FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1999-09-10** | Period of Report: **1999-07-31**
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ONEIDA LTD

CIK:**74585**| IRS No.: **150405700** | State of Incorp.:**NY** | Fiscal Year End: **0130**
Type: **10-Q** | Act: **34** | File No.: **001-05452** | Film No.: **99709597**
SIC: **3910** Jewelry, silverware & plated ware

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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 July 31, 1999

Commission file number 1-5452

ONEIDA LTD.
(Exact name of Registrant as specified in its charter)

NEW YORK	15-0405700
(State or other jurisdiction of incorporation or organization)	I.R.S. Employer Identification Number
ONEIDA, NEW YORK	13421
(Address of principal executive offices)	(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 September 3, 1999: 16,714,055.

ONEIDA LTD.
FORM 10-Q
FOR THE THREE MONTHS ENDED July 31, 1999

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No other information required to be filed for this quarter.

<TABLE>

ONEIDA LTD.
CONSOLIDATED STATEMENT OF OPERATIONS

(Thousands except per share amounts)	FOR THE THREE MONTHS ENDED JULY 31, 1999	FOR THE THREE MONTHS ENDED AUG 1, 1998	FOR THE SIX MONTHS ENDED JULY 31, 1999	FOR THE SIX MONTHS ENDED AUG 1, 1998
<S>	<C>	<C>	<C>	<C>
NET SALES......................	$112,073	$104,216	$230,112	$211,271
COST OF SALES..................	65,887	64,962	137,009	130,398
INVENTORY WRITEDOWN (NOTE 3)..			3,000	
GROSS MARGIN...................	46,186	39,254	90,103	80,873
OPERATING REVENUES............	99	395	416	416
	46,285	39,649	90,519	81,289
OPERATING EXPENSES:				
Selling, advertising and				

distribution...............	22,112	21,885	45,338	42,811
General and administrative..	8,984	8,626	19,342	18,328
Restructuring and unusual charges (NOTE 3)...........			32,800	
Total.....................	31,096	30,511	97,480	61,139
INCOME (LOSS) FROM OPERATIONS.	15,189	9,138	(6,961)	20,150
OTHER INCOME (EXPENSE)........	(331)	1,148	(383)	951
INTEREST EXPENSE..............	(2,419)	(2,047)	(5,069)	(3,867)
INCOME (LOSS) BEFORE INCOME TAXES.........	12,439	8,239	(12,413)	17,234
PROVISION (CREDIT) FOR INCOME TAXES.................	4,733	3,152	(1,688)	6,592
NET INCOME (LOSS).............	$7,706	$5,087	($10,725)	$10,642
EARNINGS PER SHARE OF COMMON STOCK:				
Net income (loss):				
Basic.....................	$0.46	$0.30	($0.65)	$0.63
Diluted...................	0.46	0.30	(0.65)	0.62
SHARES USED IN PER SHARE DATA:				
Basic.....................	16,541	16,734	16,549	16,695
Diluted...................	16,785	17,015	16,702	16,976

<FN>
See notes to consolidated financial statements.
</TABLE>

<TABLE>

ONEIDA LTD.
CONSOLIDATED BALANCE SHEET
JULY 31, 1999 AND JANUARY 30, 1999

(Thousands)

<S> <C> <C>

	JULY 31, 1999	JAN 30, 1999
ASSETS		
CURRENT ASSETS:		
Cash	$4,001	$1,913
Accounts receivable, net of allowance for doubtful accounts of $1,728,000 and $1,520,000	78,995	72,919
Other accounts and notes receivable	1,320	2,777
Inventories:		
Finished goods	170,443	160,888
Goods in process	15,225	14,339
Raw materials and supplies	14,139	14,885
Other current assets	12,831	8,217
Total current assets	296,954	275,938
PROPERTY, PLANT AND EQUIPMENT-At cost:		
Land and buildings	56,509	56,378
Machinery and equipment	168,509	161,660
Total	225,018	218,038
Less accumulated depreciation	128,216	123,010
Property, plant & equipment-net	96,802	95,028
Intangible assets - net	28,411	39,202
Other assets	33,353	31,900
TOTAL	$455,520	$442,068

