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

FORM 10-Q

(Mark One)

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2004

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: 0-22818

THE HAIN CELESTIAL GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	22-3240619
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

58 South Service Road, Melville, New York	11747
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (631) 730-2200

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 requirement for the past 90 days.

Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes X No

As of November 3, 2004, there were 36,495,580 shares outstanding of the Registrant's Common Stock, par value $.01 per share.

THE HAIN CELESTIAL GROUP, INC.

INDEX

PART I - ITEM 1 - FINANCIAL INFORMATION
THE HAIN CELESTIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share and share amounts)

	September 30, 2004	June 30, 2004
ASSETS	(Unaudited)	(Note)
Current assets:		
Cash and cash equivalents	$ 9,765	$ 27,489
Accounts receivable, less allowance for doubtful accounts of $2,225 and $2,185	70,922	69,392
Inventories	93,109	86,873
Deferred income taxes	3,111	3,111
Other current assets	14,459	11,449
Total current assets	191,366	198,314
Property, plant and equipment, net of accumulated depreciation and amortization of $43,970 and $40,799	87,836	87,002
Goodwill	338,730	333,218
Trademarks and other intangible assets, net of accumulated amortization of $8,558 and $8,349	55,712	55,793
Other assets	11,651	9,904
Total assets	$ 685,295	$ 684,231
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 53,065	$ 59,031
Current portion of long-term debt	4,784	6,845
Income taxes payable	4,966	2,489
Total current liabilities	62,815	68,365
Long-term debt, less current portion	99,906	104,294
Deferred income taxes	14,807	14,807
Total liabilities	177,528	187,466
Stockholders' equity:		
Preferred stock - $.01 par value, authorized 5,000,000 shares, no shares issued	-	-
Common stock - $.01 par value, authorized 100,000,000 shares, issued 37,120,469 and 37,064,648 shares	371	371
Additional paid-in capital	395,557	394,740
Deferred compensation	(2,575)	(2,809)
Retained earnings	112,279	106,097
Foreign currency translation adjustment	11,420	7,651
	517,052	506,050
Less: 671,556 shares of treasury stock, at cost	(9,285)	(9,285)
Total stockholders' equity	507,767	496,765
Total liabilities and stockholders' equity	$ 685,295	$ 684,231

Note: The balance sheet at June 30, 2004 has been derived from the audited financial statements at that date.

See notes to consolidated financial statements.

THE HAIN CELESTIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(In thousands, except per share and share amounts)

	Three Months Ended September 30,	
	2004	2003
	(Unaudited)	
Net sales	$ 137,604	$ 127,053
Cost of sales	98,629	89,891
Gross profit	38,975	37,162
Selling, general and administrative expenses	28,185	25,819
Operating income	10,790	11,343
Interest expense and other expenses, net	655	791
Income before income taxes	10,135	10,552
Provision for income taxes	3,953	4,010
Net income	$ 6,182	$ 6,542
Net income per share:		
Basic	$ 0.17	$ 0.19
Diluted	$ 0.17	$ 0.19
Weighted average common shares outstanding:		
Basic	36,273	34,221
Diluted	36,855	35,356

See notes to consolidated financial statements.

THE HAIN CELESTIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004
(In thousands, except per share and share amounts)

	Common Stock		Additional Paid-in Capital	Unamortized Non-Cash Compensation	Retained Earnings	Treasury Stock		Foreign Currency Translation Adjustment	Total	Comprehensive Income
	Shares	Amount at $.01				Shares	Amount			
Balance at June 30, 2004	37,064,648	$371	394,740	$ (2,809)	$ 106,097	671,556	$ (9,285)	$ 7,651	$ 496,765	
Exercise of stock options	55,821		805						805	
Non-cash compensation charge			12	234					246	
Comprehensive income:										
Net income for the period						6,182			6,182	$ 6,182
Translation adjustments								3,769	3,769	3,769
Total comprehensive income										$ 9,951
Balance at Sept. 30, 2004	37,120,469	$ 371	$395,557	$(2,575)	$ 112,279	$671,556	$ (9,285)	$11,420	$ 507,767	

See notes to consolidated financial statements.

