UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): January 15, 2014

Lifetime Brands, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

0-19254	**11-2682486**
(Commission File Number)	**(IRS Employer Identification No.)**

1000 Stewart Avenue, Garden City, New York, 11530
(Address of Principal Executive Offices)(Zip Code)

(Registrant's Telephone Number, Including Area Code) 516-683-6000

(Former Name or Former Address, if Changed Since Last Report) N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.01 Completion of Acquisition or Disposition of Assets

On January 17, 2014, Lifetime Brands, Inc. filed with the Securities and Exchange Commission (the "SEC") a Current Report on Form 8-K (the "Original Form 8-K") disclosing, among other things, that on January 15, 2014 it had acquired 100% of the share capital of Thomas Plant (Birmingham) Limited ("Thomas Plant" or "Kitchen Craft").

This Current Report on Form 8-K/A is being filed with the SEC to amend the Original Form 8-K in order to provide the disclosures required by Item 9.01 of Form 8-K, including the required historical financial information of Thomas Plant and the required pro forma financial statements.

Except as otherwise provided herein, the other disclosures made in the Original Form 8-K remain unchanged.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired.

The audited consolidated financial statements as of and for the 52 weeks ended May 27, 2013 of Thomas Plant and the related notes to such audited consolidated financial statements are filed with this Current Report on Form 8-K/A as Exhibit 99.1 and incorporated herein by reference.

(b) Pro Forma Financial Information.

The Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2013, the related Unaudited Pro Forma Condensed Consolidated Statement of Operations for the twelve months ended December 31, 2013 and the related notes to such Unaudited Pro Forma Condensed Consolidated Financial Information are furnished with this Current Report on Form 8-K/A as Exhibit 99.2 and incorporated herein by reference.

The Unaudited Pro Forma Condensed Consolidated Financial Statements are unaudited, are presented for informational purposes only, and are not necessarily indicative of the financial position or results of operations that would have occurred had the Kitchen Craft acquisition been completed as of the dates or at the beginning of the period presented. In addition, the Unaudited Pro Forma Condensed Consolidated Financial Statements do not purport to project the future consolidated financial position or operating results of the combined companies.

(d) Exhibits

23.1 Consent of BDO LLP, Independent accountant.

99.1 Audited consolidated financial statements of Thomas Plant as of and for the 52 weeks ended May 27, 2013 and the related notes to such audited consolidated financial statements.

99.2 Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2013, the related Unaudited Pro Forma Condensed Consolidated Statement of Operations for the twelve months ended December 31, 2013 and the related notes to such Unaudited Pro Forma Condensed Consolidated Financial Information.

Signature

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 Brands, Inc.

By: /s/ Laurence Winoker
Laurence Winoker
Senior Vice President – Finance, Treasurer and Chief Financial Officer

Date: March 31, 2014

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANT

Lifetime Brands, Inc.
1000 Stewart Avenue
Garden City
NY 11530
United States of America

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-137575) and Form S-8 (No. 333-105382, 333-146017, 333-162734 and 333-186208) of Lifetime Brands, Inc. of our report dated 31 March 2014, relating to the consolidated financial statements of Thomas Plant (Birmingham) Limited as of and for the 52 weeks ended 27 May 2013, which appears in this Form 8-K.

/s/ BDO LLP
Birmingham, United Kingdom

31 March 2014

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Thomas Plant (Birmingham) Limited

We have audited the accompanying consolidated financial statements of Thomas Plant (Birmingham) Limited and its subsidiaries, which comprise the consolidated balance sheet as at 27 May 2013, and the related consolidated profit and loss account, consolidated statement of total recognised gains and losses and consolidated cash flow statement for the 52 weeks then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with generally accepted accounting practice in the United Kingdom; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Thomas Plant (Birmingham) Limited and its subsidiaries as at 27 May 2013, and the results of their operations and their cash flows for the 52 weeks then ended in accordance with generally accepted accounting practice in the United Kingdom.

/s/ BDO LLP

BDO LLP
Birmingham, United Kingdom
31 March 2014

THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEK PERIOD ENDED 27 MAY 2013

	Note	2013 £000
TURNOVER	1,2	**41,512**
Change in stocks of finished goods and work in progress		**1,084**
Raw materials and consumables		**(25,650)**
Other external charges		**(6,655)**
Staff costs	4	**(8,563)**
Depreciation and amortisation		**(199)**
OPERATING PROFIT	3	**1,529**
Interest receivable and similar income	6	**309**
Interest payable and similar charges	7	**(87)**
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**1,751**
Tax on profit on ordinary activities	8	**(423)**
PROFIT FOR THE FINANCIAL PERIOD	17	**1,328**

All amounts relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profit for the periods stated above and their historical cost equivalents.

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE 52 WEEK PERIOD ENDED 27 MAY 2013

	Note	2013 £000
PROFIT FOR THE FINANCIAL PERIOD		**1,328**
Actuarial loss related to pension scheme	24	**(319)**
Deferred tax attributable to actuarial loss		**74**
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE FINANCIAL PERIOD		**1,083**

The notes are an integral part of these consolidated financial statements.

THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET
AS AT 27 MAY 2013

	Note	£000	2013 £000
FIXED ASSETS			
Tangible assets	9		**417**
CURRENT ASSETS			
Stocks	11	**11,092**	
Debtors	12	**7,724**	
Cash at bank		**2,281**	
		21,097	
CREDITORS: amounts falling due within one year	13	**(6,913)**	
NET CURRENT ASSETS			**14,184**
TOTAL ASSETS LESS CURRENT LIABILITIES			**14,601**
CREDITORS: amounts falling due after more than one year	14		**(8)**
NET ASSETS			**14,593**
CAPITAL AND RESERVES			
Called up share capital	16		**690**
Capital redemption reserve	17		**85**
Profit and loss account	17		**13,818**
SHAREHOLDERS' FUNDS	18		**14,593**

The consolidated financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2014

/s/ A J Plant
A J Plant
Director

The notes are an integral part of these consolidated financial statements.

THOMAS PLANT (BIRMINGHAM) LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED CASH FLOW STATEMENT
FOR THE 52 WEEK PERIOD ENDED 27 MAY 2013

	Note	2013 £000
Net cash outflow from operating activities	20	**(258)**
Returns on investments and servicing of finance	21	**222**
Taxation	21	**(935)**
Capital expenditure and financial investment	21	**(146)**
Equity dividends paid		**(104)**
DECREASE IN CASH IN THE PERIOD		**(1,221)**

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)
FOR THE 52 WEEK PERIOD ENDED 27 MAY 2013

		2013 £000
Decrease in cash in the period		**(1,221)**
Cash outflow from decrease in debt and lease financing		**—**
MOVEMENT IN NET DEBT IN THE PERIOD		**(1,221)**
Net funds at 28 May 2012		**2,119**
NET FUNDS AT 27 MAY 2013	22	**898**

The notes are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE 52 WEEK PERIOD ENDED 27 MAY 2013

1. ACCOUNTING POLICIES

Statement of directors' responsibilities

The directors are responsible for preparing these consolidated financial statements for Thomas Plant (Birmingham) Limited and its Subsidiary Companies (together "the Group") as at and for the 52 week period ended 27 May 2013, in conformity with generally accepted accounting practice in the United Kingdom ("UK GAAP")

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group, and for identifying and ensuring that the Group complies with the law and regulations applicable to their activities. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that suitable accounting policies have been used and applied consistently for the periods presented. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the consolidated financial statements and that applicable accounting standards have been followed.

