FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For the quarterly period ended July 1, 1994

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.)

222 Main Street, Racine, Wisconsin 53403
(Address of principal executive offices)

(414) 631-2100
(Registrant's telephone number, including area code)

____
(Former name, former address and former fiscal year, if changed since last report)

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 ___

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes ___ No ___

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 2, 1994
Class A Common Stock ($.05 par value)	6,810,393
Class B Common Stock ($.05 par value)	1,230,599

JOHNSON WORLDWIDE ASSOCIATES, INC.
AND SUBSIDIARIES

JOHNSON WORLDWIDE ASSOCIATES, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

(thousands of dollars, except per share data)	Three Months Ended July 1, 1994	Three Months Ended July 2, 1993	Nine Months Ended July 1, 1994	Nine Months Ended July 2, 1993
Net sales	$95,083	$93,297	$223,397	$225,485
Cost of sales	54,862	54,315	129,242	130,944
Gross profit	40,221	38,982	94,155	94,541
Operating expenses:				
Marketing and selling	17,425	16,953	45,638	45,372
Financial and administrative management	5,836	7,002	17,548	20,135
Research and development	1,231	1,260	3,690	3,986
Profit sharing	636	1,011	1,300	1,611
Amortization of acquisition costs	375	426	1,119	1,253
Total operating expenses	25,503	26,652	69,295	72,357
Operating profit	14,718	12,330	24,860	22,184
Interest income	(48)	(49)	(238)	(306)
Interest expense	1,777	2,291	5,573	6,450
Other expenses, net	98	298	142	771
Income from continuing operations before income taxes	12,891	9,790	19,383	15,269
Income tax expense	4,952	3,608	7,339	5,838
Income from continuing operations	7,939	6,182	12,044	9,431
Income from discontinued operations, net of tax expense of $581 and $2,590, respectively	--	836	--	3,564
Gain on disposal of discontinued operations, including tax benefit of $1,549	4,052	--	4,052	--
Net income	$11,991	$ 7,018	$ 16,096	$ 12,995
Earnings per common share				
Continuing operations	$ .98	$ .77	$ 1.49	$ 1.18
Discontinued operations	--	.11	--	.45
Gain on disposal of discontinued operations	.50	--	.50	--
Net income	$ 1.48	$ .88	$ 1.99	$ 1.63

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

JOHNSON WORLDWIDE ASSOCIATES, INC.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(unaudited)

ASSETS (thousands of dollars)	July 1, 1994	October 1, 1993	July 2, 1993
Current assets:			
Cash and temporary cash investments	$ 18,907	$ 4,415	$ 5,908
Accounts receivable, less allowance for doubtful accounts of $2,092, $1,606 and $2,063, respectively	77,764	44,803	70,446
Inventories	75,620	67,323	69,993
Other current assets	12,313	19,523	12,447
Net assets of discontinued operations	--	46,504	51,991
Total current assets	184,604	182,568	210,785
Property, plant and equipment	22,074	19,052	19,867
Intangible assets	33,933	34,957	36,887
Other assets	2,185	2,544	1,870
	$242,796	$239,121	$269,409

Continued

JOHNSON WORLDWIDE ASSOCIATES, INC.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(unaudited)

LIABILITIES AND SHAREHOLDERS' EQUITY (thousands of dollars)	July 1, 1994	October 1, 1993	July 2, 1993
Current liabilities:			
Notes payable and current maturities of long-term obligations	$ 23,977	$ 37,123	$ 50,096
Accounts payable	17,288	11,874	13,820
Accrued income taxes	5,257	4,214	5,049
Accrued restructuring expenses	2,814	8,905	2,469
Other accrued liabilities	19,833	16,325	18,201
Total current liabilities	69,169	78,441	89,635
Long-term obligations, less current maturities	37,389	44,543	49,019
Other liabilities	6,825	5,319	6,061
Total liabilities	113,383	128,303	144,715
Shareholders' equity:			
Preferred stock: none issued	---	---	---
Common Stock:			
Class A shares issued: July 1, 1994, 6,800,793; October 1, 1993, 6,758,346; July 2, 1993, 6,728,279	341	338	336
Class B shares issued (convertible into Class A): July 1, 1994, 1,230,599; October 1, 1993, 1,230,883; July 2, 1993, 1,231,850	61	61	62
Capital in excess of par value	42,258	41,696	41,236
Retained earnings	83,436	67,340	81,526
Contingent compensation	(304)	(350)	(159)
Cumulative translation adjustment	3,621	1,733	1,693
Total shareholders' equity	129,413	110,818	124,694
Total liabilities and shareholders' equity	$242,796	$239,121	$269,409

