FORM 10-Q

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

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For quarter ended March 31, 2001

Commission file number 1-19254

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

Delaware 11-2682486
(State or other jurisdiction of incorporation or organization)(I.R.S. Employer Identification No.)

One Merrick Avenue, Westbury, NY 11590
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (516) 683-6000

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter 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 NoX

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 10,487,130 shares outstanding as of April 30, 2001

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LIFETIME HOAN CORPORATION

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

	March 31,	December 31,

	2001 (unaudited)	2000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$2,649	$1,325
Accounts receivable, less allowances of $3,745 in 2001 &$3,582 in 2000	16,419	18,158
Merchandise inventories	49,391	45,595
Prepaid expenses	3,278	3,477
Deferred income taxes	717	870
Other current assets	2,376	2,667
TOTAL CURRENT ASSETS	74,830	72,092
PROPERTY AND EQUIPMENT, net	16,666	13,085
EXCESS OF COST OVER NET ASSETS ACQUIRED, net	15,924	15,906
OTHER INTANGIBLES, net	9,682	9,780
OTHER ASSETS	1,514	1,256
TOTAL ASSETS	$118,616	$112,119
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	$14,258	$10,746
Accounts payable and trade Acceptances	13,086	6,709
Accrued expenses	13,423	16,619
TOTAL CURRENT LIABILITIES	40,767	34,074
MINORITY INTEREST	460	528
STOCKHOLDERS' EQUITY		
Common Stock, $.01 par value, shares Authorized 25,000,000;Share Issued and outstanding 10,4492,130 in 2001 and 10,501,630 in 2000	105	105
Paid-in capital	61,092	61,155
Retained earnings	17,341	17,359
Notes receivable for shares issued to stockholders	(908)	(908)
Accumulated other comprehensive loss	(231)	(180)
Deferred compensation	(10)	(14)
TOTAL STOCKHOLDERS' EQUITY	77,389	77,517
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$118,616	$112,119

See notes to condensed consolidated financial statements.

LIFETIME HOAN CORPORATION

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

	Three Months Ended March 31, 2001	2000
Net Sales	$31,307	$27,609
Cost of Sales	17,367	14,517
Gross Profit	13,940	13,092
Selling, General & Administrative Expenses	12,692	10,762
Other Expense (Income)	118	(56)
Income Before Income Taxes	1,130	2,386
Income Taxes	491	1,013

NET INCOME	$639	$1,373
EARNINGS PER COMMON SHARE-BASIC AND DILUTED	$0.06	$0.12

See notes to condensed consolidated financial statements.

LIFETIME HOAN CORPORATION

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

	Three Months Ended March 31, 2001	2000
OPERATING ACTIVITIES		
Net income	$639	$1,373
Adjustments to reconcile net income to net cash provided by / (used in) operating Activities:		
Depreciation and amortization	845	754
Deferred tax (benefit)	153	23
Provision for losses on accounts receivable	(9)	2
Reserve for sales returns and allowances	1,692	1,289
Minority interest	(68)	93
Changes in operating assets and liabilities:		
Accounts receivable	56	3,115
Merchandise inventories	(3,796)	1,365
Prepaid expenses, other current assets and other assets	232	(88)
Accounts payable and trade acceptances and accrued expenses	3,182	(1,179)
Income taxes payable	-	411
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,926	7,158
INVESTING ACTIVITIES		
Purchase of property and equipment, net	(4,180)	(514)
Acquisition of M. Kamenstein, Inc.	(164)	-
NET CASH USED IN INVESTING ACTIVITIES	(4,344)	(514)
FINANCING ACTIVITIES		
Proceeds(repayment) of short-term borrowings	3,512	(6,808)
Repurchase of common stock	(63)	(544)
Cash dividends paid	(656)	(737)
NET CASH PROVIDED BY(USED IN) FINANCING ACTIVITIES	2,793	(8,089)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(51)	-
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	1,324	(1,445)
Cash and cash equivalents at beginning of period of period	1,325	1,563
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$2,649	$118

See notes to condensed consolidated financial statements.

LIFETIME HOAN CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note A - Basis of Presentation The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles 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 accounting principles by generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 2001 are not necessarily indicative of the results that may be expected for the year ending December 31, 2001. 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, 2000.

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

Note C - Line of Credit Agreement
The Company has available an unsecured $25,000,000 line of credit with a bank (the "Line") which may be used for short-term borrowings, letters of credit, or trade acceptances. Borrowings under the Line bear interest payable daily at a negotiated short-term borrowing rate. The effective interest rate at March 31, 2001 was 7%. As of March 31, 2001, the Company had letters of credit and trade acceptances of $8,177,000 outstanding and $11,200,000 of borrowings under the Line. The Company is charged a nominal fee on the entire Line. The line is cancelable by either party at any time.

In April 2001, the Company obtained an additional $10,000,000 line of credit with another bank which may be used for short-term borrowings.

In addition to the lines of credit above, the Prestige Companies (the Company's 51% controlled European subsidiaries) have three lines of credit with three separate banks for total available credit facilities of approximately $3.3 million. As of March 31, 2001, the Prestige Companies had borrowings of approximately $3.1 million against these lines. Interest rates on these lines of credits ranged from 6.125% to 8.9%.

