

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, 2002

Commission file number 1-19254

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

Delaware
(State or other jurisdiction
of incorporation or
organization)

11-2682486
(I.R.S. Employer
Identification No.)

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

11590
(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 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

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 10,498,940 shares
outstanding as of July 31, 2002

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LIFETIME HOAN CORPORATION

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

~~June 30,~~
~~December~~
~~2002-31,~~
(unaudited)
2001 ASSETS

~~CURRENT ASSETS~~ Cash and cash equivalents \$ 266 \$ 5,021
~~Accounts receivable, less allowances of \$2,827 in 2002 and \$3,649 in 2001~~ 15,515 20,742
~~Merchandise inventories~~ 48,710 42,303
~~Prepaid expenses~~ 2,777 2,084
~~Deferred income taxes~~ 49 148
~~Other current assets~~ 4,229 3,702
TOTAL CURRENT ASSETS 71,546 74,000
~~PROPERTY AND EQUIPMENT, net~~ 21,894 22,376
~~EXCESS OF COST OVER NET ASSETS ACQUIRED, net~~ 15,498 15,498
~~OTHER INTANGIBLES, net~~ 9,195 9,390
~~OTHER ASSETS~~ 2,045 2,106
TOTAL ASSETS \$120,178 \$123,370
LIABILITIES AND STOCKHOLDERS' EQUITY
~~CURRENT LIABILITIES~~
~~Short term borrowings~~ \$22,094 \$22,847
~~Accounts payable and trade acceptances~~ 7,162 4,955
~~Accrued expenses~~ 14,385 17,123
TOTAL CURRENT LIABILITIES 43,641 44,925
~~MINORITY INTEREST~~ 240 384
~~STOCKHOLDERS' EQUITY~~
~~Common Stock, \$0.01 par value,~~

~~authorized~~
~~25,000,000~~
~~shares:~~
~~issued and~~
~~outstanding~~
~~10,497,690~~
~~in 2002 and~~
~~10,491,101~~
~~in 2001 105~~
~~105 Paid in~~
~~capital~~
~~61,119~~
~~61,087~~
~~Retained~~
~~earnings~~
~~15,541~~
~~17,660 Notes~~
~~receivable~~
~~for shares~~
~~issued to~~
~~stockholders~~
~~(486) (486)~~
~~Accumulated~~
~~other~~
~~comprehensive~~
~~profit (loss)~~
~~18 (305)~~
~~TOTAL~~
~~STOCKHOLDERS'~~
~~EQUITY~~
~~76,297~~
~~78,061 TOTAL~~
~~LIABILITIES~~
~~AND~~
~~STOCKHOLDERS'~~
~~EQUITY~~
~~\$120,178~~
~~\$123,370~~

See notes to condensed consolidated financial statements.

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

Three Months	Six Months
Ended	Ended
June 30, 2002	June 30, 2001
2002	2001
Net	Net
Sales \$29,400	Sales \$27,571
\$27,571	\$55,798
\$58,878 Cost	\$58,878 Cost
of Sales	of Sales
15,666 15,213	30,060 32,580
30,060 32,580	Gross Profit
Gross Profit	13,734 12,358
13,734 12,358	25,738 26,298
25,738 26,298	Selling,
Selling,	General and
General and	Administrative
Administrative	Expenses
Expenses	12,935 11,731
12,935 11,731	26,714 24,423
26,714 24,423	Interest
Interest	Expense 281
Expense 281	344 567 548
344 567 548	Other
Other	(Income)
(Income)	(233) (148)
(233) (148)	(374) (234)
(374) (234)	Income (Loss)
Income (Loss)	Before Income
Before Income	Taxes 751 431
Taxes 751 431	(1,169) 1,561
(1,169) 1,561	Income Taxes
Income Taxes	

~~361-227-(362)~~
~~718-NEF~~
~~INCOME-(LOSS)~~
~~\$390-\$204~~
~~\$(807)-\$843~~
~~EARNINGS PER~~
~~COMMON SHARE-~~
~~BASIC AND~~
~~DILUTED-\$0.04~~
~~\$0.02-\$(0.00)~~
~~\$0.00~~

See notes to condensed consolidated financial statements.