1.1 Basis of preparation of financial statements

The Group's financial statements have been prepared under the historical cost convention and in accordance with UK GAAP. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated. The financial statements are prepared under the historical cost convention.

On 15 January 2014 , all of the issued and outstanding ordinary shares in the Company was acquired by Lifetime Brands Inc (See Note 28).

These consolidated financial statements do not constitute the statutory consolidated financial statements of the Group. Copies of the consolidated statutory financial statements of the Group can be obtained from the Registrar at Companies House in the United Kingdom.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Thomas Plant (Birmingham) Limited and its subsidiary undertakings ('subsidiaries') drawn up to 27 May 2013. The subsidiary undertakings did not trade during the period.

1. ACCOUNTING POLICIES (continued)

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods supplied during the period, exclusive of Value Added Tax, trade discounts, customer rebates and settlement discounts.

Revenue from the sales of goods is recognised when the Group has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Group will receive the previously agreed upon payment. These criteria are considered to be met when the goods are delivered to the buyer. Where the buyer has a right of return, the Group defers recognition of revenue until the right to return has lapsed, and otherwise revenue is recognised in the period where the goods are delivered less an appropriate provision for returns based on past experience.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	33.3% reducing balance
Furniture, fittings and equipment	-	10-33% straight line
Short leasehold improvements	-	Over the lease term

1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is calculated on a weighted average basis.

1.8 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1. ACCOUNTING POLICIES (continued)

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.10 Pensions

The company operates defined contribution and defined benefit pension schemes. The pension charge for the defined contribution scheme represents the amount payable by the company in respect of the year and the charge for the defined benefit scheme is based on a full actuarial valuation dated 1 April 2011 updated by the actuaries under FRS 17 to 27 May 2013.

For the defined benefit scheme, pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of the liabilities of the company’s defined benefit pension schemes expected to arise from employee service in the year is charged to operating profit. The expected return on the scheme’s assets and the increase during the year in the present value of the scheme’s liabilities arising from the passage of time are included in interest payable. Gains or losses on curtailments or settlements are recognised in the profit and loss account. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised on the balance sheet net of related deferred tax.

1.11 Preference shares

In accordance with Financial Reporting Standard 25, non-equity shares, including preference shares are classified in the balance sheet as creditors as opposed to equity as they have a fixed entitlement to dividends, and dividends accruing or paid on such shares being included as interest payable before arriving at profit on ordinary activities before tax.

1.12 Dividends on equity shares

Dividends on equity shares are recognised when declared.

1.13 Loan notes

Loan notes are recorded at the value of consideration received. Interest is accrued over the term of the loan notes in accordance with the loan terms.

2. TURNOVER

Turnover is attributable to one class of business.

A geographical analysis of turnover is as follows:

	2013 £000
United Kingdom	31,383
Rest of European Union	6,766
Rest of world	3,363
	41,512

3. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £000
Depreciation of tangible fixed assets:	
- owned by the group	199
Operating lease rentals:	
- plant and machinery	175
- other operating leases	376

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013 £000
Wages and salaries	7,559
Social security costs	869
Other pension costs (see note 24)	135
	8,563

5. DIRECTORS' REMUNERATION

	2013 £000
Emoluments	3,650

The highest paid director received remuneration of £1,229,281.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £000
Exchange differences	306
Other interest receivable	3
	309

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £000
On loans and overdrafts	87

8. TAXATION

	2013 £000
Analysis of tax charge for the period	
Current tax (see note below)	
UK corporation tax charge on profit for the period	352
Total current tax	352
Deferred tax	
Origination and reversal of timing differences	(3)
Adjustments in respect of pension fund charges and payments	74
Total deferred tax	71
Tax on profit on ordinary activities	423

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 23%. The differences are explained below:

	2013 £000
Profit on ordinary activities before tax	1,751
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23%	403
Effects of:	
Expenses not deductible for tax purposes	4
Capital allowances for period in excess of depreciation	4
Adjustment in respect of pension fund charges and payments	(74)
Change in tax rate	12
Other timing differences	3
Current tax charge for the period (see note above)	352

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

9. TANGIBLE FIXED ASSETS

Group	Short leasehold improvements £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
Cost				
At 28 May 2012	139	196	1,116	1,451
Additions	—	54	92	146
Disposals	—	(14)	—	(14)
At 27 May 2013	139	236	1,208	1,583
Depreciation				
At 28 May 2012	73	128	780	981
Charge for the period	41	31	127	199
On disposals	—	(14)	—	(14)
At 27 May 2013	114	145	907	1,166
Net book value				
At 27 May 2013	25	91	301	417
At 27 May 2012	66	68	336	470

10. SUBSIDIARY UNDERTAKINGS

Investments in subsidiaries comprised holdings in Thomas Plant (Birmingham 1927) Limited, Frederick Hill (Birmingham) Limited, Kitchencraft (Housewares) Limited and Plumbob (Hardware) Limited.

Thomas Plant (Birmingham) Limited has a 100% holding in all of the above subsidiaries which are all incorporated within the UK and were dormant throughout the period.

The group also has a 100% holding in Kitchencraft (Asia) Limited, a company incorporated in Hong Kong, which has not traded throughout the period.

11. STOCKS

	2013 £000
Finished goods and goods for resale	11,092

12. DEBTORS

	2013 £000
Trade debtors	6,903
Other debtors	667
Prepayments and accrued income	134
Deferred tax asset (see note 15)	20
	7,724

13. CREDITORS:

Amounts falling due within one year

	2013 £000
Debenture loans from related parties (see note 27)	1,375
Trade creditors	2,034
Corporation tax	352
Social security and other taxes	68
Other creditors	202
Accruals and deferred income	2,882
	6,913

Debenture loans are secured by a second fixed and floating charge over the assets of the group, and are repayable on demand (see note 27).

14. CREDITORS:

Amounts falling due after more than one year

	2013 £000
Preference shares	8
	8

Creditors include amounts not wholly repayable within 5 years as follows:

	2013 £000
Repayable other than by instalments	8

Non equity preference shares classified as debt

Allotted, called up and fully paid	
8,334 - 4.2% Cumulative preference shares of £1 each	8

The Cumulative preference shares accrue dividends of 4.2% per annum that are paid annually in priority to other shares, The shares have no redemption rights and in the event of a winding up are to be repaid (to the extent they are paid up) in priority to other shares. They carry no voting rights except in the event of a winding up, if the dividends are in arrears for greater than 12 months, or in respect of a resolution to change the rights of the preference shares.

15. DEFERRED TAX ASSET

	2013 £000
At beginning of period	17
Credit for the period	3
At end of period	20

The deferred tax asset is made up as follows:

	2013 £000
Accelerated capital allowances	18
Other timing differences	2
	20

16. SHARE CAPITAL

	2013 £000
Ordinary shares classified as equity	
Allotted, called up and fully paid	
690,000 - Ordinary shares of £1 each	690

17. RESERVES

	Capital redemption reserve £000	Profit and loss account £000
At 28 May 2012	85	12,839
Profit for the period	—	1,328
Dividends: Equity capital	—	(104)
Pension reserve movement net of attributable tax	—	(245)
At 27 May 2013	85	13,818

The closing balance on the profit and loss account includes £NIL, stated after deferred taxation of £NIL (2012 - £NIL), in respect of pension scheme liabilities of the group and company pension scheme.