<FN>
See notes to consolidated financial statements.
</TABLE>

<TABLE>

ONEIDA LTD.
CONSOLIDATED BALANCE SHEET
JULY 31, 1999 AND JANUARY 30, 1999

	(Thousands) JULY 31, 1999	JAN 30, 1999
<S>	<C>	<C>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt................................	$51,803	$56,060
Accounts payable...............................	27,573	26,638
Accrued liabilities............................	45,678	40,295
Accrued income taxes...........................	6,421	6,388
Dividends payable..............................	1,702	1,701
Current installments of long-term debt........	6,704	4,790
Total current liabilities..................	139,881	135,872
LONG-TERM DEBT.................................	111,754	89,605
OTHER LIABILITIES:		
Accrued postretirement liability..............	55,017	54,264
Accrued pension liability.....................	13,789	9,584
Other liabilities.............................	11,056	12,495
Total......................................	79,862	76,343
STOCKHOLDERS' EQUITY:		
Cumulative 6% preferred stock; $25 par value; authorized 95,660 shares, issued 87,013 and 87,411 shares, respectively, callable at $30 per share....................	2,175	2,185
Common stock $1 par value; authorized 48,000,000 shares, issued 17,576,621 and 17,423,478 shares, respectively..........	17,577	17,423
Additional paid-in capital....................	81,445	79,737
Retained earnings.............................	51,823	65,870

Equity adjustment from translation...........	(11,917)	(11,079)
Less cost of common stock held in treasury; 883,747 and 816,284 shares, respectively................................	(14,978)	(13,888)
Less unallocated ESOP shares of common stock of 78,793.............................	(2,102)	
	-------	-------
Stockholders' Equity......................	124,023	140,248
	-------	-------
TOTAL..................................	$455,520	$422,068
	=======	=======

<FN>
See notes to consolidated financial statements.
</TABLE>

<TABLE>

Consolidated Statement of Changes
in Stockholders' Equity
For the quarters ended July 31, 1999 and August 1, 1998

	Comp. Income	Common Shares	Common Stock	Pref'd Stock	Add'l Paid-in Capital	Retained Earnings
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at May 2, 1998...		17,242	$17,242	$2,199	$77,867	$58,459
Stock plan activity, net.		127	127		1,298	
Cancelled stock..........		(7)	(7)	(1)		
Purchase/retirement of Treasury stock, net......		(7)	(7)			
Cash dividends declared ($.20 per share)......						(3,387)
Net income...............	$5,087					5,087
Other comprehensive income (loss).........	(1,344)					

Comprehensive income.....	$3,743					
ESOP activity, net.......	======					
		-------	-------	-------	-------	-------
Balance August 1, 1998		17,355	$17,355	$2,198	$79,165	$60,159

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</TABLE>

<TABLE>

<S>	Accumulated Other Comp Income <C>	Treasury Stock <C>	Unallocated ESOP <C>
Balance at May 2, 1998...	($9,475)	($5,632)	($1,782)
Stock plan activity, net.			
Cancelled stock..........			
Purchase/retirement of Treasury stock, net......		(5,528)	
Cash dividends declared ($.20 per share)......			
Net income...............			
Other comprehensive income (loss).........	(1,344)		
Comprehensive income.....			
ESOP activity, net.......			1,474
Balance August 1, 1998	($10,819)	($11,160)	($308)

</TABLE>

<TABLE>

Consolidated Statement of Changes
in Stockholders' Equity
For the quarters ended July 31, 1999 and August 1, 1998
(Continued)

	Comp. Income	Common Shares	Common Stock	Pref'd Stock	Add'l Paid-in Capital	Retained Earnings

<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at May 1, 1999...		17,500	$17,500	$2,175	$80,530	$45,760
Stock plan activity, net.		77	77		915	
Cancelled stock..........						
Purchase/retirement of Treasury stock, net......						
Cash dividends declared ($.10 per share)......						(1,643)
Net income...............	$7,706					7,706
Other comprehensive income (loss).........	(802)					
Comprehensive income.....	$6,904					
ESOP activity, net.......	======					
Balance July 31, 1999		17,577	$17,577	$2,175	$81,445	$51,823