LIFETIME HOAN CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(unaudited)

~~Six Months~~
~~Ended June~~
~~30, 2002~~
~~2001~~
~~OPERATING~~
~~ACTIVITIES~~
~~Net (loss)~~
~~income-\$~~
~~(807)-\$ 843~~
~~Adjustments~~
~~to~~
~~reconcile~~
~~net (loss)~~
~~income to~~
~~net cash~~
~~(used in)~~
~~provided by~~
~~operating~~
~~activities:~~
~~Depreciation~~
~~and~~
~~amortization~~
~~1,766-1,714~~
~~Deferred~~
~~tax~~
~~(benefit)~~
~~99-425~~
~~Provision~~
~~for losses~~
~~on accounts~~
~~receivable~~
~~11-222~~
~~Reserve for~~
~~sales~~
~~returns and~~
~~allowances~~
~~3,075-2,734~~
~~Minority~~
~~Interest~~
~~(145)-(106)~~
~~Changes in~~
~~operating~~
~~assets and~~
~~liabilities:~~
~~Accounts~~
~~receivable~~
~~2,141-2,807~~
~~Merchandise~~
~~inventories~~
~~(6,407)~~
~~(7,159)~~
~~Prepaid~~
~~expenses,~~
~~other~~
~~current~~
~~assets and~~
~~other~~
~~assets~~
~~(1,159)~~
~~(578)~~

Accounts payable, trade acceptances and accrued expenses (530)
(2,843) NET CASH (USED IN) OPERATING ACTIVITIES (1,956)
(2,021) INVESTING ACTIVITIES Purchase of property and equipment, net (1,089)
(7,924) Acquisition of M. Kamenstein, Inc. — (164) NET CASH (USED IN) INVESTING ACTIVITIES (1,089)
(8,088) FINANCING ACTIVITIES (Repayment) Proceeds from short-term borrowings, net (753)
10,254 Repurchase of Common stock — (88) Proceeds from the exercise of stock options 31
13 Cash dividends paid (1,312)
(1,304) NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES (2,034)
8,875 EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS 324 (75)
(DECREASE) IN CASH AND CASH EQUIVALENTS (4,755)
(1,309) Cash and cash equivalents at beginning

~~of period~~
~~5,021,325~~
~~CASH AND~~
~~CASH~~
~~EQUIVALENTS~~
~~AT END OF~~
~~PERIOD \$~~
~~266 \$ 16~~

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 accounting principles generally accepted in the United States 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, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002. 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, 2001.

Note B - Inventories

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

Note C - Credit Facilities

As of June 30, 2002, the Company had \$1,328,000 of letters of credit and trade acceptances outstanding and \$18,900,000 of borrowings under its \$45 million three-year secured, revolving credit agreement (the "Agreement"), and as a result, the availability under the Agreement was \$24,772,000. Interest rates on borrowings at June 30, 2002 ranged from 3.94% to 4.13%.

In addition to the Agreement, the Prestige Companies (the Company's 51% controlled European subsidiaries) have three lines of credit with three separate banks providing available credit facilities totaling approximately \$3.4 million. As of June 30, 2002, the Prestige Companies had borrowings of approximately \$3.2 million against these lines. Interest rates on these lines of credits ranged from 5.85% to 8.25%.

Note D - Capital Stock

Cash Dividends: On May 2, 2002, the Board of Directors declared a quarterly cash dividend of \$0.0625 per share to stockholders of record on May 6, 2002, paid on May 20, 2002. On July 31, 2002, the Board of Directors of the Company declared a regular quarterly cash dividend of \$0.0625 per share to stockholders of record on August 5, 2002, to be paid on August 19, 2002.

Earnings Per Share: Basic earnings per share has been computed by dividing net income by the weighted average number of common shares outstanding of 10,498,000 for the three months ended June 30, 2002 and 10,488,000 for the three months ended June 30, 2001. For the six month periods ended June 30, 2002 and June 30, 2001, the weighted average number of common shares outstanding were 10,495,000 and 10,492,000, 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 10,574,000 for the three months ended June 30, 2002 and 10,534,000 for the three months ended June 30, 2001. For the six month periods ended June 30, 2002 and June 30, 2001, the diluted number of common shares outstanding were 10,495,000 and 10,547,000, respectively.

