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: 03/31/04

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 _______

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

36,439,082 shares of Common Stock $.01 par value, as of May 7, 2004.

THE HAIN CELESTIAL GROUP, INC.

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PART I - FINANCIAL INFORMATION

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

	March 31, 2004	June 30, 2003
ASSETS	(Unaudited)	(Note)
Current assets:		
Cash and cash equivalents	$ 21,101	$ 10,984
Accounts receivable, less allowance for doubtful accounts of $1,810 and $1,748	70,731	61,215
Inventories	76,597	66,444
Recoverable income taxes, net	1,018	223
Deferred income taxes	3,171	3,171
Other current assets	10,422	7,671
Total current assets	183,040	149,708
Property, plant and equipment, net of accumulated depreciation and amortization of $41,128 and $31,555	73,992	68,665
Goodwill	309,288	296,508
Trademarks and other intangible assets, net of accumulated amortization of $8,037 and $7,377	55,909	55,975
Other assets	9,022	10,692
Total assets	$ 631,251	$ 581,548
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 53,921	$ 55,710
Current portion of long-term debt	8,648	8,807
Income taxes payable	12,072	1,867
Total current liabilities	74,641	66,384
Long-term debt, less current portion	56,871	59,455
Deferred income taxes	14,912	14,912
Total liabilities	146,424	140,751
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 36,875,648 and 34,810,722 shares	369	348
Additional paid-in capital	385,632	364,877
Deferred compensation	(3,043)	-
Retained earnings	101,017	79,089
Foreign currency translation adjustment	9,287	4,639
	493,262	448,953
Less: 622,516 and 606,619 shares of treasury stock, at cost	(8,435)	(8,156)
Total stockholders' equity	484,827	440,797
Total liabilities and stockholders' equity	$ 631,251	$ 581,548

Note: The balance sheet at June 30, 2003 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 amounts)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
Net sales	$136,862	$ 129,224	$406,707	$ 348,650
Cost of sales	98,316	89,519	283,900	240,376
Gross profit	38,546	39,705	122,807	108,274
Selling, general and administrative expenses	29,527	25,901	85,393	72,971
Restructuring and other non-recurring charges	-	-	-	440
Operating income	9,019	13,804	37,414	34,863
Interest expense and other expenses, net	932	1,184	2,073	1,560
Income before income taxes	8,087	12,620	35,341	33,303
Provision for income taxes	3,073	4,764	13,413	12,572
Net income	$ 5,014	$ 7,856	$ 21,928	$ 20,731
Net income per share:				
Basic	$ 0.14	$ 0.23	$ 0.63	$ 0.61
Diluted	$ 0.14	$ 0.23	$ 0.61	$ 0.60
Weighted average common shares outstanding:				
Basic	35,694	34,081	34,943	33,853
Diluted	36,804	34,887	36,098	34,579

See notes to consolidated financial statements.

THE HAIN CELESTIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
NINE MONTHS ENDED MARCH 31, 2004
(In thousands, except per share and share data)

	Common Stock		Additional	Unamortized	
	Shares	Amount at $.01	Paid-in Capital	Non-cash Compensation	Retained Earnings
Balance at June 30, 2003	34,810,722	$348	$ 364,877	$ -	$ 79,089
Exercise of stock options and warrants	1,914,926	19	17,587		
Purchase of treasury shares					
Restricted stock grant	150,000	2	3,133	(3,135)	
Non-cash compensation charge			35	92	
Comprehensive income:					
Net income for the period					21,928
Translation adjustments					
Total comprehensive income					
Balance at March 31, 2004	36,875,648	$369	$ 385,632	$(3,043)	$ 101,017

	Foreign Currency Translation Adjustment	Total	Comprehensive Income
Balance at June 30, 2003	$ 4,639	$440,797	
Exercise of stock options and warrants		17,606	
Purchase of treasury shares		(279)	
Restricted stock grant		-	
Non-cash compensation charge		127	
Comprehensive income:			
Net income for the period		21,928	$ 21,928
Translation adjustments	4,648	4,648	4,648
Total comprehensive income			$ 26,576
Balance at March 31, 2004	$ 9,287	$484,827	