</TABLE>
<TABLE>

	Accumulated Other Comp Income	Treasury Stock	Unallocated ESOP
<S>	<C>	<C>	<C>
Balance at May 1, 1999...	($11,115)	($14,593)	($1,434)
Stock plan activity, net.			
Cancelled stock..........			
Purchase/retirement of Treasury stock, net......		(648)	
Cash dividends declared ($.10 per share)......			
Net income...............			
Other comprehensive income (loss).........	(804)		
Comprehensive income.....			
ESOP activity, net.......			(668)
Balance July 31, 1999	($11,917)	($14,978)	($2,102)

<FN>
See notes to consolidated financial statements.
</TABLE>

<TABLE>

Consolidated Statement of Changes
in Stockholders' Equity
For the six months ended July 31, 1999 and August 1, 1998

<S>	Comp. Income <C>	Common Shares <C>	Common Stock <C>	Pref'd Stock <C>	Add'l Paid-in Capital <C>	Retained Earnings <C>
Balance at January 31, 1998		17,091	$17,242	$2,200	$76,007	$54,620
Stock plan activity, net...		292	292		3,158	
Cancelled stock............		(21)	(21)	(2)		
Purchase/retirement of Treasury stock, net......		(7)	(7)			
Cash dividends declared ($.30 per share)......						(5,103)
Net income...............	$10,642					10,642
Other comprehensive income (loss).........	(2,150)					

Comprehensive income.....	$8,492					
ESOP activity, net.......	======					
Balance August 1, 1998		17,355	$17,355	$2,198	$79,165	$60,159

</TABLE>
<TABLE>

<S>	Accumulated Other Comp Income <C>	Treasury Stock <C>	Unallocated ESOP <C>
Balance at January 31, 1999	($8,669)	($5,632)	(1,782)
Stock plan activity, net...			
Cancelled stock............			
Purchase/retirement of Treasury stock, net........		(5,528)	
Cash dividends declared (.30 per share)...........			
Net income.................			
Other comprehensive income (loss)...........	(2,150)		

Comprehensive income.......			
ESOP activity, net.........			1,474
Balance August 1, 1998	($10,819)	($11,160)	($308)

</TABLE>

<TABLE>

Consolidated Statement of Changes
in Stockholders' Equity
For the six months ended July 31, 1999 and August 1, 1998
(Continued)

<S>	Comp. Income <C>	Common Shares <C>	Common Stock <C>	Pref'd Stock <C>	Add'l Paid-in Capital <C>	Retained Earnings <C>
Balance at January 30, 1999.		17,423	$17,423	$2,185	$79,737	$65,870
Stock plan activity, net..		159	159		1,703	
Cancelled stock...........		(5)	(5)		1	
Purchase/retirement of Treasury stock, net.......				(10)	4	
Cash dividends declared ($.20 per share).......						(3,322)
Net income................	($10,725)					(10,725)
Other comprehensive income (loss)..........	(838)					
Comprehensive income......	$6,904					
ESOP activity, net........						
Balance July 31, 1999		17,577	$17,577	$2,175	$81,445	$51,823

</TABLE>

<TABLE>

<S>	Accumulated Other Comp Income <C>	Treasury Stock <C>	Unallocated ESOP <C>
Balance at January 30, 1999	($11,079)	($13,888)	$ -
Stock plan activity, net...			
Cancelled stock............			
Purchase/retirement of Treasury stock, net........		(1,352)	
Cash dividends declared ($.20 per share)........			
Net income.................			
Other comprehensive income (loss)...........	(838)		
Comprehensive income.......			
ESOP activity, net.........		262	(2,102)
Balance July 31, 1999	($11,917)	($14,978)	($2,102)

<FN>

See notes to consolidated financial statements.
</TABLE>

<TABLE>

ONEIDA LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JULY 31, 1999 and AUGUST 1, 1998
(In Thousands)

<S>	FOR THE SIX MONTHS ENDED JULY 31, 1999 <C>	AUG 1, 1998 <C>
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income (loss)...............................	($10,725)	$10,642

Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	5,731	6,688
Impairment of long-term assets and inventory writedowns	15,000	
Amortization of intangibles	1,365	1,517
Deferred taxes and other non-cash charges and credits	5,927	452
Decrease (increase) in operating assets:		
Receivables	(4,619)	(3,221)
Inventories	(12,695)	(43,948)
Other current assets	(4,614)	(2,573)
Other assets	(111)	40
Increase in accounts payable	935	5,057
Increase (decrease) in accrued liabilities	5,418	(5,323)
Net cash provided by (used in) operating activities	1,612	(30,669)
CASH FLOW FROM INVESTING ACTIVITIES:		
Property, plant and equipment expenditures	(11,208)	(11,856)
Minority interest	(1,332)	(182)
Retirement of property, plant and equipment	153	214
Other, net	(1,441)	(58)
Net cash used in investing activities	(13,828)	(11,882)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	1,821	3,243
Issuance of restricted stock plan shares	36	178
Purchase of treasury stock	(1,096)	(4,947)
Purchase (allocation) of ESOP shares - net	(2,102)	(529)
Issuance (payments) of short-term debt - net	(4,258)	54,824
Payment of long-term debt	(275)	(222)
Proceeds from issuance of long-term debt	24,338	449
Dividends paid	(3,322)	(5,103)
Net cash provided by financing activities	15,142	47,893
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	(838)	(2,150)
NET INCREASE IN CASH	2,088	3,192
CASH AT BEGINNING OF YEAR	1,913	3,095
CASH AT END OF PERIOD	$4,001	$6,287
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Interest paid	$4,764	$3,989
Income taxes paid	2,133	4,887

<FN>
See notes to consolidated financial statements.
</TABLE>

ONEIDA LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Thousands)

1. The statements for the six months ended July 31, 1999 and August 1, 1998 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 six months ended July 31, 1999 are not necessarily indicative of the results of operations to be expected for the year ending January 29, 2000. The consolidated financial statements and notes thereto should be read in conjunction with the financial statements and notes for the years ended in January 1999 and 1998 included in the Company's January 30, 1999 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 restructuring charges, postretirement benefits, depreciation and other employee benefits.

3. In the quarter ended May 1, 1999, the Company recorded a $35,800 charge for restructuring and other unusual items, as it broadened the restructuring program initiated in 1998. This total includes $3,000 of inventory writedowns due to discontinuing certain product lines, $11,000 of charges related to operations restructuring, $12,000 of long-term asset impairments and $9,800 of other unusual charges. Key components of the restructuring are the closure of the Company's flatware manufacturing facility in Niagara Falls, Canada; consolidation of the Company's international operations; and further elimination of positions and underperforming product lines.

The majority of the $11,000 restructuring charge related to operations made in the first quarter related to early retirement benefits, severance and associated employee benefit costs. The closure of the Canadian manufacturing facility, which was substantially completed in the first quarter, resulted in the reduction of approximately 150 jobs. The intent of the total strategic restructuring plan is to reduce the Company's worldwide employment of 4,800 jobs by approximately 12%. This is being accomplished by means of the above mentioned plant closure and further international and domestic job consolidations, as well as through normal attrition and the extension of early retirement and termination packages. In the second quarter and the first six months , the Company actually paid $7,300 and $7,700 of these restructuring costs, respectively.

The asset writedowns are related to goodwill associated with the purchase of an Italian subsidiary and the writedown of manufacturing fixed assets that will no longer be utilized due to the closing of the Oneida Canada plant and the exiting o f certain product lines. The full $12,000 of non-cash charges were recorded against the respective assets to reduce them to net realizable value in the first quarter. The Company recorded a $3,000 non-cash inventory reserve charge as a component of cost of sales during the first quarter to reduce discontinued product lines to net realizable value. $1,310 and $1,470 was written off against the reserve during the second quarter and first half of the year, respectively.

During the first quarter, the Company expensed $9,800 of unusual items. These were costs related to an unsolicited takeover attempt as well as costs incurred to overcome unique market barriers in the foodservice glassware market. Approximately $1,900 and $5,000 of these unusual expense payments were made in the second quarter and first half of 1999, respectively.

ONEIDA LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Thousands)

In the year ended January 1999, the Company initiated restructuring efforts by means of a workforce reduction that was accomplished through job consolidations and early retirements. The Company previously accrued $5,000 to account for the severance and related employee benefits for this phase. As of the end of the second quarter, approximately $400 of benefits remain unpaid.