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £000
Opening shareholders' funds	13,614
Profit for the period	1,328
Dividends (see note 19)	(104)
Other recognised gains and losses during the period	(245)
Closing shareholders' funds	14,593

19. DIVIDENDS

	2013 £000
Dividends paid on equity capital	104

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £000
Operating profit	1,529
Depreciation of tangible fixed assets	199
(Increase)/decrease in stocks	(1,084)
Increase in debtors	(913)
Increase in creditors	331
Defined benefit pension scheme contributions paid	(320)
Net cash inflow from operating activities	**(258)**

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £000
Returns on investments and servicing of finance	
Interest received	3
Interest paid	(87)
Exchange gains	306
Net cash inflow/(outflow) from returns on investments and servicing of finance	**222**

	2013 £000
Taxation	
Corporation tax	(935)

	2013 £000
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(146)
Net cash outflow from capital expenditure	**(146)**

22. ANALYSIS OF CHANGES IN NET FUNDS

	28 May 2012 £000	Cash flow £000	Other non-cash changes £000	27 May 2013 £000
Cash at bank and in hand	3,502	(1,221)	—	2,281
Debts due within one year	—	—	(1,375)	(1,375)
Debts falling due after more than one year	(1,383)	—	1,375	(8)
Net funds	2,119	(1,221)	—	898

23. CONTINGENT LIABILITIES

At 27 May 2013 there were contingent liabilities of £125,000 in respect of HM Revenue & Customs guarantees.

24. PENSION COMMITMENTS

The company operates a defined contribution pension scheme.

The company also operates a defined benefit pension scheme, which is closed to future service accrual and new members, to which the following applies. The overall expected long term return on plan assets is a weighted average of the expected long term returns for equity securities, debt securities and other assets. The returns on each category, after allowing for scheme expenses, are as follows:

- The redemption yield on UK government fixed interest bonds is around 3%. The average yield on AA-rated corporate bonds is 3.9%. Weighted by the relative proportion of each within the portfolio the expected rate of return on the bond investment is 3.5%.
- The long-term return on equities is assumed to outperform gilts by 3% giving an expected return of 6%. The same rate of return is assumed for the property holding.
- Cash will return the same yield as on the bank base rate of 0.5%.

The company's total pension charge included within operating profit was £135,079, being £21,906, representing administrative and other costs, in respect of its defined benefit pension scheme arrangements and £113,173 in respect of its defined contribution pension arrangements.

The amounts in the financial statements for the period ended 27 May 2013, relating to pensions, are based on a full actuarial valuation dated 1 April 2011 updated under FRS 17 to 27 May 2013.

24. PENSION COMMITMENTS (continued)

The amounts recognised in the balance sheet are as follows:

	2013 £000
Present value of defined benefit obligation	(5,068)
Fair value of scheme assets	5,866
Surplus in scheme	798
Surplus not recognised	(798)
Net asset	—

The amounts recognised in the profit and loss account are as follows:

	2013 £000
Interest on obligation	(197)
Expected return on scheme assets	197
Total	—

The expected return on scheme assets included in the profit and loss account has been restricted by £76,000 because the scheme surplus is not recognised.

Movements in the present value of the defined benefit obligation were as follows:

	2013 £000
Opening defined benefit obligation	4,574
Interest cost	197
Actuarial losses	462
Benefits paid	(165)
Closing defined benefit obligation	5,068

24. PENSION COMMITMENTS (continued)

Changes in the fair value of scheme assets were as follows:

	2013 £000
Opening fair value of scheme assets	4,987
Expected return on assets (as restricted)	197
Actuarial gains and (losses)	451
Contributions by employer	320
Benefits paid	(165)
Expected return restricted due to unrecognised surplus	76
Closing fair value of scheme assets	5,866

The amount recognised in the statement of Total Recognised Gains and Losses comprises:

	2013 £000
Actual return less expected return on assets	451
Actuarial (losses)/gains on scheme liabilities	(462)
Effect of the limit on recognition of scheme surplus	(308)
Total loss	(319)

The cumulative amount of actuarial gains and losses recognised in the consolidated statement of total recognised gains and losses was £261,000.

At 27 May 2013 the company expected to contribute £320,000 to its defined contribution pension scheme in 2014. Following the change in ownership of the company this is now expected to be £1.4milllion.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013
Equities and property	49.00%
Bonds	34.00%
Cash and other	17.00%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2013
Inflation	2.50%
Pension increases-LPI maximum 5%	2.40%
Pension increases-LPI maximum 2.5%	2.30%
Deferred pension revaluation	2.50%
Discount rate	3.90%
Expected rate of return	4.30%

24. PENSION COMMITMENTS (continued)

Mortality assumptions follow the standard table known as S1PA, using 100% of the base table with medium cohort mortality improvements subject to a 1.25% minimum to the annual improvements.

Assuming retirement at age 65, life expectancies in years are as follows:

	2013
For a male aged 65 now	22.0
At 65 for a male member aged 45 now	24.3
For a female aged 65 now	24.6
At 65 for a female aged 45 now	27.0

Amounts for the current and previous 3 periods are as follows

	2013 £000	2012 £000	2011 £000	2010 £000
Defined benefit obligation	**(5,068)**	(4,574)	(4,834)	(4,656)
Scheme assets	**5,866**	4,987	4,955	4,510
Surplus/(deficit)	**798**	413	121	(146)
Total actuarial adjustments on scheme liabilities	**(462)**	356	(100)	(995)
Experience adjustments on scheme liabilities	**(5)**	(57)	(92)	59
Experience adjustments on scheme assets	**451**	(476)	8	445

25. OPERATING LEASE COMMITMENTS

At 27 May 2013 the group had annual commitments under non-cancellable operating leases as follows:

Group	**Land and buildings 2013 £000**	**Other 2013 £000**
Expiry date:		
Within 1 year	**371**	**376**
Between 2 and 5 years	—	—

26. OTHER FINANCIAL COMMITMENTS

At 27 May 2013 the group had entered into certain forward contracts to manage the exposure to currency exchange rate movements. The fair value of these contracts at 27 May 2013 was an asset of £288,000.

27. RELATED PARTY TRANSACTIONS

The group has two properties leased from the Trustees of the Thomas Plant (Birmingham) Limited 1997 Retirement Benefits Scheme. One property is on a ten year lease ending in December 2013, at a yearly rent of £286,000. The other property was on a five year lease which ended in March 2010, and is now on a six month rolling contract at a yearly rent of £85,000.

R T H Plant, A J Plant and P W Bushell, who are directors of the company, are also members of the scheme.

	2013 dividends £000
A J Plant	**25**
R T H Plant	**25**
P W Bushell	**20**
J H T Plant	**20**

S Plant, M G Plant and K M Bushell, who are wives of the respective directors, each originally loaned the company £500,000, totalling £1.5 million. During the prior year £125,000 was repaid to K M Bushell leaving a balance at 27 May 2013 of £375,000 owed to K M Bushell, and a total amount outstanding of £1.375 million (note 13).

Interest is payable on the loans at 5.5% over Lloyds TSB Bank plc base rate. Interest charged on these loans during the period amounted to £30,000 for S Plant and M G Plant and £22,500 for K M Bushell. Of this interest, £5,000 each remained outstanding to S Plant and M G Plant and £3,750 remained outstanding to K M Bushell at 27 May 2013.

