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

FORM 10-Q

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

For the quarterly period ended July 3, 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 July 24, 1998, 6,870,045 shares of Class A and 1,223,861 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 July 3 1998	Three Months Ended June 27 1997	Nine Months Ended July 3 1998	Nine Months Ended June 27 1997
Net sales	$106,757	$86,894	$256,536	$234,822
Cost of sales	64,221	54,422	155,078	147,088
Gross profit	42,536	32,472	101,458	87,734
Operating expenses:				
Marketing and selling	19,832	17,430	52,719	50,733
Financial and administrative management	6,613	4,907	19,038	16,451
Research and development	1,745	1,255	5,094	3,756
Profit sharing	1,142	409	1,496	1,253
Amortization of acquisition costs	963	562	2,818	1,728
Nonrecurring charges	959	-	1,061	-
Total operating expenses	31,254	24,563	82,226	73,921
Operating profit	11,282	7,909	19,232	13,813
Interest income	(119)	(105)	(264)	(324)
Interest expense	2,637	2,153	7,370	6,580
Other expenses, net	105	196	176	156
Income before income taxes	8,659	5,665	11,950	7,401
Income tax expense	3,755	2,379	5,091	3,653
Net income	$ 4,904	$ 3,286	$ 6,859	$ 3,748
Basic earnings per common share	$ 0.61	$ 0.41	$ 0.85	$ 0.46
Diluted earnings per common share	$ 0.61	$ 0.41	$ 0.84	$ 0.46

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

CONSOLIDATED BALANCE SHEETS
(unaudited)

(thousands, except share data)	July 3 1998	October 3 1997	June 27 1997
ASSETS			
Current assets:			
Cash and temporary cash investments	$ 8,497	$ 7,130	$ 10,635
Accounts receivable, less allowance for doubtful accounts of $2,856, $2,693, and $2,195, respectively	75,033	51,168	71,528
Inventories	85,642	78,694	82,352
Deferred income taxes	7,853	7,976	9,705
Other current assets	7,172	7,781	4,318
Total current assets	184,197	152,749	178,538
Property, plant and equipment	34,541	31,360	28,479
Deferred income taxes	10,428	10,221	6,204
Intangible assets	85,404	82,127	47,477
Other assets	510	562	612
Total assets	$315,080	$277,019	$261,310
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term debt and current maturities of long-term debt	$ 57,629	$ 26,082	$ 35,376
Accounts payable	15,546	10,672	11,101
Accrued liabilities	31,089	29,355	29,593
Total current liabilities	104,264	66,109	76,070
Long-term debt, less current maturities	88,115	88,753	61,278
Other liabilities	4,058	4,426	3,827
Total liabilities	196,437	159,288	141,175
Shareholders' equity:			
Preferred stock: none issued	-	-	-
Common stock:			
Class A shares issued: July 3, 1998, 6,909,577; October 3, 1997, 6,905,523; June 27, 1997, 6,905,385	346	345	346
Class B shares issued (convertible into Class A): July 3, 1998, , 1,223,861; October 3, 1997, 1,227,915; June 27, 1997, 1,228,053	61	61	61
Capital in excess of par value	44,205	44,186	44,172
Retained earnings	86,714	79,882	81,580
Contingent compensation	(40)	(85)	(110)
Cumulative translation adjustment	(12,028)	(6,356)	(5,563)
Treasury stock: July 3, 1998, 39,532 Class A shares; October 3, 1997, 23,600 Class A shares; June 27, 1997, 27,400 Class A shares	(615)	(302)	(351)
Total shareholders' equity	118,643	117,731	120,135
Total liabilities and shareholders' equity	$315,080	$277,019	$261,310