THE HAIN CELESTIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Three Months Ended September 30,	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES	(Unaudited)	
Net income	$ 6,182	$ 6,542
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,105	2,580
Provision for doubtful accounts	(10)	92
Non-cash compensation	246	12
Increase (decrease) in cash attributable to changes in operating assets and liabilities, net of amounts applicable to acquired businesses:		
Accounts receivable	(973)	(13,588)
Inventories	(7,083)	(2,639)
Other current assets	(3,159)	50
Other assets	(1,789)	736
Accounts payable and accrued expenses	(5,775)	(2,937)
Income taxes, net	2,477	2,445
Net cash (used in) operating activities	(6,779)	(6,707)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(2,781)	(998)
Acquisitions of businesses	(1,570)	-
Net cash (used in) investing activities	(4,351)	(998)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments) proceeds from bank revolving credit facility, net	(5,500)	10,750
Payments on economic development revenue bonds	(150)	(125)
Purchase of treasury stock	-	(279)
Proceeds from exercise of options, net of related expenses	805	576
Repayments of other long-term debt, net	(1,277)	(428)
Net cash (used in) provided by financing activities	(6,122)	10,494
Effect of exchange rate changes on cash	(472)	(894)
Net (decrease) increase in cash and cash equivalents	(17,724)	1,895
Cash and cash equivalents at beginning of period	27,489	10,984
Cash and cash equivalents at end of period	$ 9,765	$ 12,879

See notes to consolidated financial statements.

THE HAIN CELESTIAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. GENERAL

The Hain Celestial Group, Inc., a Delaware corporation, and its subsidiaries (collectively, the "Company", and herein referred to as "we", "us", and "our") manufacture, market, distribute and sell natural, organic, specialty and snack food products and natural and organic personal care products under brand names which are sold as "better-for-you" products. We are a leader in many of the top natural food categories, with such well-known food brands as Celestial Seasonings(R) teas, Hain Pure Foods(R), Westbrae(R), Westsoy(R), Rice Dream(R), Soy Dream(R), Imagine(R), Walnut Acres Certified Organic(R), Ethnic Gourmet(R), Rosetto(R), Little Bear Organic Foods(R), Bearitos(R), Arrowhead Mills(R), Health Valley(R), Breadshop's(R), Casbah(R), Garden of Eatin'(R), Terra Chips(R), Harry's Premium Snacks(R), Boston's(R), Lima(R), Biomarche(R), Grains Noirs(R), Natumi(R), Milkfree, Yves Veggie Cuisine(R), DeBoles(R), Earth's Best(R), and Nile Spice(R). The Company's principal specialty product lines include Hollywood(R) cooking oils, Estee(R) sugar-free products, Kineret(R) kosher foods, Boston Better Snacks(R), and Alba Foods(R). Our natural and organic personal care product line is marketed under the JASON(R), Orjene(R), Shaman Earthly Organics(TM), and Heather's(R) brands.

We operate in one business segment: the sale of natural, organic and other food and beverage and personal care products. In our 2004 fiscal year, approximately 39% of our revenues were derived from products that were manufactured within our own facilities with 61% produced by various co-packers.

All dollar amounts in our consolidated financial statements and notes have been rounded to the nearest thousand dollars, except per share amounts. Share amounts in the notes to consolidated financial statements are presented in thousands.

2. BASIS OF PRESENTATION

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended September 30, 2004 are not necessarily indicative of the results that may be expected for the year ending June 30, 2005. Please refer to the footnotes to our consolidated financial statements as of June 30, 2004 and for the year then ended included in our Annual Report on Form 10-K for information not included in these condensed footnotes.

3. EARNINGS PER SHARE

We report basic and diluted earnings per share in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share" ("SFAS No. 128"). Basic earnings per share excludes the dilutive effects of options and warrants. Diluted earnings per share includes only the dilutive effects of common stock equivalents such as stock options and warrants.