28. SUBSEQUENT EVENTS

On 15 January 2014, the share capital of the company was acquired by Lifetime Brands, Inc for cash in the amount of £37.4 million ($61.5 million), this including an estimated working capital adjustment and in addition 581,432 shares of common stock of the Company with a value of £5.5 million ($9.0 million). Contingent cash consideration of up to £5.5 million ($9.0 million) will be payable in future years if the Company achieves certain financial targets.

On 15 January 2014 the debenture loans with related parties (as disclosed in note 13 and note 27) were repaid at book value.

28. SUBSEQUENT EVENTS (continued)

The Company agreed on 15 January 2014 to extend the terms of the leases of properties that are leased from Trustees of the Thomas Plant (Birmingham) 1997 Retirement Benefits Scheme. The lease previously expiring in December 2013 was extended to 24th March 2016 at the annual rate of £235,000, with a break clause that can be exercised by giving 120 days prior written notice to the Landlord. The lease that was previously on a 6 month rolling lease now also runs to 24th March 2016 at the annual rate of £95,000 with a break clause of 120 days prior written notice to the Landlord.

On 31st December 2013, the Company entered into a share buy-back and purchased the preference shares in issue at par value of £8,334.

The Company has agreed to make an increased contribution to the group's defined benefit scheme. The additional contribution of £1,200,000 was paid on 15th January 2014.

Directors' remuneration for the period ended 27 May 2013 as disclosed in note 5 was £3.65million. Subsequent to the acquisition by Lifetime Brands Inc, the remuneration arrangements of the former directors has been revised and the aggregate annual remuneration from June 2014 is expected to be approximately £1m.

29. SUMMARY OF CERTAIN DIFFERENCES BETWEEN ACCOUNTING PRACTICES GENERALLY ACCEPTED IN THE UNITED KINGDOM AND GENERALLY ACCEPTED ACCOUNTING PRINCIPLES THE UNITED STATES OF AMERICA

The accompanying consolidated financial statements have been prepared in accordance with UK GAAP, which differs in certain significant respects from accounting principles generally accepted in the United States of America ("US GAAP"). Such differences involve methods for measuring the amounts shown in the financial statements.

The following is a narrative discussion of certain differences between UK GAAP and US GAAP in the consolidated profit and loss account, consolidated balance sheet and consolidated cash flow statement for the year ended 27 May 2013.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

A summary of the principal differences and additional disclosures applicable to the group are set out below:

Pensions and other post-retirement benefits

The group operates a defined benefit pension scheme for certain employees and former employees.

Under UK GAAP, the cost of providing pension benefits is calculated in accordance with FRS 17, *Retirement benefits*. FRS 17 requires that the surplus (deficit) of a pension scheme's assets over its liabilities be recorded as an asset (liability) of the group at each balance sheet date, with an asset only being recognized to the extent that the group is able to recover a surplus either through reduced contributions in future or through refunds from the scheme. The pension cost charged to the profit and loss account comprises two elements; the charge to operating profit comprises the current service cost, being the actuarially determined present value of the pension benefits earned by employees in the current period; and the finance cost which represents the net of the expected return on scheme assets less the notional interest cost arising from unwinding the discount on the scheme liabilities. Other changes to the scheme assets or liabilities, usually as a result of changes in actuarial assumptions or

29. SUMMARY OF CERTAIN DIFFERENCES BETWEEN ACCOUNTING PRACTICES GENERALLY ACCEPTED IN THE UNITED KINGDOM AND GENERALLY ACCEPTED ACCOUNTING PRINCIPLES THE UNITED STATES OF AMERICA (CONTINUED)

differences between actuarial forecasts and the actual outturn are recorded as a movement in the statement of total recognised gains and losses. Where there is a restriction on the recognition of a scheme surplus, the expected return on assets is restricted so that it does not exceed the total of the current service cost and interest cost, with any further adjustment treated as an actuarial gain or loss.

Under US GAAP, the annual pension cost comprises the estimated cost of benefits accruing in the period as determined in accordance with ASC 715 *Compensation—Retirement Benefits*. Under ASC 715, the group would recognise a liability in respect of pensions and other post-retirement benefits. The difference between this liability and the plans' funded status (the difference between plan assets and liabilities) would be recognised on the balance sheet as an asset, with actuarial gains or losses recognised in the profit and loss account.

US GAAP also requires consideration for the tax effects of the temporary difference between the book and tax bases of the reported benefit liabilities/assets. Recognizing a benefit liability will generally result in changes to the deferred tax assets and liabilities, which should be recorded based on the intraperiod allocation provisions of ASC 740. Generally, changes in deferred tax balances are recorded through the income tax provision.

Inventory Provisions

Under UK GAAP, stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks, which can be revised upwards or downwards in subsequent periods. Cost is calculated on a weighted average basis.

Under US GAAP stock is priced using the lower of cost and market method. Market is the current replacement cost; however, the replacement cost cannot be greater than the net realisable value or less than net realisable value reduced by a normal sales margin. Net realisable value is estimated selling price less costs of completion and sale. If the estimated selling price is lower than the inventory's cost, the Company reduces the value of the inventory to its net realisable value. Reversal of stock provisions is prohibited.

Deferred taxation

Under UK GAAP, deferred tax is accounted for in accordance with FRS *19 Deferred taxation* and is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date, deferred tax is recognised.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. There is a general acceptance that an entity would look out between 1-3 years when considering future profitability to evaluate the probability of realizing the assets.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. FRS 19 permits, but does not, require discounting and deferred tax is measured on an undiscounted basis.

Under US GAAP, deferred taxation is provided for on a full liability basis. Under the liability method, deferred tax assets and liabilities represent the future tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates that are expected to be in effect when these temporary differences are expected to reverse. A valuation allowance is established when necessary to reduce deferred tax assets to amounts expected to be realized. Under U.S. GAAP, there is no accepted cap on the look-out period when the company had a history of profitability.

The effect of other differences between UK and US GAAP affecting the carrying value of assets and liabilities gives rise to other timing differences on which deferred tax may be recognised under US GAAP.

29. SUMMARY OF CERTAIN DIFFERENCES BETWEEN ACCOUNTING PRACTICES GENERALLY ACCEPTED IN THE UNITED KINGDOM AND GENERALLY ACCEPTED ACCOUNTING PRINCIPLES THE UNITED STATES OF AMERICA (CONTINUED)

Classification of financial instruments

Under UK GAAP as applied by the Group, financial instruments including derivative financial instruments such as foreign currency contracts are recorded in the balance sheet at amortised cost.

Under US GAAP, these derivative financial instruments are recorded in accordance with ASC Topic No. 815, Derivatives and Hedging. ASC Topic No. 815 requires that all derivative instruments be recognised on the balance sheet at fair value as either an asset or liability. The derivatives of the company do not qualify or are not designated as hedging instruments for accounting purposes, and changes in fair value would be recorded in operations.

Balance sheet presentation

Under UK GAAP, certain assets are netted against certain liabilities in the balance sheet, whereas US GAAP requires the separate presentation of total assets and total liabilities. UK GAAP requires that assets are presented in ascending order of liquidity, whereas U.S. GAAP assets are presented in descending order of liquidity.

Under UK GAAP, current assets include amounts which fall due after more than one year. Under US GAAP, assets with amounts which fall due after more than one year would be reclassified as non current assets.

