

=====

Page 0 of 58. See list of Exhibits on pages 11-15.

Explanatory Note

Oneida Ltd. hereby amends its Annual Report on Form 10-K for the year ended January 26, 2002, filed with the Securities and Exchange Commission on April 26, 2002. The purpose of this amendment is to restate portions of the Financial Statements attached hereto pursuant to Items 6, 7, 8 and 14 hereof, including Management's Discussion and Analysis, the Consolidated Statements of Operations, the Consolidated Balance Sheets, the Consolidated Statements of Changes in Stockholders' Equity, Consolidated Statements of Cash Flows and the Notes to the Consolidated Financial Statements as of and for the years ended January 26, 2002 and January 27, 2001, as set forth in the original filing. The restatement is related to adjustments made to the purchase accounting for the August 2000 acquisition of Delco International, Ltd. and its subsequent operations.

In order to preserve the nature and character of the disclosures set forth in such items as originally filed, this report continues to speak as of the date of the original filing, and, unless otherwise stated to the contrary, the Company has not updated the disclosures in this report to speak as of a later date.

PART I

ITEM 1. BUSINESS.

a. General.

The Company (unless otherwise indicated by the context, the term "Company" means Oneida Ltd. and its consolidated subsidiaries) was incorporated in New York in 1880 under the name Oneida Community, Limited. In 1935, the Company's name was changed to Oneida Ltd. It maintains its executive offices in Oneida, New York.

Since its inception, the Company has manufactured and marketed tableware - initially silverplated and, later, sterling and stainless steel products. By acquiring subsidiaries, entering into strategic distributorship arrangements and expanding its own tableware lines, the Company has diversified into the manufacture and distribution of commercial and retail china dinnerware and the distribution of other tableware, kitchenware and gift items, most notably crystal and glass stemware, barware and giftware.

b. Industry Segments.

The Company's operations and assets are in one principal industry: tableware products. The Company's principal industry segments are grouped around the manufacture and distribution of three major product categories: metalware, dinnerware and glassware. The Company also distributes a variety of other tabletop accessories, kitchen utensils and giftware.

Information regarding the Company's operations by industry segment for the years ended January 26, 2002, January 27, 2001 and January 29, 2000 is set forth on page 27 of the Company's Annual Report to Stockholders for the year ended January 26, 2002, parts of which are incorporated herein by reference.

c. Narrative Description of Business.

Edgar Filing: ONEIDA LTD - Form 10-K/A

Principal Products.

Metalware:

Metalware is comprised of stainless steel, silverplated and sterling silver flatware (forks, knives, spoons and serving pieces), stainless steel and silverplated holloware (bowls, trays, and tea and coffee sets), cutlery and cookware.

The principal source of the Company's flatware is the Company's Sherrill, New York manufacturing facility. In addition, the Company also utilizes the facilities of Oneida Mexicana, S.A., its wholly owned subsidiary located in Toluca, Mexico, to manufacture flatware patterns that are not produced in Sherrill, New York. The Company also imports flatware and cutlery from several international sources.

1

The Company, through its Oneida International, Inc. subsidiary, manufactures stainless steel holloware in Shanghai, China. The Company also imports stainless steel and silverplated holloware products from several international sources.

The Company imports its aluminum and stainless steel cookware from several international sources.

Dinnerware:

Dinnerware includes domestic and imported china, porcelain and stoneware plates, bowls, cups, mugs, and a variety of serving pieces.

In June 2000, the Company acquired substantially all of the assets of Sakura, Inc., a leading marketer of consumer dinnerware and accessories. In business for over 40 years, Sakura's focus is on ceramic, porcelain and melamine dinnerware and accessories. Sakura's products carry both proprietary designs and designs licensed from a wide spectrum of leading artists and designers, including Debbie Mumm and Warren Kimble. The Company imports its consumer dinnerware from several international sources.

Buffalo China, Inc. is a leading manufacturer of vitreous china for the foodservice industry. Buffalo China also operates a subsidiary, Ceramica de Juarez, S.A. de C.V., located in Juarez, Mexico. Ceramica de Juarez produces holloware and other specialty china pieces that are not manufactured in Buffalo, including fully finished items and bisque china which is then finished in Buffalo. THC Systems, Inc., another of the Company's subsidiaries, is a leading importer and marketer of vitreous china and porcelain dinnerware for the foodservice industry. THC does business under the REGO tradename.

The Company is also the exclusive distributor of certain china dinnerware products manufactured by Schonwald and Noritake Co., Inc. for the United States foodservice and institutional markets.

Glassware:

The Company's Glassware segment includes glass and crystal stemware, barware, serveware, giftware and decorative pieces.

Edgar Filing: ONEIDA LTD - Form 10-K/A

In September 1997, the Company became the exclusive distributor of Schott Zwiesel crystal products in the foodservice and consumer markets of the United States, Mexico and the Caribbean. In 1999, this distribution relationship was extended to include the foodservice and consumer markets of Australia, New Zealand, and Central and South America. In 2000, the foodservice and consumer markets of the United Kingdom were added as well. Schott Zwiesel is a German manufacturer of fine crystal stemware, barware and giftware. The Company markets Schott Zwiesel's crystal products under both the Schott Zwiesel and Oneida names.

In February 1999, the Company became the exclusive distributor of the crystal products manufactured by Cristalleria Artistica La Piana, SpA, also known as CALP, for the consumer and foodservice markets in the United States. CALP is an Italian manufacturer of fine 24% lead crystal stemware, giftware and decorative pieces. The Company will continue to market CALP's crystal products under CALP's trademarks of RCR, CAPRI, DA VINCI, PRIMA VERA and CRISTALLO, as well as under the Oneida name.

In addition to the distribution of Schott and CALP crystal, the Company significantly expanded its self-branded glassware lines in 1998 with the introduction of Oneida glassware for both foodservice and consumer use. Oneida imports its glassware from several foreign sources, but is supplied primarily by Pasabahce Cam Sanayii ve Ticaret A.S., a Turkish glassware manufacturer. In April 2000, the Company and Pasabahce formalized their relationship whereby the Company will act as Pasabahce's exclusive foodservice distributor in the United States, Canada, Mexico and the Caribbean, and for certain products in Australia and New Zealand.

The Company has and will continue to import other glass and crystal stemware, barware, serveware, giftware and decorative pieces from several international sources.

2

Other Tabletop Accessories:

The Company, in recent years, expanded its product offerings beyond its main metalware, dinnerware and glassware segments. These other products include ceramic and plastic serveware, kitchen and table linens, picture frames and decorative pieces distributed primarily by the Company's Encore Promotions and Kenwood Silver subsidiaries.

The percentages of metalware, dinnerware, glassware and other tabletop accessories sales to total consolidated sales for the fiscal years, which end in January, are as follows:

	2002	2001	2000
	----	----	----
Metalware:	65%	66%	68%
Dinnerware:	27%	25%	21%
Glassware:	7%	8%	8%
Other Tabletop Accessories:	1%	1%	3%

Edgar Filing: ONEIDA LTD - Form 10-K/A

Principal Markets.

Consumer:

Consumer marketing focuses on individual consumers, and the Company's wide-ranging consumer marketing activities include both retail and direct operations. The Company's retail accounts include national and regional department store chains, mass merchandise and discount chains, specialty shops and local establishments. The Company's direct accounts serve business customers in the premium, incentive, mail order and direct selling markets. The Company also reaches consumers with its Kenwood Silver Company, Inc. and Encore Promotions, Inc. subsidiaries, both of which play a significant role in the marketing of the Company's products. Kenwood Silver Company, Inc. operates a chain of 64 Oneida factory outlet stores in resort and destination shopping areas across the United States, while Encore Promotions, Inc. runs supermarket redemption programs featuring a variety of tableware and household items. The Company also markets its products via its web site, www.oneida.com.

Most consumer orders are filled directly by the Company from its primary distribution center located in Sherrill, New York. For some accounts, however, orders are fulfilled by one of the Company's two other distribution centers which are located in Ontario, California and Nashville, Tennessee.

Foodservice:

The Company serves foodservice and institutional accounts of all kinds, including restaurants, hotels, resorts, convention centers, food distributors, airlines, cruise lines, hospitals and educational institutions.

In August 2000, the Company acquired all outstanding shares of Delco International, Ltd., a leading marketer of foodservice tableware products for more than 60 years. Delco's mass-market customer base includes distributors, restaurant and hotel chains and institutional accounts, while Delco's ABCO division is the tableware source for over 50 airlines worldwide.

While most foodservice orders are filled directly by the Company from its primary distribution centers in Sherrill and Buffalo, New York, some orders are filled by the Company's other distribution centers which are located in Ontario, California and Nashville, Tennessee. The Company also utilizes third party warehouses located in Long Beach, California; Miami, Florida; Charlotte, North Carolina; and Fond du Lac, Wisconsin to service certain foodservice customers.

International:

International activities span both the consumer and foodservice markets described above, and include the marketing and sale of the Company's domestically manufactured and internationally sourced products throughout the world.

All sales and marketing functions in the Canadian market are served by the Company's Oneida Canada, Limited subsidiary while all sales and marketing functions in the Mexican, Central and South American and Caribbean markets are served by the Company's Oneida, S.A. de C.V. subsidiary.

Edgar Filing: ONEIDA LTD - Form 10-K/A

In June 2000, the Company's English subsidiary, Oneida U.K. Limited, acquired all outstanding shares of London-based Viners of Sheffield Limited. Oneida U.K. Limited and Viners of Sheffield Limited, the leading marketer of consumer flatware and cookware in the U.K., currently serve the Company's European, African, Middle and Far Eastern and Asian and Pacific markets.

The Australian and New Zealand markets are served by the Company's subsidiary, Oneida Australia, Pty Ltd. In addition to marketing the Company's existing products, Oneida Australia Pty Ltd. continues the businesses of two 1998 acquisitions: Stanley Rogers & Son, a leading importer and marketer of stainless steel and silverplated flatware to retail customers in Australia and New Zealand, and Westminster China, a leading importer and marketer of porcelain dinnerware to the foodservice industry in Australia and New Zealand.

The Company owns approximately 97% of Oneida International, Inc., a corporation formed to market tabletop products of Italian design, some of which are manufactured in Italy while others are manufactured in Shanghai, China or sourced internationally. Oneida International, Inc. develops and markets these and other of the Company's products in the international foodservice market through its Italian subsidiary, Oneida Italy, S.r.l.

In addition to the foregoing, the Company also uses a network of independent representatives and distributors to market and sell the Company's products in countries where the Company does not have offices or employees of its own.

International orders for both foodservice and consumer products are filled by the Company from a variety of locations, including the Company's United States distribution centers in Sherrill, New York and Nashville, Tennessee, as well as the Company's international facilities in Niagara Falls, Canada; Toluca, Mexico; London, England; Bangor, Northern Ireland; Melbourne, Australia; and Vercelli, Italy. In addition, many orders are shipped directly from the suppliers to the Company's international customers.

Raw Materials.

The principal raw materials used by the Company in its manufacture of metalware are stainless steel, brass, silver and gold. For china, they are various clays, flint, aluminum oxide and glass frit. These materials are purchased in the open market to meet current requirements and have historically been available in adequate supply from multiple sources. The Company experienced no significant or unusual problems in the purchase of raw materials during the fiscal year ended January 2002. Although the Company has successfully met its raw materials requirements in the past, there may in the future be temporary shortages or sharp increases in the prices of raw materials due to a number of factors such as transportation disruptions, or production or processing delays. For example, the price of nickel, one of the components of stainless steel, a principal ingredient of the Company's metalware products, has been volatile since late 1999. While it is impossible to predict the timing or impact of future shortages and price increases, such shortages and increases have not in the past had any material adverse effects on the Company's operations.

Intellectual Property.

The Company owns and maintains many design patents in the United States and Canada. These patents, along with numerous copyrights, protect the Company's product designs and decorations. In addition, the Company has registered its most significant trademarks in the United States and many foreign countries. The consumer, foodservice and international operations use a number of trademarks and trade names which are advertised and promoted extensively including ONEIDA, ABCO, BUFFALO CHINA, COMMUNITY, DELCO, HEIRLOOM, LTD, NORTHLAND, REGO, ROGERS,

Edgar Filing: ONEIDA LTD - Form 10-K/A

SAKURA, SANT'ANDREA and VINERS OF SHEFFIELD. Taken as a whole, the Company's intellectual property, especially the market recognition associated with the ONEIDA name, is a material, although intangible, corporate asset.

4

Licenses.

The Company continues to explore opportunities to capitalize on the ONEIDA name in new product categories. One vehicle for this expansion has been licensing the ONEIDA name for use by third parties on products complementary to the Company's own core tableware lines. Examples include agreements with Robinson Knife Manufacturing Co., Inc. and Trendex Home Designs, Inc. for the manufacture and marketing of ONEIDA kitchen tools and accessories and ONEIDA kitchen and table linens, respectively. In addition, the Company also maintains license agreements that allow it to market lines of flatware under the WEDGWOOD and ROYAL DOULTON names, a line of dinnerware, flatware, glassware and related accessories under the COCA-COLA name and lines of dinnerware and flatware under the RUSSEL WRIGHT name. The Company began selling its WEDGWOOD flatware and RUSSEL WRIGHT dinnerware in the Spring of 2002. The RUSSEL WRIGHT flatware will follow in the Summer of 2002 and the COCA-COLA tableware and ROYAL DOULTON flatware in late 2002. Neither the terms nor the effects of any of the Company's license agreements are material.

Seasonality of Business.

Although consumer operations normally do a greater volume of business during October, November and December primarily because of holiday-related orders for metalware, dinnerware and glassware products, our businesses are not considered seasonal.

Customer Dependence.

No material part of the Company's business is dependent upon a single customer, the loss of which would have a materially adverse effect. Sufficient inventories of metalware, dinnerware, glassware and other products are maintained by the Company to respond promptly to orders.

Backlog Orders.

Tableware operations had order backlogs of \$26,238,300 as of March 13, 2002 and \$34,365,000 as of March 23, 2001. This backlog is expected to be filled during the current fiscal year, principally in the first quarter. The amount of backlog is reasonable for the tableware industry.

Market Conditions and Competition.

The Company is the only domestic manufacturer of a complete line of stainless steel, silverplated and sterling flatware. The Company believes that it is the largest producer of stainless steel and silverplated flatware in the world. The Company's dinnerware, holloware and crystal and glass lines, along with its flatware lines, make the Company a truly complete tableware supplier. The Company faces competition from several domestic companies that market both imported and domestically manufactured lines and from hundreds of importers engaged exclusively in marketing foreign-made tableware products. In recent years, there is also competition from department and specialty stores and

Edgar Filing: ONEIDA LTD - Form 10-K/A

foodservice establishments that import foreign-made tableware products under their own private labels for their sale or use. The Company strives to maintain its market position through product diversity, design innovation, and brand strength, especially among consumers.

