be paid on May 19, 1999. The dividend to be paid will be approximately $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, 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.

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 is in the process of installing new financial/accounting systems and a separate new warehouse management system to address the financial and operational needs of its business. These systems are expected to be fully operational by the end of the first half of 1999 and be Year 2000 compliant. Testing of these systems to determine that they are in fact Year 2000 compliant has begun and should be fully completed by the end of the second quarter in 1999. As results of this testing process become available over the next three 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 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.

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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 1999:

Exhibit No.	Description
27	Financial Data Schedule

(b) Reports on Form 8-K in the first 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 three months ended March 31, 1999.
(in thousands, except per share data)

Item Number	Item Description		Amount
5-02(1)	Cash and Cash Items	$	3,047
5-02(2)	Marketable Securities	$	0
5-02(3)(a)(1)	Notes and Accounts Receivable - Trade	$	12,009
5-02(4)	Allowances for Doubtful Accounts	$	85
5-02(6)	Inventory	$	53,688
5-02(9)	Total Current Assets	$	73,029
5-02(13)	Property, Plant and Equipment	$	18,204
5-02(14)	Accumulated Depreciation	$	6,565
5-02(18)	Total Assets	$	105,817
5-02(21)	Total Current Liabilities	$	15,133
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	$	90,558
5-02(32)	Total Liabilities and Stockholders' Equity	$	105,817
5-03(b)1(a)	Net Sales of Tangible Products	$	17,674

5-03(b)1	Total Revenues	$	17,817
5-03(b)2(a)	Cost of Tangible Goods Sold	$	9,164
5-03(b)2	Total Costs and Expenses Applicable to Sales and Revenue	$	9,164
5-03(b)3	Other Costs and Expenses	$	0
5-03(b)5	Provision for Doubtful Accounts and Notes	$	331
5-03(b)(8)	Interest and Amortization of Debt Discount	$	0
5-03(b)(10)	Income Before Taxes and Other Items	$	428
5-03(b)(11)	Income Tax Expense	$	171
5-03(b)(14)	Income/Loss Continuing Operations	$	257
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	$	257
5-03(b)(20)	Earnings Per Share - Primary	$	0.02
5-03(b)(20)	Earnings Per Share - Fully Diluted	$	0.02

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, 1999

/s/ Milton Cohen

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

May 14, 1999

/s/ Robert McNally

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