UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-Q

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

For the quarterly period ended January 2, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 0-16255

JOHNSON WORLDWIDE ASSOCIATES, INC.
(Exact name of Registrant as specified in its charter)

Wisconsin	39-1536083
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1326 Willow Road, Sturtevant, Wisconsin 53177
(Address of principal executive offices)

(414) 884-1500
(Registrant's telephone number, including area code)

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

As of January 31, 1998, 6,886,466 shares of Class A and 1,227,915 shares of Class B common stock of the Registrant were outstanding.

JOHNSON WORLDWIDE ASSOCIATES, INC.

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JOHNSON WORLDWIDE ASSOCIATES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

(thousands, except per share data)	Three Months Ended January 2 1998	Three Months Ended December 27 1996
Net sales	$51,841	$51,817
Cost of sales	32,647	33,688
Gross profit	19,194	18,129
Operating expenses:		
Marketing and selling	13,493	14,280
Financial and administrative management	5,837	5,653
Research and development	1,543	1,277
Profit sharing	15	103
Amortization of acquisition costs	912	603
Nonrecurring charges	66	--
Total operating expenses	21,866	21,916
Operating loss	(2,672)	(3,787)
Interest income	(77)	(121)
Interest expense	2,194	2,083
Other (income) expenses, net	(71)	65
Loss before income taxes	(4,718)	(5,814)
Income tax benefit	(1,934)	(1,948)
Net loss	$(2,784)	$(3,866)
Basic loss per common share	$ (0.34)	$ (0.48)
Diluted loss per common share	$ (0.34)	$ (0.48)

The accompanying notes are an integral part of the consolidated financial statements.

JOHNSON WORLDWIDE ASSOCIATES, INC.

CONSOLIDATED BALANCE SHEETS
(unaudited)

(thousands, except share data)	January 2 1998	October 3 1997	December 27 1996
Assets			
Current assets:			
Cash and temporary cash investments	$ 4,089	$ 7,130	$ 9,278
Accounts receivable, less allowance for doubtful accounts of $2,733, $2,693, and $2,284, respectively	49,587	51,168	58,057
Inventories	90,191	78,694	110,350
Deferred income taxes	5,140	7,976	9,763
Other current assets	7,415	7,781	8,119
Total current assets	156,422	152,749	195,567
Property, plant and equipment	32,144	31,360	30,356
Deferred income taxes	11,126	10,221	5,651
Intangible assets	81,463	82,127	53,436
Other assets	544	562	644
Total assets	$ 281,699	$277,019	$ 285,654

continued

JOHNSON WORLDWIDE ASSOCIATES, INC.

	January 2 1998	October 3 1997	December 27 1996
Liabilities and Shareholders' Equity			
Current liabilities:			
Short-term debt and current maturities of long-term debt	$ 45,224	$ 26,082	$ 63,323
Accounts payable	13,844	10,672	10,945
Accrued liabilities	17,614	29,355	24,802
Total current liabilities	76,682	66,109	99,070
Long-term debt, less current maturities	88,181	88,753	61,472
Other liabilities	4,560	4,426	4,414
Total liabilities	169,423	159,288	164,956
Shareholders' equity:			
Preferred stock: none issued	--	--	--
Common stock:			
Class A shares issued: January 2, 1998, 6,905,523; October 3, 1997, 6,905,523; December 27, 1996, 6,901,885	345	345	345
Class B shares issued (convertible into Class A): January 2, 1998, , 1,227,915; October 3, 1997, 1,227,915; December 27, 1996, 1,228,053	61	61	61
Capital in excess of par value	44,186	44,186	44,087
Retained earnings	77,096	79,882	74,065
Contingent compensation	(58)	(85)	(94)
Cumulative translation adjustment	(9,061)	(6,356)	2,500
Treasury stock: January 2, 1998, 22,919 Class A shares; October 3, 1997, 23,600 Class A shares; December 27, 1996, 23,400 Class A shares	(293)	(302)	(266)
Total shareholders' equity	112,276	117,731	120,698
Total liabilities and shareholders' equity	$281,699	$ 277,019	$ 285,654

The accompanying notes are an integral part of the consolidated financial statements.