The metalware, dinnerware and glassware businesses are each highly competitive. The principal factors affecting domestic consumer competition are design, price, quality and packaging. Other factors that have an effect on consumer competition are availability of replacement pieces, and product warranties. In the opinion of the Company, no one factor is dominant and the significance of the different competitive factors varies from customer to customer.

The principal factors affecting domestic foodservice competition are price, service and quality. The Company's foodservice products and service are highly regarded in this industry, and we are one of the largest sources of commercial china dinnerware and stainless steel and silverplated tableware in the United States.

The principal factors affecting international competition are brand recognition, design and quality. Other factors affecting the Company's participation in the international market include competition with local suppliers and high import duties, both of which increase the Company's costs relative to local producers.

5

Research and Development.

The Company places a considerable emphasis on excellence in development and design. To achieve this end, the Company maintains full time in-house design and engineering departments that continuously develop, test and improve products and manufacturing methods. Independent designers and collaborative efforts with other companies contribute to the Company's emphasis on development and design. The Company's actual expenditures on research and development activities during the past three fiscal years, however, have not been material.

Environmental Compliance.

The Company does not anticipate that compliance with federal, state and local environmental laws and regulations will have any material effect upon the capital expenditures, earnings or competitive position of the Company. The Company does not anticipate any material capital expenditures for environmental control facilities for the remainder of the current fiscal year or the succeeding fiscal year.

Employment.

The Company and its subsidiaries employed approximately 2,580 employees in domestic operations and 1,390 employees in foreign operations as of March 1, 2002. The Company maintains positive relations with its domestic and foreign employees. With the exception of its Buffalo China, Inc. subsidiary, the Company's facilities are not unionized. The employees of Buffalo China Inc.'s manufacturing facility in Buffalo, New York are represented by the Glass, Molders, Pottery, Plastics & Allied Workers International Union AFL-CIO, CLC and its local union No. 76A. The current collective bargaining agreement between Buffalo China, Inc. and the Glass, Molders, Pottery, Plastics & Allied Workers International Union AFL-CIO, CLC and its local union No. 76A expires on July 31,

Edgar Filing: ONEIDA LTD - Form 10-K/A

2005. The Company has experienced no work stoppages or strikes in the past five years.

Forward Looking Information.

With the exception of historical data, the information contained in this Form 10-K, 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 factors 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; and the amount and rate of growth of the Company's selling, general and administrative expenses.

ITEM 2. PROPERTIES.

The principal properties of the Company and its subsidiaries are situated at the following locations and have the following characteristics:

		Approximate Square F
Ontario, California	Warehouse	206,000
Buffalo, New York	Manufacturing China	257,000
Buffalo, New York	Offices, Warehouse and China Decorating Facility	203,000
Buffalo, New York	Offices and Warehouse	82,000
Oneida, New York	Executive Administrative Offices	95,000
Sherrill, New York	Manufacturing Stainless Steel, Silverplated and Sterling Flatware	1,082,000

		Approximate Square F
Sherrill, New York	Offices and Warehouse	206,000
Sherrill, New York	Manufacturing Knives	135,000

Edgar Filing: ONEIDA LTD - Form 10-K/A

Nashville, Tennessee	Warehouse	293,000
Melbourne, Australia	Offices and Warehouse	60,000
Niagara Falls, Ontario, Canada	Offices and Warehouse	120,000
Shanghai, China	Manufacturing Foodservice Holloware	55,000
London, England	Offices and Warehouse	30,000
Bangor, N. Ireland	Offices and Warehouse	32,000
Vercelli, Italy	Offices, Warehouse and Manufacturing Stainless Steel Holloware	84,000
Juarez, Mexico	Manufacturing China	65,000
Mexico City, Mexico	Offices and Warehouse	32,000
Toluca, Mexico	Manufacturing Stainless Steel Flatware	75,000

All of these buildings are owned by the Company with the following exceptions:

- o Ownership of the 206,000 square foot Sherrill, New York warehouse and office property was transferred to the Oneida County Industrial Development Agency on February 25, 2000 in exchange for various tax concessions from the county. The property will remain in the ownership of the Oneida County Industrial Development Agency for a term of fifteen years, upon the expiration of which the property will be conveyed back to the Company.

- o Ownership of the 203,000 square foot Buffalo, New York office, warehouse and decorating property was transferred to the Erie County Industrial Development Agency on February 29, 2000 in exchange for various tax concessions from the county. The property will remain in the ownership of the Erie County Industrial Development Agency for a term of fifteen years, upon the expiration of which the property will be conveyed back to Buffalo China.

- o The offices and warehouses in Ontario, California; Nashville, Tennessee; Melbourne, Australia; Mexico City, Mexico; Bangor, Northern Ireland; and London, England are leased.

In addition to the land primarily associated with its manufacturing operations, the Company owns approximately 600 additional acres in the cities of Sherrill and Oneida and the town of Vernon, New York.

The Company leases sales offices and/or showrooms in New York City and Melville and Malta, New York. The Company also leases retail outlet space in numerous locations throughout the United States through its subsidiary, Kenwood Silver Company, Inc., and in several locations in the United Kingdom through its subsidiary, Oneida U.K. Limited.

All of the Company's buildings are located on sufficient property to accommodate any further expansion or development planned over the next five years. The properties are served adequately by transportation facilities, are well maintained and are adequate for the purposes for which they are intended and used.

Edgar Filing: ONEIDA LTD - Form 10-K/A

ITEM 3. LEGAL PROCEEDINGS.

On December 8, 1998, the Oneida Indian Nation of New York, the Oneida Tribe of Indians of Wisconsin and the Oneida of the Thames, as Plaintiffs, along with The United States of America, as Intervenor, moved to amend their Complaint filed on May 3, 1974 in the United States District Court for the Northern District of New York against the Counties of Madison and Oneida, New York. The Amended Complaint sought 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 alleged that during the nineteenth century the Oneidas' lands were improperly transferred. The Oneidas sought title to the property as well as monetary damages. The Company's headquarters and main manufacturing and distribution facilities are located within this land claim area. On September 25, 2000 the Judge ruled that the private landowners, including the Company, could not be added as Defendants in this action.

On February 16, 2002, the Oneida Indian Nation of New York, the State of New York and Madison and Oneida Counties announced an agreement in principle to resolve the longstanding land claim. Later that month, to demonstrate their opposition to the announced settlement, the Oneida Tribe of Indians of Wisconsin began filing suits against private owners of commercial property within the land claim area. To date, approximately 40 such suits have been filed by the Oneida Tribe of Indians of Wisconsin. As of the date hereof, the Company has not been made the subject of such a suit.

In addition to the foregoing, the Company is involved in various routine legal proceedings incidental to the operation of its business. Other than as discussed herein, the Company's Management does not believe there is any ongoing or pending litigation with a possible material effect on the financial position of the Company.

ITEM 4. SUBMISSIONS OF MATTERS TO A VOTE OF STOCKHOLDERS.

None.

PART II

ITEM 5. MARKET FOR THE COMPANY'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS.

Page 55 of this Report.

ITEM 6. SELECTED FINANCIAL DATA.

Page 56 of this Report.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Pages 47 through 54 of this Report.

ITEM 7a. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK.

Edgar Filing: ONEIDA LTD - Form 10-K/A

Pages 47 through 54 of this Report.

8

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Pages 22 through 55 of this Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

Information required to be furnished under Items 10 through 13 of this Part is set forth in, and incorporated by reference to, the Company's definitive Proxy Statement dated April 25, 2002 (File 1-5452), at the respective pages indicated.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Pages 2 through 5 of the Company's definitive Proxy Statement.

Executive Officers of the Registrant

As of April 15, 2002, the persons named below are the executive officers of the Company and all have been elected to serve in the capacities indicated at the pleasure of the Oneida Ltd. Board of Directors. No family relationships exist among any of the executive officers named, nor is there any arrangement or understanding pursuant to which any person was selected as an officer.

Name, Age and Positions with Company	Principal Business Affiliations During Past Five Years
-----	-----
Allan H. Conseur, 53 Executive Vice President and a Director	Mr. Conseur was elected Executive Vice President in 1999. He also has held the positions of President, THC Systems, Inc. since 1996 and President, Oneida International, Inc. since 1998. He joined the Company in 1996.
Harold J. DeBarr, 57 Corporate Senior Vice President, Manufacturing and Engineering	Mr. DeBarr was elected Corporate Senior Vice President in 1999. He had been Senior Vice President, Manufacturing and Engineering since 1996.
-----	-----
Gregg R. Denny, 45 Chief Financial Officer	Mr. Denny was elected Chief Financial Officer in June 2000. He had been Vice President of Purchasing since April 2000, Managing Director of Oneida's Australian operation since 1998 and Director of Purchasing since 1996.

Edgar Filing: ONEIDA LTD - Form 10-K/A

Name, Age and Positions with Company	Principal Business Affiliations During Past Five Years
<p>J. Peter Fobare, 52 Senior Vice President and General Manager, Consumer Retail and Direct Divisions and a Director</p>	<p>Mr. Fobare assumed responsibility for the Consumer Direct Division in 1999. He had been Senior Vice President and General Manager of the Consumer Retail Division for more than five years prior to 1999.</p>
<p>Oliver B. Hasler, 38 Senior Vice President and Managing Director, International Division</p>	<p>Mr. Hasler was elected Senior Vice President and Managing Director, International Division in 2000. He had been Managing Director of Oneida's Latin American operation since 1998 and General Manager of Oneida Mexicana since 1995.</p>
<p>Robert J. Houle, 60 Corporate Vice President, Human Resources</p>	<p>Mr. Houle was elected Corporate Vice President in 1999. He had been Vice President, Human Resources and Manufacturing Administration for more than five years prior to 1999.</p>
<p>James E. Joseph, 41 Senior Vice President and General Manager, Foodservice Division</p>	<p>Mr. Joseph was elected Senior Vice President and General Manager, Foodservice Division in August 2000. He had been Senior Vice President, International Division since March 2000, Vice President and Managing Director of Oneida's European, African and Asian operations since 1998 and Managing Director of Oneida's Latin American operation since 1994.</p>
<p>Peter J. Kallet, 55 Chairman of the Board, President and Chief Executive Officer and a Director</p>	<p>Mr. Kallet was elected Chairman in 2000. He has been Chief Executive Officer since 1998 and President and Chief Operating Officer since 1996. He had been Senior Vice President and General Manager of the Company's Foodservice Division for more than five years prior to 1996.</p>
<p>Thomas E. Lowe, 51 President, Encore Promotions, Inc.</p>	<p>Mr. Lowe was elected President of Encore Promotions, Inc. in 2001. He had been Senior Vice President, Marketing since 2000. Mr. Lowe joined the Company in 2000.</p>
<p>Robert L. Lupica, 40</p>	<p>Mr. Lupica was elected Senior Vice President</p>

Edgar Filing: ONEIDA LTD - Form 10-K/A

Senior Vice President and
General Manager, Buffalo Operations

in 1999. He has been General Manager of the
Company's Buffalo Operations since 1996. Mr.
Lupica joined the Company in 1996.

Catherine H. Suttmeier, 45
Corporate Vice President, Secretary and
General Counsel and a Director

Ms. Suttmeier was elected Corporate Vice
President in 1999. She has been Vice
President, Secretary and General Counsel for
more than five years prior to 1999.

ITEM 11. EXECUTIVE COMPENSATION.

Pages 6 through 10 of the Company's definitive Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Pages 1, 2, 4, 6 and 7 of the Company's definitive Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Pages 1 through 5 of the Company's definitive Proxy Statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULE, AND REPORTS ON FORM 8-K.

10

(a) 1. Financial Statements:

Consolidated Statements of Operations for the fiscal years ended 2002,
2001 and 2000 (page 22 of this Report).

Consolidated Balance Sheets for the fiscal years ended 2002 and 2001
(page 23 of this Report).

Consolidated Statements of Changes in Stockholders' Equity for the
fiscal years ended 2002, 2001 and 2000 (page 24 of this Report).

Consolidated Statements of Cash Flows for the fiscal years ended 2002,
2001 and 2000 (page 25 of this Report).

Notes to Consolidated Financial Statements (pages 26 through 45 of
this Report).

Independent Auditor's Report (page 46 of this Report).

2. Financial Statement Schedule:

Schedule II, Valuation and Qualifying Accounts, for fiscal years ended
2002, 2001 and 2000 (page 21 of this Report).

Report of Independent Accountants on Financial Statement Schedule
(page 20 of this Report).

Edgar Filing: ONEIDA LTD - Form 10-K/A

All other schedules have been omitted because of the absence of conditions under which they are required or because the required information is included in the financial statements submitted.

3. Exhibits:

- (3) (i) The Company's Restated Articles of Incorporation, as amended, which are incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 29, 2000.
- (ii) The Company's By-Laws, as amended and restated, which are incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 29, 2000.
- (4) (a) (i) Amended and Restated Credit Agreement dated as of April 27, 2001, between Oneida Ltd., The Chase Manhattan Bank and the various lenders named in the Agreement, which is incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 28, 2001.

11

- (ii) Security Agreement dated as of April 27, 2001 between Oneida Ltd., THC Systems, Inc., the subsidiaries of Oneida Ltd. which are signatories to the Agreement and The Chase Manhattan Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 28, 2001.
- (iii) Amendment No. 1 to the Security Agreement dated as of April 27, 2001 between Oneida Ltd., THC Systems, Inc., the subsidiaries of Oneida Ltd. which are signatories to the Agreement and The Chase Manhattan Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 28, 2001. Amendment No. 1 is dated as of April 27, 2001.
- (iv) Pledge Agreement dated as of April 27, 2001 between Oneida Ltd., the subsidiaries of Oneida Ltd. which are signatories to the Agreement and The Chase Manhattan Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 28, 2001.
- (v) Amendment No. 1 to Amended and Restated Credit Agreement dated as of April 27, 2001, between Oneida Ltd., The Chase Manhattan Bank and the various lenders named in the Agreement, which is incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 28, 2001. Amendment No. 1 is dated May 31, 2001.
- (vi) Waiver and Amendment No. 2 to Amended and Restated Credit Agreement dated as of April 27, 2001, between Oneida Ltd., JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank) and the various lenders named in the Agreement, which is

Edgar Filing: ONEIDA LTD - Form 10-K/A

incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 27, 2001. Waiver and Amendment No. 2 is dated December 7, 2001.

- (vii) Amendment No. 3 to Amended and Restated Credit Agreement dated as of April 27, 2001, between Oneida Ltd., JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank) and the various lenders named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002. Amendment No. 3 is dated as of April 23, 2002
- (viii) Amended and Restated Collateral Agency and Intercreditor Agreement dated as of April 23, 2002 between Allstate Life Insurance Company, Allstate Insurance Company, Pacific Life Insurance Company, JPMorgan Chase Bank and the various lenders named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.