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(thousands)	Nine Months Ended July 3 1998	Nine Months Ended June 27 1997
CASH USED FOR OPERATIONS		
Net income	$ 6,859	$ 3,748
Noncash items:		
Depreciation and amortization	10,344	7,904
Deferred income taxes	104	(1,250)
Change in assets and liabilities, net of effect of businesses acquired or sold:		
Accounts receivable, net	(24,832)	(25,461)
Inventories	(5,637)	5,063
Accounts payable and accrued liabilities	5,477	3,444
Other, net	(613)	4,698
	(8,298)	(1,854)
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Net assets of businesses acquired, net of cash	(12,418)	-
Proceeds from sale of business, net of cash	-	13,937
Net additions to property, plant and equipment	(8,811)	(7,330)
	(21,229)	6,607
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
Issuance of senior notes	25,000	-
Net change in short-term debt	6,573	(5,123)
Common stock transactions	(320)	(462)
	31,253	(5,585)
Effect of foreign currency fluctuations on cash	(359)	(1,230)
Increase (decrease) in cash and temporary cash investments	1,367	(2,062)
CASH AND TEMPORARY CASH INVESTMENTS		
Beginning of period	7,130	12,697
End of period	$ 8,497	$10,635

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

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 July 3, 1998 and the results of operations and cash flows for the three months and nine months ended July 3, 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 and nine months ended July 3, 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:

	July 3 1998	October 3 1997	June 27 1997
Raw materials	$29,202	$27,032	$31,076
Work in process	7,280	5,036	6,348
Finished goods	56,171	56,846	54,626
	92,653	88,914	92,050
Less reserves	7,011	10,220	9,698
	$85,642	$78,694	$82,352

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	Nine Months Ended

	July 3 1998	June 27 1997	July 3 1998	June 27 1997
Net income for basic and diluted earnings per share	$4,904	$3,286	$6,859	$3,748
Weighted average shares outstanding	8,093,906	8,106,038	8,102,585	8,112,875
Less nonvested restricted stock	(4,958)	(9,801)	(6,222)	(9,879)
Basic shares	8,088,948	8,096,237	8,096,363	8,102,996
Dilutive stock options and restricted stock	10,997	6,738	24,551	10,379
Diluted shares	8,099,945	8,102,975	8,120,914	8,113,375
Basic earnings per common share	$0.61	$0.41	$0.85	$0.46
Diluted earnings per common share	$0.61	$0.41	$0.84	$0.46

6 Stock Ownership Plans

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

	Shares	Weighted Average Exercise Price
Outstanding at October 3, 1997	686,521	$18.32
Granted	247,000	17.01
Exercised	(10,243)	13.96
Cancelled	(311,217)	19.19
Outstanding at July 3, 1998	612,061	$17.42

7 Acquisitions

In February 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 $10,391, of which approximately $7,400 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 Litigation

In June 1998, certain businesses acquired by the Company became subject to judgments in civil liability cases in the amount of $2,000. The judgments are being appealed. The Company believes that any payments made as a result of these judgments, including costs and expenses, will reduce payments otherwise due to selling shareholders of the businesses acquired.

9 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 July 3, 1998 and June 27, 1997. 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. The appreciation of the U.S. dollar significantly reduced the cumulative translation component of shareholders' equity during the nine months ended July 3, 1998 and the corresponding period in the prior year.

Results of Operations

Net sales for the three months ended July 3, 1998 totaled $106.8 million, compared to $86.9 million in the three months ended June 27, 1997. Net sales for the nine months ended July 3, 1998 increased $21.7 million to $256.5 million. Sales of products from businesses acquired in 1998 and 1997 more than offset the absence of the Plastimo business, which was sold in January 1997.

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 and nine months ended July 3, 1998 as compared to the corresponding period of the prior year. Excluding the impact of foreign currencies and the Plastimo business, net sales increased 25% and 16%, respectively, for the three months and nine months ended July 3, 1998.

Gross profit as a percentage of sales increased to 39.8% for the three months ended July 3, 1998 compared to 37.4% in the corresponding period in the prior year. Gross profit margin for the nine months ended July 3, 1998 increased to 39.5% from 37.4% in the prior year. Acquired businesses, which have higher gross profit margins than historical Company levels, and the diving business contributed to the increase.

The Company recognized an operating profit of $11.3 million for the three months ended July 3, 1998, compared to an operating profit of $7.9 million for the corresponding period of the prior year. For the nine months ended July 3, 1998, operating profit increased to $19.2 million, from $13.8 million in the prior year. The increases in sales and gross profit margin led to the increased operating profit, more than offsetting increases in operating expenses, which increased at a rate consistent with sales in the current year.