See notes to consolidated financial statement

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

	Nine Months Ended March 31,	
	2004	2003

CASH FLOWS FROM OPERATING ACTIVITIES	(Unaudited)	
Net income	$ 21,928	$ 20,731
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,773	6,295
Provision for doubtful accounts	57	56
Non-cash compensation	127	35
Increase (decrease) in cash attributable to changes in operating assets and liabilities, net of amounts applicable acquired businesses:		
Accounts receivable	(7,999)	(9,481)
Inventories	(8,405)	1,674
Other current assets	(2,589)	(557)
Other assets	1,828	(2,115)
Accounts payable and accrued expenses	(6,577)	(7,893)
Income taxes, net	10,205	10,942
Net cash provided by operating activities	16,348	19,687
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(6,145)	(6,010)
Acquisitions of businesses, net of cash acquired	(4,480)	(44,660)
Net cash used in investing activities	(10,625)	(50,670)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments) proceeds from bank revolving credit facility, net	(7,650)	39,300
Payments on economic development revenue bonds	(408)	(375)
Purchase of treasury stock	(279)	(4,281)
Costs in connection with bank financing	(25)	(181)
Proceeds from exercise of warrants and options, net of related expenses	17,606	389
Repayments of other long-term debt, net	(2,891)	(81)
Net cash provided by financing activities	6,353	34,771
Effect of exchange rate changes on cash	(1,959)	647
Net increase in cash and cash equivalents	10,117	4,435
Cash and cash equivalents at beginning of period	10,984	7,538
Cash and cash equivalents at end of period	$ 21,101	$ 11,973

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. (herein referred to as "we", "us" and "our") is a natural, organic, specialty and snack food company. We are a leader in many of the top natural food categories, with such well-known natural food brands as Celestial Seasonings(R) teas, Hain Pure Foods(R), Westbrae(R), Westsoy(R), Rice Dream(R), Soy Dream(R), Imagine(R), Little Bear Organic Foods(R), Bearitos(R), Arrowhead Mills(R), Health Valley(R), Carb Fit(R), Breadshop(R), Casbah(R), Garden of Eatin'(R), Walnut Acres Certified Organic(R), Terra Chips(R), Harry's Premium Snacks(R), Boston's(R), Yves Veggie Cuisine(R), DeBoles(R), Earth's Best(R), Nile Spice(R), Lima(R), Biomarche(R), Natumi(R), Milk Free(R) and Grains Noirs(R). Our principal speciality product lines include Hollywood(R) cooking oils, Estee(R) sugar-free products, Kineret(R) kosher foods, Boston Better Snacks(R), and Alba Foods(R).

We operate in one business segment: the sale of natural, organic and other food and beverage products. In our 2003 fiscal year, approximately 42% of our revenues were derived from products that were manufactured within our own facilities with 58% produced by various co-packers.

Certain reclassifications have been made to our previous year's consolidated financial statements to conform them to the current year's presentation.

All amounts in our consolidated financial statements have been rounded to the nearest thousand dollars, except share and per share amounts.

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 and nine months ended March 31, 2004 are not necessarily indicative of the results that may be expected for the year ending June 30, 2004. Please refer to the footnotes to our consolidated financial statements as of June 30, 2003 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 March 31,		Nine Months Ended March 31,	
	2004	2003	2004	2003
Numerator:				
Net income	$ 5,014	$ 7,856	$ 21,928	$ 20,731
Denominator (in thousands):				
Denominator for basic earnings per share - weighted average shares outstanding during the period	35,694	34,081	34,943	33,853
Effect of dilutive securities:				
Stock options	1,059	650	1,031	569
Warrants	51	156	124	157
	1,110	806	1,155	726
Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversions	36,804	34,887	36,098	34,579
Basic net income per share	$ 0.14	$ 0.23	$ 0.63	$ 0.61
Diluted net income per share	$ 0.14	$ 0.23	$ 0.61	$ 0.60

4. Restricted Stock Grant

In accordance with the terms of the employment agreement with our Chief Executive Officer, on February 24, 2004, we granted 150,000 shares of restricted common stock to our Chief Executive Officer. On the grant date, the market value of our common stock was $20.90 per share and, therefore, the total market value of the grant approximated $3.1 million. These shares will vest ratably from the date of grant through expiration of the employment agreement on June 30, 2007. Through March 31, 2004, 4,419 shares have vested. For the quarter ended March 31, 2004, approximately $92,000 of non-cash compensation has been charged togeneral and administrative expenses.

