

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): **May 3, 2012**

Lifetime Brands, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-19254

(Commission File Number)

11-2682486

(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))
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Item 2.02. Results of Operations and Financial Condition.

On May 3, 2012, Lifetime Brands, Inc. (the “Company”) issued a press release announcing the Company’s results for the first quarter ended March 31, 2012. A copy of the Company’s press release is attached as Exhibit 99.1.

The press release attached as Exhibit 99.1 contains non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of a company’s performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles. To supplement the Company’s results of operations presented in accordance with GAAP, the Company is presenting non-GAAP information regarding net income (loss), adjusted to exclude undistributed earnings of investments, an extraordinary item, income taxes, interest, depreciation and amortization, stock compensation expense, acquisition related expenses and loss on early retirement of debt.

These non-GAAP measures are provided to enhance the user’s overall understanding of the Company’s current financial performance. Specifically, the Company believes the non-GAAP results provide useful information to both management and investors by excluding certain items that may not be indicative of the Company’s core operating results. These measures should be considered in addition to results prepared in accordance with GAAP, but are not a substitute for or superior to GAAP results. The non-GAAP measures included in the attached press release have been reconciled to the equivalent GAAP measure.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

[99.1 Press release dated May 3, 2012](#)

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: May 3, 2012



Lifetime Brands, Inc. Reports First Quarter 2012 Results

GARDEN CITY, NY, May 3, 2012 – Lifetime Brands, Inc. (NasdaqGS: LCUT), a global provider of branded products used to prepare, serve and consume foods in the home, today reported its financial results for the quarter ended March 31, 2012.

First Quarter Highlights:

- Net Sales increased 18.7% to \$109.0 million.
- Organic Net Sales increased 6.4% to \$97.7 million.
- Gross Margin increased 70 basis points to 37.1%.
- EBITDA increased 128.8% to \$6.2 million.
- Net Income increased to \$1.344 million, as compared to a loss of \$949 thousand for the same period in 2011.
- Diluted Income per Common Share increased to \$0.11, as compared to (\$0.08) per diluted share in last year's quarter.

“Lifetime’s financial results for the quarter provided a strong and an encouraging start to the year,” said Jeffrey Siegel, Chairman, President and Chief Executive Officer. “Our performance in the quarter was driven by our core U.S. wholesale businesses, kitchenware and tabletop, which recorded an 11.1% increase in Net Sales, all of which was organic. These gains were primarily attributable to new programs with our key retailer partners.

“Outside the United States, Creative Tops, which we acquired in November 2011, Lifetime Brands Canada and our investee partner companies in Mexico, Canada, Brazil and China all performed to expectation.”

On March 6, 2012, the Board of Directors declared a quarterly dividend of \$0.025 per share payable on May 15, 2012 to shareholders of record on May 1, 2012.

Conference Call

The Company has scheduled a conference call for Thursday, May 3, 2012 at 11:00 a.m. ET. The dial-in number for the conference call is (866) 788-0539, passcode #85646002. A replay of the call will also be available through May 10, 2012 and can be accessed by dialing (888) 286-8010 or (617) 801-6888, conference ID #85646002. A live webcast of the conference call will be broadcast in the Investor Relations section of the Company’s web site, www.lifetimebrands.com. For those who cannot listen to the live broadcast, an audio replay of the call will also be available on the site.

Non-GAAP Financial Measures

This earnings release contains non-GAAP financial measures. For purposes of Regulation G, a non-GAAP financial measure is a numerical measure of a company's historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly

comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets, or statements of cash flows of the Company; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Pursuant to the requirements of Regulation G, the Company has provided reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures. These non-GAAP measures are provided because management of the Company uses these financial measures in evaluating the Company's on-going financial results and trends. Management uses this non-GAAP information as an indicator of business performance.