12

- (ix) Amendment No. 1 to Pledge Agreement dated as of April 27, 2001 between Oneida Ltd., the subsidiaries of Oneida Ltd. which are signatories to the Agreement and JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002. Amendment No. 1 is dated as of April 23, 2002.
- (x) Security Agreement dated as of April 23, 2002 between Kenwood Silver Company, Inc. and JPMorgan Chase Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.
- (xi) Pledge Agreement dated as of April 23, 2002 between Kenwood Silver Company, Inc. and JPMorgan Chase Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.
- (xii) Mortgage, Assignment of Leases and Rents and Security Agreement dated as of April 23, 2002 between Buffalo China, Inc., The Erie County Industrial Development Agency and JPMorgan Chase Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.
- (xiii) Mortgage Spreader Agreement dated as of April 23, 2002 between Buffalo China, Inc., The Erie County Industrial Development Agency and JPMorgan Chase Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.

Edgar Filing: ONEIDA LTD - Form 10-K/A

- (xiv) Mortgage, Assignment of Leases and Rents and Security Agreement dated as of April 23, 2002 between Buffalo China, Inc., The Erie County Industrial Development Agency and JPMorgan Chase Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.
 - (xv) Mortgage Spreader Agreement dated as of April 23, 2002 between Buffalo China, Inc., The Erie County Industrial Development Agency and JPMorgan Chase Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.
 - (xvi) Mortgage, Assignment of Leases and Rents and Security Agreement dated as of April 23, 2002 between Oneida Ltd., The Oneida County Industrial Development Agency and JPMorgan Chase Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.
 - (xvii) Mortgage Spreader Agreement dated as of April 23, 2002 between Oneida Ltd., The Oneida County Industrial Development Agency and JPMorgan Chase Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.
- 13
- (xviii) Mortgage, Assignment of Leases and Rents and Security Agreement dated as of April 23, 2002 between Oneida Ltd., The Oneida County Industrial Development Agency and JPMorgan Chase Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.
 - (ixx) Mortgage Spreader Agreement dated as of April 23, 2002 between Oneida Ltd., The Oneida County Industrial Development Agency and JPMorgan Chase Bank, as collateral agent for the Secured Parties named in the Agreement, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.
 - (xx) 2001 Amended and Restated Note Purchase Agreement dated as of May 31, 2001, between Oneida Ltd., THC Systems, Inc., Allstate Life Insurance Company, Allstate Insurance Company and Pacific Life Insurance Company, which is incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 28, 2001.
 - (xxi) Waiver and Amendment No. 1 to 2001 Amended and Restated Note Purchase Agreement (1996) dated as of May 31, 2001, between Oneida Ltd., THC Systems, Inc., Allstate Life Insurance Company, Allstate Insurance Company and Pacific Life Insurance Company,

Edgar Filing: ONEIDA LTD - Form 10-K/A

which is incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 27, 2001. Waiver and Amendment No. 1 is dated December 7, 2001.

- (xxii) Amendment No. 2 to 2001 Amended and Restated Note Purchase Agreement (1996) dated as of May 31, 2001, between Oneida Ltd., THC Systems, Inc., Allstate Life Insurance Company, Allstate Insurance Company and Pacific Life Insurance Company, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002. Amendment No. 2 is dated April 23, 2002.
 - (b) Amended and Restated Rights Agreement adopted by the Board of Directors on October 27, 1999 and dated December 3, 1999, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 29, 2000.
- (10) (a) (i) Employment Agreement with one executive employee of the Company dated March 12, 1999, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 29, 2000.
- (ii) Employment Agreements with 8 executive employees of the Company dated November 15, 1999, which are incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.
 - (b) Oneida Ltd. Management Incentive Plan adopted by the Board of Directors on February 24, 1988, as amended, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 30, 1999.
 - (c) Oneida Ltd. 1998 Stock Option Plan adopted by the Board of Directors and approved by stockholders on May 27, 1998, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 30, 1999.
- 14
- (d) Oneida Ltd. 1998 Non-Employee Director Stock Option Plan adopted by the Board of Directors and approved by stockholders on May 27, 1998, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 30, 1999.
 - (e) Oneida Ltd. Employee Security Plan adopted by the Board of Directors on July 26, 1989, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 29, 2000.
 - (f) Amended and Restated Oneida Ltd. Restricted Stock Award Plan adopted by the Board of Directors on March 29, 2000 and approved by the stockholders on May 31, 2000, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 27, 2001.
 - (g) Amended and Restated Oneida Ltd. Deferred Compensation Plan for

Edgar Filing: ONEIDA LTD - Form 10-K/A

Key Employees adopted by the Board of Directors on October 27, 1999 and effective November 1, 1999, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 29, 2000.

- (h) Oneida Ltd. Restoration Plan adopted by the Board of Directors on February 28, 2000, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 29, 2000.
 - (i) Oneida Ltd. 2000 Non-Employee Directors' Equity Plan adopted by the Board of Directors on March 29, 2000 and approved by the stockholders on May 31, 2000, which is incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 27, 2001.
 - (21) Subsidiaries of the Registrant, which are incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended January 26, 2002.
 - (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.
 - (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 January 26, 2002 no Reports on Form 8-K were filed by the Registrant.

15

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

By: /s/ PETER J. KALLET

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

Date: March 26, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Edgar Filing: ONEIDA LTD - Form 10-K/A

Signature -----	Title -----	Date ----
Principal Executive Officer		
/s/ PETER J. KALLET ----- Peter J. Kallet	Chairman of the Board, President and Chief Executive Officer	March 26, 2003
Principal Financial Officer		
/s/ GREGG R. DENNY ----- Gregg R. Denny	Chief Financial Officer	March 26, 2003
Principal Accounting Officer		
/s/ THOMAS A. FETZNER ----- Thomas A. Fetzner	Vice President and Corporate Controller	March 26, 2003
The Board of Directors		
/s/ WILLIAM F. ALLYN ----- William F. Allyn	Director	March 26, 2003
/s/ R. QUINTUS ANDERSON ----- R. Quintus Anderson	Director	March 26, 2003
/s/ GEORGIA S. DERRICO ----- Georgia S. Derrico	Director	March 26, 2003
/s/ J. PETER FOBARE ----- J. Peter Fobare	Director	March 26, 2003

Signature	Title	Date
-----------	-------	------

Edgar Filing: ONEIDA LTD - Form 10-K/A

----- /s/ GREGORY M. HARDEN ----- Gregory M. Harden	----- Director	----- March 26, 2003
----- /s/ PETER J. KALLET ----- Peter J. Kallet	----- Director	----- March 26, 2003
----- /s/ PETER J. MARSHALL ----- Peter J. Marshall	----- Director	----- March 26, 2003
----- /s/ WHITNEY D. PIDOT ----- Whitney D. Pidot	----- Director	----- March 26, 2003
----- /s/ CATHERINE H. SUTTMEIER ----- Catherine H. Suttmeier	----- Director	----- March 26, 2003
----- /s/ WILLIAM M. TUCK ----- William M. Tuck	----- Director	----- March 26, 2003

17

CERTIFICATION

I, Peter J. Kallet certify that:

1. I have reviewed this annual report on Form 10-K/A of Oneida Ltd.;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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:

Edgar Filing: ONEIDA LTD - Form 10-K/A

- 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 annual 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 annual report (the "Evaluation Date"); and
 - c) Presented in this annual 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
6. The registrant's other certifying officers and I have indicated in this annual 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: April 2, 2003

By: /s/ PETER J. KALLET

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

18

CERTIFICATION

I, Gregg R. Denny certify that:

1. I have reviewed this annual report on Form 10-K/A of Oneida Ltd.;
2. Based on my knowledge, this annual 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

Edgar Filing: ONEIDA LTD - Form 10-K/A

the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual 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:
 - b) 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 annual 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 annual report (the "Evaluation Date"); and
 - c) Presented in this annual 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
6. The registrant's other certifying officers and I have indicated in this annual 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: April 2, 2003

By: /s/ GREGG R. DENNY

Gregg R. Denny
Chief Financial Officer

Edgar Filing: ONEIDA LTD - Form 10-K/A

Report of Independent Accountants on
Financial Statement Schedule

To the Board of Directors and
Stockholders of Oneida Ltd.

Our audits of the consolidated financial statements referred to in our report dated February 25, 2002, except for Note 11, as to which the date is April 25, 2002 and except for Note 1, as to which the date is February 24, 2003, appearing in the 2002 Annual Report on Form 10-K/A of Oneida Ltd. also included an audit of the financial statement schedule listed in Item 14(a)(2) of this Form 10-K/A. In our opinion, the financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

Syracuse, New York
February 25, 2002

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 2-84304, 33-49462, 333-10795, 333-66425 and 333-87007) and Form S-3 (File No. 33-64608) of Oneida Ltd. of our report dated February 25, 2002, except for Note 11, as to which the date is April 25, 2002 and except for Note 1, as to which the date is February 24, 2003, relating to the consolidated financial statements, which appears in this Form 10-K/A. We also consent to the incorporation by reference of our report dated February 25, 2002 relating to the financial statement schedule, which appears in this Form 10-K/A.

/s/ PricewaterhouseCoopers LLP

Syracuse, New York
April 1, 2003

SCHEDULE II

ONEIDA LTD.
AND CONSOLIDATED SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED JANUARY 2002, 2001 AND 2000
(Thousands)

----- Column A -----	----- Column B -----	----- Column C -----	----- Column D -----	----- Column E -----
----------------------------	----------------------------	----------------------------	----------------------------	----------------------------

Edgar Filing: ONEIDA LTD - Form 10-K/A

Description	Balance at Beginning of Period	Additions Charged to Cost and Expenses	Deductions	Balance at End of Period
YEAR ENDED JANUARY 26, 2002:				
Reserves deducted from assets to Which they apply:				
Accounts receivable reserves	\$ 3,072	\$ 2,797	\$ 2,394 (b)	\$ 3,475
	=====	=====	=====	=====
Inventory reserves	\$13,323	\$ 435	\$ 9,164 (d)	\$ 4,594
	=====	=====	=====	=====
YEAR ENDED JANUARY 27, 2001:				
Reserves deducted from assets to Which they apply:				
Accounts receivable reserves	\$ 1,409	\$ 2,802 (a)	\$ 1,139 (b)	\$ 3,072
	=====	=====	=====	=====
Inventory reserves	\$ 1,172	\$26,021 (c)	\$13,870 (d)	\$13,323
	=====	=====	=====	=====
YEAR ENDED JANUARY 29, 2000:				
Reserves deducted from assets to Which they apply:				
Accounts receivable reserves	\$ 1,520	\$ 823	\$ 934 (b)	\$ 1,409
	=====	=====	=====	=====
Inventory reserves	\$ 1,466	\$ 4,010 (c)	\$ 4,304 (d)	\$ 1,172
	=====	=====	=====	=====

-
- (a) Includes \$1,319 of reserve additions from acquisitions. These amounts were not charged to expense.
- (b) Adjustments and doubtful accounts written off.
- (c) Includes restructuring charges of \$24,000 and \$3,000 in 2001 and 2000, respectively.
- (d) Adjustments and inventory disposals.

21

CONSOLIDATED STATEMENTS OF OPERATIONS
ONEIDA LTD.
For the years ended January 2002, 2001 and 2000

(Thousands except per share amounts)

Year ended in January	Restated (Note 1) 2002	Restated (Note 1) 2001	2000
-----	-----	-----	-----

Edgar Filing: ONEIDA LTD - Form 10-K/A

Net sales	\$499,237	\$515,522	\$495,056
Cost of sales	337,307	329,758	299,071
Inventory writedown		24,000	3,000
	-----	-----	-----
Gross margin	161,930	161,764	192,985
Other operating revenues	1,513	6,466	861
	-----	-----	-----
	163,443	168,230	193,846
	-----	-----	-----
Operating expenses:			
Selling, distribution and administrative charges	135,726	132,817	128,038
Restructuring costs and unusual charges ...		15,008	41,300
		-----	-----
Total	135,726	147,825	169,338
	-----	-----	-----
Income from operations	27,717	20,405	24,508
Other income (expense)	7,134	(579)	202
Interest expense	23,171	21,602	10,875
	-----	-----	-----
Income (loss) before income taxes	11,680	(1,776)	13,835
Provision for income taxes	(4,657)	(1,326)	(8,324)
	-----	-----	-----
Net income (loss)	\$ 7,023	\$ (3,102)	\$ 5,511
	=====	=====	=====
Earnings (loss) per share of common stock			
Basic	\$.42	\$ (.20)	\$.33
Diluted .....	.42	(.20)	.32

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS
ONEIDA LTD.

	(Dollars in Thousands)	
	Restated (Note 1) January 26, 2002	Restated (Note 1) January 27, 2001
	-----	-----
ASSETS		
Cash	\$ 11,112	\$ 2,163
Receivables	80,944	89,993
Inventories	169,523	214,026
Other current assets	17,687	26,517
	-----	-----

Edgar Filing: ONEIDA LTD - Form 10-K/A

Total current assets	279,266	332,699
	-----	-----
Property, plant and equipment	108,534	112,213
Goodwill--net of accumulated amortization of \$18,572 and \$13,850	131,796	138,918
Deferred income taxes	21,567	22,041
Other assets	4,390	8,047
	-----	-----
Total assets	\$545,553	\$613,918
	=====	=====
LIABILITIES		
Short-term debt	\$ 11,430	\$ 8,046
Accounts payable	24,848	33,097
Accrued liabilities	44,707	67,404
Current installments of long-term debt	3,956	9,239
	-----	-----
Total current liabilities	84,941	117,786
	-----	-----
Long-term debt	256,170	282,815
Accrued postretirement liability	56,410	56,108
Accrued pension liability	15,206	15,557
Other liabilities	8,725	19,146
	-----	-----
Total liabilities	421,452	491,412
	-----	-----
STOCKHOLDERS' EQUITY		
Cumulative 6% preferred stock--\$25 par value; authorized 95,660 shares, issued 86,036 and 86,698 shares; callable at \$30 per share	2,151	2,167
Common stock--\$1.00 par value; authorized 48,000,000 shares, issued 17,809,235 and 17,702,666 shares	17,809	17,703
Additional paid-in capital	83,965	82,956
Retained earnings	60,638	55,693
Accumulated other comprehensive loss	(16,328)	(11,423)
Less cost of common stock held in treasury; 1,285,679 and 1,314,508 shares	(24,134)	(24,590)
	-----	-----
Stockholders' equity	124,101	122,506
	-----	-----
Total liabilities and stockholders' equity	\$545,553	\$613,918
	=====	=====

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
ONEIDA LTD.
for the years ended January 2002, 2001 and 2000

Edgar Filing: ONEIDA LTD - Form 10-K/A

(Thousands)

	Comp. Income	Common Shares	Common Stock	Preferred Stock	Add'l Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income
Balance January 1999		17,423	\$17,423	\$2,185	\$79,737	\$65,870	\$ (1,000)
Stock plan activity, net ...		187	187		2,151		
Purchase/retirement of treasury stock--net...							
Cancelled stock.....		(7)	(7)	(10)	(1)		
Cash dividends declared (\$.40 per share).....						(6,751)	
Net income	\$ 5,511					5,511	
Other comprehensive loss ...	(711)						
Comprehensive income.....	\$ 4,800						
ESOP activity--net.....							
Balance January 2000		17,603	17,603	2,175	81,887	64,630	\$ (1,000)
Stock plan activity, net....		109	109		1,067		
Purchase/retirement of treasury stock--net.....							
Cancelled stock.....		(9)	(9)	(8)	2		
Cash dividends declared (\$.35 per share).....						(5,835)	
Net loss	\$ (3,102)					(3,102)	
Other comprehensive income..	367						
Comprehensive loss.....	\$ (2,735)						
ESOP activity--net.....							
Balance January 2001 Restated (Note 1).....		17,703	17,703	2,167	82,956	55,693	\$ (1,000)
Stock plan activity, net....		106	106		1,009		
Purchase/retirement of treasury stock--net.....				(16)			
Cash dividends declared (\$.17 per share).....						(2,078)	
Net income.....	\$ 7,023					7,023	
Other comprehensive loss....	(4,905)						
Comprehensive income	\$ 2,118						
Balance January 2002 Restated (Note 1).....		17,809	\$17,809	\$2,151	\$83,965	\$60,638	\$ (1,000)

See notes to consolidated financial statements.