Profit and loss account presentation

In addition to the differences between UK GAAP and US GAAP related to the recognition and measurement of transactions by the Company, there are also a number of differences in the manner in which items are classified in the consolidated profit and loss account. These classification differences have no impact on net income or shareholders' equity.

Statement of Cash Flows

Under UK GAAP, the consolidated cash flows are presented in accordance with Financial Reporting Standard 1 (Revised), *Cash Flow Statements,* (FRS 1). Under FRS 1, a company presents its cash flows for (i) operating activities; (ii) returns on investments and servicing of finance; (iii) taxation; (iv) capital expenditure and financial investment; (v) acquisitions and disposals; (vi) equity dividends paid; (vii) management of liquid resources, and (viii) financing.

US GAAP, ASC Topic No. 230, *Statement of Cash Flows,* requires cash flows to be presented in three categories: (i) operating, (ii) investing and (iii) financing activities. Cash flows arising from taxation and returns on investment and servicing of finance under FRS 1 would be included as operating activities under ASC Topic No. 230. Cash flows relating to capital expenditure and financial investment would be included as investing activities under ASC Topic No. 230. Equity dividend payments would be included as a financing activity under ASC Topic No. 230.

Exhibit 99.2

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

On January 15, 2014, Lifetime Brands, Inc. (the "Company" or "Lifetime Brands"), acquired 100% of the share capital of Thomas Plant (Birmingham) Limited ("Kitchen Craft") pursuant to a share purchase agreement (the "Purchase Agreement"). To finance the acquisition the Company entered into an amendment and restatement of its existing Amended and Restated Credit Agreement with JPMorgan Chase Bank, N.A., as Administrative Agent and Co-Collateral Agent, and HSBC Bank USA, National Association, as Syndication Agent and Co-Collateral Agent (the "Second Amended and Restated Credit Agreement").

The following unaudited pro forma condensed consolidated financial information and explanatory notes are presented to illustrate the effects of the Kitchen Craft acquisition on the historical financial position and operating results of Lifetime Brands. The Unaudited Pro Forma Condensed Consolidated financial information show the impact of the Kitchen Craft acquisition on Lifetime Brands' historical financial position and results of operations under the acquisition method of accounting as if the Kitchen Craft acquisition had been completed on January 1, 2013 for the pro forma statement of operations and on December 31, 2013 for the pro forma balance sheet.

The unaudited pro forma condensed consolidated statement of operations for the twelve months ended December 31, 2013, combines information from the historical audited consolidated statement of operations of Lifetime Brands, Inc. for the year ended December 31, 2013, and the unaudited consolidated statement of operations information of Kitchen Craft for the twelve month period ended December 31, 2013, originally prepared in accordance with generally accepted accounting practice in the United Kingdom ("U.K. GAAP"), adjusted to be in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The statement of operations information of Kitchen Craft for the twelve months ended December 31, 2013 was translated into U.S. dollars using an exchange rate of GBP 1 = U.S. $1.56, the average rate for the period presented. The unaudited condensed consolidated pro forma balance sheet combines information from the historical audited consolidated balance sheet of Lifetime Brands, Inc. as of December 31, 2013 and the unaudited consolidated balance sheet information of Kitchen Craft as of December 31, 2013, originally prepared in accordance with U.K. GAAP, adjusted to be in accordance with U.S. GAAP. The balance sheet information was translated into U.S. dollars using an exchange rate of GBP 1 = U.S. $1.65, the rate at December 31, 2013. In addition to U.S. GAAP accounting adjustments, certain items have been reclassified from Kitchen Craft's historical financial statement information to align the presentation of those financials with Lifetime Brands' financial statement presentation.

The Kitchen Craft acquisition will be accounted for under the acquisition method of accounting, whereby the assets acquired and liabilities assumed will be measured at their respective fair values with any excess reflected as goodwill. The determination of the fair values of the net assets acquired, including intangible and net tangible assets, is based upon certain valuations that have not been finalized, and, accordingly, the adjustments to record the assets acquired and liabilities assumed at fair value reflect Lifetime Brands' preliminary estimate and are subject to change once the detailed analyses are completed. These adjustments may be material.

The unaudited pro forma condensed consolidated financial information is presented for informational and illustrative purposes in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"), including Article 11 of Regulation S-X under the Securities Act. Such information is preliminary and based on currently available information, assumptions and adjustments that the Company believes are reasonable, however the ultimate amounts recorded may be different. The Company's historical condensed consolidated financial information has been adjusted in the unaudited pro forma condensed financial information to give effect to pro forma events that are (1) directly attributable to the Kitchen Craft acquisition (2) factually supportable and (3) with respect to the statement of operations, expected to have a continuing impact on the consolidated results.

The Unaudited Pro Forma Condensed Consolidated Statement of Operations do not include: (1) any revenue or cost saving synergies that may be achieved subsequent to the completion of the business combination; or (2) the impact of non-recurring items directly related to the business combination.

The pro forma condensed consolidated financial information is unaudited, is presented for informational purposes only, and is not necessarily indicative of the financial position or results of operations that would have occurred had the Kitchen Craft acquisition been completed as of the dates or at the beginning of the periods presented. In addition, the unaudited pro forma condensed consolidated financial information does not purport to project the future consolidated financial position or operating results of the consolidated companies. The unaudited pro forma condensed consolidated financial information and the accompanying notes should be read together with:

- the separate audited historical consolidated financial statements of Lifetime Brands, Inc. for the year ended December 31, 2013 (as filed with the SEC on March 14, 2014 in Lifetime Brands' Annual Report on Form 10-K for the fiscal year ended December 31, 2013);
- the separate audited historical consolidated financial statements of Kitchen Craft as of May 27, 2013 and for the 52 weeks ended May 27, 2013 (included in this Form 8-K/A).

Lifetime Brands, Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
Twelve Months ended December 31, 2013
(In thousands except per share amounts)

	Historical				
	Lifetime Brands, Inc.	Kitchen Craft U.S. GAAP	Pro Forma Adjustments	Notes	Pro Forma as Adjusted
Net sales	$ 502,721	$ 64,497	$ —		$ 567,218
Cost of sales	315,459	39,164	—		354,623
Gross margin	187,262	25,333	—		212,595
Distribution expenses	44,364	5,345	—		49,709
Selling, general and administrative expenses	114,345	13,556	674	Note 4 (c)	128,575
Restructuring expenses	367	—	—		367
Income from operations	28,186	6,432	(674)		33,944
Interest expense	(4,847)	152	(2,040)	Note 4 (d)	(6,735)
Loss on early retirement of debt	(102)	—	—		(102)
Other income (expense)	—	(616)	—		(616)
Income before income taxes and equity in earnings	23,237	5,968	(2,714)		26,491
Income tax provision	(9,175)	(1,373)	869	Note 4 (e)	(9,679)
Equity in (losses) earnings, net of taxes	(4,781)	—	—		(4,781)
NET INCOME	$ 9,281	$ 4,595	$ (1,845)		$ 12,031
BASIC INCOME PER COMMON SHARE	$ 0.73				$ 0.90
DILUTED INCOME PER COMMON SHARE	$ 0.71				$ 0.88
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING					
Basic	12,757				13,339
Diluted	13,043				13,625

See Notes to the Unaudited Pro Forma Condensed Consolidated Financial Information.