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

JOHNSON WORLDWIDE ASSOCIATES, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(thousands of dollars)	Nine Months Ended July 1, 1994	Nine Months Ended July 2, 1993
Cash used for operations:		
Net income	$16,096	$12,995
Noncash items:		
Depreciation and amortization	5,600	5,994
Deferred income taxes	3,581	342
Income from discontinued operations	(4,052)	(3,564)
Change in:		
Accounts receivable, net	(31,129)	(32,314)
Inventories	(7,023)	(5,661)
Restructuring accrual	(6,091)	(2,031)
Accounts payable and accrued liabilities	9,594	8,952
Net assets of discontinued operations	4,036	(6,703)
Other, net	3,256	2,137
	(6,132)	(19,853)
Cash provided from (used for) investment activities:		
Proceeds from sale of discontinued operations	46,520	--
Additions to property, plant and equipment	(6,939)	(4,449)
Other, net	612	(248)
	40,193	(4,697)
Cash provided from (used for) financing activities:		
Changes in notes payable and long-term obligations	(20,229)	27,444
Issuance of common stock	476	254
	(19,753)	27,506
Effect of foreign currency fluctuations on cash	184	(593)
Increase in cash and temporary cash investments	14,492	2,363
Cash and temporary cash investments:		
Beginning of period	4,415	3,545
End of period	$18,907	$ 5,908

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

JOHNSON WORLDWIDE ASSOCIATES, INC.
AND SUBSIDIARIES

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. (the Company) as of July 1, 1994, the results of operations for the three months and nine months ended July 1, 1994 and cash flows for the nine months ended July 1, 1994. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report for the year ended October 1, 1993.

Because of seasonal and other factors, the results of operations for the three months and nine months ended July 1, 1994 are not necessarily indicative of the results to be expected for the full year.

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

(thousands of dollars)	July 1, 1994	October 1, 1993	July 2, 1993
Raw materials	$18,871	$16,622	$19,765
Work in process	5,174	4,834	5,971
Finished goods	51,575	45,867	44,257
	$75,620	$67,323	$69,993

4) Discontinued Operations

During the three months ended July 1, 1994, the Company completed the sale of the Company's Marking Systems group. The net assets of these businesses were classified as discontinued operations as of October 1, 1993 and July 2, 1993. The proceeds from these businesses were used to reduce current notes payable or placed in temporary investments.

5) Reclassification

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

JOHNSON WORLDWIDE ASSOCIATES, INC.
AND SUBSIDIARIES

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

Results of Operations

Net sales were $95.1 million for the three months ended July 1, 1994, an increase of approximately $1.8 million or 2% from net sales of $93.3 million for the corresponding period in 1993. North American sales for the three months ended July 1, 1994 increased approximately $758,000 or 1% over the corresponding period in 1993. The sales of North American operations for the quarter ended July 2, 1993, however, included approximately $5.2 million of sales from non-strategic recreation product lines, primarily Elliot commercial life rafts, which the Company has sold or otherwise exited. Sales of North American fishing products for the quarter ended July 1, 1994 increased 25% over the corresponding period in 1993. For the quarter ended July 1, 1994, sales of diving products in Japan increased approximately 36% over the corresponding period in 1993 principally due to the easing of supply problems. The U.S. dollar value of sales in Japan also benefited from the increase in the average value of the Japanese yen relative to the U.S. dollar for the quarter ended July 1, 1994 as compared with the corresponding period in 1993. Net sales of $223.4 million for the nine months ended July 1, 1994 decreased approximately $2.1 million or 1% from net sales of $225.5 million for the corresponding period in 1993. However, net sales for the nine months ended July 2, 1993 included approximately $10.2 million of sales from non-strategic recreation product lines, primarily Elliot commercial life rafts, which the Company has sold or otherwise exited.