JOHNSON WORLDWIDE ASSOCIATES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(thousands)	Three Months Ended January 2 1998	Three Months Ended December 27 1996
Cash used for Operations		
Net loss	$ (2,784)	$ (3,866)
Noncash items:		
Depreciation and amortization	3,216	2,810
Deferred income taxes	2,148	(642)
Change in assets and liabilities, net of effect of businesses acquired or sold:		
Accounts receivable, net	786	(2,770)
Inventories	(11,263)	(9,256)
Accounts payable and accrued liabilities	(8,279)	(8,987)
Other, net	(483)	1,876
	(16,659)	(20,835)
Cash used for Investing Activities		
Net assets of businesses acquired, net of cash	(3,034)	--
Net additions to property, plant and equipment	(2,072)	(2,521)
	(5,106)	(2,521)
Cash Provided by Financing Activities		
Issuance of senior notes	25,000	--
Net change in short-term debt	(6,081)	20,337
Common stock transactions	8	(272)
	18,927	20,065
Effect of foreign currency fluctuations on cash	(203)	(128)
Decrease in cash and temporary cash investments	(3,041)	(3,419)
Cash and Temporary Cash Investments		
Beginning of period	7,130	12,697
End of period	$ 4,089	$ 9,278

The accompanying notes are an integral part of the consolidated financial statements.

JOHNSON WORLDWIDE ASSOCIATES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1 Basis of Presentation

The consolidated financial statements included herein are unaudited. In the opinion of management, these statements contain all adjustments (consisting of only normal recurring items) necessary to present fairly the financial position of Johnson Worldwide Associates, Inc. and subsidiaries (the Company) as of January 2, 1998 and the results of operations and cash flows for the three months ended January 2, 1998. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 1997 Annual Report.

Because of seasonal and other factors, the results of operations for the three months ended January 2, 1998 are not necessarily indicative of the results to be expected for the full year.

All amounts, other than share and per share amounts, are stated in thousands.

2 Income Taxes

The provision for income taxes includes deferred taxes and is based upon estimated annual effective tax rates in the tax jurisdictions in which the Company operates.

3 Inventories

Inventories at the end of the respective periods consist of the following:

	January 2 1998	October 3 1997	December 27 1996
Raw materials	$ 34,643	$ 27,032	$ 41,120
Work in process	7,012	5,036	6,217
Finished goods	58,073	56,846	76,936
	99,728	88,914	124,273
Less reserves	9,537	10,220	13,923
	$ 90,191	$ 78,694	$110,350

4 Indebtedness

In October 1997, the Company issued unsecured senior notes totaling $25,000 with an interest rate of 7.15%. The funding commitment for the senior notes was received in July 1997. The senior notes have annual principal payments of $2,000 to $7,000 beginning October 2001 with a final payment due October 2007. Simultaneous with the commitment of the senior notes, the Company executed a foreign currency swap, denominating in Swiss francs all principal and interest payments required under the senior notes. The fixed, effective interest rate to be paid on the senior notes as a result of the currency swap is 4.32%. Proceeds from issuance of the senior notes were used to reduce outstanding indebtedness under the Company's primary revolving credit facility. Outstanding short-term debt totaling $25,000 at October 3, 1997 was classified as long-term in anticipation of refinancing with the proceeds of the senior notes.

5 Earnings Per Share

In 1998, the Company adopted FASB Statement 128, Earnings Per Share, which replaced the previously reported earnings per share with basic and diluted earnings per share. Basic earnings per share excludes any dilutive effects of options, warrants and convertible securities. Diluted earnings per share is similar to the previously reported fully diluted earnings per share. All per share amounts for all periods have been restated to conform to the requirements of Statement 128.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended	
	January 2	December 27

	1998	1996
Net loss for basic and diluted earnings per share	$ (2,784)	$ (3,866)
Weighted average shares outstanding	8,109,965	8,120,470
Less nonvested restricted stock	(5,149)	(5,443)
Basic and diluted shares	8,104,816	8,115,027
Basic loss per common share	$ (0.34)	$ (0.48)
Diluted loss per common share	$ (0.34)	$ (0.48)

Options to purchase 627,457 shares of common stock with a weighted average exercise price of $17.46 per share were outstanding at January 2, 1998. Options to purchase 777,754 shares of common stock with a weighted average exercise price of $17.92 per share were outstanding at December 27, 1996. None of the options were included in the computation of diluted earnings per share because the effect would be antidilutive.