Lifetime Brands, Inc.
Unaudited Pro Forma Condensed Consolidated Balance Sheet
December 31, 2013
(In thousands except per share amounts)

	Historical: Lifetime Brands, Inc.	Historical: Kitchen Craft U.S. GAAP	Pro Forma Adjustments	Notes	Pro Forma as Adjusted
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 4,947	$ 6,291	$ (7,158)	Note 4 (d)	$ 4,080
Accounts receivable	87,217	14,258	—		101,475
Inventory	112,791	16,978	934	Note 4 (a)	130,703
Prepaid expenses and other current assets	5,781	1,715	—		7,496
Deferred income taxes	3,940	34	—		3,974
TOTAL CURRENT ASSETS	214,676	39,276	(6,224)		247,728
PROPERTY AND EQUIPMENT, net	27,698	455	—		28,153
INVESTMENTS	36,948	—	—		36,948
INTANGIBLE ASSETS, net	55,149	—	56,788	Note 4 (b)	111,937
OTHER ASSETS	2,268	2,062	(888)	Note 4 (a), (d)	3,442
TOTAL ASSETS	$ 336,739	$ 41,793	$ 49,676		$428,208
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Current maturity of Credit Agreement Term Loan	$ —	$ —	$ 7,500	Note 4 (d)	$ 7,500
Current maturity of Senior Secured Term Loan	3,937	—	(3,937)	Note 4 (d)	—
Accounts payable	21,426	3,365	—		24,791
Accrued expenses and other current liabilities	41,095	7,177	(773)	Note 4 (d)	47,499
Income taxes payable	3,036	2,113	(1,600)	Note 4 (d)	3,549
TOTAL CURRENT LIABILITIES	69,494	12,655	1,190		83,339
DEFERRED RENT & OTHER LONG-TERM LIABILITIES	18,644	—	4,026	Note 3	22,670
DEFERRED INCOME TAXES	1,777	183	8,791	Note 4 (b)	10,751
REVOLVING CREDIT FACILITY	49,231	—	32,125	Note 4 (d)	81,356
SENIOR SECURED TERM LOAN	16,688	—	(16,688)	Note 4 (d)	—
CREDIT AGREEMENT TERM LOAN	—	—	42,500	Note 4 (d)	42,500
STOCKHOLDERS' EQUITY					
Preferred stock, $.01 par value, shares authorized: 100 shares of Series A and 2,000,000 shares of Series B; none issued and outstanding	—	—	—		—
Common stock, $.01 par value, shares authorized: 25,000,000; shares issued and outstanding: 12,777,407 at December 31, 2013	128	—	6	Note 3	134
Paid-in capital	146,273	1,278	8,376	Note 3	154,649
			(1,278)	Note 4 (a)	
Retained earnings	38,224	27,677	(27,677)	Note 4 (a)	36,529
			(1,695)	Note 4 (f)	
Accumulated other comprehensive loss	(3,720)	—	—		(3,720)
TOTAL STOCKHOLDERS' EQUITY	180,905	28,955	(22,268)		187,592
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 336,739	$ 41,793	$ 49,676		$428,208

See Notes to the Unaudited Pro Forma Condensed Consolidated Financial Information.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Note 1. Description of the Transactions

Kitchen Craft Acquisition

On January 15, 2014, Lifetime Brands Inc. ("the Company" or "Lifetime Brands") acquired 100% of the share capital of Thomas Plant (Birmingham) Limited ("Kitchen Craft") for cash in the amount of £37.4 million ($61.5 million), which includes an estimated working capital adjustment and 581,432 shares of common stock of the Company with a value of £5.5 million ($9.0 million). The purchase price also includes contingent cash consideration of up to £5.5 million ($9.0 million) which will be payable in future years if Kitchen Craft achieves certain financial targets. Kitchen Craft is a leading supplier of kitchenware products and accessories in the United Kingdom. The acquisition was financed with proceeds from the Second Amended and Restated Credit Agreement (as defined below).

Second Amended and Restated Credit Agreement

On January 13, 2014, in connection with the Kitchen Craft acquisition, the Company entered into an amendment and restatement of its existing Amended and Restated Credit Agreement with JPMorgan Chase Bank, N.A., as Administrative Agent and Co-Collateral Agent, and HSBC Bank USA, National Association, as Syndication Agent and Co-Collateral Agent (the "Second Amended and Restated Credit Agreement"). The Second Amended and Restated Credit Agreement provides for, among other things, (i) an extension of the maturity of the $175.0 million Revolving Credit Facility to January 11, 2019 and (ii) a new Term Loan facility of $50.0 million, which matures on January 11, 2019. The Company utilized the proceeds of the Term Loan provided for in the Second Amended and Restated Credit Agreement and additional borrowings under its Revolving Credit Facility to: (i) repay the existing borrowings under the Company's Senior Secured Term Loan with JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, as amended and (ii) finance the acquisition by the Company of 100% of the share capital Kitchen Craft.

Note 2. Basis of Pro Forma Presentation

The unaudited pro forma condensed consolidated financial information are presented to illustrate the effects of the Kitchen Craft acquisition on the historical financial position and operating results of Lifetime Brands. The Unaudited Pro Forma Condensed Consolidated Statement of Operations combine the historical consolidated statements of operations of Lifetime Brands and Kitchen Craft, giving effect to the Kitchen Craft acquisition as if it had been completed on January 1, 2013. The Unaudited Pro Forma Condensed Consolidated Balance Sheet combines the historical consolidated balance sheets of Lifetime Brands and Kitchen Craft, giving effect to the Kitchen Craft acquisition as if it had occurred on December 31, 2013.

The unaudited pro forma condensed consolidated financial information has been prepared using the acquisition method of accounting, have been prepared in accordance with U.S. GAAP and should be read together with the separate financial statements of Lifetime Brands and Kitchen Craft.

Kitchen Craft's historical financial information, as of and for the twelve months ended December 31, 2013 have been prepared in accordance with U.K. GAAP based on underlying unaudited management accounts information as of that date. The Statement of Operations information for the twelve months ended December 31, 2013 is based on the audited profit and loss account for the 52 weeks ended May 27, 2013, with adjustments based on the underlying unaudited management accounts to include the profit and loss account transactions for the subsequent period through to December 31, 2013 and to exclude such transactions for the period prior to January 1, 2013.

The unaudited pro forma condensed consolidated financial information reflects certain adjustments to Kitchen Craft's financial statements to align with U.S. GAAP. Adjustments made to present historical information of Kitchen Craft in accordance with U.S. GAAP include, (i) adjustments for the pension scheme operated by Kitchen Craft to be in accordance with ASC 715 *Compensation—Retirement Benefits*, (ii) adjustments for inventory provisions previously reversed, (iii) adjustments to account for the fair value (versus amortized value) of derivative financial instruments, (iv) adjustments to deferred taxes for the previously listed U.S. GAAP adjustments and (v) balance sheet reclassifications to separately present total assets and total liabilities.

The statement of operations information of Kitchen Craft for the twelve months ended December 31, 2013 was translated into U.S. dollars using an exchange rate of GBP 1 = U.S. $1.56, the average rate for the period presented. The balance sheet information was translated into U.S. dollars using an exchange rate of GBP 1 = U.S. $1.65, the rate at December 31, 2013. Certain reclassifications have been made to the historical financial statements of Kitchen Craft to conform to the presentation used by Lifetime Brands. These classification differences have no impact on net income or stockholders' equity.