Edgar Filing: ONEIDA LTD - Form 10-K/A

CONSOLIDATED STATEMENTS OF CASH FLOWS
ONEIDA LTD.
for the years ended January 2002, 2001 and 2000

Year ended in January	Restated (Note1) 2002	(Thousands) Restated (Note 1) 2001	2000
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ 7,023	\$ (3,102)	\$ 5,511
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	17,095	14,807	13,812
Impairment of long-term assets		29,000	11,100
Gain on marketable securities	(8,646)		
Deferred taxes and other non-cash charges	(8,455)	(6,859)	1,294
Decrease (increase) in operating assets:			
Receivables	9,049	7,923	(8,690)
Inventories	43,866	(29,381)	3,600
Other current assets	14,408	2,923	(1,729)
Other assets	(2,947)	(7,636)	3,092
Increase (decrease) in accounts payable	(8,249)	(1,425)	4,947
Increase (decrease) in accrued liabilities	(21,037)	(9,259)	8,975
Net cash provided by (used in) operating activities	42,107	(3,009)	41,912
CASH FLOW FROM INVESTING ACTIVITIES:			
Sale/(purchase) of subsidiaries and minority interest	6,604	(122,190)	
Property, plant and equipment expenditures--net	(8,057)	(14,685)	(22,156)
Proceeds from sale of marketable securities	1,547		
Proceeds from disposal of assets held for sale	3,823		
Other--net	(26)	552	(1,020)
Net cash provided by (used in) investing activities	3,891	(136,323)	(23,176)
CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock	1,107	1,166	2,320
(Purchase)/issuance of treasury stock--net	447	(4,883)	(5,824)
(Purchase)/allocation of ESOP shares--net		1,486	(1,486)
(Payments)/borrowings of short-term debt--net	3,384	(24,671)	(24,408)
Proceeds from issuance of long-term debt	1,025	275,000	25,790
Payment of long-term debt	(32,953)	(105,871)	(5,680)
Dividends paid	(4,238)	(4,998)	(6,751)
Net cash provided by (used in) financing activities	(31,228)	137,229	(16,039)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(5,821)	367	(711)
NET INCREASE (DECREASE) IN CASH	8,949	(1,736)	1,986
CASH AT BEGINNING OF YEAR	2,163	3,899	1,913
CASH AT END OF YEAR	\$ 11,112	\$ 2,163	\$ 3,899

Edgar Filing: ONEIDA LTD - Form 10-K/A

SUPPLEMENTAL CASH FLOW DISCLOSURES:

Cash paid during the year for:			
Interest	\$ 25,309	\$ 19,695	\$ 10,993
Income taxes	1,056	7,629	6,089
Non-cash investing activity:			
Receipt of marketable securities	7,099		
Unrealized gain on marketable securities	916		

See notes to consolidated financial statements.

25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. RESTATEMENT

In November, 2002 the company announced that it would restate financial results for its accounting for the August 2000 acquisition of Delco International Ltd. The company concluded that adjustments were needed to its initial purchase price allocation to record compensation related to employment agreements, and inventory and repacking, moving and temporary warehousing related to inventory and other period costs previously recorded as goodwill, and to appropriately recognize the deferred tax effects of the acquisition. In addition, reclassifications were made between various balance sheet accounts, including inventory, receivables, fixed assets, goodwill, other assets, and accrued liabilities to properly classify fair value and other adjustments associated with the acquisition. The cumulative effect of these restatements results in the recognition from August 2000 through July 2002 of additional compensation expense, integration expenses, and tax expense totaling \$3.4 million as compared to what was previously reported. On December 5, 2002, the Company announced in a press release that it intended to file the restatement, and by letter dated December 13, 2002, the SEC notified the Company that it was conducting an informal inquiry regarding the restatement. The Company is fully cooperating with the SEC in the informal inquiry.

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED JAN 26, 2002

	As Prev. Reported	Increase (Decrease)	Restated
	-----	-----	-----
Cost of sales	\$336,113	\$ 1,194	\$337,307
Gross margin	163,124	(1,194)	161,930
Selling, distribution and administrative expenses	134,574	1,152	135,726
Income (loss) from operations	30,063	(2,346)	27,717
Income (loss) before income taxes	14,026	(2,346)	11,680
Provision (benefit) for income taxes	5,525	(868)	4,657
Net income (loss)	8,501	(1,478)	7,023

Edgar Filing: ONEIDA LTD - Form 10-K/A

Earnings per share
 (basic and diluted) \$.51 \$ (.09) \$.42

Net income for the year ended January, 2002 decreased from \$8,501 as previously reported to \$7,023 as restated. This reduction results from recognition of additional cost of sales of \$1,194 primarily related to inventory repacking and moving costs, compensation expense of \$435 and integration costs of \$717, net of an associated income tax benefit of \$868.

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED JAN 27, 2001

	As Prev. Reported -----	Increase (Decrease) -----	Restated -----
Selling, distribution and administrative expenses	133,113	(296)	132,817
Income from operations	20,109	296	20,405
Income (loss) before income taxes	(2,072)	296	(1,776)
Provision (benefit) for income taxes	(772)	2,098	1,326
Net income (loss)	(1,300)	(1,802)	(3,102)
Earnings per share (basic and diluted)	\$ (.09)	\$ (.11)	\$ (.20)

26

Net loss for the year ended January, 2001 increased from \$(1.3) million as previously reported to \$(3.1) million as restated. This reduction results from the recognition of additional compensation expense and income tax expense of \$346 and \$2,098, respectively, net of a goodwill amortization benefit of \$642 due to a correction in the amortization period.

BALANCE SHEET AT JANUARY 26, 2002

	As Prev. Reported -----	Increase (Decrease) -----	Restated -----
Other current assets	\$ 18,540	\$ (853)	\$ 17,687
Property, plant & equipment	108,372	162	108,534
Goodwill - net	134,073	(2,277)	131,796
Deferred income taxes	19,181	2,386	21,567
Accrued liabilities	42,009	2,698	44,707
Retained earnings	63,918	(3,280)	60,638

The consolidated balance sheet as of January 2002 has been restated to reflect

Edgar Filing: ONEIDA LTD - Form 10-K/A

the effects of the adjustments described above. Retained earnings has been decreased \$3.3 million from \$63.9 million as previously reported to \$60.6 million as restated to recognize the cumulative effect of increased compensation expense of \$1.0 million, increased cost of sales of \$1.2 million, increased integration costs of \$500, reduced goodwill amortization of \$640, and increased income tax expense of \$1.2 million. Goodwill has been restated downward from \$134.1 million as previously reported to \$131.8 million as restated principally to reflect the reversal of compensation and integration costs included in the purchase price allocation approximating \$3.2 million, reclassify \$2.2 million of fair value adjustments and exit costs from accrued liabilities into goodwill, increase net deferred tax assets related to the acquisition of \$1.9 million, and reduce accumulated amortization of goodwill by \$642. The remaining changes to other current assets, property, plant and equipment, deferred income taxes and accrued liabilities were the result of balance sheet reclassifications as part of the restatement process.

BALANCE SHEET AT JANUARY 27, 2001

	As Prev. Reported -----	Increase (Decrease) -----	Restated -----
Inventory	\$214,988	\$ (962)	\$214,026
Other current assets	27,757	(1,240)	26,517
Goodwill - net	141,195	(2,277)	138,918
Deferred income taxes	22,833	(792)	22,041
Accrued liabilities	70,873	(3,469)	67,404
Retained earnings	57,495	(1,802)	55,693

The consolidated balance sheet as of January 2001 has been restated to reflect the effects of the adjustments described above. Retained earnings has been decreased \$1.8 million from \$57.5 million as previously reported to \$55.7 million as restated to recognize the cumulative effect of increased compensation expense of \$346, reduced goodwill amortization of \$640 and increased income tax expense of \$2.1 million. Goodwill has been restated downward from \$141.2 million as previously reported to \$138.9 million as restated principally to reflect the reversal of compensation and integration costs included in the purchase price allocation approximating \$3.2 million, reclassify \$2.2 million of fair value adjustments and exit costs from accrued liabilities into goodwill, increase net deferred tax assets related to the acquisition of \$1.9 million, and reduce accumulated amortization of goodwill by \$640. The remaining changes to inventory, other current assets, deferred income taxes and accrued liabilities were the result of balance sheet reclassifications as part of the restatement process.

Due to the restated financial results for the 2001 fiscal year, the company was not in compliance with certain of its loan covenants with respect to its senior notes and revolving credit agreement. Waivers for the non-compliance have been obtained from the Company's lenders.

Edgar Filing: ONEIDA LTD - Form 10-K/A

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. The Company uses a 52-53 week fiscal year ending on the last Saturday in January. The financial statements of certain foreign subsidiaries are consolidated with those of the parent on the basis of years ending in December. Certain reclassifications have been made to the financial statements for prior years to conform to the presentation for 2002.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Comprehensive Income (Loss)

SFAS No. 130, "Reporting Comprehensive Income", requires companies to report a measure of operations called comprehensive income. This measure, in addition to net income, includes as income or loss, the following items, which if present are included in the equity section of the balance sheet: unrealized gains and losses on certain investments in debt and equity securities; foreign currency translation; and minimum pension liability adjustments. The Company has reported comprehensive income within Consolidated Statements of Shareholders' Equity.

Foreign Currency Translation

Assets and liabilities of certain non-U.S. subsidiaries are translated at current exchange rates, and related revenues and expenses are translated at average exchange rates in effect during the period. Resulting translation adjustments are recorded as a component of accumulated other comprehensive income.

Earnings Per Share

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 net 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.

Inventories

Inventories are valued at the lower of cost or market. Approximately 8% and 18% of inventories are valued under the last-in, first-out (LIFO) method in 2002 and 2001, respectively, with the remainder valued under the first-in, first-out (FIFO) method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is provided over the estimated useful lives of the related assets, generally using the straight-line method. The depreciable lives assigned to buildings are 20-50 years while equipment is depreciated over 2-16 years.

Interest relating to the cost of acquiring certain fixed assets is capitalized and amortized over the asset's estimated useful life.

Edgar Filing: ONEIDA LTD - Form 10-K/A

Investments in Marketable Securities

The Company classifies its marketable securities as available for sale in accordance with the provisions of Statement of Financial Accounting Standards No. 115 "Accounting for Certain Investments in Debt and Equity Securities". These securities are carried at fair market value in other current assets, with unrealized gains and losses, net of tax, reported in stockholders' equity as a component of other comprehensive income (loss).

28

In 2002, the Company had other income of \$8,646,000 related to the receipt of Prudential Financial common shares. These shares were received by the Company, a Prudential shareholder, as part of Prudential's conversion from a mutual insurance company to a stock enterprise. One-sixth of the shares were sold in 2002. Unrealized gains on the remaining shares of \$577,000 (net of tax) were recorded as a component of other comprehensive income (loss) in the Company's equity section.

Goodwill

Goodwill resulted from the allocation of the purchase price of the acquisition of certain businesses. These assets are amortized using the straight-line method over 10-40 years. Amortization expense was \$4,722,000, \$3,789,000 and \$2,905,000 in 2002, 2001 and 2000, respectively, as restated. During 2001 the Company revised the estimated life of one asset from 15 to 40 years. This change in estimate increased 2002 and 2001 income by \$400,000 compared to 2000. The Company assesses the recoverability of its intangible assets by determining whether the amortization over the remaining life of its goodwill can be recovered through undiscounted future operating cash flows and reviews for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable.

Fair Value of Financial Instruments

The estimated fair market values of the Company's financial instruments, principally long-term debt, are estimated using discounted cash flows, based on current market rates for similar borrowings. The carrying amounts for short-term borrowings approximate their recorded values.

Revenue Recognition

For financial accounting purposes, sales are recorded when goods are shipped. The Company's general policy is not to allow customer returns unless they are specifically preauthorized.

Treasury Stock

Treasury stock purchases are recorded at cost. During 2001 and 2000 the Company purchased 319,100 and 305,000 shares of treasury stock at an average cost of \$18.78 and \$22.27, respectively. The Company purchases treasury stock primarily to improve stockholder value. As of January 2002, the Company has been authorized by the Board of Directors to repurchase up to 252,900 additional shares.

Edgar Filing: ONEIDA LTD - Form 10-K/A

Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses amounted to \$3,315,000, \$4,145,000, and \$3,817,000, during 2002, 2001 and 2000, respectively.

Restructuring and Unusual Costs

In the year ended January 2001, the Company recorded a \$39,008,000 charge for restructuring and other unusual items. This charge reduced 2001 net income by \$24,500,000, or \$1.50 per share. This total includes \$10,008,000 related primarily to the consolidation of sales, marketing, logistics and administrative functions, along with the realignment of product lines, warehouses and "make versus buy" decisions primarily related to the Company's ongoing efforts to streamline operations, as well as remove acquisition-related redundancies involving Delco, Sakura and Viners (See Note 2 of Notes to the Consolidated Financial Statements for a complete discussion on acquisition activity). Through January 2002, \$9,520,000 was expended towards these efforts; the remainder will be paid in 2003. The 2001 earnings also included an inventory writedown of \$24,000,000 related to product rationalization. A \$24,000,000 inventory reserve was established; through 2002, \$20,858,000 of this reserve was utilized to liquidate excess and obsolete product. The remaining product will be disposed of in 2003. The Company also recorded a charge of \$5,000,000 to recognize impairment of certain manufacturing tools and product procurement assets. All impaired assets have been written down to their net realizable value in 2001. There are no anticipated adjustments needed for any of the restructuring or unusual expense accruals.

