

Edgar Filing: ONEIDA LTD - Form 10-Q

ONEIDA LTD
Form 10-Q
June 10, 2003

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 26, 2003

Commission file number 1-5452

ONEIDA LTD.

(Exact name of Registrant as specified in its charter)

NEW YORK
(State or other jurisdiction of
incorporation or organization)

15-0405700
I.R.S. Employer
Identification Number

ONEIDA, NEW YORK
(Address of principal executive offices)

13421
(Zip code)

(315) 361-3636

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of June 6, 2003: 16,561,687

ONEIDA LTD.
FORM 10-Q
FOR THE THREE MONTHS ENDED APRIL 26, 2003

INDEX

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PART II OTHER INFORMATION

- ITEM 1. LEGAL PROCEEDINGS
 - None.
- ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS
 - None.
- ITEM 3. DEFAULTS UPON SENIOR SECURITIES
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 - None.
- ITEM 5. OTHER INFORMATION
 - None.

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- ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

- 99.2 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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99.3 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) During the quarter ended April 27, 2002 no Reports on Form 8-K were filed by the registrant.

SIGNATURES

CERTIFICATIONS

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ONEIDA LTD. CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

(Thousands except per share amounts)	FOR THE THREE MONTHS ENDED	
	APR 26, 2003	APR 27, 2002
	-----	-----
REVENUES:		
Net sales	\$103,863	\$115,006
Operating revenues	340	368
	-----	-----
TOTAL REVENUES	104,203	115,374
COSTS AND EXPENSES:		
Cost of sales	74,355	77,500
Selling, distribution and administrative expenses	31,602	31,528
	-----	-----
TOTAL COSTS AND EXPENSES	105,957	109,028
INCOME (LOSS) FROM OPERATIONS	(1,754)	6,346
Other income	(551)	(975)
Other expense	739	609
Interest expense	3,431	4,086
	-----	-----
INCOME (LOSS) BEFORE INC TAXES	(5,373)	2,626
Provision (benefit) for income tax	(1,988)	978
	-----	-----
NET INCOME (LOSS)	\$ (3,385)	\$ 1,648
	=====	=====
EARNINGS PER SHARE OF COMMON STOCK:		
Net income (loss):		
Basic	\$ (.21)	\$.10
Diluted (NOTE 3)	(.21)	.10

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SHARES USED IN PER SHARE DATA:

Basic	16,556	16,530
Diluted (NOTE 3)	16,566	16,558
CASH DIVIDENDS DECLARED	\$.02	\$.02

See notes to consolidated financial statements.

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ONEIDA LTD.
CONSOLIDATED BALANCE SHEET
APRIL 26, 2003 AND JANUARY 25, 2003

	(Dollars in Thousands)	
	(Unaudited)	
	APR 26, 2003	JAN 25, 2003
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash	\$3,157	\$ 2,653
Accounts receivable, net of allowance for doubtful accounts of \$2,987 and \$2,963	67,825	75,810
Other accounts and notes receivable	2,646	2,196
Inventories:		
Finished goods	153,707	145,836
Goods in process	12,510	12,531
Raw materials and supplies	9,205	9,206
Other current assets	8,922	9,290
	-----	-----
Total current assets.....	257,972	257,522
	-----	-----
PROPERTY, PLANT AND EQUIPMENT-At cost:		
Land and buildings	70,538	70,265
Machinery and equipment	156,758	156,513
Tooling	31,808	30,727
Less accumulated depreciation	(157,816)	(155,139)
	-----	-----
Property, plant and equipment-net	101,288	102,366
	-----	-----
OTHER ASSETS:		
Goodwill	133,720	133,944
Deferred income taxes	18,575	18,575
Other assets	13,882	12,713
	-----	-----
TOTAL	\$525,437	\$525,120
	=====	=====

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See notes to consolidated financial statements.