The following table sets forth the computation of basic and diluted earnings per share pursuant to SFAS No. 128:

	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003
Numerator:		
Net income	$6,182	$6,542
Denominator (in thousands):		
Denominator for basic earnings per share - weighted average shares outstanding during the period	36,273	34,221
Effect of dilutive securities:		
Stock options	576	965
Warrants	6	170
	582	1,135
Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversions	36,855	35,356
Basic net income per share	$ 0.17	$ 0.19
Diluted net income per share	$ 0.17	$ 0.19

4. INVENTORIES

Inventories consisted of the following:

	September 30, 2004	June 30, 2004
Finished goods	$61,913	$56,132
Raw materials, work-in-progress and packaging	31,196	30,741
	$93,109	$86,873

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

	September 30, 2004	June 30, 2004
Land	$ 8,160	8,113
Buildings and improvements	30,106	29,867
Machinery and equipment	80,646	79,275
Furniture and fixtures	2,537	2,527
Leasehold improvements	3,610	3,478
Construction in progress	6,747	4,541
	131,806	127,801
Less: Accumulated depreciation and amortization	43,970	40,799
	$ 87,836	$ 87,002

6. ACQUISITIONS

On June 3, 2004, we acquired 100% of the stock of privately-held Jason Natural Products, Inc., a California-based manufacturer and marketer of natural and organic personal care products. In recent years, Jason Natural Products has expanded its lines of natural and organic personal care products by integrating a series of brands including Orjene(R), Shaman Earthly Organics(TM), and Heather's(R) into its portfolio. The purchase price consisted of approximately $23.9 million in cash, plus the assumption of certain liabilities. At September 30, 2004, goodwill (not deductible for tax purposes) from this transaction was estimated to be $22.9 million.

On May 27, 2004, we acquired substantially all of the assets and assumed certain liabilities of the Rosetto(R) and Ethnic Gourmet(R) businesses of H.J. Heinz Company, LP, which owned approximately 16.7% of our common stock at the time of the transaction. These businesses produce and market frozen pasta and natural ethnic frozen meals, respectively. The purchase price consisted of approximately $22.8 million in cash, plus the assumption of certain liabilities. At September 30, 2004, goodwill (deductible for tax purposes) from this transaction was estimated to be $7.9 million.

The following table summarizes the estimated fair values of assets acquired and liabilities assumed of Jason Natural Products, Rosetto, and Ethnic Gourmet at the dates of the acquisitions:

Current assets	$12,358
Property and equipment	12,871
Other assets	102
Total assets	25,331
Liabilities assumed	4,321
Net assets acquired	$21,010

The balance sheet at September 30, 2004, includes the assets acquired and liabilities assumed valued at fair market value at the date of purchase. We are in the process of performing the procedures required to finalize the purchase price allocation for the above fiscal 2004 acquisitions; however, these procedures are in the early stages and are expected to be completed during the later half of fiscal 2005.

The results of operations for the three months ended September 30, 2004 include the results of the above described acquisitions for the complete period. The following table presents information about sales and net income had the operations of the acquired businesses been combined with our business as of the first day of the period shown. This information has not been adjusted to reflect any changes in the operations of these businesses subsequent to their acquisition by us. Changes in operations of these acquired businesses include, but are not limited to, integration of systems and personnel, discontinuation of products (including discontinuation resulting from the integration of acquired and existing brands with similar products, and discontinuation of sales of private label products), changes in trade practices, application of our credit policies, changes in manufacturing processes or locations, and changes in marketing and advertising programs. Had any of these changes been implemented by the former management of the businesses acquired prior to acquisition by us, the sales and net income information might have been materially different than the actual results achieved and from the pro forma information provided below.

	Three Months Ended September 30, 2003
Net sales	$ 140,064
Net income	5,921
Earnings per share:	
Basic	$ 0.17
Diluted	0.17
Weighted average shares:	
Basic	34,221
Diluted	35,356

In management's opinion, the unaudited pro forma results of operations is not indicative of the actual results that would have occurred had the JASON(R), Rosetto(R) and Ethnic Gourmet(R) acquisitions been consummated at the beginning of the periods presented or of future operations of the combined companies under our management.