Gross profit for the three months ended July 1, 1994 increased approximately $1.2 million or 3% over the corresponding period in 1993 primarily because of the sales increase. Operating profit for the quarter ended July 1, 1994 increased approximately $2.4 million or 19% from the corresponding period in 1993. Operating profit for the quarter ended July 1, 1994 increased both because of the $1.2 million additional gross profit and because operating expenses were reduced approximately $1.1 million or 4% as compared to the corresponding period in 1993. Operating profit for the nine months ended July 1, 1994 increased approximately $2.7 million or 12% over the corresponding period in 1993. Net reductions in operating expenses for the three months and nine months ended July 1, 1994 resulted primarily from reductions in administrative expenses due to repositioning actions described in the Company's 1993 Annual Report. Certain amounts as previously reported, primarily amortization of acquisition costs, have been reclassified to conform with the current period presentation.

Interest expense for the three months ended July 1, 1994 decreased approximately $514,000 or 22% from the corresponding period in 1993. The Company used approximately $39.8 million of the proceeds from the sale of the Marking Systems group to reduce debt levels, especially in the U.S., which resulted in reduced interest expense for the quarter ended July 1, 1994 as compared to the corresponding period in 1993. Although U.S. interest rates have increased, the Company expects interest expense in the fourth quarter to be less than the corresponding period in 1993. In addition, the Company will earn interest on invested funds until such time as those funds are used for seasonal working capital needs or for other corporate purposes.

Other expenses, net for the three months and nine months ended July 1, 1994 decreased approximately $200,000 and $629,000, respectively, compared to the corresponding periods in the prior year, principally as a result of a reduction in foreign currency translation losses.

Income from continuing operations for the three months and nine months ended July 1, 1994 was approximately $7.9 million and $12.0 million, respectively, as compared to $6.2 million and $9.4 million for the corresponding periods in 1993.

On July 28, 1993 the Company's Board of Directors approved a formal plan to divest the Company's Marking Systems group. As a result, all operations of the Marking Systems group have been classified as discontinued operations for all periods presented. At that time, the Company recorded a loss on disposal of discontinued operations of $3.0 million. During the three months ended July 1, 1994 the Company completed the sales of the businesses comprising the Marking Systems group and recorded a gain on disposition of approximately $4.1 million as net sales proceeds exceeded expectations.

Financial Condition

Cash and temporary investments totaled $18.9 million on July 1, 1994 or approximately $14.5 million higher than cash and temporary investments on October 1, 1993 and $13.0 million higher than cash and temporary investments on July 2, 1993. The increase in cash and temporary investments is primarily due to the proceeds from the sale of the Company's Marking Systems group. Inventories and accounts receivable were $153.4 million on July 1, 1994 or $41.3 million or 37% higher than inventory and accounts receivable levels on October 1, 1993 and $12.9 million or 9% higher than inventory and accounts receivable levels on July 2, 1993. The increase from the October 1, 1993 levels reflects normal seasonal increases in connection with the Company's peak selling season in the second and third quarters. The increase from the July 2, 1993 levels is largely the result of sales occurring later during the current year quarter as compared to the prior year quarter, increased inventory levels of diving products in North America established during the reorganization of the manufacturing and distribution operations of the North America diving business and the changing relationship between the U.S. dollar and countries in which the Company has operations. Values of the currencies in several countries in which the Company has operations have increased relative to the U.S. dollar as of July 1, 1994 in comparison to their values as of July 1, 1993. Current notes payable as of July 1, 1994 were approximately $12.8 million lower than October 1, 1993 and $26.0 million lower than July 2, 1993, principally because the Company used a portion of the proceeds from the sale of the Company's Marking Systems group to reduce current notes payable.