The majority of the restructuring and unusual expense payments will be completed by year-end. There are no anticipated adjustments needed for any of the restructuring or unusual expense accruals.

4. 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.

The following is a reconciliation of basic earnings per share to diluted earnings per share for the six months ended July 31, 1999 and August 1, 1998:

	Net Income (Loss)	Preferred Stock Dividends	Adjusted Net Income (Loss)	Average Shares	Earnings Per Share
[S]	[C]	[C]	[C]	[C]	[C]
1999:					
Basic earnings					

per share	$(10,725)	$(65)	$(10,790)	16,549	$(.65)
Effect of stock options				153	
Diluted earnings per share	(10,725)	(65)	(10,790)	16,702	(.65)

1998:					
Basic earnings per share	10,642	(66)	10,576	16,695	.63
Effect of stock options				281	
Diluted earnings per share	10,642	(66)	10,576	16,976	.62

5. Included in the long-term debt caption on the balance sheet are various senior notes. The note agreements relating thereto contain provisions which restrict borrowings, business investments, acquisition of the Company's stock and payment of cash dividends. At July 31, 1999, the maximum amount available for payment of dividends was $8,464.

6. Within the Statement of Changes in Stockholders' Equity, the Company reports comprehensive income in accordance with the Statements of Financial Accounting Standard No. 130, "Reporting Comprehensive Income." This pronouncement requires the Company to report the effects of foreign currency translation adjustments on comprehensive income.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Quarter ended July 31, 1999 compared with the quarter ended August 1, 1998
(In Thousands)

Operations

Net Sales by Product Line:

[S]	1999 [C]	1998 [C]	% Change [C]
Metal Products...............	$72,100	$74,000	(2.6)%
Dinnerware Products..........	25,600	21,900	16.9%
Glass/Crystal Products.......	9,500	4,200	126.2%
Other Products...............	4,873	4,116	18.4%

Total	$112,073	$104,216	7.5%

Consolidated net sales, for the quarter ended July 31, 1999 increased $7,857, over the same period a year ago and set a record for the Company's second quarter.

Significant sales increases were made in the foodservice and international markets. The growth in dinnerware sales includes both domestic and imported products. The Company added glass products and expanded its crystal offering in late 1998, hence the growth in that product line. The majority of the growth in sales of other products is attributable to sales made to the grocery store market.

Gross margin, as a percentage of net sales, was 41.2% in the second quarter of 1999 as compared to 37.7% for the same period of 1998. The increase reflected improved manufacturing efficiencies in 1999.

Operating Expenses

[S]	1999 [C]	1998 [C]	% Change [C]
Selling, advertising and distribution	$22,112	$21,885	1.0%
General and administrative	8,984	8,626	4.2%
Total	$31,096	$30,511	1.9%

Total operating expenses as a percentage of sales decreased to 27.7% in the second quarter of 1999 from 29.3% last year due to strict expense control. The slight increase in selling and distribution costs is attributable to higher sales levels in the current year. The increase in general and administrative costs is principally due to the operation of the Company's Australian subsidiary, which was acquired in July 1998.

Included in other income for the quarter ended August 1, 1998 were net settlements of three long-term contracts resulting from termination of a major energy supply contract, the Company's lease of an office facility in Redmond Washington and a long-term distribution relationship. Interest expense, prior to capitalized interest, was $2,936 for the quarter ended July 31 1999, an increase of $604 from the second quarter of 1998. This increase is due to higher average borrowings in 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Six month period ended July 31, 1999 compared with
the six month period ended August 1, 1998
(In Thousands)

Operations
Net Sales by Product Line:

[S]	1999 [C]	1998 [C]	% Change [C]
Metal Products................	$147,800	$148,000	(0.1)%
Dinnerware Products..........	49,800	45,000	10.7%
Glass/Crystal Products.......	16,900	9,000	87.8%
Other Products...............	15,612	9,271	68.4%
Total......................	$230,112	$211,271	8.9%

Consolidated net sales, for the six months ended July 31, 1999 increased $18,841, over the same period a year ago.