In the year ended January 2000, the Company recorded a \$44,300,000 charge for restructuring and other unusual items. This total included \$3,000,000 of inventory writedowns due to discontinuing certain product lines, \$11,000,000 of charges related to operations restructuring, \$12,000,000 of long-term asset impairments and \$18,300,000 of other unusual charges. These charges reduced net income by \$1.83 per share.

29

Key components of the 2000 restructuring included 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 \$11,000,000 restructuring charge 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 was to reduce the Company's worldwide employment. This was 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. The Company actually paid all 2000 restructuring costs by the end of 2001.

The asset writedowns were related to goodwill associated with the purchase of a 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 \$12,000,000 of non-cash charges were recorded

Edgar Filing: ONEIDA LTD - Form 10-K/A

against the respective assets to reduce them to net realizable value. The Company recorded a \$3,000,000 non-cash inventory reserve charge as a component of cost of sales to reduce discontinued product lines to net realizable value. This reserve was fully utilized to dispose of the discontinued products in 2000.

In the year ended January 2000, the Company expensed \$18,300,000 of unusual items. These were costs related to an unsolicited takeover attempt, litigation costs and costs incurred to overcome unique market barriers in the foodservice glassware market. Approximately \$16,000,000 of these unusual expense payments were made during that year; the rest occurred in 2001.

New Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board approved Statements of Financial Accounting Standards No. 141 "Business Combinations" ("SFAS 141") and No. 142 "Goodwill and Other Intangible Assets" ("SFAS 142"). SFAS 141 is currently effective and SFAS 142 is effective January 27, 2002 for the Corporation. SFAS 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. Under SFAS 142, amortization of goodwill, including goodwill recorded in past business combinations, will discontinue upon adoption of the this standard. All goodwill and intangible assets will be tested for impairment in accordance with the provisions of the Statement. The Corporation is currently reviewing the provisions of SFAS 141 and SFAS 142 and assessing the impact of adoption. In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 144 provides guidance on the accounting for long-lived assets to be held and used and for assets to be disposed of through sale or by other means. SFAS 144 is effective for the fiscal years beginning after December 15, 2001. The Company does not expect the adoption of SFAS 144 to have a material impact on the earnings or financial position of the Company.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," which addresses accounting for restructuring and similar costs. SFAS No. 146 replaces previous accounting guidance, principally Emerging issues Task Force Issue No. 94-3 "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." Under Issue 94-3, a liability for an exit cost was recognized at the date of the company's commitment to an exit plan. SFAS No. 146 requires that the liability costs associated with an exit or disposal activity be recognized when the liability is incurred. SFAS No. 146 also established that the liability should initially be measured and recorded at fair value. This standard is effective beginning January 1, 2003 and will impact the accounting for exit or disposal activities, if any, initiated on or after that date.

3. ACQUISITIONS

On June 13, 2000, the Company purchased all of the stock of Viners of Sheffield, Ltd. (Viners) for approximately \$25,000,000 in cash. London based Viners is a long established marketer of flatware and cookware in the United Kingdom.

On June 30, 2000, the Company acquired all of the net assets of Sakura, Inc.

Edgar Filing: ONEIDA LTD - Form 10-K/A

(Sakura) for approximately \$40,000,000 in cash. Sakura, based in New York City, is a leading importer and marketer of consumer dinnerware.

On August 9, 2000, the Company completed the acquisition of the stock of Delco International Ltd. (Delco) (including its wholly owned subsidiary Delco Tableware International and its ABCO International division) for approximately \$60,000,000 in cash. Delco, headquartered in Long Island, New York, is a leading supplier of tableware products to the foodservice industry (Note 1).

The above three acquisitions were recorded using the purchase method of accounting and accordingly, the operating results of Viners, Sakura and Delco have been included in the accompanying consolidated financial statements since their respective dates of acquisition. Excess purchase price over the net fair value of assets acquired (including certain acquisition costs) totaled \$110,455,000. These intangible assets (primarily goodwill) are being amortized over forty years using the straight line method.

On June 2, 2000, the Company entered into a three year \$275,000,000 bank revolving credit agreement. This facility was utilized to fund the above three acquisitions, as well as to refinance the majority of the Company's outstanding credit facilities and term loans. See Note 10 for further discussion of long term debt arrangements.

As the Company's 2001 financial statements only include a partial year of the three acquired companies operating results, the following unaudited pro forma information is provided to present a summary of the operations of the Company, Viners, Sakura and Delco, as if the acquisitions had occurred on January 31, 1999.

	(thousands except per share amounts)	

	Restated (Note 1)	
	2001	2000
	-----	-----
Net sales	\$570,565	\$611,051
Net income (loss)	(6,264)	3,868
Earnings (loss) per share of common stock		
Basic	(.39)	.23
Diluted	(.39)	.23

The pro forma data given above is for informational purposes only and does not purport to be indicative of the results that would have been obtained if the operations had been combined during the periods presented. This information is not intended to be indicative of future results or trends.

4. INCOME TAXES

The Company accounts for taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," which requires the use of the liability method of computing deferred income taxes. Under the liability method, deferred income taxes are based on the tax effect of temporary differences between the financial statement and tax bases of assets and liabilities and are adjusted for tax rate changes as they occur.

The components of the deferred tax assets and liabilities are as follows:

	(Thousands)	
	Restated (Note 1) 2002	Restated (Note 1) 2001
	-----	-----
Deferred income taxes:		
Postretirement benefits	\$22,310	\$22,058
Employee benefits	12,189	12,764
Inventory reserves	2,219	5,889
Other	(2,354)	1,801
	-----	-----
Total deferred tax assets	34,364	42,512
Depreciation	(9,694)	(9,506)
Marketable securities	(2,966)	0
Acquisition intangibles	(1,216)	414
	-----	-----
Total	20,488	33,420
Current deferred (benefit) liability	(1,079)	11,379
	-----	-----
Non-Current deferred tax assets	\$21,567	\$22,041
	=====	=====

The provision (credit) for income taxes consists of the following:

	(Thousands)		
	Restated (Note 1) 2002	Restated (Note 1) 2001	2000
	-----	-----	-----
Current tax (benefit) expense:			
U.S. Federal	\$ (12,737)	\$ 2,886	\$ 8,255
Foreign	3,497	3,805	2,502
State	174	573	643
	-----	-----	-----
	(9,066)	7,264	11,400
Deferred tax expense (benefit)	13,723	(5,938)	(3,076)
	-----	-----	-----
Total tax expense	\$ 4,657	\$ 1,326	\$ 8,324
	=====	=====	=====

The income tax provision differed from the total income tax expense as computed by applying the statutory U.S. Federal income tax rate to income before income taxes. The reasons for the differences are as follows:

Edgar Filing: ONEIDA LTD - Form 10-K/A

	(Thousands)		
	Restated (Note 1) 2002	Restated (Note 1) 2001	2000
Statutory U.S. Federal taxes	\$3,971	\$ (604)	\$4,842
Difference due to:			
Foreign taxes	474	844	2,522
State taxes	115	378	418
Other	97	708	542
Provision for taxes	\$4,657	\$1,326	\$8,324

32

The following presents the U.S. and non-U.S. components of income before income taxes.

	(Thousands)		
	Restated (Note1) 2002	Restated (Note 1) 2001	2000
U.S. income (loss)	\$ 2,788	\$ (10,510)	\$15,606
Non-U.S. income (loss)	8,892	8,734	(1,771)
Income (loss) before income taxes	\$11,680	\$ (1,776)	\$13,835

5. RECEIVABLES

Receivables by major classification are as follows:

	(Thousands)	
	2002	2001
Accounts receivable	\$81,895	\$90,793
Other accounts and notes receivable	2,524	2,272
Less allowance for doubtful accounts	(3,475)	(3,072)

Edgar Filing: ONEIDA LTD - Form 10-K/A

Receivables	\$80,944	\$89,993
	=====	=====

6. INVENTORIES

Inventories by major classification are as follows:

	(Thousands)	
	2002	Restated (Note 1) 2001
	-----	-----
Finished goods	\$147,097	\$193,844
Goods in process	13,112	11,018
Raw materials and supplies	9,314	9,164
	-----	-----
Total	\$169,523	\$214,026
	=====	=====
Excess of replacement cost over LIFO value of inventories	\$ 9,300	\$ 13,000
	=====	=====

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment by major classification are as follows:

	(Thousands)	
	Restated (Note 1) 2002	2001
	-----	-----
Land and buildings	\$ 70,141	\$ 71,065
Machinery and equipment	182,165	176,656
	-----	-----
Total	252,306	247,721
Less accumulated depreciation	143,772	135,508
	-----	-----
Property, plant and equipment-- net	\$108,534	\$112,213
	=====	=====

Depreciation expense totalled \$12,373,000, \$11,018,000, and \$10,907,000 for 2002, 2001 and 2000, respectively.

Edgar Filing: ONEIDA LTD - Form 10-K/A

8. COMMITMENTS

The Company leases factory stores, equipment, warehouses and office facilities. Lease expense charged to operations was \$8,476,000, \$8,888,000, and \$7,169,000 for 2002, 2001 and 2000, respectively.

In September 2001, the Company entered into a new three year distribution agreement with a supplier. This contract stipulates purchase commitments through the term of the agreement. In addition, the Company is required to maintain a \$1,000,000 stand-by letter of credit for the first two years of the agreement. In 2002 purchase commitments under this agreement amounted to \$1,933,000.

Future minimum payments for all non-cancelable operating leases and purchase commitments having a remaining term in excess of one year at January 2002 are as follows:

	(Thousands)

	Commitment

2003.....	\$13,747
2004.....	13,470
2005.....	9,183
2006.....	2,254
2007.....	1,438
Remainder.....	3,632

Total.....	\$43,724
	=====

Under the provisions of some leases, the Company pays taxes, maintenance, insurance and other operating expenses related to leased premises.

9. SHORT-TERM DEBT AND COMPENSATING BALANCES

The Company has been granted lines of credit to borrow at interest rates up to the prime rate from various banks. At January 2002, the Company had lines of credit of \$24,301,000 of which \$12,870,000 was available.

The weighted average outstanding balances of short-term debt for the fiscal years ending January 2002 and 2001 were \$11,062,000 and \$25,687,000; the weighted interest rates for the same periods were 6.0% and 6.6%, respectively. The weighted average interest rates on short-term debt outstanding at year end was 4.85% and 6.95% for 2002 and 2001, respectively.

10. ACCRUED LIABILITIES

Accrued liabilities by major classification are as follows:

(Thousands)	

Restated	Restated
(Note 1)	(Note 1)
2002	2001

Edgar Filing: ONEIDA LTD - Form 10-K/A

Accrued vacation pay	\$ 5,385	\$ 5,929
Accrued wage incentive		4,973
Accrued wages and commissions	5,174	7,230
Accrued income taxes	5,245	12,008
Accrued workers' compensation	9,575	9,699
Dividends payable	363	2,522
Accrued acquisition costs	4,585	4,871
Accrued other employee benefits	6,233	6,687
Accrued interest payable	1,076	3,214
Other accruals	7,071	10,271
	-----	-----
Total	\$44,707	\$67,404
	=====	=====

34

11. LONG-TERM DEBT

Long-term debt at January 2002 and 2001 consisted of the following:

	(Thousands)	
	2002	2001
	-----	-----
Senior notes, 8.52% due January 15, 2002, payable \$4,285,710 annually		\$ 4,286
Senior notes, 8.99% due May 31, 2005, payable \$3,890,000 annually	\$ 27,220	31,110
Notes payable at various interest rates (2.38%-5.44%), due February 1, 2004	231,000	246,500
Other debt at various interest rates (3.00%-8.95%) due through 2010	1,906	10,158
	-----	-----
Total	260,126	292,054
Less current portion	3,956	9,239
	-----	-----
Long-term debt	\$256,170	\$282,815
	=====	=====

On June 2, 2000, the Company entered into a three year \$275,000,000 revolving credit agreement. This facility was utilized to fund the three acquisitions made in 2001 and to refinance the majority of the Company's outstanding credit facilities and term loans. This debt carries a floating interest rate indexed to LIBOR plus 3.5%. Interest is payable either at the earlier of quarterly or note maturity.

During the first quarter of 2002, the Company and its lenders negotiated revised covenant levels and entered into a security agreement collateralizing the Company's debt with all of the domestic assets (excluding real estate holdings) of the Company and certain of its material domestic subsidiaries, as well as its investment in Oneida UK Limited. At the end of the third and fourth quarters of

Edgar Filing: ONEIDA LTD - Form 10-K/A

2002, the Company was not in compliance with its consolidated interest coverage and consolidated leverage covenants. In December the Company entered into a Waiver and Amendment with its lenders to resolve the third quarter non-compliance.

In April 2002 the Company and its lenders entered into an amendment to the facility. The amendment waived the year-end non-compliance and made a number of changes to the revolving credit agreement. Under the amendment, the maturity of the revolving debt has been extended to February 1, 2004 from May 31, 2003. The Company has provided additional collateral to the lenders in the form of domestic real estate holdings. The commitments under the facility stepped down to \$245,000,000 upon signing of the amendment and will further step down to \$235,000,000 at February 3, 2003 and to \$205,000,000 on January 31, 2004. In addition, there are limitations on dividends, capital expenditures, intercompany indebtedness and letters of credit. After giving effect to the amendment, the Company could have borrowed up to an additional \$14,000,000 under the revolving credit agreement at January 26, 2002. The amendments continue certain financial covenants, the most restrictive of which limits 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 estimated fair value of the Company's long-term debt at January 2002 approximated book value. At January 2001 the carrying value of the Company's long-term debt approximated \$291,344,000.

35

The aggregate amounts of long-term maturities due each fiscal year are as follows:

	(Thousands)

2002.....	\$ 3,956
2003.....	5,585
2004.....	234,918
2005.....	15,570
2006.....	21
After.....	76

Total.....	\$260,126
	=====

Total interest costs incurred by the Company are presented net of capitalized interest of \$407,000, \$1,112,000 and \$1,346,000 for 2002, 2001 and 2000, respectively.

