FORM 10-Q

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, 1997

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 12,444,649 shares outstanding as of April 30, 1997

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LIFETIME HOAN CORPORATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS
LIFETIME HOAN CORPORATION

	March 31, 1997 (unaudited)	December 31, 1996 (Note)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$604,314	$1,093,432
Accounts receivable, less allowances of $789,000 (1997) and $791,000 (1996)	12,016,397	14,000,366
Merchandise inventories	41,595,421	39,916,990
Prepaid expenses	4,676,089	4,930,194
Deferred income taxes	1,045,000	1,018,000
Other current assets	790,789	925,181
TOTAL CURRENT ASSETS	60,728,010	61,884,163
PROPERTY AND EQUIPMENT, at cost, net of accumulated depreciation and amortization of $4,301,730 (1997) and $4,016,403 (1996)	8,737,410	8,696,802
EXCESS OF COST OVER NET ASSETS ACQUIRED, net of accumulated amortization of $789,600 (1997) and $773,300 (1996)	1,889,602	1,905,902
OTHER INTANGIBLES, net of accumulated amortization of $433,000 (1997) and $335,250 (1996)	11,243,134	11,340,884
OTHER ASSETS	962,046	944,164
	$83,560,202	$84,771,915
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and trade acceptances	$2,766,706	$4,012,132
Accrued expenses	6,841,385	6,882,422
Income taxes	898,503	1,318,728
Short term borrowings	-	1,000,000
TOTAL CURRENT LIABILITIES	10,506,594	13,213,282
STOCKHOLDERS' EQUITY		
Series B Preferred Stock, $1 par value, authorized 2,000,000 shares; none issued		
Common Stock, $.01 par value, authorized 25,000,000 shares; issued and outstanding 12,429,649 (1997) and 12,406,509 (1996)	124,297	124,065
Paid-in capital	74,884,818	74,756,842
Retained earnings	(973,840)	(2,336,661)
	74,035,275	72,544,246
Less:		
Notes receivable for shares issued to stockholders	908,064	908,064
Deferred compensation	73,603	77,549
	73,053,608	71,558,633
	$83,560,202	$84,771,915

Note: The Balance Sheet at December 31, 1996 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
LIFETIME HOAN CORPORATION

	Three Months Ended March 31, 1997	1996
Net sales	$21,108,129	$19,273,398
Cost of sales	11,132,951	10,179,650
	9,975,178	9,093,748
Selling, general and administrative expenses	7,737,431	6,319,003
INCOME FROM OPERATIONS	2,237,747	2,774,745
Other (income) deductions:		
Interest expense	23,100	63,584
Other (income), net	(40,174)	(32,742)
INCOME BEFORE INCOME TAXES	2,254,821	2,743,903
Provision for federal, state and local income taxes	892,000	1,070,000
NET INCOME	$1,362,821	$1,673,903
NET INCOME PER SHARE	$0.11	$0.13
WEIGHTED AVERAGE SHARES OUTSTANDING	12,800,486	12,604,472

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

(UNAUDITED)

LIFETIME HOAN CORPORATION

Common Stock Shares	Amount	Paid-in Capital	Retained Earnings	Notes Receivable from	Deferred Compensat	Total

				Stockholders		ion	
Balance at December 31,1996	12,406,509	$124,065	$74,756,842	($2,336,661)	($908,064)	($77,549)	$71,558,633
Exercise of stock options	23,140	232	127,976				128,208
Net income for the three months ended March 31, 1997				1,362,821			1,362,821
Amortization of deferred compensation						3,946	3,946
Balance at March 31, 1997	12,429,649	$124,297	$74,884,818	($973,840)	($908,064)	($73,603)	$73,053,608

See notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
LIFETIME HOAN CORPORATION

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
OPERATING ACTIVITIES		
Net income	$1,362,821	$1,673,903
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:		
Depreciation and amortization	399,380	266,673
Amortization of deferred compensation	3,946	3,946
Deferred tax (benefit)	(27,000)	(87,000)
Provision for losses on accounts receivable	114,562	221,958
Changes in operating assets and liabilities:		
Accounts receivable	1,869,407	(856,876)
Merchandise inventories	(1,678,431)	619,000
Prepaid expenses, other current assets and other assets	370,615	(937,837)
Accounts payable and trade acceptances and accrued expenses	(1,286,463)	159,126
Income taxes payable	(420,225)	973,979
NET CASH PROVIDED BY OPERATING ACTIVITIES	708,612	2,036,872
INVESTING ACTIVITIES		
Purchase of property and equipment, net	(325,938)	(271,340)
NET CASH (USED IN) INVESTING ACTIVITIES	(325,938)	(271,340)
FINANCING ACTIVITIES		
Repayment of short term borrowings, net	(1,000,000)	(1,400,000)
Proceeds from the exercise of stock options	128,208	5,892
NET CASH (USED IN) FINANCING ACTIVITIES	(871,792)	(1,394,108)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(489,118)	371,424

Cash and cash equivalents at beginning of period	1,093,432	89,797
CASH AND CASH EQUIVALENTS AT END OF PERIOD...	$604,314	$461,221

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, 1997 are not necessarily indicative of the results that may be expected for the year ended December 31, 1997. 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, 1996.

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, 1997, the Company had no borrowings and $10,194,000 of letters of credit and trade acceptances outstanding. 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
Net Income Per Share: Net income per common share is based on net income divided by the weighted average number of common shares and equivalents outstanding during the periods.