Significant sales increases over 1998 levels were made in all major markets- consumer, foodservice, and international. 1999 is the first full year that the Company expanded it's crystal product category to include glassware and new consumer crystal lines, hence the growth in that product line. The majority of the growth in sales of other products is attributable to continued growth in the grocery store market.

Gross margin, (excluding the special inventory restructuring charge of $3,000), as a percentage of net sales, was 40.5% in the first six months of 1999 as compared to 38.3% for the same period of 1998. The increase reflected improved manufacturing efficiencies in 1999.

Operating Expenses (exclusive of restructuring and unusual charges)

[S]	1999 [C]	1998 [C]	% Change [C]
Selling, advertising and distribution.............	$45,338	$42,811	5.9%
General and administrative.....	19,342	18,328	5.5%
Total.......................	$64,680	$61,139	5.8%

Total recurring operating expenses increased by $3,541 from the same period last year, but actually decreased as a percentage of sales from 28.9% to 28.1% in

1999 due to continued strict expense control. The increase in selling and distribution cost s is attributable to higher sales levels in the current year. The increase in general and administrative costs is principally due to the operation of the Company's Australian subsidiary, which was acquired in July 1998.

Included in other income for the six months ended August 1, 1998 were net settlements of three long-term contracts resulting from termination of a major energy supply contract, the Company's lease of an office facility in Redmond Washington a nd a long-term distribution relationship.

Interest expense, prior to capitalized interest, was $5,796 for the six months ended July 31, 1999, an increase of $1,487 from the same period in 1998. This increase is due to higher average borrowings in the first half of 1999. These borrowings w ere for working capital needs as well as the construction of two major distribution facilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Six month period ended July 31, 1999 compared with
the six month period ended August 1, 1998
(In Thousands)

For the first six months of 1999, the Company recorded a $35,800 charge for restructuring and other unusual items. This total includes $3,000 of inventory writedowns due to discontinuing certain product lines, $11,000 of charges related to operation s restructuring, $12,000 of long-term asset impairments and $9,800 of other unusual charges. Key components of the restructuring are the closure of the Company's flatware manufacturing facility in Niagara Falls, Canada; consolidation of the Company' s international operations; and further elimination of positions and underperforming product lines.

The majority of the $11,000 restructuring charge made in the first quarter of 1999 relates to early retirement benefits, severance and associated employee benefit costs. The closure of the Canadian manufacturing facility, which was substantially completed in the first quarter, resulted in the reduction of approximately 150 jobs. The intent of the total strategic restructuring plan is to reduce the Company's worldwide employment of 4,800 jobs by approximately 12%. This is being accomplished by means of the above mentioned plant closure and further international and domestic job consolidations, as well as through normal attrition and the extension of early retirement and termination packages. Through the first six months, the Company incurred $7,700 of these restructuring costs.

The asset writedowns are related to goodwill associated with the purchase of an Italian subsidiary and the writedown of manufacturing fixed assets that will no longer be utilized due to the closing of the Oneida Canada plant and the exiting of certain product lines. The full $12,000 of non-cash charges were recorded against the respective assets to reduce them to net realizable value in the first quarter of 1999. The Company recorded a $3,000 non-cash inventory reserve charge as a component of cost of sales during the first quarter to reduce discontinued product lines to net realizable value. $1,470 has been written off against the reserve to date.

During the first quarter, the Company expensed $9,800 of unusual items. These were costs related to an unsolicited takeover attempt as well as costs incurred to overcome unique market barriers in the foodservice glassware market. Through the first half, approximately $5,000 of these unusual expense payments were made.

In January 1999, the Company initiated restructuring efforts by means of a workforce reduction that was accomplished through job consolidations and early retirements. The Company accrued $5,000 to account for the severance and related employee benefits for this phase. As of the end of the second quarter, approximately $400 of benefits remain unpaid. The majority of the restructuring and unusual expense payments will be completed by year-end. The Company expects to reduce expenses by $12,000 i n 1999 and by $20,000 per year thereafter as a result of the restructuring plan.

Liquidity & Financial Resources
During the first half of this year, the Company spent approximately $11,200 on capital projects focused primarily on its distribution and manufacturing facilities. The Company expects to invest another $14,000 on similar projects during the remainder of the current fiscal year. The Company is currently constructing a 206,000 square foot warehouse at its main facility in Sherrill, NY. This project, which should be completed in early 2000, will cost approximately $10,000. By consolidating Northeast distribution in this one facility, the Company expects to both lower costs and improve customer service.