12. RETIREMENT BENEFIT AND EMPLOYEE SECURITY PLANS

Pension Plans

The Company maintains defined benefit plans covering the majority of employees in the United States. Employees of the Silversmiths Division are covered by both an Employee Stock Ownership Plan (ESOP), and a defined benefit floor plan.

Edgar Filing: ONEIDA LTD - Form 10-K/A

Dividends on all ESOP shares are added to participant accounts. Future contributions to the ESOP will be in the form of either cash or treasury shares. The Company also maintains a salary deferral 401(k) plan covering substantially all employees.

The net periodic pension cost for the Company's various defined benefit plans for 2002, 2001 and 2000 were as follows:

	(Thousands)		
	2002	2001	2000
Service cost	\$ 1,497	\$ 1,078	\$ 1,697
Interest cost	2,682	2,213	2,710
Expected return on plan assets	(2,198)	(2,226)	(2,611)
Net amortization	(388)	(830)	(296)
Effect of settlement/curtailment			4,487
	-----	-----	-----
Net periodic pension cost	\$ 1,593	\$ 235	\$ 5,987
	=====	=====	=====

36

Plan assets consist primarily of stocks, bonds, and cash equivalents. The following table presents a reconciliation of the funded status of the plans and assumptions used at January 2002 and 2001.

	(Thousands)	
	2002	2001
Change in benefit obligation		
Benefit obligation-beginning of year	\$ (37,374)	\$ (32,661)
Service cost	(1,497)	(1,078)
Interest cost	(2,682)	(2,213)
Benefits paid	2,932	2,610
Actuarial gain (loss)	(5,752)	(4,032)
	-----	-----
Benefit obligation-end of year	(44,373)	(37,374)
	-----	-----
Change in plan assets		
Fair value of plan assets-beginning of year	27,156	27,528
Actual return on plan assets	(1,827)	1,528
Employer contribution	2,035	710
Benefits paid	(2,932)	(2,610)
	-----	-----
Fair value of plan assets-end of year	24,432	27,156
	-----	-----

Edgar Filing: ONEIDA LTD - Form 10-K/A

Funded status	(19,941)	(10,218)
Unrecognized net (gains)/losses	3,764	(6,090)
Unrecognized prior service cost	1,466	1,398
Unrecognized net asset	(495)	(647)
	-----	-----
Accrued benefit cost	\$ (15,206)	\$ (15,557)
	=====	=====
Weighted average assumptions as of the end of		
January		
Discount rate	6.9%	7.4%
Expected return on plan assets	8.4%	8.4%
Rate of compensation increase	3.4%	3.6%

The net pension cost associated with the Company's defined contribution plans was \$1,490,000 and \$1,854,000 for 2001 and 2000, respectively.

Postretirement Health Care and Life Insurance Benefits

The Company reimburses a portion of the health care and life insurance benefits for the majority of its retired employees who have attained specified age and service requirements.

Net periodic postretirement benefit cost for 2002, 2001 and 2000 included the following components:

	(Thousands)		
	2002	2001	2000
	-----	-----	-----
Service cost	\$ 1,354	\$ 1,316	\$ 1,734
Interest cost	5,233	4,298	4,287
Net amortization	198	(681)	(55)
Curtailment gain	(1,384)		
	-----	-----	-----
Net periodic postretirement benefit cost	\$ 5,401	\$ 4,933	\$ 5,966
	=====	=====	=====

The Company recorded a curtailment gain of \$1,384,000 as a component of 2002 net periodic postretirement expense. This gain resulted from reductions in the Company's domestic workforce.

The following table sets forth the status of the Company's postretirement plans, which are unfunded, at January 2002 and 2001:

	(Thousands)	
	2002	2001
	-----	-----

Edgar Filing: ONEIDA LTD - Form 10-K/A

	-----	-----
Change in benefit obligation		
Benefit obligation - beginning of year	\$ (61,924)	\$ (59,943)
Service cost	(1,354)	(1,316)
Interest cost	(5,233)	(4,298)
Benefits paid	6,267	5,031
Employee contributions	(568)	(635)
Amendments	(540)	5,278
Actuarial loss	(15,172)	(6,041)
	-----	-----
Benefit obligation - end of year	\$ (78,524)	\$ (61,924)
	=====	=====
Funded status	\$ (78,524)	\$ (61,924)
Unrecognized net losses	22,488	11,562
Unrecognized prior service cost	(4,374)	(9,146)
	-----	-----
Accrued postretirement benefit cost	(60,410)	(59,508)
Less current portion	4,000	3,400
	-----	-----
Accrued postretirement benefit cost	\$ (56,410)	\$ (56,108)
	=====	=====
Weighted average assumptions as of the end of January		
Discount rate	6.9%	7.3%
Healthcare inflation rate	11.2%	6.5%

The 2002 health care inflation rate was assumed to decrease gradually to 5% by the year 2008 and remain at that level thereafter. A 1% variation in the assumed health care inflation rates would cause the accumulated postretirement benefit obligation at January 2002 to increase by \$11,736,000 and decrease by \$10,149,000. Additionally, this would increase and decrease the net periodic postretirement benefit cost for 2002 by \$1,110,000 and \$939,000 respectively.

Employee Security Plan

The Company maintains an employee security plan which provides severance benefits for all eligible employees of the Company and its subsidiaries who lose their jobs in the event of a change in control as defined by the plan. Employees are eligible if they have one year or more of service and are not covered by a collective bargaining agreement. The plan provides two and one half months of pay for each year of service, up to twenty-four months maximum, and a continuation of health care and life insurance benefits on the same basis.

13. STOCK PLANS

Stock Purchase Plan

At January 2002, under the terms of a stock purchase plan, the Company has reserved 407,012 shares of common stock for issuance to its employees. The purchase price of the stock is the lower of 90% of the market price at the time of grant or at the time of exercise. The option price for the shares outstanding at January 26, 2002 is \$11.25.

	2002	2001	2000
	-----	-----	-----
Outstanding at beginning of year	342,212	406,324	396,821
Exercised during the year	(110,803)	(56,192)	(62,232)

Edgar Filing: ONEIDA LTD - Form 10-K/A

Expired during the year	(268,139)	(403,701)	(354,715)
Granted during the year	363,151	395,781	426,450
	-----	-----	-----
Outstanding at end of year	326,421	342,212	406,324
	=====	=====	=====
Average per share price of rights exercised ..	\$ 16.35	\$ 20.30	\$ 22.28
	=====	=====	=====

38

Rights to purchase are exercisable on date of grant. Unexercised rights expire on June 30 of each year and become available for future grants. Employees are entitled to purchase one share of common stock for each \$250 of their earnings for the calendar year preceding July 1.

The consolidated statement of operations does not contain any compensation expense as a result of accounting for this plan.

Stock Option Plans

At January 2002, under the terms of its incentive stock option plans, the Company has reserved shares of common stock for issuance to selected key employees and non-employee directors.

Options were granted at exercise prices equal to the fair market value on the date of the grant and may be paid for in cash or by tendering previously held common stock of the Company at the time the option is exercised. Stock options are non-transferable other than on death, vest over five years from date of grant and expire ten years from date of grant.

	No. of Shares	Option Price	
		Per Share	(Thousands) Total
	-----	-----	-----
Outstanding at			
January 1999	732,293	\$ 6.00-28.13	\$11,677
Granted	176,000	25.56-25.88	4,501
Exercised	(127,338)	6.00-22.58	(1,491)
Expired	(35,999)		(641)
	-----		-----
Outstanding at			
January 2000	744,956	7.58-28.13	14,046
Granted	344,000	18.38-19.00	6,327
Exercised	(29,972)	7.58-9.08	(255)
Expired	(35,929)		(781)
	-----		-----
Outstanding at			
January 2001	1,023,055	7.58-28.13	19,337
Granted	319,500	16.60-17.40	5,308
Exercised	(80,083)	7.58-16.60	(851)
Expired	(87,615)		(1,761)

Edgar Filing: ONEIDA LTD - Form 10-K/A

Outstanding at	-----	-----	-----
January 2002	1,174,857	7.58-28.13	\$22,033
	=====		=====

39

Options exercisable under the plan at January 2002, 2001 and 2000 amounted to 428,436, 311,310, and 217,296, respectively. The weighted average exercise price of options exercisable at January 2002, 2001 and 2000 was \$18.68, \$16.47, and \$12.73, respectively.

Options Outstanding at January 2002

Range of Exercise Prices	Options Outstanding	Weighted Average Remaining Life In Years	Weighted Average Exercise Price
-----	-----	-----	-----
\$ 7.58	14,400	1.25	\$ 7.58
9.08-12.42	131,087	4.32	11.41
16.60-19.00	623,036	8.50	17.53
21.88-28.13	406,334	6.82	23.39
-----	-----	----	-----
	1,174,857		
=====	=====	=====	=====

Options Exercisable at January 2002

Range of Exercise Prices	Number Exercisable	Weighted Average Exercise Price
-----	-----	-----
\$ 7.58	14,400	\$ 7.58
9.08-12.42	115,974	11.28
16.60-19.00	69,912	18.44
21.88-28.13	228,150	23.21
-----	-----	-----
	428,436	
=====	=====	=====

At the time options are exercised, the proceeds of the shares issued are credited to the related stockholders' equity accounts. There are no charges to income in connection with the options.

Restricted Stock Award Plan

Edgar Filing: ONEIDA LTD - Form 10-K/A

The Company has a restricted stock award plan for key employees who are expected to have a significant impact on the performance of the Company. The stock is restricted from being sold, transferred or assigned and is forfeitable until it vests, generally over a three year period. Amounts of awards are determined by the Management Development and Executive Compensation Committee of the Company's Board of Directors. Compensation expense, amounts of which are immaterial, relating to awards of restricted stock are recognized over the vesting period.

Shareholder Rights Plan

The Company maintains a shareholder rights plan. The rights were distributed to shareholders at the rate of one right per share. The rights entitle the holder to purchase one additional share of voting common stock at a substantial discount and are exercisable only in the event of the acquisition of 20% or more of the Company's voting common stock, or the commencement of a tender or exchange offer under which the offeror would own 20% or more of the Company's voting common stock. The rights will expire on December 13, 2009.

Accounting for Stock Plans

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.

40

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

	(Thousands Except Per Share Amounts)		
	Restated (Note 1) 2002	Restated (Note 1) 2001	2000
	-----	-----	-----
Net Income (loss):			
As restated	\$7,023	\$(3,102)	\$5,511
Pro forma	4,790	(5,030)	2,667
Earnings (loss) Per Share:			
As restated: Basic	.42	(.20)	.33
Diluted	.42	(.20)	.32
Pro forma: Basic	.28	(.32)	.15
Diluted	.28	(.32)	.15

The fair value for both the Stock Purchase Plan and Stock Option Plan was estimated at the date of grant using a Black-Scholes options pricing model.

Edgar Filing: ONEIDA LTD - Form 10-K/A

The valuation of the Stock Purchase Plan used the following weighted average assumptions for 2002, 2001 and 2000, respectively: risk-free interest rates of 3.37%, 5.83% and 4.82%; dividend yields of .98%, 2.25% and 1.42%; volatility factors of the expected market price of the Company's common stock of 39.1%, 29.3% and 58.5% and a weighted average expected life of the option of 9 months. The fair value per share for the options granted during 2002, 2001 and 2000 was \$5.51, \$4.37 and \$9.15, respectively. The estimated fair value of the options is expensed in the year of issue in calculating pro forma amounts.

The valuation of the Stock Option Plan used the following weighted average assumptions for 2002, 2001 and 2000, respectively: risk free interest rate of 4.99%, 6.53% and 5.71%; dividend yield of 1.05%, 2.0% and 2.0%; volatility factor of the expected price of the Company's common stock of 37.7%, 36.2% and 33.2% and an expected life of 5.56, 5.74 and 5.74 years. The fair value per share for the options granted during 2002, 2001 and 2000 was \$6.50, \$6.90 and \$6.83, respectively. The estimated fair value of the options is expensed over the five-year vesting period in calculating pro forma amounts.

41

14. EARNINGS PER SHARE

The following is a reconciliation of basic earnings per share to diluted earnings per share for 2002, 2001 and 2000:

(Thousands except per share amounts)	Net Income	Preferred Stock Dividends	Adjusted Net Income	Average Shares	Earnings Per Share
-----	-----	-----	-----	-----	-----
2002 Restated (Note 1):					
Basic earnings per share	\$ 7,023	(130)	6,893	16,468	\$.42
Effect of stock options				51	
Diluted earnings per share	7,023	(130)	6,893	16,519	.42
-----	-----	-----	-----	-----	-----
2002 As Reported:					
Basic earnings per share	\$ 8,501	(130)	8,371	16,468	\$.51
Effect of stock options				51	
Diluted earnings per share	8,501	(130)	8,371	16,519	.51
-----	-----	-----	-----	-----	-----
2001 Restated (Note 1):					
Basic earnings (loss) per share	(3,102)	(130)	(3,232)	16,300	(.20)
Effect of stock options					
Diluted earnings (loss)per share	(3,102)	(130)	(3,232)	16,300	(.20)
-----	-----	-----	-----	-----	-----
2001 As Reported:					
Basic earnings (loss) per share	(1,300)	(130)	(1,430)	16,300	(.09)
Effect of stock options					
Diluted earnings (loss)per share	(1,300)	(130)	(1,430)	16,300	(.09)
-----	-----	-----	-----	-----	-----
2000: Basic earnings per share					
	5,511	(130)	5,381	16,524	.33
Effect of stock options				148	
Diluted earnings per share	5,511	(130)	5,381	16,672	.33
-----	-----	-----	-----	-----	-----

Edgar Filing: ONEIDA LTD - Form 10-K/A

15. OPERATIONS BY INDUSTRY SEGMENT

The Company's operations and assets are in one principal industry: tableware products. The Company's reportable segments are grouped around the manufacture and distribution of three major product categories: 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 tableware operations are located in the United States, Canada, Mexico, Italy, Australia, the United Kingdom, China and Hong Kong.

The accounting policies of the reportable segments are the same as those described in Note 1 of the Notes to Consolidated Financial Statements. The Company evaluates the performance of its segments based upon operating income excluding restructuring and unusual charges, interest, miscellaneous income and expenses, corporate expenses and income taxes. The Company does not derive more than 10% of its total revenues from any individual customer, government agency or export sales.