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ONEIDA LTD.
CONSOLIDATED BALANCE SHEET
APRIL 26, 2003 AND JANUARY 25, 2003

	(Dollars in Thousands) (Unaudited)	
	APR 26, 2003	JAN 25, 2003
	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt	\$ 8,873	\$ 8,510
Accounts payable	27,388	25,711
Accrued liabilities	28,795	33,822
Dividends payable	363	363
Current installments of long-term debt	7,642	6,406
	-----	-----
Total current liabilities	73,061	74,812
	-----	-----
LONG-TERM DEBT	225,984	219,037
	-----	-----
OTHER LIABILITIES:		
Accrued postretirement liability	60,365	59,708
Accrued pension liability	23,709	23,496
Other liabilities	16,562	18,678
	-----	-----
Total	100,636	101,882
	-----	-----
STOCKHOLDERS' EQUITY:		
Cumulative 6% preferred stock; \$25 par value; authorized 95,660 shares, issued 86,036 shares, callable at \$30 per share	2,151	2,151
Common stock \$1 par value; authorized 48,000,000 shares, issued 17,846,486 and 17,836,571 shares	17,846	17,837
Additional paid-in capital	84,411	84,318
Retained earnings	64,659	68,407
Accumulated other comprehensive loss	(19,177)	(19,190)
Less cost of common stock held in treasury; 1,285,679 shares	(24,134)	(24,134)
	-----	-----

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Stockholders' Equity	125,756	129,389
	-----	-----
TOTAL	\$525,437	\$525,120
	=====	=====

See notes to consolidated financial statements

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ONEIDA LTD.
CONSOLIDATED STATEMENT OF CHANGES
IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED APRIL 26, 2003
(In Thousands)

(Unaudited)	Comp. Income	Common Shares	Common Stock	Pref'd Stock	Add'l Paid-in Capital	Retained Earnings
	-----					-----
Balance at Jan 25, 2003..		17,837	\$17,837	\$2,151	\$84,318	\$68,407
Stock plan activity,		9	9		93	
Cash dividends declared (\$.02 per share)						(363)
Net loss	\$ (3,385)					(3,385)
Other comprehensive income	13					

Comprehensive loss	\$ (3,372)					
	=====					
Balance at Apr 26, 2003..		17,846	\$17,846	\$2,151	\$84,411	\$64,659
						=====

	Other Comp Income (Loss)	Treasury Stock
	-----	-----
Balance at Jan 25, 2003..	\$ (19,190)	\$ (24,134)
Other comprehensive income	13	

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Balance at Apr 26, 2003..	\$ (19,177)	\$ (24,134)
---------------------------	-------------	-------------

See notes to consolidated financial statements.

ONEIDA LTD.
CONSOLIDATED STATEMENT OF CHANGES
IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED APRIL 27, 2002
(In Thousands)

(Unaudited)	Comp. Income	Common Shares	Common Stock	Pref'd Stock	Add'l Paid-in Capital	Retained Earnings
Balance at Jan 26, 2002..		17,809	\$17,809	\$2,151	\$83,965	\$60,638
Stock plan activity,		12	12		116	
Cash dividends declared (\$0.02 per share)						(352)
Net income	\$ 1,648					1,648
Other comprehensive loss		(40)				
Comprehensive income	\$ 1,608					
Balance at Apr 27, 2002..		17,821	\$17,821	\$2,151	\$84,081	\$61,934

	Other Comp Loss	Treasury Stock
Balance at Jan 26, 2002..	\$ (16,328)	\$ (24,134)

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Other comprehensive loss.....	(40)	
Balance at Apr 27, 2002..	\$ (16,368)	\$ (24,134)

See notes to consolidated financial statements.

ONEIDA LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED APRIL 26, 2003 AND APRIL 27, 2002
(Unaudited)
(In Thousands)

	FOR THE THREE MONTHS ENDED	
	APR 26, 2003	APR 27, 2002
	-----	-----
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (3,385)	\$ 1,648
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,030	4,146
Deferred income taxes		(40)
Changes in operating assets and liabilities:		
Accounts receivable	7,535	(45)
Inventories	(7,850)	8,662
Other current assets.....	368	1,728
Other assets	(1,635)	(8,356)
Accounts payable	1,677	(423)
Accrued liabilities	(5,025)	(1,611)
Other liabilities	(1,241)	1,991
Net cash provided (used) by operating activities	----- (5,526)	----- 7,700
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditures	(2,442)	(1,880)
Capital disposals	176	
Proceeds from sale of marketable securities		3,106
Net cash provided (used) in investing activities	----- (2,266)	----- 1,226

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	-----	-----
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	102	129
Increase (decrease) in short-term debt	362	(4,224)
Payment of long-term debt		(12,325)
Proceeds from issuance of long-term debt	8,182	1,330
Dividends paid	(363)	(352)
	-----	-----
Net cash provided (used) by financing activities	8,283	(15,442)
	-----	-----
EFFECT OF EXCHANGE RATE CHANGES ON CASH	13	(40)
	-----	-----
NET (DECREASE) INCREASE IN CASH	504	(6,556)
CASH AT BEGINNING OF YEAR	2,653	11,112
	-----	-----
CASH AT END OF PERIOD	\$3,157	\$4,556
	=====	=====

See notes to consolidated financial statements.