Year to date, $3,200 was spent on purchasing common shares either as treasury stock or as contributions to its ESOP plan. Management believes there is sufficient liquidity to support the Company's ongoing funding requirements from future operations as well as the availability of bank lines of credit. At July 31, 1999, the Company had unused short-term credit lines equal to $51,000. Working capital as of July 31, 1999 totaled $157,073.

Year 2000 Compliance
Year 2000 issues relate to the ability of computer systems to distinguish data which contains dates beyond December 31, 1999. The Company has created and implemented a comprehensive Year 2000 compliance plan. The Company holds regular compliance meetings to receive information and input from all of the Company's

main operating areas.

As part of its compliance plan, the Company has reviewed all of its software and information processing systems and identified date sensitive functions. The Company began testing those systems in the first quarter of 1999. Testing is substantially complete. Any systems found to be noncompliant are being modified to ensure that they operate properly prior to the Year 2000. The Company's main accounting, logistics, warehouse management and payroll systems are currently Year 2000 compliant. The Company anticipates that its remaining systems will be Year 2000 compliant by the end of September.

To date, the Company has identified and contacted its major customers, suppliers, service providers and business partners. Each of these entities received a letter informing them of the Company's plans and state of readiness and asking that they in turn share their own Year 2000 plans by returning a questionnaire to the Company. In addition to its compliance plan, the Company is developing contingency plans based upon the outcomes of the systems tests that are being conducted.

The Company believes it is devoting appropriate resources to resolve its Year 2000 issues in a timely manner and believes that its compliance program will result in all internal systems being prepared for Year 2000 processing. The compliance plan is proceeding on schedule and to date no unforeseen significant difficulties have arisen. Based upon the work performed to date, the Company presently believes that the likelihood of the Year 2000 having a material result on its operations, liquidity or financial position is remote. The Company estimates that its direct Year 2000 compliance costs will not exceed $500, of which to date approximately $400 has been incurred and expensed.

Notwithstanding the foregoing, the Company could be adversely affected if its customers, suppliers, service providers, business partners and/or governmental agencies continue to utilize systems that are not Year 2000 compliant. This failure could affect the Company's ability to purchase raw materials, receive orders and transact business with its financial institutions among other things, any of which could constitute a material and immeasurable financial risk to the Company.

Contingencies-Legal Proceedings
On December 8, 1998, the Oneida Indian Nation of New York, the Oneida Tribe of Indians of Wisconsin and the Oneida of Thames, as Plaintiffs, along with the United States of America, as Intervenor, moved to amend their Complaint filed on May 3, 1974 i n the United States District Court for the Northern District of New York against the counties of Oneida and Madison, New York. The amended Complaint seeks to add the State of New York, New York State Thruway Authority, Utica-Rome Motorsports, Inc., Niagara Mohawk Power Corporation and the Oneida Valley National Bank, individually and as representatives of the class of similarly situated private landowners in Madison and Oneida counties. The Complaint alleges that during the nineteenth century the Oneidas' lands were improperly transferred. The Oneidas seek title to the property as well as monetary damages. The Corporation's headquarters and main manufacturing and distribution facilities are located within this land claim area.

The Corporation filed a motion to intervene with the United States District Court for the Northern District of New York on February 26, 1999. The Judge's decision on whether private landowners will be added as Defendants is expected in 1999.

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, is forward-looking. For the purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, 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 herein. Such factor s include, but are not limited to: general economic conditions in the Company's 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; 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; the amount and rate of growth of the Company's selling, general and administrative expenses; and the inability of the Company or its customers, suppliers, service providers or business partners, as well as governmental agencies, to resolve Year 2000 issues in a timely manner.

ONEIDA LTD

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

July 31, 1999

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: September 10, 1999

Edward W. Thoma
Senior Vice President,
Finance

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
FINANCIAL STATEMENTS OF ONEIDA LTD. FOR THE THREE MONTHS ENDED JULY 31, 1999 AND
IS QUALIFIED IN IT'S ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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