42

Segment information for the three years ended January 2002, 2001 and 2000 are as follows:

(Thousands)	Metal	Dinnerware	Glass	Other	Total
2002: Restated (Note 1)					
Net sales	\$324,100	\$137,300	\$32,400	\$ 5,437	\$499,237
Operating income	14,772	20,217	(300)	(502)	34,187
Depreciation and amortization	13,661	3,434			17,095
2001: Restated (Note 1)					
Net sales	\$338,600	\$130,000	\$38,900	\$ 8,022	\$515,522
Operating income	43,100	20,500	700	(222)	64,078
Depreciation and amortization	11,435	3,372			14,807
2000: Net sales	\$337,600	\$106,200	\$37,100	\$14,156	\$495,056
Operating income	58,400	13,400	2,200	311	74,311
Depreciation and amortization	9,781	4,031			13,812

The following table reconciles segment operating income to pretax income (loss):

(Thousands)

Edgar Filing: ONEIDA LTD - Form 10-K/A

	Restated (Note 1) 2002	Restated (Note 1) 2001	2000
Total segment operating income	\$34,187	\$64,078	\$74,311
Restructuring and unusual charges		39,008	44,300
Corporate expenses	6,470	4,665	5,503
Consolidated operating income	27,717	20,405	24,508
Interest expense	23,171	21,602	10,875
Other income/(expense)	7,134	(579)	202
Pretax income (loss)	\$11,680	\$ (1,776)	\$13,835

Financial information relating to the Company's sales and long-lived assets by geographic area is as follows:

	(Thousands)		
	Restated (Note 1) 2002	2001	2000
Net Sales:			
Domestic	\$414,240	\$434,145	\$426,121
Foreign operations	84,997	81,377	68,935
Total	\$499,237	\$515,522	\$495,056
Long-lived assets:			
Domestic	\$228,408	\$240,207	\$148,310
Foreign operations	37,770	39,755	19,185
Total	\$266,178	\$279,962	\$167,495

16. SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

	(Thousands except per share amounts)			
	Quarter Ended			
Restated (Note 1) 2002	April 28, 2001	July 28, 2001	October 27, 2001	January 26, 2002
-----	-----	-----	-----	-----

Edgar Filing: ONEIDA LTD - Form 10-K/A

Net sales	\$126,806	\$119,428	\$128,548	\$124,455
Gross margin	40,569	41,538	40,846	38,977
Net income	(418)	1,301	196	5,941
Earnings per share:				
Basic	(.03)	.08	.01	.36
Diluted	(.03)	.08	.01	.36

Restated (Note 1) 2001	Quarter Ended			
	April 29, 2000	July 29, 2000	October 28, 2000	January 27, 2001
Net sales	\$118,201	\$104,010	\$151,951	\$141,360
Gross margin	45,755	13,920	53,684	48,405
Net income (loss)	7,467	(16,817)	4,077	2,171
Earnings (loss) per share:				
Basic .....	.45	(1.04)	.25	.13
Diluted .....	.45	(1.04)	.25	.13

The following are reconciliations of our quarterly operating results from unaudited financial information previously filed to this restated financial information. The quarters ended July 29, 2000 and April 29, 2000 were not affected by the restatement. See Note 1 to consolidated financial statements for description of restatement:

FOR THE THREE MONTHS ENDED JAN 26, 2002

	As Prev. Reported	Increase (Decrease)	Restated
Net sales	\$124,455		\$124,455
Gross margin	38,977		38,977
Net income	6,057	(116)	5,941
Earnings per share			
basic	\$.37	\$ (.01)	\$.36
diluted .....	.36		.36

FOR THE THREE MONTHS ENDED OCT 27, 2001

	As Prev. Reported	Increase (Decrease)	Restated
Net sales	\$128,548		\$128,548
Gross margin	40,846		40,846
Net income	300	(104)	196
Earnings per share			
basic	\$.02	\$ (.01)	\$.01
diluted .....	.02	(.01)	.01

Edgar Filing: ONEIDA LTD - Form 10-K/A

FOR THE THREE MONTHS ENDED JULY 28, 2001

44

	As Prev. Reported -----	Increase (Decrease) -----	Restated -----
Net sales	\$119,428		\$119,428
Gross margin	41,776	(238)	41,538
Net income	1,703	(402)	1,301
Earnings per share			
basic	\$.10	\$ (.02)	\$.08
diluted .....	.10	(.02)	.08

FOR THE THREE MONTHS ENDED APR 28, 2001

	As Prev. Reported -----	Increase (Decrease) -----	Restated -----
Net sales	\$126,806		\$126,806
Gross margin	41,525	(956)	40,569
Net income (loss)	441	(859)	(418)
Earnings (loss) per share			
basic	\$.02	\$ (.05)	\$ (.03)
diluted .....	.02	(.05)	(.03)

FOR THE THREE MONTHS ENDED JAN 27, 2001

	As Prev. Reported -----	Increase (Decrease) -----	Restated -----
Net sales	\$141,360		\$141,360
Gross margin	48,405		48,405
Net income	3,944	(1,773)	2,171
Earnings per share			
basic	\$.24	\$ (.11)	\$.13
diluted .....	.24	(.11)	.13

FOR THE THREE MONTHS ENDED OCT 28, 2000

	As Prev.	Increase	
--	----------	----------	--

Edgar Filing: ONEIDA LTD - Form 10-K/A

	Reported -----	(Decrease) -----	Restated -----
Net sales	\$151,951		\$151,951
Gross margin	53,684		53,684
Net income	4,106	(29)	4,077
Earnings per share			
basic	\$.25		\$.25
diluted .....	.25		.25

45

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and
Stockholders of Oneida Ltd.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, changes in stockholders' equity and cash flows present fairly, in all material respects, the financial position of Oneida Ltd. (the "Company") and its subsidiaries at January 26, 2002 and January 27, 2001 and the results of their operations and their cash flows for each of the three years in the period ended January 26, 2002 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Company has restated its consolidated financial statements as of and for the years ended January 26, 2002 and January 27, 2001.

/s/ PricewaterhouseCoopers LLP

Syracuse, New York
February 25, 2002, except for Note 11,
as to which the date is April 25, 2002
and except for Note 1, as to which the
date is February 24, 2003

46

Edgar Filing: ONEIDA LTD - Form 10-K/A

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

Restatement

In November, 2002 the company announced that it would restate financial results for its accounting for the August 2000 acquisition of Delco International Ltd. The company concluded that adjustments were needed to its initial purchase price allocation to record compensation related to employment agreements, and inventory and repacking, moving and temporary warehousing related to inventory and other period costs previously recorded as goodwill, and to appropriately recognize the deferred tax effects of the acquisition. In addition, reclassifications were made between various balance sheet accounts, including inventory, receivables, fixed assets, goodwill, other assets, and accrued liabilities to properly classify fair value and other adjustments associated with the acquisition. The cumulative effect of these restatements results in the recognition from August 2000 through July 2002 of additional compensation expense, integration expenses, and tax expense totaling \$3.4 million as compared to what was previously reported. On December 5, 2002, the Company announced in a press release that it intended to file the restatement, and by letter dated December 13, 2002, the SEC notified the Company that it was conducting an informal inquiry regarding the restatement. The Company is fully cooperating with the SEC in the informal inquiry.

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED JAN 26, 2002

	As Prev. Reported -----	Increase (Decrease) -----	Restated -----
Cost of sales	\$336,113	\$ 1,194	\$337,307
Gross margin	163,124	(1,194)	161,930
Selling, distribution and administrative expenses	134,574	1,152	135,726
Income (loss) from operations	30,063	(2,346)	27,717
Income (loss) before income taxes	14,026	(2,346)	11,680
Provision (benefit) for income taxes	5,525	(868)	4,657
Net income (loss)	8,501	(1,478)	7,023
Earnings per share (basic and diluted)	\$.51	\$ (.09)	\$.42

Net income for the year ended January, 2002 decreased from \$8,501 as previously reported to \$7,023 as restated. This reduction results from recognition of additional cost of sales of \$1,194 primarily related to inventory repacking and moving costs, compensation expense of \$435 and integration costs of \$717, net of an associated income tax benefit of \$868.

Edgar Filing: ONEIDA LTD - Form 10-K/A

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED JAN 27, 2001

	As Prev. Reported -----	Increase (Decrease) -----	Restated -----
Selling, distribution and administrative expenses	133,113	(296)	132,817
Income from operations	20,109	296	20,405
Income (loss) before income taxes	(2,072)	296	(1,776)
Provision (benefit) for income taxes	(772)	2,098	1,326
Net income (loss)	(1,300)	(1,802)	(3,102)
Earnings per share (basic and diluted)	\$ (.09)	\$ (.11)	\$ (.20)

Net loss for the year ended January, 2001 increased from \$(1.3) million as previously reported to \$(3.1) million as restated. This reduction results from the recognition of additional compensation expense and income tax expense of \$346 and \$2,098, respectively, net of a goodwill amortization benefit of \$642 due to a correction in the amortization period.

BALANCE SHEET AT JANUARY 26, 2002

	As Prev. Reported -----	Increase (Decrease) -----	Restated -----
Other current assets	\$ 18,540	\$ (853)	\$ 17,687
Property, plant & equipment	108,372	162	108,534
Goodwill - net	134,073	(2,277)	131,796
Deferred income taxes	19,181	2,386	21,567
Accrued liabilities	42,009	2,698	44,707
Retained earnings	63,918	(3,280)	60,638

The consolidated balance sheet as of January 2002 has been restated to reflect the effects of the adjustments described above. Retained earnings has been decreased \$3.3 million from \$63.9 million as previously reported to \$60.6 million as restated to recognize the cumulative effect of increased compensation expense of \$1.0 million, increased cost of sales of \$1.2 million, increased integration costs of \$500, reduced goodwill amortization of \$640, and increased income tax expense of \$1.2 million. Goodwill has been restated downward from \$134.1 million as previously reported to \$131.8 million as restated principally to reflect the reversal of compensation and integration costs included in the purchase price allocation approximating \$3.2 million, reclassify \$2.2 million of fair value adjustments and exit costs from accrued liabilities into goodwill, increase net deferred tax assets related to the acquisition of \$1.9 million, and reduce accumulated amortization of goodwill by \$642. The remaining changes to other current assets, property, plant and equipment, deferred income taxes and accrued liabilities were the result of balance sheet reclassifications as part of the restatement process.

Edgar Filing: ONEIDA LTD - Form 10-K/A

BALANCE SHEET AT JANUARY 27, 2001

	As Prev. Reported	Increase (Decrease)	Restated
	-----	-----	-----
Inventory	\$214,988	\$ (962)	\$214,026
Other current assets	27,757	(1,240)	26,517
Goodwill - net	141,195	(2,277)	138,918
Deferred income taxes	22,833	(792)	22,041
Accrued liabilities	70,873	(3,469)	67,404
Retained earnings	57,495	(1,802)	55,693

The consolidated balance sheet as of January 2001 has been restated to reflect the effects of the adjustments described above. Retained earnings has been decreased \$1.8 million from \$57.5 million as previously reported to \$55.7 million as restated to recognize the cumulative effect of increased compensation expense of \$346, reduced goodwill amortization of \$640 and increased income tax expense of \$2.1 million. Goodwill has been restated downward from \$141.2 million as previously reported to \$138.9 million as restated principally to reflect the reversal of compensation and integration costs included in the purchase price allocation approximating \$3.2 million, reclassify \$2.2 million of fair value adjustments and exit costs from accrued liabilities into goodwill, increase net deferred tax assets related to the acquisition of \$1.9 million, and reduce accumulated amortization of goodwill by \$640. The remaining changes to inventory, other current assets, deferred income taxes and accrued liabilities were the result of balance sheet reclassifications as part of the restatement process.

Due to the restated financial results for the 2001 fiscal year, the company was not in compliance with certain of its loan covenants with respect to its senior notes and revolving credit agreement. Waivers for the non-compliance have been obtained from the Company's lenders.

	Restated (Note 1) 2002	Restated (Note 1) 2001	2000
	-----	-----	-----
Net Sales:			
Metal Products	\$324,100	\$338,600	\$337,600
Dinnerware Products	137,300	130,000	106,200
Glass Products	32,400	38,900	37,100
Other Products	5,437	8,022	14,156
Total	499,237	515,522	495,056
Gross Margin	161,930	185,764	195,985
% Net Sales	32.4%	36.0%	39.6%
Operating Expenses-recurring	135,726	132,817	128,038
% Net Sales	27.2%	25.8%	25.9%

Edgar Filing: ONEIDA LTD - Form 10-K/A

Fiscal year ended January 2002 compared
With fiscal year ended January 2001

Strategic Acquisitions

In 2001, the Company made three strategic acquisitions, laying the foundation for future growth.

On June 13, 2000, the Company completed the acquisition of Viners of Sheffield, Ltd., a privately held company, for approximately \$25,000,000 in cash. London based Viners is a long established marketer of flatware and cookware in the United Kingdom. Viners has been integrated with the Company's United Kingdom branch operation, allowing for a much greater market share in that country, while maintaining the fixed costs of one operation. The above table, as well as the Consolidated Statements of Operations and Cash Flows include six and one-half months of Viners activity in 2001.

49

On June 30, 2000, Oneida purchased substantially all of the net assets of Sakura, Inc. for approximately \$40,000,000 in cash. Sakura is a leading importer and marketer of consumer dinnerware in the United States. This acquisition has greatly enhanced the Company's presence in the consumer dinnerware segment. The above table, as well as the Company's consolidated financial statements reflect seven months of Sakura operations in 2001.

On August 9, 2000, the Company purchased the stock of Delco International Ltd., a privately owned concern, for approximately \$60,000,000 in cash. Delco is a leading marketer of tableware products in the foodservice industry. The Company has integrated Delco's operations and systems with its own. Included in the accompanying consolidated financial statements is one-half year of Delco 2001 operating results.

For a more complete discussion of the Company's acquisition activities, see Note 2 of the Notes to the Consolidated Financial Statements.

Operations

(2002 results include a full year of sales for the acquisitions above, as compared to a half year in 2001.) 2002 sales decreased from 2001 levels by \$16,285 or 3.2%. This decrease occurred in all product groups except for dinnerware. Sales of domestic consumer products (primarily metal) were 11% lower than in the prior year. Lagging consumer demand was experienced throughout the year, especially after the terrorist attacks and subsequent erosion of the United States economy. Domestic foodservice sales accounted for approximately 43% of the Company's total sales in 2002. While foodservice sales were strong throughout the first half of the year, the events of September 11, and the resultant decline in the travel and entertainment industries, had an immediate and significant negative effect on the Company's foodservice business. It is expected that the Company will regain all of its foodservice business, with the possible exception of flatware sales to airlines, which are not material. The increase in dinnerware sales, which occurred in the consumer market, is related to the inclusion of a full year of Sakura operations. The decreases in sales of glass and other products were distributed among all customer groups. International sales increased by 4.3%, to \$85,000, primarily due to the Viners

Edgar Filing: ONEIDA LTD - Form 10-K/A

acquisition.

Gross margin as a percentage of net sales was 32.4% in 2002, as compared to 36.0% in 2001. Throughout 2002, the Company slowed down all of its manufacturing facilities to match lower customer demand, while continuing to decrease inventories. This decrease in volume generated negative manufacturing variances which is the reason for the margin decline.