Note D - Capital Stock
Cash Dividends: On January 3, 2001, the Board of Directors of the Company declared a quarterly cash dividend of $0.0625 per share to stockholders of record on February 6, 2001, paid on February 20, 2001. On May 1, 2001, the Board of Directors declared another regular quarterly cash dividend of $0.0625 per share to stockholders of record on May 4, 2001, to be paid on May 18, 2001.

Earnings Per Share: Basic earnings per share has been computed by dividing net income by the weighted average number of common shares outstanding of 10,497,000 for the three months ended March 31, 2001 and 11,802,000 for the three months ended March 31, 2000. Diluted earnings per share has been computed by dividing net income by the weighted average number of common shares outstanding, plus the dilutive effects of stock options, of 10,561,000 for the three months ended March 31, 2001 and 11,850,000 for the three months ended March 31, 2000.

Common Stock Buy Back: The Board of Directors of the Company has authorized a repurchase of up to 3,000,000 of its outstanding common shares in the open market. As of March 31, 2001, a total of 2,123,000 common shares were repurchased and retired for approximately $15,210,000.

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 Ended March 31,	
	2000	2000
Net Sales	100.0 %	100.0 %
Cost of sales	55.5	52.6
Gross profit	44.5	47.4
Selling, general and admin. expenses	40.5	39.0
Other expense (income)	0.5	(0.2)
Income before income taxes	3.5	8.6
Income taxes	1.5	3.6
Net Income	2.0 %	5.0 %

Three Months Ended March 31, 2001
Compared to Three Months ended March 31, 2000

Net Sales
Net sales for the three months ended March 31, 2001 were $31.3 million, an increase of $3.7 million or 13.4% over the comparable 2000 period. The sales increase was attributable to the M. Kamenstein, Inc. business, acquired in September 2000, which contributed $4.1 million of net sales to first quarter results. Sales in the Company's regular business were lower in the 2001 quarter as expected.

Gross Profit
Gross profit for the three months ended March 31, 2001 was $13.9 million, an increase of 6.5% from the comparable 2000 period. Gross profit as a percentage of net sales decreased to 44.5% from 47.4%, as a result of the impact of the added sales of M. Kamenstein, Inc., which currently generate lower gross margins than the Company's regular business.

Selling, General and Administrative Expenses
Selling, general and administrative expenses for the three months ended March 31, 2000 were $12.7 million, an increase of 17.9% from the comparable 2000 period. The increase was primarily attributable to the added selling, general and administrative expenses of the M. Kamenstein, Inc. business acquired in September 2000.

LIQUIDITY AND CAPITAL RESOURCES

The Company has available an unsecured $25,000,000 line of credit with a bank (the "Line") which may be used for short-term borrowings, letters of credit, or trade acceptances. Borrowings under the Line bear interest payable daily at a negotiated shor-term borrowing rate. The effective interest rate at March 31, 2001 was 7%. As of March 31, 2001, the Company had letters of credit and trade acceptances of $8,177,000 outstanding and $11,200,000 of borrowings under the Line and, as a result, the availability under the Line was $5,623,000. The Company is charged a nominal fee on the entire Line. The line is cancelable by either party at any time.

In April 2001, the Company obtained an additional $10,000,000 line of credit with another bank which may be used for short-term borrowings.

In addition to the Lines above, the Prestige Companies (the Company's 51% controlled European subsidiaries) have three lines of credit with three separate banks for total available credit facilities of approximately $3.3 million. As of March 31, 2001, the Prestige Companies had borrowings of approximately $3.1 million against these lines. Interest rates on these lines of credits range from 6.125% to 8.9%.

At March 31, 2001, the Company had cash and cash equivalents of $2.6 million versus $1.3 million at December 31, 2000. The increase in cash is due to increased borrowings under the Company's lines of credit and increased accounts payable and trade acceptances which were partially offset by the purchases of fixed assets and increased inventory levels.

On May 1, 2001 the Board of Directors declared another regular quarterly cash dividend of $0.0625 per share to stockholders of record on May 4, 2001, to be paid on May 18, 2001. The dividend to be paid will be approximately $656,000.

The Company expects that all capital expenditures expected to be incurred in 2001 will be financed from current operations, cash and cash equivalents and additional borrowings.

The Company believes that its cash and cash equivalents, internally generated funds and its existing credit arrangements will be sufficient to finance its operations for at least the next 12 months.

The results of operations of the Company for the periods discussed have not been significantly affected by inflation or foreign currency fluctuation. The Company negotiates 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 purchase orders is generally not subject to change after the time the order is placed. However, the weakening of the United States dollar against local currencies could lead certain manufacturers to increase their United States dollar prices for products. The Company believes it would be able to compensate for any such price increase.

Forward Looking Statements: This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including statements concerning the Company's future products, results of operations and prospects. These forward-looking statements involve risks and uncertainties, including risks relating to general economic and business conditions, including changes which could affect customer payment practices or consumer spending; industry trends; the loss of major customers; changes in demand for the Company's products; the timing of orders received from customers; cost and availability of raw materials; increases in costs relating to manufacturing and transportation of products; dependence on foreign sources of supply and foreign manufacturing; risks relating to Year 2000 issues; and the seasonal nature of the business as detailed 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.

PART II - OTHER INFORMATION

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

(a) Exhibit(s) in the first quarter of 2001: NONE

(b) Reports on Form 8-K in the first quarter of 2001: 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.

Lifetime Hoan Corporation

May 14, 2001

/s/ Jeffrey Siegel

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

May 14, 2001

/s/ Robert McNally

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