On February 25, 2004, our subsidiary in Belgium acquired Natumi, AG, a German producer of non-dairy beverages and desserts marketed principally in retail channels in Europe. The purchase price consisted of approximately $1.75 million in cash as well as the assumption of certain liabilities. The purchase price excludes the amount of contingency payments we are obligated to pay the former owner of Natumi. The contingency payments are based on the achievement by Natumi of certain financial targets over an approximate 3.5 year period following the date of acquisition. Such payments, which could total approximately 9 million euros, will be charged to goodwill if and when paid. No such contingency payments have been made since the acquisition. The net assets acquired, as well as the sales and operations of Natumi, are not material to the Company's consolidated financial position or results of operations and, therefore, have not been included in the detailed information about our acquisitions.

7. CREDIT FACILITY

On April 22, 2004, we entered into a new $300 million credit facility (the "Credit Facility") with a bank group led by our existing bank agents for a five-year term expiring in April 2009. The Credit Facility provides for an uncommitted $50 million accordion feature, under which the facility may be increased to $350 million. The Credit Facility is secured only by a pledge of shares of certain of our foreign subsidiaries and is guaranteed by all of our current and future direct and indirect domestic subsidiaries. We are required to comply with customary affirmative and negative covenants for facilities of this nature. Revolving credit loans under this facility bear interest at a base rate (greater of the applicable prime rate or Federal Funds Rate plus and applicable margin) or, at our option, the reserve adjusted LIBOR rate plus an applicable margin. As of September 30, 2004, $93.7 million was borrowed under the Credit Facility at an interest rate of 2.8%.

8. STOCK-BASED COMPENSATION

The Company accounts for its stock-based compensation plans using the intrinsic value method under APB Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and related Interpretations. Under APB 25, when the exercise price of our employee stock options at least equals the market price of the underlying stock on the date of grant, no compensation expense is recognized.

If compensation cost for the Company's stock-based compensation plans had been determined based on the fair value at the grant dates consistent with the method prescribed by SFAS No. 123, "Accounting For Stock-Based Compensation," net earnings and earnings per share for the three months ended September 30, 2004 and 2003 would have been the pro forma amounts that follow:

	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003
Net income, as reported	$ 6,182	$6,542
Non-cash compensation charge, net of related tax effects	150	7
Stock-based employee compensation expense determined under fair value method, net of related tax effects	(3,462)	(1,221)
Pro forma net income	$2,870	$5,328
Basic net income per share:		
As reported	$ 0.17	$ 0.19
Pro forma	$ 0.08	$ 0.16
Diluted net income per share:		
As reported	$ 0.17	$ 0.19
Pro forma	$ 0.08	$ 0.15

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We manufacture, market, distribute and sell natural, organic, specialty and snack food products and natural and organic personal care products under brand names which are sold as "better-for-you" products. We are a leader in many of the top natural food categories, with such well-known food brands as Celestial Seasonings(R) teas, Hain Pure Foods(R), Westbrae(R), Westsoy(R), Rice Dream(R), Soy Dream(R), Imagine(R), Walnut Acres Certified Organic(R), Ethnic Gourmet(R), Rosetto(R), Little Bear Organic Foods(R), Bearitos(R), Arrowhead Mills(R), Health Valley(R), Breadshop's(R), Casbah(R), Garden of Eatin'(R), Terra Chips(R), Harry's Premium Snacks(R), Boston's(R), Lima(R), Biomarche(R), Grains Noirs(R), Natumi(R), Milkfree, Yves Veggie Cuisine(R), DeBoles(R), Earth's Best(R), and Nile Spice(R). The Company's principal specialty product lines include Hollywood(R) cooking oils, Estee(R) sugar-free products, Kineret(R) kosher foods, Boston Better Snacks(R), and Alba Foods(R). Our natural and organic personal care product line is marketed under the JASON(R), Orjene(R), Shaman Earthly Organics(TM), and Heather's(R) brands. Our website can be found at www.hain-celestial.com.

Our products are sold primarily to specialty and natural food distributors, supermarkets, natural food stores, and other retail classes of trade including mass-market stores, drug stores, food service channels and club stores.

Our brand names are well recognized in the various market categories they serve. We have acquired numerous brands and we will seek future growth through internal expansion as well as the acquisition of additional complementary brands.