5. INVENTORIES

Inventories consisted of the following:

	March 31, 2004	June 30, 2003
Finished goods	$45,993	$43,022
Raw materials, work-in-progress and packaging	30,604	23,422
	$76,597	$66,444

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

	March 31, 2004	June 30, 2003
Land	$ 7,145	$ 6,913
Buildings and improvements	26,748	24,448
Machinery and equipment	70,911	61,949
Furniture and fixtures	2,431	2,383
Leasehold improvements	1,524	1,457
Construction in progress	6,361	3,070
	115,120	100,220
Less: Accumulated depreciation and amortization	41,128	31,555
	$ 73,992	$ 68,665

7. ACQUISITIONS

On June 17, 2003, we acquired 100% of the stock of privately-held Acirca, Inc. ("Acirca"), the owner of the Walnut Acres Certified Organic(R) brand of organic fruit juices, soups, pasta sauces and salsas. Since June 2000, the financial and investment group Acirca has expanded Walnut Acres, its premier certified organic food and beverage brand, by integrating a series of organic brands including Mountain Sun(R), ShariAnn's(R), Millina's Finest(R), and Frutti di Bosco(R) into its Walnut Acres flagship. With the acquisition of these product lines, we added natural and organic juices and sauces to our product offerings and enhanced our offerings of soups and salsas. The purchase price consisted of approximately $9 million in cash, 134,797 shares of our common stock valued at $2.2 million, plus the assumption of certain liabilities. At March 31, 2004, goodwill from this transaction was estimated to be $16.7 million.

On December 2, 2002, we acquired substantially all of the assets and assumed certain liabilities of privately-held Imagine Foods, Inc. ("Imagine") in the United States and the United Kingdom. Imagine is a non-dairy beverage company specializing in aseptic and refrigerated rice and soy milks, organic aseptic soups and broths, and organic frozen desserts in the U.S., Canada, and Europe. The acquisition of these product lines has enhanced our existing market positions in non-dairy beverages and soups while adding frozen dessert products to our offerings to customers. The purchase price consisted of approximately $44.2 million in cash, 532,765 shares of our common stock valued at $7 million, plus the assumption of certain liabilities. At March 31, 2004, goodwill from this transaction was valued at $37.3 million, trademarks and other non-amortizable intangibles were $15.7 million, and patents and other amortizable intangibles were valued at $1.1 million.

The following table summarizes the estimated fair values of assets acquired and liabilities assumed of Acirca and Imagine at the dates of the acquisitions:

Current assets	$17,714
Property and equipment	2,409
Total assets	20,123
Liabilities assumed	14,937
Net assets acquired	$ 5,186

The balance sheet at March 31, 2004 includes the assets acquired and liabilities assumed valued at fair market value on the date of purchase. We have completed all of the procedures required to finalize the purchase price allocation for Imagine, while such procedures required for Acirca are expected to be completed by June 2004.

Our results of operations for the three and nine months ended March 31, 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 each of the periods 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), 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 March 31, 2003	Nine Months Ended March 31, 2003

Net sales	$ 133,899	$ 401,039
Net income	$ 5,751	$ 14,860
Income per share:		
Basic	$ 0.17	$ 0.44
Diluted	$ 0.16	$ 0.43
Weighted average shares:		
Basic	$ 34,216	$ 33,988
Diluted	$ 35,022	$ 34,714

In management's opinion, the unaudited pro forma results of operations are not indicative of the actual results that would have occurred had the Acirca and Imagine 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 $1.4 million in cash as well as the assumption of certain liabilities. The net assets acquired, as well as the sales and results of operations of Natumi, are not material to the Company's financial position or results of operations and, therefore, have not been included in the detailed information about our acquisitions.

