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 June 27, 1997

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 July 22, 1997, 6,877,985 shares of Class A and 1,228,053 shares of Class B common stock of the Registrant were outstanding.

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JOHNSON WORLDWIDE ASSOCIATES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

(thousands, except per share data)	Three Months Ended June 27 1997	Three Months Ended June 28 1996	Nine Months Ended June 27 1997	Nine Months Ended June 28 1996
Net sales	$86,894	$110,705	$234,822	$278,339
Cost of sales	54,422	68,282	147,088	170,263
Gross profit	32,472	42,423	87,734	108,076
Operating expenses:				
Marketing and selling	17,430	23,077	50,733	61,186
Financial and administrative management	4,907	6,445	16,451	19,124
Research and development	1,255	1,524	3,756	4,813
Profit sharing	409	384	1,253	831
Nonrecurring charges	-	60	-	2,460
Amortization of acquisition costs	562	611	1,728	1,916
Total operating expenses	24,563	32,101	73,921	90,330
Operating profit	7,909	10,322	13,813	17,746
Interest income	(105)	(165)	(324)	(480)
Interest expense	2,153	2,885	6,580	7,877
Other expenses, net	196	104	156	80
Income before income taxes	5,665	7,498	7,401	10,269
Income tax expense	2,379	3,296	3,653	4,770
Net income	$3,286	$4,202	$3,748	$5,499
Earnings per common share	$0.41	$0.52	$0.46	$0.68

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

JOHNSON WORLDWIDE ASSOCIATES, INC.

CONSOLIDATED BALANCE SHEETS
(unaudited)

(thousands, except share data)	June 27 1997	September 27 1996	June 28 1996
ASSETS			
Current assets:			
Cash and temporary cash investments	$10,635	$12,697	$11,303
Accounts receivable, less allowance for doubtful accounts of $2,195, $2,235 and $3,186, respectively	71,528	55,847	97,002
Inventories	82,352	101,903	119,016
Deferred income taxes	14,370	13,561	6,666
Other current assets	4,318	10,336	7,041
Total current assets	183,203	194,344	241,028
Property, plant and equipment	28,479	30,154	31,956
Intangible assets	47,477	54,422	54,986
Other assets	2,151	1,848	1,013
Total assets	$261,310	$280,768	$328,983
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term debt and current maturities of long-term debt	$35,376	$43,118	$70,545
Accounts payable	11,101	11,086	15,205
Accrued liabilities:			
Salaries and wages	4,045	6,260	5,878
Income taxes	5,152	4,283	2,057
Other	20,396	23,659	19,163
Total current liabilities	76,070	88,406	112,848
Long-term debt, less current maturities	61,278	61,501	68,866
Other liabilities	3,827	4,437	4,296
Total liabilities	141,175	154,344	186,010
Shareholders' equity:			
Preferred stock: none issued	-	-	-
Common stock:			
Class A shares issued: June 27, 1997, 6,905,385; September 27, 1996, 6,901,801; June 28, 1996, 6,897,359	346	345	345
Class B shares issued (convertible into Class A): June 27, 1997, 1,228,053; September 27, 1996, 1,228,137; June 28, 1996, 1,228,137	61	61	61
Capital in excess of par value	44,172	44,084	43,968
Retained earnings	81,616	77,940	94,986
Contingent compensation	(110)	(121)	(179)
Cumulative translation adjustment	(5,599)	4,115	4,083
Treasury stock: June 27, 1997, 27,400 Class A shares; June 28, 1996, 12,933 Class A shares	(351)	-	(291)
Total shareholders' equity	120,135	126,424	142,973
Total liabilities and shareholders' equity	$261,310	$280,768	$328,983