Note E - New Accounting Pronouncements

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standard ("SFAS") No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the

purchase method. Under SFAS No. 142, goodwill and intangible assets with indefinite lives are no longer amortized but are reviewed at least annually for impairment. Had this standard been applied for the three months ended June 30, 2001, net income would have been increased by \$82,000 and basic and diluted earnings per share would have been \$0.03 and for the six months ended June 30, 2001, net income would have been increased by \$164,000 and basic and diluted earnings per share would have been \$0.10.

Effective January 1, 2002, the Company adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"), which supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be disposed of." The primary objectives of SFAS No. 144 are to develop one accounting model based on the framework established in SFAS No. 121 for long-lived assets to be disposed of by sale, and to address significant implementation issues. The adoption of this statement did not have an impact on the Company's consolidated results of operations or financial position.

ITEM 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	Six Months
	Ended	Ended
	June 30,	June
	2002	2001
	2002	2001
	Net	Net
	sales	sales
	100.0 %	100.0 %
	100.0 %	100.0 %
	100.0 %	100.0 %
Cost of sales	53.3	55.2
	53.9	55.3
Gross profit	46.7	44.8
	46.1	44.7
Selling, general and administrative expenses	44.0	47.9
	42.5	47.9
Interest expense	1.0	0.9
	1.3	1.0
Other (income)	(0.8)	(0.5)
	(0.7)	(0.3)
Income before income taxes	2.5	1.5
	2.6	(2.1)
Tax provision	1.2	1.2
	0.8	(0.7)
Net income (loss)	1.3	1.2
	0.7 %	(1.4) %
	1.4 %	1.4 %

Three Months Ended June 30, 2002
Compared to Three Months ended June 30, 2001

Net Sales

Net sales for the three months ended June 30, 2002 were \$29.4 million, an increase of \$1.8 million or 6.6% over the net sales in the prior year's corresponding period. These results reflect increases in the Company's cutlery and kitchen gadget product lines, as well as increased net sales attributable to the Company's Farberware Outlet stores and the Prestige Companies, offset by a decrease in net sales of Kamenstein products.

Gross Profit

Gross profit for the three months ended June 30, 2002 was \$13.7 million, an increase of 11.1% from the comparable 2001 period. Gross profit as a percentage of net sales increased to 46.7% from 44.8%. The gross margin improvement reflects generally higher profit margins attributable to all domestic product categories and the Company's Farberware Outlet stores. The increase in gross profit margin is the result of better sourcing of products from suppliers.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended June 30, 2002 were \$12.9 million, an increase of 10.3% from the comparable 2001 quarter. The increase in selling, general and administrative expenses was due principally to higher warehouse costs and an increase in expenses for the outlet stores. Effective January 1, 2002 the Company assumed responsibility for 50% of the outlet store space and 50% of the store operating expenses as compared to 40% in 2001. The higher warehouse costs were attributable to increased shipments and the expenses associated with the move to the new warehouse in Robbinsville, New Jersey.

Interest Expense

Interest expense for the three months ended June 30, 2002 was \$281,000, a decrease of 18.3% from the comparable 2001 quarter. This decrease is the result of lower interest rates on the Company's borrowings for the 2002 period as compared to the 2001 period.

Six Months Ended June 30, 2002
Compared to Six Months ended June 30, 2001

Net Sales

Net sales for the six months ended June 30, 2002 were \$55.8 million, a decrease of \$3.1 million or 5.2% as compared to the corresponding 2001 period. The lower sales volume was primarily attributable to the first quarter 2002 sales being lower than the comparable 2001 quarter due to the January 2002 startup of our new automated warehouse in Robbinsville, New Jersey, which negatively affected shipments, and to a lesser extent, lower sales of the Company's Kamenstein business for the six months ended June 30, 2002 as compared to the 2001 period.

Gross Profit

Gross profit for the six months ended June 30, 2002 was \$25.7 million, a decrease of 2.1% from the comparable 2001 period. Gross profit as a percentage of net sales increased to 46.1% from 44.7%, due primarily to higher gross margins generated by the Company's Kamenstein business, the result of better sourcing of products from suppliers.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the six months ended June 30, 2002 were \$26.7 million, an increase of 9.4% from the comparable 2001 period. The increase was primarily attributable to added expenses, including duplicate rent and other expenses, associated with the Company's move into its new New Jersey warehouse.