Recent Accounting Pronouncement: In February 1997, the Financial Accounting Standards Board issued Statement No. 128, Earnings per Share, which is required to be adopted on December 31, 1997. At that time, the Company will be required to change the method currently used to compute earnings per share and to restate all prior periods. Under the new requirements for calculating primary earnings per share, the dilutive effect of stock options will be excluded. It is expected to have no impact on the first quarter ended March 31, 1997 primary earnings per share and increase primary earnings per share by $0.01 for the first quarter ended March 31, 1996. There is no expected impact of Statement 128 on the calculation of fully diluted earnings per share for these quarters.

On February 5, 1997, the Board of Directors of the Company declared a 10% stock dividend to shareholders of record on February 18, 1997, paid February 26, 1997. The stock dividend was recorded at its market value, $12.00 per share. All common stock data in the condensed consolidated financial statements gives retroactive effect to the February 1997 stock dividend.

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

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

	Three Months Ended March 31, 1997	1996
Net sales	100.0 %	100.0 %
Cost of sales	52.7	52.8
Gross profit	47.3	47.2
Selling, general and administrative expenses	36.7	32.8
Income from operations	10.6	14.4
Other (income), expense	(0.1)	0.1
Income before income taxes	10.7	14.3
Income taxes	4.2	5.6
Net Income	6.5 %	8.7 %

Three Months Ended March 31, 1997
Compared to Three Months Ended March 31, 1996

Net Sales

Net sales for the three months ended March 31, 1997 were $21.1 million, an increase of $1.8 million or 9.5% from the comparable 1996 period. The sales growth was primarily due to net sales from the Farberware Outlet Stores acquired in April 1996 and increased net sales of branded products, offset by a decline in shipments of our "impulse-purchase" product line.

Gross Profit

Gross profit for the three months ended March 31, 1997 was $10.0 million, an increase of $0.9 million or 9.7% over the comparable 1996 period. Gross profit as a percentage of net sales remained relatively constant at 47.3% for the 1997 period as compared to 47.2% for the 1996 period.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended March 31, 1997 were $7.7 million, an increase of $1.4 million or 22.4% from the comparable 1996 period. Selling, general and administrative expenses as a percentage of net sales were 36.7% during the 1997 period as compared to 32.8% for the 1996 period. This increase is primarily attributable to the operations of the Farberware Outlet Stores. Selling, general and administrative expenses as a percentage of net sales excluding the Farberware Outlet Stores were 33.0% for the three months ended March 31, 1997.

Net Income

Net Income for the three months ended March 31, 1997 was $1.4 million, a decrease of $0.3 million or 18.6% below the comparable quarter. This decrease is primarily attributable to the operations of the Farberware 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 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.

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, 1997, the Company had no borrowings and $10,194,000 of letters of credit and trade acceptances outstanding under the Line and, as a result, the availability under the Line was $14,806,000. The Line is cancelable by either party at any time.

At March 31, 1997, the Company had cash and cash equivalents of $604,000 versus $1.1 million at December 31, 1996, a decrease of $489,000. The decrease is primarily attributable to increased inventory levels, decreased accounts payable and trade acceptances and repayment of borrowings, partially offset by decreased accounts receivables.

The Company estimates capital expenditures for 1997 to be $9.0 million. These expenditures are primarily for the new state of the art distribution facility and the implementation of a new financial reporting system. These expenditures will be financed from current operations 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 long term 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.

PART II - OTHER INFORMATION

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

(a) Exhibit(s) in the first quarter of 1997:

Exhibit 27. Financial Data Schedule

(b) Reports on Form 8-K in the first quarter of 1997: 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, 1997.

Item	Item Description	Amount

Number		
5-02(1)	Cash and Cash Items	$ 604,314
5-02(2)	Marketable Securities	$ 0
5-02(3)(a)(1)	Notes and Accounts Receivable - Trade	$ 12,091,397
5-02(4)	Allowances for Doubtful Accounts	$ 75,000
5-02(6)	Inventory	$ 41,595,421
5-02(9)	Total Current Assets	$ 60,728,010
5-02(13)	Property, Plant and Equipment	$ 13,039,140
5-02(14)	Accumulated Depreciation	$ 4,301,730
5-02(18)	Total Assets	$ 83,560,202
5-02(21)	Total Current Liabilities	$ 10,506,594
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	$ 124,297
5-02(31)	Other Stockholders' Equity	$ 72,929,311
5-02(32)	Total Liabilities and Stockholders' Equity	$ 83,560,202
5-03(b)1(a)	Net Sales of Tangible Products	$ 21,058,183
5-03(b)1	Total Revenues	$ 21,108,129
5-03(b)2(a)	Cost of Tangible Goods Sold	$ 11,132,951
5-03(b)2	Total Costs and Expenses Applicable to Sales and Revenues	$ 11,132,951
5-03(b)3	Other Costs and Expenses	$ 0
5-03(b)5	Provision for Doubtful Accounts and Notes	$ 10,163
5-03(b)(8)	Interest and Amortization of Debt Discount	$ 23,100
5-03(b)(10)	Income Before Taxes and Other Items	$ 2,254,821
5-03(b)(11)	Income Tax Expense	$ 892,000
5-03(b)(14)	Income/Loss Continuing Operations	$ 1,362,821
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	$ 1,362,821
5-03(b)(20)	Earnings Per Share - Primary	$ 0.11
5-03(b)(20)	Earnings Per Share - Fully Diluted	$ 0.11

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

/s/ Milton L. Cohen May 14, 1997

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

/s/ Fred Spivak May 14, 1997

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Fred Spivak
Vice President - Finance and Treasurer
(Principal Financial and Accounting Officer)