Our overall mission is to be a leading marketer and seller of natural, organic, beverage, snack and specialty food products by integrating all of our brands under one management team and employing a uniform marketing, sales and distribution program. Our business strategy is to capitalize on the brand equity and the distribution previously achieved by each of our acquired product lines and to enhance revenues by strategic introductions of new product lines that complement existing products.

Results of Operations

Three months ended September 30, 2004

Net sales for the three months ended September 30, 2004 were $137.6 million, an increase of $10.5 million or 8.3% over net sales of $127.1 million in the September 30, 2003 quarter. The increase came from volume increases principally in our snacks brands, which were up 12.6%, our Celestial Seasonings tea brand, which was up 4.6%, and our European business, which was up 20.5%. During the current year quarter, we benefited from the phasing in of price increases, the full effect of which is expected in future quarters, and from sales of businesses acquired in 2004. Sales of our Imagine Foods brands, acquired in December 2002, and Walnut Acres brands, acquired in June 2003, are included in each of the quarterly periods presented, while sales of our Jason Natural Products, Rosetto, Ethnic Gourmet and Natumi brands are included only in the current year quarter. Sales in the current year quarter were negatively impacted by reductions in inventories estimated at $12 million at two major distributors.

Gross profit for the three months ended September 30, 2004 was 28.3% of net sales as compared to 29.2% of net sales in the September 30, 2003 quarter. The decline in gross profit percentage was principally the result of increases in transportation costs which began in the third quarter of Fiscal 2004 resulting from higher fuel costs, the cost effects of new regulations on the U.S. trucking industry, and an increase in the percentage of our shipments that are delivered by us. Also, we incurred higher cost of ingredients and higher personnel and benefits costs this period as compared to the prior year period. These higher costs were offset in part by the effect of the price increase phased in beginning July 1, 2004.

Selling, general and administrative expenses increased by $2.4 million to $28.2 million for the three months ended September 30, 2004 as compared to $25.8 million in the September 30, 2003 quarter. Such expenses amounted to 20.5% of net sales for the three months ended September 30, 2004 compared with 20.3% in the September 30, 2003 quarter. Selling, general and administrative expenses have increased in overall dollars, primarily as a result of costs brought on by businesses acquired in 2004, increased consumer marketing expenses needed to support our increased sales as well as increases across all levels of general and administrative expenses to support our growing business. General and administrative expenses for the three months ended September 30, 2004 includes approximately $ .6 million for the cost of terminated employees and for non-cash compensation charges.

Operating income was $10.8 million in the three months ended September 30, 2004 compared to $11.3 million in the September 30, 2003 quarter. Operating income as a percentage of net sales was 7.8% in the September 30, 2004 quarter, compared with 8.9% in the September 30, 2003 quarter. The dollar and percentage decrease is a result of the aforementioned lower gross profit and higher selling, general and administrative expenses.

Interest and other expenses amounted to $.7 million for the three months ended September 30, 2004 compared to $.8 million for the three months ended September 30, 2003. Our interest expense was $.4 million higher this quarter as compared to the prior year quarter, principally as a result of the higher average borrowings we carry this year after our recent acquisitions. We had $.2 million in net currency exchange gains this quarter as compared to $.1 million in net currency exchange losses in the prior year quarter, which partially offset the additional interest costs.

Income before income taxes for the three months ended September 30, 2004 amounted to $10.1 million compared to $10.6 million in the comparable period of the prior year. This decrease was attributable to the decrease in operating income.

Our effective income tax rate approximated 39% of pre-tax income for the three months ended September 30, 2004 compared to 38% for the three months ended September 30, 2003. We expect our effective tax rate to approximate 39% during the remainder of fiscal 2005.

Net income for the three months ended September 30, 2004 was $6.2 million compared to $6.5 million in the September 30, 2003 quarter. The decrease of $.3 million in earnings was primarily attributable to the aforementioned decrease in income before income taxes and the increase in our effective tax rate.

Liquidity and Capital Resources

We finance our operations and growth primarily with the cash flows we generate from our operations and from borrowings under our Credit Facility.