6 Stock Ownership Plans

A summary of stock option activity related to the Company's plan is as follows:

	Shares	Weighted Average Exercise Price
Outstanding at October 3, 1997	686,521	$18.32
Granted	217,000	16.84
Exercised	(681)	17.00
Cancelled	(275,383)	19.12
Outstanding at January 2, 1998	627,457	$17.46

7 Acquisitions

In January 1998, the Company completed the acquisition of the common stock of Leisure Life Limited, a privately held manufacturer and marketer of small recreational boats. The purchase price, including direct expenses, for the acquisition was approximately $10,200, of which approximately $7,000 was recorded as intangible assets and is being amortized over 25 years.

In October 1997, the Company completed the acquisition of certain assets of Soniform, Inc., a manufacturer of diving buoyancy compensators, and the common stock of Plastiques L.P.A. Limitee, a privately held Canadian manufacturer of kayaks. The purchase prices for the acquisitions totaled approximately $3,256.

8 Reclassification

Certain amounts as previously reported have been reclassified to conform with the current period presentation.

JOHNSON WORLDWIDE ASSOCIATES, INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion includes comments and analysis relating to the Company's results of operations and financial condition for the three months ended January 2, 1998 and December 27, 1996. This discussion should be read in conjunction with the consolidated financial statements and related notes that immediately precede this section, as well as the Company's 1997 Annual Report.

Foreign Operations

The Company has significant foreign operations, for which the functional currencies are denominated primarily in Swiss and French francs, German marks, Italian lire, Japanese yen and Canadian dollars. As the values of the currencies of the foreign countries in which the Company has operations increase or decrease relative to the U.S. dollar, the sales, expenses, profits, assets and liabilities of the Company's foreign operations, as reported in the Company's consolidated financial statements, increase or decrease, accordingly. The Company mitigates a portion of the fluctuations in certain foreign currencies through the purchase of foreign currency swaps, forward contracts and options to hedge known commitments, primarily for purchases of inventory and other assets denominated in foreign currencies.

Results of Operations

Net sales for the three months ended January 2, 1998 totaled $51.8 million, the same as the three months ended December 27, 1996. Sales of businesses acquired in 1998 and 1997 and strong European outdoor equipment and diving business sales offset the absence of the Plastimo business, which was sold in January 1997, and weakness in Japan. Net sales of the Company's North American units for the three months ended January 2, 1998 decreased $1.7 million, or 6%, from the corresponding period in the prior year. Net sales of the Company's European units increased $2.4 million, or 10%, compared to the corresponding period of the prior year. All European businesses contributed to the increase.

Relative to the U.S. dollar, the average values of most currencies of the countries in which the Company has operations were lower for the three months ended January 2, 1998 as compared to the corresponding period of the prior year. Excluding the impact of foreign currencies, net sales increased 5% for the three months ended January 2, 1998.

Gross profit as a percentage of sales increased to 37.0% for the three months ended January 2, 1998 compared to 35.0% in the corresponding period in the prior year. Acquired businesses, which have higher gross profit margins than historical Company levels, and the European fishing and outdoor equipment businesses contributed to the increase.

The Company incurred an operating loss of $2.7 million for the three months ended January 2, 1998, compared to an operating loss of $3.8 million for the corresponding period of the prior year. The increase in gross profit led to the reduced operating loss as operating expenses were only nominally lower than the prior year.

Interest expense totaled $2.2 million for the three months ended January 2, 1998 compared to $2.1 million for the corresponding period of the prior year. Increased debt levels due to acquisitions consummated in 1998 and 1997, offset by improved management of working capital and a favorable interest rate environment, accounted for the change. The Company's tax position improved due to a rate reduction in Italy and an increase in profits in Switzerland.