Interest expense totaled $7.4 million for the nine months ended July 3, 1998 compared to $6.6 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 recognized nonrecurring charges totaling $1.0 million and $1.1 million for the three months and nine months ended July 3, 1998, respectively, due primarily to severance and other costs related to integration of acquired businesses. The Company's effective tax rate improved due to a rate reduction in Italy and an increase in profits in Switzerland, which has lower overall tax rates.

The Company recognized net income of $4.9 million in the three months ended July 3, 1998 compared to net income of $3.3 million in the corresponding period of the prior year. Diluted earnings per share totaled $0.61 for the three months ended July 3, 1998 compared to $0.41 in the prior year. Year to date diluted earnings per share increased to $0.84 from $0.46 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 $8.3 million for the nine months ended July 3, 1998 and $1.9 million for the corresponding period of the prior year.

Accounts receivable seasonally increased $24.8 million for the nine months ended July 3, 1998 and $25.5 million for the corresponding period of the prior year. Seasonal growth in inventories of $5.6 million for the nine months ended July 3, 1998 also accounted for a portion of the net usage of funds. Liquidation of excess inventories in the prior year more than offset normal seasonal growth. Inventory turns increased for the period ended July 3, 1998 compared to the corresponding period of the prior year.

Accounts payable and accrued liabilities increased $5.5 million for the nine months ended July 3, 1998 and $3.4 million for the corresponding period of the prior year, decreasing the net outflow of cash from operations.

Depreciation and amortization charges were $10.3 million for the nine months ended July 3, 1998 and $7.9 million for the corresponding period of the prior year. 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 $8.8 million for the nine months ended July 3, 1998 and $7.3 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 $10 million. These expenditures are expected to be funded by working capital or existing credit facilities.

The Company completed the acquisitions of three businesses in the nine month period ended July 3, 1998, resulting in a use of cash of $12.4 million. The sale of the Plastimo business generated $13.9 million of cash in the prior year.

Financing Activities

Cash flows from financing activities totaled $31.3 million for the nine months ended July 3, 1998 versus a net cash outflow of $5.6 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 changing costs of basic raw materials may impact future 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 the extent of the Year 2000 issue, adverse weather conditions, changes in consumer spending patterns, the success of the Company's EVA/R/ 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.

PART II OTHER INFORMATION

Item 5. Other Information

All shareholder proposals pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (Rule 14a-8), for presentation at the 1999 Annual Meeting of Shareholders must be received at the offices of the Company, 1326 Willow Road, Sturtevant Wisconsin 53177 by August 22, 1998 for inclusion in the Company's proxy statement and form of proxy relating to that meeting. In addition, a shareholder who otherwise intends to present business at the 1999 Annual Meeting of Shareholders must comply with the requirements set forth in the Company's Bylaws. Among other things, to bring business before an annual meeting, a shareholder must give written notice thereof, complying with the Bylaws, to the Secretary of the Company not more than 90 days prior to the date of such annual meeting and not less than the close of business on the later of (i) the 60th day prior to such annual meeting and (ii) the 10th day following the day on which public announcement of the date of such meeting is first made. Under the Bylaws, if the Company does not receive notice of a shareholder proposal submitted otherwise than pursuant to Rule 14a-8 (i.e., proposals shareholders intend to present at the 1999 Annual Meeting of Shareholders but do not intend to have included in the Company's proxy statement and form of proxy for such meeting) prior to the close of business on November 27, 1998, then the notice will be considered untimely and the Company will not be required to present such proposal at the 1999 Annual Meeting of Shareholders. If the Board of Directors chooses to present such proposal at the 1999 Annual Meeting of Shareholders, then the persons named in proxies solicited by the Board of Directors for the 1999 Annual Meeting of Shareholders may exercise discretionary voting power with respect to such proposal. The 1999 Annual Meeting of Shareholders is scheduled to be held on January 26, 1999.

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 (EDGAR version only)

(b) There were no reports on Form 8-K filed for the three months ended July 3, 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: August 14, 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 (EDGAR version only)	-

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONSOLIDATED FINANCIAL STATEMENTS OF JOHNSON WORLDWIDE ASSOCIATES, INC.
AS OF AND FOR THE PERIOD ENDED JULY 3, 1998 AND IS QUALIFIED IN ITS
ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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OCT-02-1998
OCT-04-1997
JUL-03-1998
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