Forward-Looking Statements

In this press release, the use of the words "believe," "could," "expect," "may," "positioned," "project," "projected," "should," "will," "would" or similar expressions is intended to identify forward-looking statements that represent the Company's current judgment about possible future events. The Company believes these judgments are reasonable, but these statements are not guarantees of any events or financial results, and actual results may differ materially due to a variety of important factors. Such factors might include, among others, the Company's ability to comply with the requirements of its credit agreements; the availability of funding under such credit agreements; the Company's ability to maintain adequate liquidity and financing sources and an appropriate level of debt; changes in general economic conditions which could affect customer payment practices or consumer spending; the impact of changes in general economic conditions on the Company's customers; changes in demand for the Company's products; shortages of and price volatility for certain commodities; significant changes in the competitive environment and the effect of competition on the Company's markets, including on the Company's pricing policies, financing sources and an appropriate level of debt.

Lifetime Brands, Inc.

Lifetime Brands is a provider of kitchenware, tabletop and other products used in the home. The Company markets its products under such well-known kitchenware brands as Farberware®, KitchenAid®, CasaMōda®, Cuisinart®, Cuisine de France®, Guy Fieri®, Hoffritz®, Kizmos™, Misto®, Pedrini®, Roshco®, Sabatier®, Savora™ and Vasconia®; respected tabletop brands such as Mikasa®, Pfaltzgraff®, Creative Tops®, Calvin Klein®, Gorham®, International® Silver, Kirk Stieff®, Nautica®, Sasaki®, Towle® Silversmiths, Tuttle®, Wallace®, V&A® and Royal Botanic Gardens Kew®; and home solutions brands, including Elements®, Melannco®, Kamenstein® and Design for Living™.

The Company's corporate website is www.lifetimebrands.com.

Contacts:

Lifetime Brands, Inc.

Laurence Winoker, Chief Financial Officer
516-203-3590
investor.relations@lifetimebrands.com

Lippert/Heilshorn & Assoc.

Harriet Fried, SVP
212-838-3777
hfried@lhai.com

LIFETIME BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands - except per share data)
(unaudited)

	Three Months Ended	
	March 31,	
	2012	2011
Net sales	\$ 109,041	\$ 91,773
Cost of sales	<u>68,581</u>	<u>58,383</u>
Gross margin	40,460	33,390
Distribution expenses	11,744	10,940
Selling, general and administrative expenses	<u>25,484</u>	<u>22,473</u>
Income (loss) from operations	3,232	(23)
Interest expense	<u>(1,698)</u>	<u>(1,979)</u>
Income (loss) before income taxes and equity in earnings	1,534	(2,002)
Income tax benefit (provision)	(588)	588
Equity in earnings, net of taxes	<u>398</u>	<u>465</u>
NET INCOME (LOSS)	<u>\$ 1,344</u>	<u>\$ (949)</u>
BASIC INCOME (LOSS) PER COMMON SHARE	<u>\$ 0.11</u>	<u>\$ (0.08)</u>
DILUTED INCOME (LOSS) PER COMMON SHARE	<u>\$ 0.11</u>	<u>\$ (0.08)</u>
Cash dividends declared per common share	\$ 0.050	\$ 0.025

LIFETIME BRANDS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands - except share data)
(unaudited)

	March 31,	December
	2012	31,
	(unaudited)	2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,867	\$ 2,972
Accounts receivable, less allowances of \$5,051 at March 31, 2012 and \$4,602 at December 31, 2011	72,902	77,749
Inventory	113,653	110,337
Prepaid expenses and other current assets	5,286	5,264
Income taxes receivable	327	-
Deferred income taxes	2,568	2,475
TOTAL CURRENT ASSETS	<u>199,603</u>	<u>198,797</u>
PROPERTY AND EQUIPMENT, net	33,025	34,324
INVESTMENTS	36,380	34,515
INTANGIBLE ASSETS, net	46,537	46,937
OTHER ASSETS	3,742	4,172
TOTAL ASSETS	<u>\$ 319,287</u>	<u>\$ 318,745</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Revolving Credit Facility	\$ 15,000	\$ 15,000
Accounts payable	23,534	18,985
Accrued expenses	29,562	33,877
Income taxes payable	70	2,100
TOTAL CURRENT LIABILITIES	<u>68,166</u>	<u>69,962</u>
DEFERRED RENT & OTHER LONG-TERM LIABILITIES	14,450	14,598
DEFERRED INCOME TAXES	5,427	5,385
REVOLVING CREDIT FACILITY	41,545	42,625
TERM LOAN	40,000	40,000
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: 12,438,393 at March 31, 2012 and 12,430,893 at December 31, 2011	124	124
Paid-in capital	138,186	137,467
Retained earnings	15,189	14,465
Accumulated other comprehensive loss	(3,800)	(5,881)
TOTAL STOCKHOLDERS' EQUITY	<u>149,699</u>	<u>146,175</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 319,287</u>	<u>\$ 318,745</u>