On May 14, 2003, our subsidiary in Belgium acquired Grains Noirs, N.V., a Belgian producer and marketer of fresh prepared organic appetizers, salads, sandwiches and other full-plated dishes. The purchase price paid was approximately $2.2 million in cash. The net assets acquired, as well as the sales and results of operations of Grains Noirs, are not material to the Company's financial position or results of operations and, therefore, have not been included in the detailed information about our acquisitions.

8. 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 March 31, 2004, $46.2 million was borrowed under the Credit Facility at an interest rate of 2.3%.

9. 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 and nine months ended March 31, 2004 and 2003 would have been the pro forma amounts that follow:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2004	2003	2004	2003
Net income, as reported	$5,014	$ 7,856	$21,928	$ 20,731
Non-cash compensation charge, net of related tax effects	65	7	79	22
Stock-based employee compensation expense determined under fair value method, net of related tax effects	(2,413)	(2,357)	(4,350)	(7,172)
Pro forma net income	$ 2,666	$ 5,506	$ 17,657	$ 13,581
Basic net income per share:				
As reported	$ 0.14	$ 0.23	$ 0.63	$ 0.61
Pro forma	$ 0.07	$ 0.16	$ 0.51	$ 0.40
Diluted net income per share:				
As reported	$ 0.14	$ 0.23	$ 0.61	$ 0.60
Pro forma	$ 0.07	$ 0.16	$ 0.49	$ 0.39

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 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 natural food brands as Celestial Seasonings(R) teas, Hain Pure Foods(R), Westbrae(R), Westsoy(R), Arrowhead Mills(R), Health Valley(R), Carb Fit(R), Breadshop(R), Casbah(R), Garden of Eatin'(R), Rice Dream(R), Soy Dream(R), Imagine(R), Walnut Acres Certified Organic(R), Little Bear Organic Foods(R), Bearitos(R), Terra Chips(R), Harry's Premium Snacks(R), Boston's(R), Gaston's(R), Yves Veggie Cuisine(R), DeBoles(R), Earth's Best(R), Nile Spice(R), Lima(R), Biomarche(R), Natumi(R), Milk Free(R) and Grains Noirs(R). Our 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 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 March 31, 2004

Net sales for the three months ended March 31, 2004 were $136.9 million, an increase of $7.7 million or 6.0% over net sales of $129.2 million in the March 31, 2003 quarter. Gross sales (before deducting discounts and other sales incentives in accordance with Emerging Issues Task Force Consensus("EITF") 01-09) increased 9.2% in the 2004 quarter over the prior year period. The increases came from volume increases principally in our snacks brands, which were up 20.9%, our Earth's Best baby food brand, which was up 24%, our Celestial Seasonings tea brand, which was up 6.2%, our Canadian business, which was up 23.7%, and from the introduction of our new Carb Fit brand of low-carbohydrate products. Sales of our Imagine Foods brands, acquired in December 2002, are included in each of the quarterly periods, while sales of our Walnut Acres brands are included only in the current year quarter. The difference between gross sales growth of 9.2% and net sales growth of 6.0% is the result of more aggressive spending in the trade and on consumers, including spending on the launch of our new Carb Fit brand, during the 2004 quarter as compared to the 2003 quarter. In the 2004 quarter, we spent approximately $.5 million more in this area than in the prior year's quarter. The Company believes that sales growth during the current year quarter was negatively impacted by our inability to fill orders for soup due to non-recurring manufacturing issues encountered at our independent soup co-packer, thereby causing out of stock positions on soup, and to a lesser extent, by the strike of grocery workers in Southern California where the Company has a very strong market presence.

