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LIFETIME HOAN CORP
Form 8-K
April 30, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 the earliest event reported) April 29, 2003

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

Delaware
(State or other jurisdiction of incorporation)

1-19254 11-2682486
(Commission File Number) (IRS Employer Identification No.)

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

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

N/A
(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits

c) Exhibits

99 - Press Release, dated April 29, 2003

Item 12. Results of Operation and Financial Condition

On April 29, 2003, Lifetime Hoan Corporation ("the Company") issued a press release setting forth the Company's first-quarter 2003 earnings. A copy of the Company's press

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release is attached hereto as Exhibit 99 and hereby incorporated by reference.

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 Hoan Corporation

By: /s/ Robert McNally
Robert McNally
Vice President of Finance and Chief
Financial Officer

Date: April 29, 2003

EXHIBIT 99

LIFETIME HOAN CORPORATION (NASDAQ NM: LCUT), a leading marketer of housewares, today announced results for the first quarter ended March 31, 2003.

Net sales for the quarter were \$24.3 million versus \$24.2 million in the first quarter of 2002. The Company reported a net loss from continuing operations of \$0.6 million, or \$0.06 per diluted share, compared to a net loss from continuing operations of \$1.1 million, or \$0.10 per diluted share, for the same period in 2002.

Jeffrey Siegel, president and chief executive officer, commented, "Net sales for the first quarter of 2003 were slightly below plan, due principally to weak demand from many of our major customers. As many of these retailers have reported, retail sales in the quarter were affected by the economy, uncertainty over events in the Middle East, unfavorable shopping weather in many parts of the country and the late Easter holiday."

Mr. Siegel continued, "While many of our customers expect consumer demand to remain soft for the balance of the year, we believe the combination of new product introductions and significant additional placements of our core lines will enable Lifetime Hoan to achieve the results we forecasted earlier in the year."

"As we discussed at year-end, Lifetime Hoan has developed a sizable pipeline of exciting, new products that we expect to be well received by retailers and consumers alike. These include the products from our new CasaModar division, which is focused on the growing market for casual home entertainment. These products are scheduled to begin

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shipping in the third quarter. Our new distribution center continues to function smoothly, and we look forward to an acceleration in sales as 2003 progresses and our new products and new placements come on stream."

The Company reaffirmed its estimates that Lifetime's net sales in 2003 will total approximately \$140 million to \$150 million. Earnings per share are estimated to total approximately \$0.65 to \$0.85 for the year.

As previously announced, Lifetime sold its 51% interest in the businesses of each of Prestige Italiana, Spa. and Prestige Haushaltswaren GmbH (together, the "Prestige Companies") in September 2002. The loss from the Prestige Companies' operations for the first quarter of 2002 is reflected as discontinued operations on the Company's income statements.

Separately, the Company announced that its Board of Directors declared a regular quarterly cash dividend of \$0.0625 per share, payable on May 20, 2003 to shareholders of record on May 5, 2003.

Lifetime Hoan Corporation is a leading designer, marketer and distributor of household cutlery, kitchenware, cutting boards, pantryware and bakeware, marketing its products under various trade names including Farberwarer and Hoffritzer. Through the use of various brand names, Lifetime Hoan's products are distributed through almost every major retailer in the U.S.

The information herein contains certain forward-looking statements including statements concerning the Company's future prospects. These statements involve risks and uncertainties, including risks relating to general economic conditions and risks relating to the Company's operations, such as the risk of loss of major customers and risks relating to changes in demand for the Company's products, as detailed from time to time in the Company's filings with the Securities and Exchange Commission.

Tables to follow

COMPANY CONTACT:
Robert McNally
Chief Financial Officer
(516) 683-6000

INVESTOR RELATIONS:
Harriet Fried
Lippert/Heilshorn &
Associates, Inc.
(212) 838-3777 or
hfried@lhai.com

LIFETIME HOAN CORPORATION
INCOME STATEMENT
(in 000's, except per share data)

Three Months Ended
March 31,
(Unaudited)

%Increase

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| | 2003 | 2002 | (Decrease) |
|---|----------|-----------|------------|
| Net Sales | \$24,284 | \$24,187 | 0.4% |
| Cost of Sales | 13,426 | 13,126 | 2.3% |
| Distribution Expenses | 4,454 | 5,816 | (23.4%) |
| SG&A | 7,321 | 6,852 | 6.8% |
| (Loss) from Operations | (917) | (1,607) | (42.9%) |
| Interest Expense | 111 | 227 | (51.1%) |
| Other (Income) | (17) | (22) | (22.7%) |
| (Loss) before Taxes | (1,011) | (1,812) | (44.2%) |
| Tax Provision | (409) | (732) | (44.1%) |
| Loss from Continuing Operations | (602) | (1,080) | (44.3%) |
| (Loss) from Discontinued Operations | - | (117) | |
| Net (Loss) | (\$ 602) | (\$1,197) | (49.7%) |
| Diluted Loss Per Share from Continuing Operations | (\$0.06) | (\$0.10) | (40.0%) |
| Weighted Average Shares | 10,561 | 10,493 | |
| Diluted Loss Per Share from Net Income | (\$0.06) | (\$0.11) | (45.5%) |
| Weighted Average Shares | 10,561 | 10,493 | |

LIFETIME HOAN CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

| | March 31, 2003 | March 31, 2002 |
|---|-------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 108 | \$ 144 |
| Accounts receivable, net | 12,680 | 14,428 |
| Merchandise inventories | 42,763 | 40,264 |
| Prepaid expenses and other current assets | 4,789 | 6,421 |
| Current assets discontinued operations | - | 5,873 |
| TOTAL CURRENT ASSETS | 60,340 | 67,130 |
| PROPERTY AND EQUIPMENT, net | 20,408 | 21,877 |
| INTANGIBLES, net | 23,855 | 24,251 |
| OTHER ASSETS | 2,119 | 2,073 |
| OTHER ASSETS DISCONTINUED OPERATIONS | - | 787 |
| TOTAL ASSETS | \$ 106,722 | \$ 116,118 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Short-term borrowings | \$ 11,500 | \$ 17,809 |

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| | | |
|---|------------|------------|
| Accounts payable and trade acceptances | 3,871 | 5,549 |
| Other current liabilities | 14,305 | 12,889 |
| Other current liabilities discontinued operations | - | 3,033 |
| TOTAL CURRENT LIABILITIES | 29,676 | 39,280 |
| MINORITY INTEREST | - | 457 |
| STOCKHOLDERS' EQUITY | 77,046 | 76,381 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 106,722 | \$ 116,118 |