The fair value of the net assets acquired is based on management's preliminary estimate of the respective fair values. U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The process for estimating the fair values of identifiable intangible assets requires the use of significant estimates and assumptions, including estimating future cash flows and developing appropriate discount rates. The excess of the purchase price over the estimated fair value of identifiable assets and liabilities of Kitchen Craft as of the acquisition date will be reflected as goodwill. The fair values of net assets and resulting goodwill are subject to finalizing the Company's analysis of the fair value of Kitchen Craft's assets and liabilities as of the acquisition date and will be adjusted upon completion of the valuation. The use of different estimates could yield materially different results.

The unaudited pro forma condensed consolidated financial information is based on historical financial information, and it is prepared and presented pursuant to the rules and regulations of the SEC regarding pro forma financial information. The Company's historical condensed consolidated financial information has been adjusted in the unaudited pro forma condensed consolidated financial information to give effect to pro forma events that are (1) directly attributable to the Kitchen Craft acquisition (2) factually supportable and (3) with respect to the statement of operations, expected to have a continuing impact on the consolidated results.

The unaudited pro forma condensed consolidated financial information is presented for informational purposes only and are not necessarily indicative of the operating results or financial position that would have occurred if the Kitchen Craft acquisition had been completed during the period or as of the dates for which the pro forma financial information is presented. In addition, the unaudited pro forma condensed consolidated financial information does not purport to project the future consolidated financial position or operating results of the consolidated company.

The accompanying Unaudited Pro Forma Condensed Consolidated Statement of Operations do not include: (1) any revenue or cost saving synergies that may be achieved through the business combination; or (2) the impact of non-recurring items directly related to the business combination.

Note 3. Purchase Price

On January 15, 2014, the Company completed the Kitchen Craft acquisition for cash in the amount of £37.4 million ($61.5 million), which includes an estimated working capital adjustment and 581,432 shares of common stock of the Company with a value of £5.5 million ($9.0 million). Contingent cash consideration of up to £5.5 million ($9.0 million) will be payable in future years if Kitchen Craft achieves certain financial targets. The purchase price has been determined to be as follows (in thousands):

Cash(1)	$61,432
Share consideration issued(2)	8,382
Value of contingent consideration(3)	4,026
Other consideration(4)	1,984
Total purchase price	$75,824

(1) The cash portion of the purchase price was funded by the Second Amended and Restated credit facility as described in Note 1.
(2) Share consideration issued is valued at the closing market price discounted to account for lack of marketability related to the lock up period as described in the share purchase agreement.
(3) The value of contingent consideration represents the present value of the estimated payments related to the attainment of certain financial targets for the years 2014 through 2016. The maximum undiscounted deferred and contingent consideration to be paid on the agreement is £5.5 million ($9.0 million).
(4) In connection with the closing approximately $2.0 million was paid to Kitchen Craft's pension scheme.

Note 4. Pro Forma Adjustments

(a) Purchase Price Allocation

For pro forma purposes, the fair values of the net assets acquired are based on management's preliminary estimate of the respective fair values. The preliminary estimate of the fair values of Kitchen Craft's tangible assets has not been completed and, therefore, the Company's allocation of purchase price to the step-up of inventory is an estimate of the net realizable value of inventory and the fair value of Kitchen Craft's pension asset is preliminary. The final valuation of net assets may result in material adjustments to the respective fair values and resulting goodwill. The final valuation of net assets will be completed as soon as possible but no later than one year from the acquisition date.

The following is a summary of management's preliminary estimate of the fair values of net assets acquired and resulting goodwill in the Kitchen Craft acquisition, as reflected in the Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2013 (in thousands):

Historical net assets of Kitchen Craft		$28,955
Pension fair value adjustment		(2,062)
Inventory fair value adjustment		934
Fair value of identifiable intangible assets:		
Trade names	11,200	
Customer relationships	30,186	
Other	478	
Total fair value of identifiable finite-lived intangible assets		41,864
Deferred tax impact of purchase accounting adjustments		(8,791)
Residual goodwill resulting from business combination		14,924
Total purchase price		$75,824

In determining the fair values of the net assets acquired and resulting goodwill, the Company considered, among other factors, the analyses of historical financial performance and an estimate of the future performance of Kitchen Craft's business.

The preliminary estimate of the fair values of Kitchen Craft's finite-lived trade names was determined using a risk-adjusted discounted cash flow model under the relief-from-royalty method. The relief from royalty method requires identifying the hypothetical cash flows generated by a trade name under an assumed royalty rate that a third party would pay to license that trade name and discounting them back to the valuation date. The royalty rate used was based on a consideration of the market rates used in comparable transactions as well as the profitability levels at Kitchen Craft. The finite-lived trade names that were fair valued include, among others, Kitchen Craft, Masterclass and Colourworks.

The preliminary estimate of the fair values of Kitchen Craft's customer relationships was determined using a discounted cash flow model, specifically, the multi-period excess earnings method which considers the use of other assets in the generation of the projected cash flows in order to isolate the economic benefit generated by the customer relationship asset. The contribution of other assets, such as fixed assets, working capital and various other intangible assets, to overall customer relationships' cash flows was estimated through the application of contributory asset charges. Therefore, the fair value of the customer relationships asset is equivalent to the present value of the net post-tax cash flows attributable to the customer relationships, net of the return on fair value attributed to other tangible and intangible assets.

Other intangibles acquired relate to non-compete agreements entered into by the directors and primary shareholders of Kitchen Craft. The preliminary estimate of the fair value of these non-compete agreements was determined using with and without discounted cash flow models.

There are significant judgments inherent in a discounted cash flow approach, including but not limited to, the selection of appropriate discount rates, hypothetical royalty rates, contributory asset charges, estimating the amount and timing of estimated future cash flows and identification of appropriate terminal growth rate assumptions. The discount rates used in the asset valuations are intended to reflect the risk inherent in the projected future cash flows generated by the respective intangible assets.

The adjustment for the fair value of inventory is based on the finished good's estimated selling price, less the sum of disposal costs and a reasonable profit allowance for selling effort. As the acquired inventory is sold, its cost of sales will reflect the increased valuation of Kitchen Craft's inventory, which will temporarily reduce gross margins until such inventory is sold. The assumed value of Kitchen Craft's inventory may change as the final valuation of inventory is determined. The Unaudited Pro Forma Condensed Consolidated Statement of Operations do not reflect the non-recurring increase in cost of sales that will be incurred as the increased valuation of inventory under purchase accounting is recorded as those inventories are sold following the close of the acquisition. These charges are directly attributable to the acquisition, are non-recurring in nature and are not expected to have a continuing impact on the results of operations of the combined company.

As of December 31, 2013, Kitchen Craft's historical Statement of Financial Position information includes a net pension asset of approximately $2.1 million. A pro forma adjustment is reflected in the Unaudited Consolidated Combined Statement of Financial Position to reduce the historical net assets of Kitchen Craft for the fair value of the pension asset based on management's preliminary estimate.

For pro forma purposes, the carrying value of all other assets and liabilities was deemed to approximate their estimated fair value.