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ONEIDA LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Thousands)

1. The statements for the three months ended April 26, 2003 and April 27, 2002 are unaudited; in the opinion of the Company such unaudited statements include all adjustments (which comprise only normal recurring accruals) necessary for a fair presentation of the results of such periods. The results of operations for the three months ended April 26, 2003 are not necessarily indicative of the results of operations to be expected for the year ending January 31, 2004. The consolidated financial statements and notes thereto should be read in conjunction with the financial statements and notes for the years ended in January 2003 and 2002 included in the Company's January 25, 2003 Annual Report to the Securities and Exchange Commission on Form 10-K.

2. The provision for income taxes is based on pre-tax income for financial statement purposes with an appropriate deferred tax provision to give effect to changes in temporary differences between the financial statements and tax bases of assets and liabilities. The temporary differences arise principally from postretirement benefits, depreciation and other employee benefits. The Company anticipates an effective tax rate of 37% for the year as compared to a rate of 20% in the prior year due to nonrecurring rate reductions in fiscal 2003.

3. Basic and diluted earnings per share are presented for each period in which a statement of operations is presented. Basic earnings per share is computed by dividing income less preferred stock dividends by the weighted average shares actually outstanding for the period. Diluted earnings per share includes the potentially dilutive effect of shares issuable under the employee stock purchase and incentive stock option plans.

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The shares used in the calculation of diluted EPS exclude options to purchase shares where the exercise price was greater than the average market price of common shares for the period. Such shares aggregated 1,715 and 1,298 for the three months ended April 2003 and 2002, respectively.

The following is a reconciliation of basic earnings per share to diluted earnings per share for the three months ended April 26, 2003 and April 27, 2002:

	Net Income (Loss)	Preferred Stock Dividends	Adjusted Net Income (Loss)	Average Shares	Earnings (Loss) Per Share

2003:					
Basic earnings (loss)					
per share	\$(3,385)	\$(32)	\$(3,417)	16,556	\$(.21)
Effect of stock options.				10	
Diluted earnings (loss)					
per share	(3,385)	(32)	(3,417)	16,566	(.21)

2002:					
Basic earnings					
per share	\$1,648	\$(32)	\$1,616	16,530	\$.10
Effect of stock options.				28	
Diluted earnings					
per share	1,648	(32)	1,616	16,558	.10

4. In April 2003, the Company and its lenders entered into an amendment to the revolving credit agreement. The amendment extends the maturity to May 31, 2005 from February 1, 2004, adjusts certain financial covenants and prohibits payment of dividends on common stock. In addition, the commitment under the facility reduced to \$225,000 upon signing of the amendment with further reductions to \$220,000 on July 25, 2003, \$215,000 on November 3, 2003, \$205,000 on January 30, 2004, \$185,000 on February 7, 2004, \$175,000 on May 3, 2004 and \$165,000 on November 1, 2004.

This facility contains certain financial covenants, including a restriction limiting the Company's total debt outstanding to a pre-determined multiple of the prior rolling twelve months earnings before interest, taxes, depreciation and amortization. The Company met the current covenant requirements at April 26, 2003. It is probable that the Company will fail to meet one or more covenant requirements at July 26, 2003 and the Company intends to seek waivers from its lenders. The failure to obtain waivers could result in insufficient liquidity to support future operations. At April 26, 2003 the Company could have borrowed up to an additional \$16,098. Under the provisions of the amended note agreements, at April 26, 2003 the Company was able to declare dividends on 6% Cumulative Preferred Stock up to \$32,265 per quarter. However, no dividend was declared for the first quarter ended April 26, 2003.

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5. The Company's operations and assets are in one principal industry segment, tableware products. The Company's major product categories are grouped around the manufacture and distribution of metal tableware, china dinnerware and glass tabletop products. The Company also distributes a variety of other tabletop accessories. These products are sold directly to a broad base of retail outlets including department stores, mass merchandisers, Oneida Home stores and chain stores. Additionally, these products are sold to special sales markets, which include customers who use them as premiums, incentives and business gifts. The Company also sells directly or through distributors to foodservice operations worldwide, including hotels, restaurants, airlines, cruise lines, schools and healthcare facilities. The Company's operations are located in the United States, Canada, Mexico, Italy, Australia, The United Kingdom and China.