Gross profit for the three months ended March 31, 2004 was 28.2% of net sales as compared to 30.7% of net sales in the March 31, 2003 quarter. Approximately 2.1 percentage points of the decline in gross profit percentage was principally the result of aggressive spending in the trade and with consumers, including spending on the launch of Carb Fit, as described earlier. Increases in transportation costs 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, caused an additional one percentage point reduction in gross profit as a percent of sales. We also saw increases in the cost of ingredients.

Selling, general and administrative expenses increased by $3.6 million to $29.5 million for the three months ended March 31, 2004 as compared to $25.9 million in the March 31, 2003 quarter. Such expenses as a percentage of net sales amounted to 21.5% for the three months ended March 31, 2004 compared with 20.0% in the March 31, 2003 quarter. Selling, general and administrative expenses have increased as a percentage of sales and in overall dollars, primarily as a result of increased advertising and marketing expenses needed to support our increased sales including the introduction of our Carb Fit brand of low carbohydrate products.

There were no restructuring and other non-recurring charges for the quarter ended March 31, 2004 or for the quarter ended March 31, 2003.

Operating income was $9.0 million in the three months ended March 31, 2004 compared to $13.8 million in the March 31, 2003 quarter. Operating income as a percentage of net sales was 6.6% in the March 31, 2004 quarter, compared with 10.7% in the March 31, 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 $0.9 million for the three months ended March 31, 2004 compared to $1.2 million for the three months ended March 31, 2003. We incurred lower interest expense in the 2004 quarter resulting from lower interest rates from our credit facility.

Income before income taxes for the three months ended March 31, 2004 amounted to $8.1 million compared to $12.6 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 38% of pre-tax income for both the three months ended March 31, 2004 and 2003. We expect our effective tax rate to approximate this rate during the remainder of fiscal 2004.

Net income for the three months ended March 31, 2004 was $5.0 million compared to $7.9 million in the March 31, 2003 quarter. The decrease of $2.9 million in earnings was primarily attributable to the aforementioned decrease in income before income taxes.

Nine Months Ended March 31, 2004

Net sales for the nine months ended March 31, 2004 were $406.7 million, an increase of $58.0 million or 16.6% over net sales of $348.7 million for the nine months ended March 31, 2003. Gross sales (before deducting discounts and other sales incentives in accordance with EITF 01-09) increased 18.4% in the first nine months of 2004 over the prior year period. The increases came from volume increases principally in the Company's snacks brands, which were up 14.4%, the Company's Earth's Best baby food brand, which was up 22.5%, the Company's Celestial Seasonings tea brand, which was up 6.9%, the Company's Canadian business, which was up 23.8%, and from the introduction of the Company's new Carb Fit brand of low-carbohydrate products, as well as sales of businesses acquired. The difference between gross sales growth of 18.4% and net sales growth of 16.6% is the result of more aggressive spending in the trade and on consumers, including spending on the launch of the Carb Fit brand, during 2004 as compared to 2003. In 2004, the Company spent approximately $1 million more in this area than in the prior year. The Company believes that sales growth during the current year period was negatively impacted by our inability to fill orders for soup due to non-recurring manufacturing issues encountered at our independent soup co-packer, thereby causing out of stock positions on soup, and to a lesser extent, by the strike of grocery workers in Southern California where the Company has a very strong market presence.

Gross profit for the nine months ended March 31, 2004 was 30.2% of net sales as compared to 31.1% of net sales for the nine months ended March 31, 2003. The decline in gross profit percentage was principally the result of the aggressive spending in the trade and with consumers, including spending on the launch of Carb Fit, as described earlier, as well as increases in transportation costs 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. We also saw increases in the cost of ingredients.

Selling, general and administrative expenses increased by $12.4 million to $85.4 as compared to $73.0 million for the nine months ended March 31, 2003. Such expenses as a percentage of net sales amounted to 21.0% for the nine months ended March 31, 2004 compared with 20.9% for the nine months ended March 31, 2003. Selling, general and administrative expenses increased in overall dollars and as a percentage of sales, primarily as a result of increased advertising and marketing spending needed to support our increased sales, including our new Carb Fit line of products.