(b) Acquired Intangible Assets

The acquired intangible assets and related amortization expense based on the preliminary estimate of the fair values of Kitchen Craft's identifiable intangible assets for the year ended December 31, 2013 are as follows (amounts in thousands):

Acquired Intangible Assets:	**Fair Value**	**Estimated Useful Life**	**Estimated Amortization Expense**
Trade names, finite-lived	$ 11,200	15	$ 747
Customer relationships	30,186	12	2,516
Other	478	3	159
Total finite-lived acquired intangible assets	41,864		
Total amortization expense			$ 3,422
Goodwill	14,924		
Total intangible assets	$ 56,788		

Deferred Tax Liability

An $8.8 million deferred tax liability has been set up against the $41.9 million increase in value of Kitchen Craft's finite-lived intangible assets outlined in the above table. The deferred tax liability represents the tax effect of the difference between the estimated assigned fair value of the finite-lived intangible assets ($41.9 million) and the tax basis ($0) of such assets. The estimated amount of $8.8 million was determined by multiplying the difference of $41.9 million by the Company's estimated statutory tax rate of 21%.

(c) Selling, General and Administrative Expenses

Pro forma adjustments made to Selling, general and administrative expenses ("SG&A") within the Unaudited Pro Forma Condensed Consolidated Statement of Operations for the year ended December 31, 2013 are comprised of the following (in thousands):

Amortization expense for acquired intangible assets shown in (b) above	$ 3,422
Elimination of acquisition-related costs(1)	(586)
Director Compensation (2)	(2,162)
Total pro forma adjustments to SG&A	$ 674

(1) The Company incurred $0.6 million of acquisition-related costs, which primarily include legal and advisory fees in the year ended December 31, 2013. These costs are reversed as they represent non-recurring charges directly related to the Kitchen Craft acquisition.

(2) In connection with the closing, the former directors and shareholders of Kitchen Craft entered into employment agreements with the Company. The historical compensation costs incurred by Kitchen Craft for the directors and shareholders is reduced by $2.2 million, the net change in estimated director and shareholder compensation, as the historical compensation includes non-recurring charges and the change is directly related to the Kitchen Craft acquisition.

(d) Debt Transaction

In connection with consummating the Kitchen Craft acquisition, to adjust debt obligations for the Second Amended and Restated Credit Agreement, an additional $3.6 million, net, was recorded to the current portion of long-term debt and a net adjustment of $57.9 million was recorded to long-term debt as pro forma adjustments in the Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2013.

Use of Proceeds

The use of proceeds from the Second Amended and Restated Credit Agreement that are reflected in the Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2013 are as follows (in thousands):

Term Loan	$ 50,000
Proceeds from Revolving Credit Facility	32,125
Total proceeds from Second Amended and Restated Credit Agreement	82,125
Repayment of Senior Secured Term Loan	(20,625)
Net proceeds from Second Amended and Restated Credit Agreement	61,500
Cash purchase consideration	(61,432)
Other consideration(2)	(1,984)
Related party loans(3)	(2,268)
Corporate income taxes(4)	(1,600)
Debt issuance costs, capitalized to Other assets(1)	(1,374)
Total pro forma adjustment to Cash and cash equivalents	$ (7,158)

(1) The Company incurred debt issuance costs of $1.4 million in connection with the Second Amended and Restated Credit agreement, which were capitalized as a pro forma adjustment to Other assets. A pro forma adjustment was also made to write off the remaining balance of debt financing costs related to the Senior Secured Term Loan. Together a total pro forma adjustment of $1.2 million to Other assets is reflected in the Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2013. The debt issuance costs related to the Second Amended and Restated Credit agreement will be amortized over the life of the agreement. The Unaudited Pro forma Condensed Consolidated Statement of Operations for the twelve months ended December 31, 2013 includes pro forma adjustments of $276,000 within Interest expense (see Interest Expense table below).

(2) In connection with the closing approximately $2.0 million was paid to Kitchen Craft's pension scheme. The Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2013 includes a pro forma adjustment to account for the payment of this closing related liability.

(3) Related party loans in the amount of approximately $2.3 million were paid in connection with the closing. The Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2013 includes a pro forma adjustment to account for the payment of these loans.

(4) The Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2013 includes a pro forma adjustment to account for certain corporate income taxes to be paid.

Accrued Expense

Acquisition related costs incurred by the Company during the year ended December 31, 2013 of $0.6 million were unpaid and accrued as of December 31, 2013. In addition, approximately $1.5 million of additional acquisition related costs were incurred on the acquisition date. The $1.5 million of acquisition-related costs that were not incurred as of December 31, 2013 are included as a pro forma adjustment to Retained earnings (see Note 4 (f) below). The related party loans, as described above, together with the pro forma adjustment for acquisition related costs incurred by the Company on the acquisition date, totals to a pro forma adjustment of $0.8 million to Accrued expenses and other current liabilities and is reflected in the Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2013.

Interest Expense

Pro forma interest expense resulting from the Second Amended and Restated Credit Agreement for the year ended December 31, 2013 is as follows (amounts in thousands):

Term loan borrowing	$50,000
Interest rate (adjusted LIBO rate plus 4.5%)	4.66%
Incremental borrowings under Revolving Credit Facility	$32,125
Interest rate (adjusted LIBO rate plus 2.00%)	2.16%
Pro forma adjustment for new interest	$ 3,024
Amortization of debt financing costs	276
Elimination of Senior Secured Term Loan Interest (1)	(1,083)
Historical interest rate adjustments(2)	(48)
Elimination of Kitchen Craft's historical interest expense(3)	(129)
Total pro forma interest expense	$ 2,040

(1) As discussed in Note 1, the Company used the proceeds provided for in the Second Amended and Restated Credit agreement to repay its outstanding obligations under the Senior Secured Term Loan with JPMorgan Chase Bank, N.A. Therefore, pro forma adjustment was made to remove a portion of the historical interest expense on the Senior Secured Term Loan.

(2) The interest rate terms provided for in the Second Amended and Restated Credit agreement reduce the interest rate spread applied to the outstanding borrowings of the Revolving Credit Facility; therefore a pro forma adjustment was made to reduce the historical interest expense on borrowings of the Revolving Credit Facility outstanding as of December 31, 2013.

(3) As discussed above, in connection with the closing, certain of the Kitchen Craft related party loans were settled, which as of December 31, 2013 amounted to $2.3 million. Therefore, pro forma adjustments were made to remove the historical interest expense on these related party loans.

(e) Provision for Income Taxes

The pro forma adjustment to the provision for income taxes was calculated using the U.K. statutory tax rate of 21.5% for adjustments related to Kitchen Craft and using the effective income tax rate of 39.5% for adjustments related to Lifetime Brands, as detailed below (amounts in thousands):

Item	Jurisdiction	Adjustment	Tax Rate	Tax Benefit
SG&A	U.K.	$ 3,422	21.5%	$ 736
SG&A	U.K.	(2,162)	21.5%	(465)
SG&A	U.S.	(586)	39.5%	(231)
Interest expense	U.K.	(129)	21.5%	(28)
Interest expense	U.S.	2,169	39.5%	857
Total		$ 2,714		$ 869

(f) Equity

As shown in the purchase price allocation in Note 4(a) above, Kitchen Craft's historical net assets are eliminated as pro forma adjustments in the Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2013. In addition, as discussed in Note 4(d) above, a pro forma adjustment of $1.5 million was made to Retained earnings for acquisition-related costs that had not been incurred as of December 31, 2013 and a pro forma adjustment of $0.2 million was made to Retained earnings for the write off of debt financing costs related to the Senior Secured Term Loan.