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

JOHNSON WORLDWIDE ASSOCIATES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(thousands)	Nine Months Ended June 27 1997	Nine Months Ended June 28 1996
CASH USED FOR OPERATIONS		
Net income	$3,748	$5,499
Noncash items:		
Depreciation and amortization	7,904	8,054
Writedown of property, plant and equipment	-	630
Writedown of intangible assets	-	1,070
Deferred income taxes	(1,250)	928
Change in:		
Accounts receivable, net	(25,461)	(37,405)
Inventories	5,063	(22,664)
Accounts payable and accrued liabilities	3,444	(1,897)
Other, net	4,698	1,641
	(1,854)	(44,144)
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Net proceeds from sale of business	13,937	-
Net additions to property, plant and equipment	(7,330)	(5,797)
	6,607	(5,797)
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
Issuance of senior notes	-	45,000
Repayment of revolving credit facilities	-	(13,412)
Net change in short-term debt	(5,123)	21,125
Common stock transactions	(462)	(154)
	(5,585)	52,559
Effect of foreign currency fluctuations on cash	(1,230)	(259)
Increase (decrease) in cash and temporary cash investments	(2,062)	2,359
CASH AND TEMPORARY CASH INVESTMENTS		
Beginning of period	12,697	8,944
End of period	$10,635	$11,303

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. (the Company) as of June 27, 1997, the results of operations for the three months and nine months ended June 27, 1997 and cash flows for the nine months ended June 27, 1997. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 1996 Annual Report.

Because of seasonal and other factors, the results of operations for the three months and nine months ended June 27, 1997 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

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

(thousands)	June 27 1997	September 27 1996	June 28 1996
Raw materials	$31,076	$30,102	$33,341
Work in process	6,348	6,167	6,601
Finished goods	54,626	79,299	83,790
	92,050	115,568	123,732
Less reserves	9,698	13,665	4,716
	$82,352	$101,903	$119,016

4 Shareholders' Equity

In October 1996, the Company granted options to purchase 75,000 shares of Class A common stock at $13.125 per share. In December 1996, the Company granted options to purchase 156,000 shares of Class A common stock at $11.50 per share and 10,000 shares of Class A common stock at $13.125 per share. In January 1997, the Company granted 5,500 shares of restricted Class A common stock. In May 1997, the Company granted options to purchase 5,000 shares of Class A common stock at $11.25 per share and 10,000 shares of Class A common stock at $12.94 per share. Since September 27, 1996, options to purchase 76,400 Class A common shares have been exercised or canceled.

5 Earnings Per Share

Earnings per share of common stock are computed on the basis of a weighted average number of common shares outstanding. Common stock equivalents are not significant in any period presented.

(thousands)	Three Months Ended June 27 1997	Three Months Ended June 28 1996	Nine Months Ended June 27 1997	Nine Months Ended June 28 1996
Weighted average common shares	8,106	8,113	8,113	8,113

In 1997, the FASB issued Statement 128, Earnings Per Share, which requires changes in the current method of computation of, and disclosures with regard to, earnings per share. The Company will adopt Statement 128 in 1998, as required. The calculation of basic earnings per share required under Statement 128 will be substantially the same as the amounts of earnings per common share currently being reported by the Company. The amounts calculated as diluted earnings per share under Statement 128 will be nominally lower than the related basic earnings per share.

6 Sale of Plastimo Business

In 1996, the Board of Directors approved a plan to divest the Company's Plastimo business, which manufactured navigation and safety equipment and distributed these products and other products to the marine industry, primarily in Europe. The Company estimated that the sale of this business would result in a loss of approximately $2,000,000. Accordingly, this loss was recognized in 1996 operating results. The Company completed the divestiture in January 1997. Net sales and operating losses of the Plastimo business for the four months ended January 1997 were $7,910,000 and $1,184,000, respectively.

7 Acquisitions

In July 1997, the Company completed the acquisition of substantially all of the assets of Ocean Kayak, Inc., a privately held manufacturer and marketer of kayaks. The initial purchase price for the acquisition was approximately $4,500,000. Additional payments in the years 1998 and 1999 are dependent upon achievement of specified levels of sales of the acquired products.