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 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 a \$45 million three-year secured, reducing revolving credit facility under an agreement (the "Agreement") with a group of banks. The facility matures on November 8, 2004. Borrowings under the Agreement are secured by all of the assets of the Company and the facility reduces to \$40 million at December 31, 2002 and to \$35 million at December 31, 2003. Under the terms of the Agreement, the Company is required to satisfy certain financial covenants, including limitations on indebtedness and sale of assets; a minimum fixed charge ratio; and net worth maintenance. Borrowings under the Agreement have different interest rate options that are based on an alternate base rate, LIBOR rate, or the lender's cost of funds rate. As of June 30, 2002, the Company had \$1,328,000 of letters of credit and trade acceptances outstanding and \$18,900,000 of borrowings under the agreement and, as a result, the availability under the Agreement was \$24,772,000. Interest rates on borrowings at June 30, 2002 ranged from 3.94% to 4.13%.

In addition to the Agreement, the Prestige Companies (the Company's 51% controlled European subsidiaries) have three lines of credit with three separate banks providing available credit facilities totaling approximately \$3.4 million. As of June 30, 2002, the Prestige Companies had borrowings of approximately \$3.2 million against these lines. Interest rates on these lines of credits ranged from 5.85% to 8.25%.

At June 30, 2002, the Company had cash and cash equivalents of \$266,000 versus \$5.0 million at December 31, 2001. The cash was used primarily to fund the increase in merchandise inventories, capital expenditures and cash dividends paid partially offset by decreased accounts receivable.

On July 31, 2002 the Board of Directors declared a regular quarterly cash dividend of \$0.0625 per share to shareholders of record on August 5, 2002 to be paid on August 19, 2002. The dividend to be paid will be approximately \$656,000.

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 predominantly all of 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact the consolidated financial position, results of operations or cash flows of the Company. The Company is exposed to market risk associated with changes in interest rates. The Company's lines of credit bear interest at variable rates. The Company is subject to increases and decreases in interest expense on its variable rate debt resulting from fluctuations in the interest rates of such debt. There have been no changes in interest rates that would have a material impact on the consolidated financial position, results of operations or cash flows of the Company during the six month period ended June 30, 2002.

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

The Company's annual meeting of stockholders was held on June 12, 2002. At the meeting, all seven director nominees were elected and the appointment of Ernst & Young LLP as independent auditors was ratified.

(a) The following directors were elected to hold office until the next annual meeting of stockholders by the votes indicated:

FOR
WITHHOLD
Jeffrey
Siegel
7,927,187
1,013,607
Milton
L. Cohen
7,901,482
1,039,312
Bruce
Cohen
7,927,308
1,013,486
Craig
Phillips
7,927,308
1,013,486
Ronald
Shifan
7,933,387
1,007,407
Howard
Bernstein
7,903,887
1,036,907
Leonard
Florence
7,908,287
1,032,507

(b) The appointment of Ernst & Young as the independent auditors to audit the Company's financial statements for the fiscal year ending December 31, 2002 was ratified by the following vote:

FOR WITHHOLD
EXCEPTIONS/ABSTAIN
8,939,310 1,121
363

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

(a) Exhibit(s) in the second quarter of 2002:

Exhibit 99.1 Certification by the Chief Executive
Officer and Chief Financial Officer
Relating to a Periodic Report Containing
Financial Statements

(b) Reports on Form 8-K in the second quarter of 2002: NONE

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.

August 14, 2002

/s/ Jeffrey Siegel

Jeffrey Siegel
Chief Executive Officer and President
(Principal Executive Officer)

August 14, 2002

/s/ Robert McNally

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

EXHIBIT 99.1

Certification by the Chief Executive Officer and Chief Financial Officer
Relating to a Periodic Report Containing Financial Statements

I, Jeffrey Siegel, Chief Executive Officer, and I, Robert McNally,
Chief Financial Officer, of Lifetime Hoan Corporation, a Delaware
corporation (the "Company"), each hereby certifies that:

- (1) The Company's periodic report on Form 10-Q for the period
ended June 30, 2002 (the "Form 10-Q") fully complies with the
requirements of Section 13(a) of the Securities Exchange Act of
1934, as amended; and
- (2) The information contained in the Form 10-Q fairly presents,
in all material respects, the financial condition and results of
operations of the Company.

/s/ Jeffrey Siegel
Jeffrey Siegel
Chief Executive Officer

/s/ Robert McNally
Robert McNally
Chief Financial Officer

Date: August 14, 2002

Date: August 14, 2002