Cash from temporary investments, operations and borrowings under existing credit facilities are sufficient to meet the Company's seasonal working capital needs.

The Company is completing construction of a new office and research and development facility for employees located in Racine. Construction costs through July 1, 1994 were approximately $2.0 million and the Company estimates the remaining construction and related equipment costs of the new facility are $3.5 million. Cash from temporary investments, operations and borrowings under existing credit facilities are sufficient to meet the Company's expected capital expenditures.

Restructuring Reserves

As a result of the desire of management and the Board of Directors to strategically reposition the Company as an integrated global recreation products company, restructuring reserves totaling $13 million and $4.5 million were recorded in 1993 and 1992, respectively. The key components of these charges were losses on the disposal of non-strategic recreation product lines totaling $6.4 million, creation of a centralized management structure totaling $2.3 million, severance costs of $3.6 million and facilities closing costs of $1.1 million. The majority of the restructuring charges were for future cash outlays, however, provisions were included for inventory and equipment writedowns and a $2.1 million writeoff of goodwill associated with non-strategic recreation product lines. As of July 1, 1994, approximately $2.8 million of unexpended reserves remained as a liability of the Company. Such liabilities are expected to be satisfied over the next twelve months from the working capital or existing bank lines of credit of the Company.

In the aggregate, the Company expects its obligations for restructuring to approximate the amounts accrued in 1993 and 1992. However, certain estimates of the cost of components of the charges will vary from the amounts previously determined. In particular, the extent of restructuring of European operations (and the related cost) will be less than originally anticipated. This was offset by additional costs from the disposal of the Elliot commercial life raft operation, which was consummated in the three months ended July 1, 1994. The repositioning strategy of the Company has resulted in reduced operating costs.

PART II OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibit No. 11: Computation of Earnings Per Share

(b) There were no reports on Form 8-K filed for the three months ended July 1, 1994.

SIGNATURES

Pursuant to the requirements of the Securities and 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: August 12, 1994

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

EXHIBIT INDEX

Exhibit	Description	Page Number
11.	Computation of Earnings Per Share	__

Exhibit 11

JOHNSON WORLDWIDE ASSOCIATES, INC.
AND SUBSIDIARIES

Computation of Earnings Per Share

(thousands of dollars, except share and per share data)	Three Months Ended July 1, 1994	Three Months Ended July 2, 1993	Nine Months Ended July 1, 1994	Nine Months Ended July 2, 1993
Primary:				
Weighted average common shares outstanding	8,023,210	7,936,678	8,005,826	7,924,662
Common equivalent shares	70,996	57,485	59,636	47,154
Weighted average common and common equivalent shares outstanding	8,094,206	7,994,163	8,065,462	7,971,816
Income from continuing operations	$ 7,939	$ 6,182	$ 12,044	$ 9,431
Primary earnings per share from continuing operations	$ .98	$ .77	$ 1.49	$ 1.18
Fully diluted:				
Weighted average common shares outstanding	8,023,210	7,936,678	8,005,826	7,924,662
Common equivalent shares	86,538	60,875	64,816	50,790
Weighted average common and common equivalent shares outstanding	8,109,748	7,997,553	8,070,642	7,975,452
Income from continuing operations	$ 7,939	$ 6,182	$ 12,044	$ 9,431
Fully diluted earnings per share from continuing operations	$ .98	$ .77	$ 1.49	$ 1.18

Earnings per share from discontinued operations and from gain on disposal of discontinued operations are computed by dividing the income from discontinued operations or the gain on disposal of discontinued operations by the applicable primary or fully diluted weighted average common and common equivalent shares outstanding.