There were no restructuring and other non-recurring charges for the nine months ended March 31, 2004. During the nine months ended March 31, 2003, we recorded approximately $0.4 million of additional restructuring and other non-recurring charges related to the sale of our Health Valley facility.

Operating income was $37.4 million in the nine months ended March 31, 2004 compared to $34.9 million for the nine months ended March 31, 2003. Operating income as a percentage of net sales was 9.2% for the nine months ended March 31, 2004, compared with 10.0% for the nine months ended March 31, 2003. While overall dollars increased, as a percentage of sales operating income decreased. These changes are a result of higher sales offset by the aforementioned decrease in gross profit and increase in selling, general and administrative expenses.

Interest and other expenses amounted to $2.1 million for the nine months ended March 31, 2004 compared to $1.6 million for the nine months ended March 31, 2003. 14 We incurred higher interest expense for the nine months ended March 31, 2004 resulting from borrowings for acquisitions which were outstanding for the full nine months this year.

Income before income taxes for the nine months ended March 31, 2004 amounted to $35.3 million compared to $33.3 million for the nine months ended March 31, 2003. This increase was attributable to the aforementioned increase in operating income, offset by the increase in interest expense and other expenses, net.

Our effective income tax rate approximated 38% of pre-tax income for both the nine months ended March 31, 2004 and 2003.

Net income for the nine months ended March 31, 2004 was $21.9 million compared to $20.7 million for the nine months ended March 31, 2003. The increase of $1.2 million in earnings was primarily attributable to the aforementioned increase in income before income taxes.

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 March 31, 2004, we had $46.2 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 develop our existing infrastructure through capital investment.

We have also announced that effective July 2004 we will adjust prices upward by 4% to 5% across certain of our U.S. businesses effective July 2004. 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 provided by operations was $16.3 and $19.7 million for the nine months ended March 31, 2004 and 2003, respectively. Our working capital and current ratio was $108.4 million and 2.5 to 1, respectively, at March 31, 2004 compared with $83.3 million and 2.3 to 1 respectively, at June 30, 2003. The increase in working capital resulted principally from the net income earned during the nine months ended March 31, 2004.

Net cash provided by financing activities was $6.4 million and $34.8 million for the nine months ended March 31, 2004 and 2003, respectively. In the March 31, 2004 period, we received proceeds from the exercise of stock options and warrants, which were offset by the payment of debt. In the March 2003 period, borrowings were offset by acquisitions of shares of our common stock in open market purchases as part of our buy back program.

We believe that cash on hand of $21.1 million at March 31, 2004, projected remaining fiscal 2004 cash flows from operations, and availability under our Credit Facility are sufficient to fund our working capital needs, anticipated capital expenditures of approximately $4 million, and scheduled debt payments of approximately $8.6 million for the remainder of fiscal 2004. Further, cash on hand, anticipated cash flows from operations for fiscal 2005, and availability under our credit Facility are believed to be sufficient to fund these needs through 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 25% 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 at March 31, 2004 was $6.5 million as compared to $6 million at June 30, 2003.

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; the ability of the Company to implement its business and acquisition strategy; the ability to effectively integrate its acquisitions; the ability of the Company to obtain financing for general corporate purposes; competition; availability of key personnel; and changes in, or the failure to comply with government regulations. As a result of the foregoing and other factors, no assurance can be given as to the 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 or in other factors that could significantly affect these controls during the quarter covered by this report or from the end of the reporting period to the date of this Form 10-Q.

Part II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Reports on Form 8-K

On March 8, 2004, we filed a report on Form 8-K, reporting on Item 5, the resignation of James S. Gold as a Director.

On February 4, 2004, we filed a report on Form 8-K, reporting on Item 12, announcing our earnings for our second quarter ended December 31, 2003.

EXHIBITS

Exhibit Number	Description
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the SecuritiesExchange 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: May 17, 2004

/s/ Irwin D. Simon

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

Date: May 17, 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 13, 2003

/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: May 17, 2004

/s/ Ira J. Lamel
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 March 31, 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: May 17, 2004

/s/ Irwin D. Simon
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 March 31, 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: May 17, 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.