Sales and operating income for the tableware products for the first quarter of 2003 and 2002 were as follows:

First Quarter	(000)				
-----	Metal	Dinnerware	Glass	Other	Total
-----	-----	-----	-----	-----	-----
2003 Net Sales	\$62,200	\$32,200	\$ 6,400	\$3,063	\$103,863
2002 Net Sales	69,600	36,200	7,100	2,106	115,006
2003 Operating Income (Loss)	\$(3,000)	\$ 2,300	\$(1,000)	\$ (54)	\$ (1,754)
2002 Operating Income (Loss)	2,000	4,500	(100)	(54)	\$ 6,346

6. In June 2001, the Financial Accounting Standards Board approved Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" ("SFAS 142"). The Company adopted SFAS 142 effective January 27, 2002. Under SFAS 142, amortization of goodwill, including goodwill recorded in past business combinations, was discontinued upon adoption of this standard. Goodwill is subject to annual impairment testing, which compares the carrying value to the fair value and when appropriate, the carrying value of these assets reduces the fair value.

7. The Company has elected to continue following APB No. 25 in accounting for its stock-based compensation plans. Under APB No. 25, compensation expense is not required to be recognized for the Company's stock-based compensation plans. Under Statement of Financial Accounting Standards No. 123 ("SFAS 123") "Accounting for Stock Based Compensation", compensation expense is recognized for the fair value of the options on the date of grant over the vesting period of the options.

Application of the fair-value based accounting provision of SFAS 123 results in the following pro forma amounts of net income (loss) and earnings (loss) per share:

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	(Thousands Except Per Share Amounts)	
	April 26, 2003	April 27, 2002
	-----	-----
Net income (loss), as reported	\$(3,385)	\$1,648
Deduct: Total stock-based employee compensation expense determined under Black-Scholes option pricing model, net of related income tax effect	(554)	(573)
	-----	-----
Pro forma net income	\$(3,939)	\$1,075
Earnings (loss) per share:		
As reported: Basic	\$ (.21)	\$.10
Diluted	(.21)	.10
Pro forma: Basic	(.24)	.07
Diluted	(.24)	.07

There was no stock based employee compensation expense included in the Consolidated Statement of Operations.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Quarter ended April 26, 2003 compared with
the quarter ended April 27, 2002
(In Thousands)

Operations
Net Sales by Product Line:

	Three Months Ended		
	2003	2002	%Change
	-----	-----	-----
Metal products	\$ 62,200	\$69,600	(10.6)
Dinnerware products .	32,200	36,200	(11.0)

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Glass products	6,400	7,100	(9.9)
Other products	3,063	2,106	45.4
	-----	-----	-----
Total	103,863	115,006	(9.7)
	=====	=====	=====

Quarterly Review

Consolidated net sales for the quarter ended April 26, 2003 were \$11,143 lower than in the first quarter of the prior year, reflecting continuing softness in both the foodservice and domestic retail markets.

Gross margin as a percentage of net sales was 28.4% in the first quarter of 2003, comparable to the 32.6% realized for the same period of 2002. This is mainly the result of an aggressive pricing strategy utilized to maintain market share in both the foodservice and consumer markets. In addition, unfavorable factory variance worsened as the manufacturing facilities continue to operate at a lower capacity due to reduced demand. Overall in 2003, there was a slight cost increase in procured product, which represents over 50% of total sales.

Total operating expenses increased by \$74, or 0.2%, from the same quarter last year. As a percentage of sales, operating expenses were 30.4% as compared to 27.4% in 2002 as a result of the lower sales volume.

Interest expense, prior to capitalized interest, was \$3,439 for the quarter ended April 26, 2003, a decrease of \$673 from the first quarter of 2002. This decrease is due to significantly lower average borrowings and lower prevailing interest rates incurred throughout the current quarter.

The Company anticipates an effective tax rate of 37% for the year as compared to a rate of 20% in the prior year due to nonrecurring rate reductions in fiscal 2003.

Liquidity & Financial Resources

During the first quarter of 2003, inventories increased by approximately \$7,800 and debt increased by approximately \$8,500 in the same period. Cash flow used by operations for the first quarter was \$(5,526) as compared to \$7,700 provided in the prior year's first quarter. The Company spent approximately \$2,400 in the first quarter on capital projects focused primarily on its manufacturing facilities. Capital spending for the remainder of 2003 is anticipated to be approximately \$6,900.