The Company incurred a net loss of $2.8 million in the three months ended January 2, 1998 compared to a loss of $3.9 million in the corresponding period of the prior year. On a per share basis, the loss amounts to $0.34 compared to $0.48 in the prior year.

Financial Condition

The following discusses changes in the Company's liquidity and capital resources.

Operations

Cash flows used for operations totaled $16.7 million for the three months ended January 2, 1998 and $20.8 million for the corresponding period of the prior year. Growth in inventories of $11.3 million for the three months ended January 2, 1998 and $9.3 million for the corresponding period of the prior year account for a significant amount of the net usage of funds. The build up of inventory in anticipation of the selling season contributed to the increase in the current year. Inventory turns increased for the period ended January 2, 1998 compared to the corresponding period of the prior year.

Accounts receivable decreased $0.8 million for the three months ended January 2, 1998 and increased $2.8 million for the corresponding period of the prior year. Cash discounts related to early season buying programs account for much of the decrease in accounts receivable in the current year.

Accounts payable and accrued liabilities decreased $8.3 million for the three months ended January 2, 1998 and $9.0 million for the corresponding period of the prior year, increasing the net outflow of cash from operations.

Depreciation and amortization charges were $3.2 million for the three months ended January 2, 1998 and $2.8 million for the corresponding period of the prior year, mitigating the net outflow of operating funds. The increase was due primarily to increased amortization of intangible assets from businesses acquired in 1998 and 1997.

Investing Activities

Expenditures for property, plant and equipment were $2.1 million for the three months ended January 2, 1998 and $2.5 million for the corresponding period of the prior year. The Company's recurring investments are made primarily for tooling for new products and enhancements. In 1998, capitalized expenditures are anticipated to total approximately $9 million. These expenditures are expected to be funded by working capital or existing credit facilities.

The Company completed the acquisition of two businesses in the three month period ended January 2, 1998, resulting in a use of cash of $3.0 million.

Financing Activities

Cash flows from financing activities totaled $18.9 million for the three months ended January 2, 1998 and $20.1 million for the corresponding period of the prior year. In October 1997, the Company consummated a private placement of long-term debt totaling $25 million. Payments on long-term debt required to be made in 1998 total $8 million.

Other Factors

The Company has not been significantly impacted by inflationary pressures over the last several years. However, from time to time the Company faces changes in the prices of commodities. Price increases and, in certain situations, price decreases are implemented for individual products, when appropriate. The Company anticipates that rising costs of basic raw materials may impact 1998 operating costs and, accordingly, the prices of its products. Fluctuations in foreign currencies may also impact the cost of the Company's products. The Company is involved in continuing programs to mitigate the impact of cost increases through changes in product design, identification of sourcing and manufacturing efficiencies and foreign currency hedges.

Forward-Looking Statements

Certain matters discussed in this Form 10-Q are "forward-looking statements," intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statement includes phrases such as the Company "expects", "believes" or other words of similar import. Similarly, statements that describe the Company's future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties which could cause actual results or outcomes to differ materially from those currently anticipated. Factors that could affect actual results or outcomes include adverse weather conditions, changes in consumer spending patterns, the success of the Company's EVA and JWAction programs, actions of companies that compete with JWA and the Company's success in managing inventory. Shareholders, potential investors and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included herein are only made as of the date of this Form 10-Q and the Company undertakes no obligations to publicly update such forward-looking statements to reflect subsequent events or circumstances.

JOHNSON WORLDWIDE ASSOCIATES, INC.

PART II OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) The following documents are filed as part of this Form 10-Q

Exhibit 27:Financial Data Schedule

(b) There were no reports on Form 8-K filed for the three months ended January 2, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JOHNSON WORLDWIDE ASSOCIATES, INC.

Date: February 17, 1998

/s/ Carl G. Schmidt
Carl G. Schmidt
Senior Vice President and Chief Financial
Officer, Secretary and Treasurer
(Principal Financial and Accounting
Officer)

EXHIBIT INDEX

Exhibit	Description	Page Number
27.	Financial Data Schedule	--

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1,000

3-MOS
OCT-02-1998
OCT-04-1997
JAN-02-1998
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