LIFETIME BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Three Months Ended	
	March 31,	
	2012	2011
OPERATING ACTIVITIES		
Net income (loss)	\$ 1,344	\$ (949)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Provision for doubtful accounts	(25)	(16)
Depreciation and amortization	2,207	1,995
Amortization of debt discount	-	229
Deferred rent	(84)	(3)
Stock compensation expense	698	748
Undistributed equity earnings	(398)	(465)
Changes in operating assets and liabilities (excluding the effects of business acquisitions)		
Accounts receivable	4,872	11,847
Inventory	(3,316)	(3,969)
Prepaid expenses, other current assets and other assets	410	(52)
Accounts payable, accrued expenses and other liabilities	(55)	(7,242)
Income taxes receivable	-	(745)
Income taxes payable	(2,356)	(5,036)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	3,297	(3,658)
INVESTING ACTIVITIES		
Purchases of property and equipment	(475)	(1,047)
NET CASH USED IN INVESTING ACTIVITIES	(475)	(1,047)
FINANCING ACTIVITIES		
Proceeds (repayments) of bank borrowings, net	(1,080)	2,900
Proceeds from the exercise of stock options	22	9
Excess tax benefits from exercise of stock options	-	6
Payment of capital lease obligations	-	(27)
Cash dividend paid	(311)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(1,369)	2,888
Effect of foreign exchange on cash	442	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,895	(1,817)
Cash and cash equivalents at beginning of year	2,972	3,351
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4,867	\$ 1,534

LIFETIME BRANDS, INC.
Supplemental Information
(In thousands)

Reconciliation of GAAP to Non-GAAP Operating Results

Consolidated EBITDA for the four quarters ended	
March 31, 2012	
Three months ended March 31, 2012	\$ 6,222
Three months ended December 31, 2011	14,342
Three months ended September 30, 2011	13,524
Three months ended June 30, 2011	7,512
Total for the four quarters	<u>\$ 41,600</u>

Consolidated EBITDA for the four quarters ended	
March 31, 2011	
Three months ended March 31, 2011	\$ 2,720
Three months ended December 31, 2010	17,544
Three months ended September 30, 2010	13,529
Three months ended June 30, 2010	6,117
Total for the four quarters	<u>\$ 39,910</u>

LIFETIME BRANDS, INC.
Supplemental Information
(In thousands)

Reconciliation of GAAP to Non-GAAP Operating Results (continued)

	Three Months Ended			
	March 31,	December 31,	September 30,	June 30,
	2012	2011	2011	2011
Net income as reported	\$ 1,344	\$ 5,419	\$ 7,533	\$ 2,063
Subtract out:				
Undistributed equity earnings	(398)	(925)	(1,113)	(393)
Add back:				
Income tax provision (benefit)	588	3,513	2,089	1,108
Interest expense	1,698	1,951	1,789	2,039
Depreciation and amortization	2,207	2,336	2,046	2,020
Stock compensation expense	698	690	682	675
Permitted acquisition related expenses	85	1,358	498	-
Consolidated EBITDA	\$ 6,222	\$ 14,342	\$ 13,524	\$ 7,512

	Three Months Ended			
	March 31,	December 31,	September 30,	June 30,
	2011	2010	2010	2010
Net income (loss) as reported	\$ (949)	\$ 13,928	\$ 6,585	\$ (981)
Subtract out:				
Undistributed equity earnings	(465)	(733)	(836)	(82)
Extraordinary item, net of taxes	-	(2,477)	-	-
Add back:				
Income tax provision (benefit)	(588)	1,600	2,390	573
Interest expense	1,979	2,188	2,090	2,644
Depreciation and amortization	1,995	2,292	2,518	2,458
Stock compensation expense	748	746	782	741
Loss on early retirement of debt	-	-	-	764
Consolidated EBITDA	\$ 2,720	\$ 17,544	\$ 13,529	\$ 6,117