In July 1997, the Company completed the acquisition of the common stock of Uwatec AG (Uwatec), a privately held manufacturer and marketer of diving computers and other electronic instruments sold under the Aladin and Uwatec trademarks. The initial purchase price for the acquisition was approximately $33,000,000, substantially all of which will be recorded as intangible assets. The Swiss franc equivalent of $10,000,000 of the initial purchase price is deferred with payments due in 2000 and 2002. Interest on the deferred amounts is payable annually at 6%. Additional payments in 1998 through 2000 are dependent upon achievement of specified levels of profitability of the acquired business.

In connection with the acquisition, the Company entered into a long-term product development and intellectual property agreement with an unaffiliated party with which Uwatec conducts business and an employment agreement with a key employee and shareholder of Uwatec prior to the acquisition.

To provide interim financing for the acquisitions, retire existing debt of Uwatec and to pay costs associated with the acquisitions, the Company utilized existing credit facilities. Committed permanent financing, in the form of $25,000,000 of unsecured senior notes bearing interest at 7.15%, will be issued in October 1997, at which time up to $25,000,000 borrowed under the Company's existing facilities will be repaid. The senior notes will have annual principal payments of $2,000,000 to $7,000,000 beginning October 2001 with a final payment due October 2007. Simultaneous with the commitment of the senior notes, the Company executed a currency swap, effectively denominating in Swiss francs all of the 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%.

Unaudited pro forma operating results for the nine months ended June 1997, as if the acquisition of Uwatec and sale of Plastimo had been consummated in September 1996 are as follows:

(thousands, except per share data)	
Net sales	$243,782
Net income	674
Earning per common share	0.08
	=======

Unaudited pro forma operating results for the year ended September 1996, as if the acquisition of Uwatec and sale of Plastimo had been consummated in September 1995 are as follows:

(thousands, except per share data)	
Net sales	$332,700
Net loss	(12,526)
Loss per common share	(1.54)
	=======

Additional payments, if required, will increase intangible assets in future years. The acquisitions were accounted for using the purchase method of accounting and, accordingly, the financial statements will include the results of operations from the respective dates of acquisition.

The Company anticipates nonrecurring charges totaling $2,000,000 will be incurred over the next two years to integrate Uwatec into its business.

8 Reclassification

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

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 and nine months ended June 27, 1997 and June 28, 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 1996 Annual Report.

Foreign Operations

The Company has significant foreign operations, for which the functional currencies are denominated primarily in French francs, German marks, Swiss francs, 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 forward contracts and options to hedge known commitments, primarily for purchases of inventory and loans denominated in foreign currencies. The significant appreciation of the U.S. dollar during the nine months ended June 27, 1997 and the sale of the Plastimo business reduced the cumulative translation component of shareholders' equity by $9.7 million since the end of the 1996 fiscal year.

Results of Operations

Net sales for the three months ended June 27, 1997 totaled $86.9 million, a decrease of approximately 21% from net sales of $110.7 million for the three months ended June 28, 1996. Net sales of the Company's North American units for the three months ended June 27, 1997 decreased $8.5 million, or 13%, over the corresponding period in the prior year. Net sales of the Company's European units decreased $15.0 million, or 38%, compared to the corresponding period of the preceding year. The sale of the Plastimo business in January 1997 accounted for $13.3 million of the sales shortfall.

Net sales for the nine months ended June 27, 1997 decreased 16% to $234.8 million, from $278.3 million in the prior year. The sale of the Plastimo business accounted for $21.3 million of the sales shortfall.

Relative to the U.S. dollar, the average values of most currencies of the European countries in which the Company has operations were lower for the three months ended June 27, 1997 as compared to the preceding year. Excluding the impact of foreign currencies and the sale of the Plastimo business, net sales decreased 7% and 5% for the three months and nine months ended June 27, 1997, respectively.

Gross profit as a percentage of sales decreased to 37.4% for the three months ended June 27, 1997 compared to 38.3% in the corresponding period in the prior year. Gross profit for the nine months ended June 27, 1997 decreased to 37.4% compared to 38.8% in the prior year. Underabsorption of overhead expenses due to lower sales volume and sales of excess inventory at lower than normal margins contributed to the overall decline.