We have available to us a $300 million Credit Facility through April 22, 2009. The Credit Facility is secured only by a pledge of shares of certain of our foreign subsidiaries and is guaranteed by all of our direct and indirect domestic subsidiaries. We are required to comply with customary affirmative and negative covenants for facilities of this nature. As of September 30, 2004, we had $93.7 million outstanding under the Credit Facility.

This access to capital provides us with flexible working capital in the ordinary course of business, the opportunity to grow our business through acquisitions and the ability to develop our existing infrastructure through capital investment.

Effective July 2004, we adjusted prices upward by 4% to 5% across certain of our U.S. businesses. We expect the increases will offset increased costs we have absorbed in fuel, freight and commodities, and should help offset future increased costs into the next production year as we renew procurement contracts.

Net cash (used in) operations was $(6.8) million and $(6.7) million for the three months ended September 30, 2004 and 2003, respectively. Our working capital and current ratio was $128.6 million and 3.0 to 1, respectively, at September 30, 2004 compared with $130.0 million and 2.9 to 1 respectively, at June 30, 2004. The decrease in working capital resulted principally from the decrease in cash used to reduce debt during the three months ended September 30, 2004.

Net cash (used in) provided by financing activities was $(6.1) million and $10.5 million for the three months ended September 30, 2004 and 2003, respectively. The change between the quarters of each year was due principally to our pay down of approximately $6.8 million of debt under our U. S. and European credit lines during the Fiscal 2005 quarter, as compared to our borrowing approximately $10.8 million under our U. S. credit line in the Fiscal 2004 quarter.

We believe that cash on hand of $9.8 million at September 30, 2004, projected remaining fiscal 2005 cash flows from operations, and availability under our Credit Facility are sufficient to fund our working capital needs, anticipated capital expenditures of approximately $9 million, and scheduled debt payments of approximately $9.5 million for the remainder of fiscal 2005. We currently invest our cash on hand in highly liquid short-term investments yielding approximately 1% interest.

Critical Accounting Policies

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States. The accounting principles we use require us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and amounts of income and expenses during the reporting periods presented. We believe in the quality and reasonableness of our critical accounting policies; however, it is likely that materially different amounts would be reported under different conditions or using assumptions different from those that we have consistently applied. We believe our critical accounting policies are as follows, including our methodology for estimates made and assumptions used:

Valuation of Accounts and Chargebacks Receivables

We perform ongoing credit evaluations on existing and new customers daily. We apply reserves for delinquent or uncollectible trade receivables based on a specific identification methodology and also apply an additional reserve based on the experience we have with our trade receivables aging categories. Credit losses have been within our expectations over the last few years. While two of our customers represent approximately 28% of our trade receivable balance on an ongoing basis, we believe there is no credit exposure at this time.

Based on cash collection history and other statistical analysis, we estimate the amount of unauthorized deductions that our customers have taken to be repaid and collectible in the near future in the form of a chargeback receivable. While our estimate of this receivable balance could be different had we used different assumptions and judgments, historically our cash collections of this type of receivable have generally been within our expectations. Our chargebacks receivable balance approximated $6 million at September 30, 2004 and June 30, 2004.

There can be no assurance that we would have the same experience with our receivables during different economic conditions, or with changes in business conditions, such as consolidation within the food industry and/or a change in the way we market and sell our products.

Inventory

Our inventory is valued at the lower of cost or market. Cost has been derived principally using standard costs utilizing the first-in, first-out method. We provide write-downs for finished goods expected to become non-saleable due to age and specifically identify and reserve for slow moving or obsolete raw ingredients and packaging.

Property, Plant and Equipment

Our property, plant and equipment is carried at cost and depreciated or amortized on a straight-line basis over the lesser of the estimated useful lives or lease life, whichever is shorter. We believe the asset lives assigned to our property, plant and equipment are within ranges/guidelines generally used in food manufacturing and distribution businesses. Our manufacturing plants and distribution centers, and their related assets, are periodically reviewed to determine if any impairment exists by analyzing underlying cash flow projections. At this time, we believe no impairment exists on the carrying value of such assets. Ordinary repairs and maintenance are expensed as incurred.

Intangibles

Goodwill is no longer amortized and the value of an identifiable intangible asset is amortized over its useful life unless the asset is determined to have an indefinite useful life. The carrying values of goodwill and other intangible assets with indefinite useful lives are tested annually for impairment.