In April 2003, the Company and its lenders entered into an amendment to the revolving credit agreement. The amendment extends the maturity to May 31, 2005 from February 1, 2004, adjusts certain financial covenants and prohibits payment of dividends on common stock. In addition, the commitment under the facility reduced to \$225,000 upon signing of the amendment with further reductions to \$220,000 on July 25, 2003, \$215,000 on November 3, 2003, \$205,000 on January 30, 2004, \$185,000 on February 7, 2004, \$175,000 on May 3, 2004 and \$165,000 on

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November 1, 2004.

This facility contains certain financial covenants, including a restriction limiting the Company's total debt outstanding to a pre-determined multiple of the prior rolling twelve months earnings before interest, taxes, depreciation and amortization. The Company met the current covenant requirements at April 26, 2003. It is probable that the Company will fail to meet one or more covenant requirements at July 26, 2003 and the Company intends to seek waivers from its lenders. The failure to obtain waivers could result in insufficient liquidity to support future operations.

Provided the above waivers are obtained, management believes there is sufficient liquidity to support the Company's funding requirements over the next year from future operations as well as from available bank lines of credit. The Company may need to raise additional capital to further reduce its outstanding debt obligations. Working capital was \$184,911 as of April 26, 2003 as compared to \$182,710 at January 25, 2003. The Company could have borrowed up to an additional \$16,098 at April 26, 2003.

Under the provisions of the amended note agreements, at April 26, 2003 the Company was able to declare dividends on 6% Cumulative Preferred Stock up to \$32,265 per quarter. However, no dividend was declared for the first quarter ended April 26, 2003.

Quantitative and Qualitative Disclosures about Market Risk

The Company's market risk is impacted by changes in interest rates and foreign currency exchange rates. Pursuant to the Company's policies, the Company does not hold or issue any significant derivative financial instruments.

The Company's primary market risk is interest rate exposure in the United States. Historically, the Company manages interest rate exposure through a mix of fixed and floating rate debt. The majority of the Company's debt is currently at floating rates. Based on floating rate borrowings outstanding at April 2003, a 1% change in the rate would result in a corresponding change in interest expense of \$2.2 million.

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Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and our Chief Financial Officer have carried out an evaluation, with the participation of the Company's management, of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) within 90 days of the date of this report. That evaluation included consideration of those controls in light of the just completed review of the Company's financial statements for the prior 8 quarters. Based upon that evaluation, each has concluded that the Company's "disclosure controls and procedures" are effective to insure that information required to be disclosed in the reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and regulations.

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Changes in Internal Controls

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls, nor any significant deficiencies or material weaknesses in such controls requiring corrective actions, subsequent to the date of their evaluation.

Forward Looking Information

With the exception of historical data, the information contained in this Form 10-Q, as well as those other documents incorporated by reference herein, may constitute forward-looking statements, within the meaning of the Federal securities laws, including but not limited to the Private Securities Litigation Reform Act of 1995. As such, the Company cautions readers that changes in certain factors could affect the Company's future results and could cause the Company's future consolidated results to differ materially from those expressed or implied herein. Such factors include, but are not limited to: changes in national or international political conditions; terrorist attacks; general economic conditions in the Company's own markets and related markets; difficulties or delays in the development, production and marketing of new products; the impact of competitive products and pricing; certain assumptions related to consumer purchasing patterns; significant increases in interest rates or the level of the Company's indebtedness; foreign currency fluctuations; major slowdowns in the retail, travel or entertainment industries; the loss of several of the Company's major customers; underutilization of the Company's plants and factories; impact of changes in accounting standards; potential legal proceedings; changes in pension and retiree medical costs; and the amount and rate of growth of the Company's selling, general and administrative expenses.

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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.

ONEIDA LTD.
(Registrant)

Date: June 10, 2003

/s/ GREGG R. DENNY

Gregg R. Denny
Chief Financial Officer

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CERTIFICATION

I, Peter J. Kallet certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oneida Ltd.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weakness in internal controls; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

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6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 10, 2003

By: /s/ PETER J. KALLET

Peter J. Kallet
Chairman of the Board, President and
Chief Executive Officer

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CERTIFICATION

I, Gregg R. Denny certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oneida Ltd.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

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- c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weakness in internal controls; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

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6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 10, 2003

By: /s/ GREGG R. DENNY

Gregg R. Denny
Chief Financial Officer

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