Operating expenses (excluding restructuring and unusual charges) increased by \$2,909, or 2.2% over 2001, primarily due to a full year of non-cash amortization of acquisition related intangibles. The Company has fully integrated the Viners and Delco organizations into its existing operations.

In 2002, the Company had miscellaneous income of \$8,646,000 related to the receipt of Prudential Financial common shares. These shares were received by the Company, a Prudential policyholder, as part of Prudential's conversion from a mutual insurance company to a stock enterprise. One sixth of these shares were sold in 2002. It is the intention of management to sell the remaining shares in 2003 and use the proceeds to reduce debt.

Interest expense, prior to capitalized interest, was \$23,578,000 in 2002, an increase of \$864,000 over the prior year. This increase is due to higher average borrowings throughout 2002, the effect of which was somewhat offset by lower prevailing interest rates. In mid 2001, the Company increased outstanding debt by \$122,000,000 to make the three acquisitions described above. The Company's 2002 debt levels dropped by \$28,544,000 over the course of the year.

50

Fiscal year ended January 2001 compared
with fiscal year ended January 2000

Operations

2001 net sales increased by \$20,466,000 or 4.1% over 2000. This growth stemmed from the combination of increased sales from the above acquisitions, offset by a decline in the Company's core consumer business. Sales of metal products were flat with 2000 levels. Metal sales to the Company's consumer channels decreased significantly, as continued softness prevailed in the retail marketplace. This was somewhat offset by the inclusion of a half year of Delco sales. The increase in dinnerware sales is directly attributable to the addition of the Sakura consumer product offering in the second half of 2001. Sales of glass products increased nearly 5% over 2000 levels. Sales of other products have declined, reflecting the discontinuance of certain lower profit product lines.

Excluding a \$24,000,000 restructuring charge related to inventory reduction, gross margin was 36.0% in 2001, as compared to 39.6% in the prior year. Several factors contributed to this decline in gross margin. The product offerings of the acquired companies have lower gross margins than the existing Oneida business. Product mix in the traditional business was also a factor, as the decline in retail sales included products that carry higher margins. Finally, in the fourth quarter of 2000, the Company made a conscious decision to slow production in its manufacturing facilities to avoid increasing inventories during the current market slowdown. This resulted in the realization of negative manufacturing variances.

Edgar Filing: ONEIDA LTD - Form 10-K/A

Operating expenses (excluding restructuring and unusual charges) decreased slightly as a percentage of net sales.

In the year ended January 2001, the Company recorded a \$39,008,000 charge for restructuring and other unusual items. This charge reduced net income by \$24,500,000 or \$1.50 per share. This total includes \$10,008,000 related primarily to the consolidation of sales, marketing, logistics and administrative functions, along with the realignment of product lines, warehouses and "make versus buy" decisions. This has been the continuation of the Company's ongoing efforts to streamline operations, as well as remove acquisition-related redundancies involving Delco, Sakura and Viners (See Note 2 of Notes to the consolidated Financial Statements for a complete discussion on acquisition activity.) Restructuring expenditures were \$6,200,000 and \$3,320,000 in 2001 and 2002, respectively. The remainder will be paid in 2003.

2001 earnings also included an inventory writedown of \$24,000,000 related to product rationalization as a result of the recent acquisitions as well as significant other stockkeeping unit reductions. A \$24,000,000 inventory reserve was established; through year end 2001, approximately half of this reserve was utilized to liquidate excess and obsolete product. \$8,900,000 of the reserve was utilized for product liquidations in 2002. The remainder will be used in 2003.

The Company recorded a charge of \$5,000,000 to recognize impairment of certain manufacturing tools and product procurement assets. All impaired assets have been written down to their net realizable value in 2001. There are no anticipated adjustments needed for any of the restructuring or unusual expense accruals.

2001 interest expense (prior to capitalized interest) increased to \$22,714,000 from \$12,221,000 in the prior year. The increase is due to higher average borrowings and interest rates incurred by the Company in 2001. Debt levels increased to fund the Company's acquisitions, as well as for working capital needs.

Liquidity and Financial Resources

In the year ended 2002, the Company generated cash flow from operations of \$41,945,000. A prime objective of the Company has been to strengthen its balance sheet and reduce debt. Considerable progress has been made toward that goal, as inventories decreased by over \$45,000,000 and debt and current liabilities have declined by over \$65,000,000. In addition to debt repayments of \$28,544,000, the Company significantly reduced liabilities related to compensation and benefits, acquisition related costs, interest and dividends payable. In 2002, approximately \$8,000,000 was spent on capital projects, focused primarily on manufacturing facilities and retail fixturing. A similar level of capital expenditures is projected for 2003.

51

The following table details the Company's long term commitments by due date:

Obligation	Total	Less than 1 year	1-3 years	After 3 years
-----	-----	-----	-----	-----

Edgar Filing: ONEIDA LTD - Form 10-K/A

Long term debt	\$260,126	\$ 3,956	\$256,073	\$ 97
Operating leases	25,506	7,570	12,866	5,070
Unconditional purchase obligations	18,218	6,177	12,041	
	-----	-----	-----	-----
Total	\$303,850	\$17,643	\$280,980	\$5,167
	=====	=====	=====	=====

On June 2, 2000, the Company entered into a three-year \$275,000,000 revolving credit agreement. This facility was utilized to fund the three acquisitions made in 2001 and to refinance the majority of the Company's outstanding credit facilities and term loans. This debt carries a floating interest rate indexed to LIBOR plus 3.5%. Interest is payable either at the earlier of quarterly or note maturity.

During the first quarter of 2002, the Company was not in compliance with its consolidated interest coverage and consolidated leverage covenants in the revolving credit agreement. The most restrictive of these covenants limits the Company's total debt outstanding to a predetermined multiple of the prior rolling twelve months earnings before interest, taxes, depreciation and amortization. The lenders waived violation of these covenants and amended the covenants to new agreed upon levels. The Company collateralized its debt under this facility with all of its domestic assets (excluding real estate holdings) and a majority of its investment in Oneida UK Limited. At the end of the third quarter of 2002, the Company was not in compliance with these covenants in the facility, which the lenders waived.

At the end of the 2002 fiscal year, the Company was again not in compliance with its consolidated interest coverage and consolidated leverage covenants. In April 2002 the Company and its lenders entered into an amendment to the facility. The amendment waived the year-end non-compliance and made a number of changes to the revolving credit agreement.

Under the amendment, the maturity of the revolving debt has been extended to February 1, 2004 from May 31, 2003. The Company has provided additional collateral to the lenders in the form of domestic real estate holdings. The commitments under the facility stepped down to \$245,000,000 upon signing of the amendment and will further step down to \$235,000,000 at February 3, 2003 and to \$205,000,000 on January 31, 2004. In addition, there are limitations on dividends, capital expenditures, intercompany indebtedness and letters of credit. The consolidated interest coverage and consolidated leverage covenants have been amended to new agreed upon levels. Under the amendment, until the second fiscal quarter of 2004, the Company may declare dividends of up to \$375,000 per quarter, so long as its net income (as defined in the facility) for the preceding rolling four quarters equals or exceeds \$4,000,000. Thereafter, dividend declarations may be increased if certain improved results are achieved. So long as the Company achieves the required \$4,000,000 of net income and otherwise remains in compliance with the revolving credit facility, it can continue paying dividends at the current rate.

After giving effect to the amendment, the Company could have borrowed up to an additional \$14,000,000 under the revolving credit agreement at January 26, 2002. The Company believes that it will remain in compliance during 2003 with the covenants and other provisions of its revolving credit agreement. However, the Company might not be able to remain in compliance if its net sales in 2003 were to decline from the level achieved in 2002. A number of other factors could also cause the Company to cease complying with its facility. In that event, if the lenders were unwilling to waive the non-compliance, they could restrict the ability of the Company to borrow undrawn funds under the facility and could require the immediate repayment of all outstanding borrowings thereunder.

Edgar Filing: ONEIDA LTD - Form 10-K/A

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. Working capital as of January 2002 totaled \$194,325,000.

52

The Company has foreign exchange exposure related to its foreign operations in Mexico, Canada, Italy, Australia, the United Kingdom, China and Hong Kong (see Note 14 for details on the Company's foreign operations). Translation adjustments recorded in the income statement were not of a material nature.

New Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board approved Statements of Financial Accounting Standards No. 141 "Business Combinations" ("SFAS 141") and No. 142 "Goodwill and Other Intangible Assets" ("SFAS 142"). SFAS 141 is currently effective and SFAS 142 is effective January 27, 2002 for the Corporation. SFAS 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. Under SFAS 142, amortization of goodwill, including goodwill recorded in past business combinations, will discontinue upon adoption of the this standard. All goodwill and intangible assets will be tested for impairment in accordance with the provisions of the Statement. The Company is currently reviewing the provisions of SFAS 141 and SFAS 142 and assessing the impact of adoption. In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 144 provides guidance on the accounting for long-lived assets to be held and used and for assets to be disposed of through sale or by other means. SFAS 144 is effective for the fiscal years beginning after December 15, 2001. The Company does not expect the adoption of SFAS 144 to have a material impact on the earnings or financial position of the Company.

Critical Accounting Policies

The company's accounting policies are more fully described in Footnote 1 of the Notes to Consolidated Financial Statements in its Annual Report for the years ended January 2002 and 2001 included in the January 26, 2002 Annual Report to the Securities and Exchange Commission on Form 10-K filed in April, 2002. As disclosed in Note 1, the preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying footnotes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results occasionally will differ from those estimates, and such differences may be material to the Consolidated Financial Statements.

The most significant accounting estimates inherent on the preparation of the company's financial statements includes estimates as to the recovery of accounts receivable, inventory, goodwill, other long-lived assets and deferred tax assets. Various assumptions and other factors underlie the determination of these significant estimates. The process of determining significant estimates is fact specific and takes into account factors such as historical experience, current and expected economic conditions, product mix and actuarial

Edgar Filing: ONEIDA LTD - Form 10-K/A

determinations. The Company re-evaluates these significant factors as facts and circumstances dictate. Historically, actual results have not differed significantly from those determined using the estimates described above.

The valuation of the company's pension, other post-retirement plans and self insured workers compensation plan require the use of assumptions and estimates that are used to develop actuarial valuations of expenses and assets/liabilities. These assumptions include discount rates, investment returns, projected salary increases and benefits, and mortality rates. The actuarial assumptions used in the company's pension reporting are reviewed annually and compared with external benchmarks to help assure that they actuarially account for the company's future pension and other post-retirement obligations. Changes in assumptions and future investment returns could potentially have a material impact on pension expense and related funding requirements.

The company offers various sales discounts and co-op advertising incentives to a broad base of customers. These discounts and incentives, along with net freight costs, are recorded as a reduction of sales. The company records accruals for these discounts and incentives as sales occur. Management regularly reviews the adequacy of the accruals based on current customer purchases. The amounts due to customers are paid or deducted from accounts receivable balances throughout the year.

53

Forward Looking Information

With the exception of historical data, the information contained in this report, 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 factors 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; under utilization of the Company's plants and factories; the amount and rate of growth of the Company's selling, general and administrative expenses.

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 January 2003, a 1% change in the rate would result in a corresponding change in interest expense of \$2.1 million.

Edgar Filing: ONEIDA LTD - Form 10-K/A

There have been no other material changes to the Company's disclosures related to certain market risks as reported under Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," in the Annual Report of the Company to the U.S. Securities and Exchange Commission on Form 10-K for the year ended January 26, 2002.

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.

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.

54

Dividends and Price Range of the Company's Common Stock

The Company's Common Stock is listed on the New York Stock Exchange and trades under the symbol OCQ. The total number of stockholders of record at January 2002 was 3,790. The following table sets forth the high and low sale prices per share of the Company's Common Stock for the periods indicated on the Composite Tape, and cash dividends declared for the quarters in the Company's 2002 and 2001 fiscal years.

Fiscal Quarter	JANUARY 2002		Dividends Per Share	Fiscal Quarter	JANUARY 2001		Dividends Per Share
	High	Low			High	Low	
First	\$18.10	\$15.50	\$.05	First.....	\$21.06	\$16.00	\$.10
Second	20.33	16.24	.05	Second.....	19.94	17.25	.10
Third	18.35	12.55	.05	Third.....	18.13	10.94	.10
Fourth	14.05	11.35	.02	Fourth.....	18.50	10.06	.05

Edgar Filing: ONEIDA LTD - Form 10-K/A

55

FIVE YEAR SUMMARY

ONEIDA LTD.

(Thousands except per share amounts)

Year ended January	2002	2001	2000	1999	1998
OPERATIONS					
Net sales	\$ 499.2	\$ 515.5	\$ 495.1	\$ 465.9	\$ 442.9
Gross margin	161.9	185.8	196.0	173.0	168.1
Depreciation and amortization expense ..	17.1	14.8	13.8	15.8	13.8
Operating income 1	27.7	59.4	68.8	45.1	50.7
Income from continuing operations 1					26.1
Income from discontinued operations					2.6
Net income 1	7.0	21.4	35.9	22.8	28.7
Cash dividends declared					
Preferred stock .....	.1	.1	.1	.1	.1
Common Stock	2.0	5.7	6.6	8.4	7.6
PER SHARE OF COMMON STOCK					
Continuing operations 1&2					1.55
Discontinued operations 1&2 .....					.16
Net income 1&2 .....	.42	1.30	2.15	1.35	1.71
Dividends declared .....	.17	.40	.40	.50	.45
FINANCIAL DATA					
Total assets	545.6	613.9	449.2	442.1	363.6
Working capital	194.3	214.9	145.1	140.1	119.3
Total debt	271.6	300.1	146.2	150.5	86.8
Stockholders' equity	124.1	122.5	133.3	140.3	135.3
SHARES OF CAPITAL STOCK					
Outstanding at end of year					
Preferred	86	87	87	87	88
Common	16,523	16,388	16,465	16,607	16,609
Weighted average number of common shares					
Outstanding during the year. 2 ...	16,519	16,387	16,672	16,888	16,740
SALES OF MAJOR PRODUCTS BY PERCENT OF TOTAL SALES					
Metal products	65%	66%	68%	73%	77%
Dinnerware products	27%	25%	21%	20%	19%
Glass products	7%	8%	8%	4%	3%
Other products	1%	1%	3%	3%	1%

(1) Amounts are before restructuring and other unusual charges of \$39.0, \$44.3 and \$5.0 for the years ended January 2001, 2000 and 1999, respectively. In 2001 and 2000 restructuring charges included in cost of sales were \$24.0 and \$3.0. These charges reduced net income by \$24.5, or \$1.50 per share; \$30.4, or \$1.83 per share and \$3.1, or \$.19 per share in 2001, 2000 and

1999, respectively.

(2) diluted basis