Revenue Recognition and Sales Incentives

Sales are recognized upon the shipment of finished goods to customers and are reported net of sales incentives. Allowances for cash discounts and returns are recorded in the period in which the related sale is recognized. Shipping and handling costs are included as a component of cost of sales.

Seasonality

Our tea business consists primarily of manufacturing and marketing hot tea products and, as a result, its quarterly results of operations reflect seasonal trends resulting from increased demand for its hot tea products in the cooler months of the year. This is also true for our soups and hot cereals businesses, but to a lesser extent. Quarterly fluctuations in our sales volume and operating results are due to a number of factors relating to our business, including the timing of trade promotions, advertising and consumer promotions and other factors, such as seasonality, abnormal and inclement weather patterns and unanticipated increases in labor, commodity, energy, insurance or other operating costs. The impact on sales volume and operating results, due to the timing and extent of these factors, can significantly impact our business. For these reasons, you should not rely on our quarterly operating results as indications of future performance. In some future periods, our operating results may fall below the expectations of securities analysts and investors, which could harm our business.

Inflation

The Company does not believe that inflation had a significant impact on the Company's results of operations for the periods presented.

Note Regarding Forward Looking Information

Certain statements contained in this Quarterly Report constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1934 and Sections 21E of the Securities Exchange Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company, or industry results, to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions; our ability to implement our business and acquisition strategy; the ability to effectively integrate our acquisitions; our ability to obtain financing for general corporate purposes; competition; availability of key personnel; changes in, or the failure to comply with government regulations; and other risks detailed from time-to-time in the Company's reports filed with the Securities and Exchange Commission, including the report on Form 10-K for the fiscal year ended June 30m 2004. As a result of the foregoing and other factors, no assurance can be given as to future results, levels of activity and achievements and neither the Company nor any person assumes responsibility for the accuracy and completeness of these statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in the reported market risks since the end of the most recent fiscal year.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures.

Our Chief Executive Officer and Chief Financial Officer have reviewed our disclosure controls and procedures as of the end of the period covered by this report. Based upon this review, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures are adequately designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in applicable rules and forms.

(b) Changes in Internal Controls.

There were no significant changes in our internal controls over financial reporting during the fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, those controls.

Part II - OTHER INFORMATION

ITEM 6. EXHIBITS

Exhibit Number	Description
	The cross-reference for Exhibit 10.5 of the Company's Form 10-K for the fiscal year ended June 30, 2004, inadvertently was incorrect. It should have read:
10.5	Employment Agreement between the Registrant and Irwin D. Simon, dated July 1, 2003 (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2003, filed with the Commission on November 14, 2003).
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
32.1	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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.

THE HAIN CELESTIAL GROUP, INC.

Date: November 8, 2004

/s/ Irwin D. Simon

Irwin D. Simon,
Chairman, President and Chief
Executive Officer

Date: November 8, 2004

/s/ Ira J. Lamel

Ira J. Lamel,
Executive Vice President and
Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION

I, Irwin D. Simon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Hain Celestial Group, Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

    (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2004

/s/ Irwin D. Simon
- -------------------------------------
Irwin D. Simon
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Ira J. Lamel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Hain Celestial Group, Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2004

/s/ Ira J. Lamel
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Ira J. Lamel
Executive Vice President and
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION FURNISHED
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the period ended September 30, 2004 (the "Report") filed by The Hain Celestial Group, Inc. (the "Company") with the Securities and Exchange Commission, I, Irwin D. Simon, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 8, 2004

/s/ Irwin D. Simon
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Irwin D. Simon
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to The Hain Celestial Group, Inc. and will be retained by The Hain Celestial Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION FURNISHED
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the period ended September 30, 2004 (the "Report") filed by The Hain Celestial Group, Inc. (the "Company") with the Securities and Exchange Commission, I, Ira J. Lamel, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 8, 2004

/s/ Ira J. Lamel
- -----------------------------
Ira J. Lamel
Executive Vice President and
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to The Hain Celestial Group, Inc. and will be retained by The Hain Celestial Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.