The Company earned an operating profit of $7.9 million for the three months ended June 27, 1997, compared to an operating profit of $10.3 million for the corresponding period of the prior year. The decreases in sales and gross profit margin were partially offset by a $7.5 million decrease in operating expenses. The decrease in operating expenses is attributable to the decline in sales, management's efforts to control such expenses and the sale of Plastimo in January 1997. The Company earned an operating profit of $13.8 million for the nine months ended June 27, 1997, compared to an operating profit of $17.7 million for the corresponding period of the prior year. Excluding the Plastimo business, operating profit as a percentage of sales increased for the three months and nine months ended June 27, 1997 compared to the prior year.

Interest expense of $2.2 million for the three months ended June 27, 1997 was lower than the prior year due to lower working capital levels and the use of proceeds from the sale of Plastimo to reduce short-term debt.

The Company earned net income of $3.3 million in the three months ended June 27, 1997 compared to income of $4.2 million in the corresponding period of the preceding year. On a per share basis, the earnings amounted to $0.41 compared to $0.52 in the preceding year.

The Company earned net income of $3.7 million in the nine months ended June 27, 1997 compared to net income of $5.5 million in the corresponding period of the preceding year. On a per share basis, the earnings amounted to $0.46 compared to $0.68 in the preceding year.

Financial Condition

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

Operations

Cash flows used for operations totaled $1.9 million for the nine months ended June 27, 1997 and $44.1 million for the corresponding period of the prior year. Seasonal growth in accounts receivable of $25.5 million for the nine months ended June 27, 1997 and $37.4 million for the corresponding period of the prior year account for a portion of the net usage of funds.

Inventory decreased $5.1 million for the nine months ended June 27, 1997 versus an inventory increase of $22.7 million for the corresponding period of the prior year. Improved order quantity management contributed to the inventory decrease. Accelerated delivery schedules for certain new products, inventories of acquired product lines, and level loading of production at certain of the Company's manufacturing operations contributed to the increase in 1996.

Accounts payable and accrued liabilities increased $3.4 million for the nine months ended June 27, 1997 and decreased $1.9 million for the corresponding period of the prior year. Trade accounts payable accounted for the majority of the increase in the current year.

Depreciation and amortization charges were $7.9 million for the nine months ended June 27, 1997 and $8.1 million for the corresponding period of the prior year, mitigating the net outflow of operating funds.

Investing Activities

Net proceeds from the sale of the Plastimo business provided a cash increase of $13.9 million. Expenditures for property, plant and equipment were $7.3 million for the nine months ended June 27, 1997 and $5.8 million for the corresponding period of the prior year. The Company s recurring investments are made primarily for tooling for new products and enhancements and information systems. In 1997, capital expenditures are anticipated to total approximately $10.0 million. These expenditures are expected to be funded by working capital or existing credit facilities.

Financing Activities

Financing activities used $5.6 million of cash flows for the nine months ended June 27, 1997 and provided $52.6 million for the corresponding period of the prior year. In October 1995, the Company consummated private placements of long-term debt totaling $45 million. Payments on long-term debt required to be made in 1997 total $7.5 million. Proceeds totaling approximately $16 million from the sale of the Company's Plastimo business were used to reduce short-term indebtedness in 1997. The acquisitions of Uwatec and Ocean Kayak in July 1997 were funded from existing credit facilities.

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 1997 operating costs and, accordingly, the prices of its products. The Company is involved in continuing programs to mitigate the impact of cost increases through changes in product design and identification of sourcing and manufacturing efficiencies.

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) Reports on Form 8-K

None

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: August 11, 1997

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

EXHIBIT INDEX

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1,000

9-MOS
OCT-03-1997
SEP-28-1996
JUN-27-1997
10,635
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73,723
(2,195)
82,352
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