

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT  
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Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)  
July 1, 1998

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

Delaware

0-22818

22-3240619

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(State or other jurisdiction  
of incorporation)

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(Commission  
File Number)

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(I.R.S. Employer  
Identification No.)

50 Charles Lindbergh Boulevard  
Uniondale, New York

11553

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(Address of principal executive offices)

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(Zip Code)

Registrant's telephone number, including area code (516) 237-6200  
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Item 2. Acquisition or Disposition of Assets.

(a) On July 1, 1998, Hain Acquisition Corp., a Delaware corporation (the "Hain Acquisition") and wholly owned subsidiary of The Hain Food Group, Inc. ("Parent" or the "Registrant"), pursuant to (i) the Agreement and Plan of Merger, dated April 24, 1998, by and between Parent and Arrowhead Mills, Inc. ("AMI"), as amended (the "AMI Merger Agreement"), and (ii) the Agreement and Plan of Merger, dated April 24, 1998, by and between Parent and Garden of Eatin', Inc. ("GOE"), as amended (the "GOE Merger Agreement"), each of AMI and GOE merged with and into Hain Acquisition (together the "Mergers"). Subsequent to the Mergers, Hain Acquisition changed its name to Arrowhead Mills, Inc. ("New AMI").

As provided in the AMI Merger Agreement, each outstanding share of the common stock, par value \$.01 per share, of AMI ("AMI Common Stock") was converted into the right to receive (i) 2.2702 shares of common stock, par value \$.01 per share, of Parent ("Hain Common Stock") and (ii) \$20.95. As provided in the GOE Merger Agreement each outstanding share of the common stock, par value \$.01 per share, of GOE ("GOE Common Stock") was converted into the right to receive (i) 19.428 shares of Hain Common Stock and (ii) \$112.95. Holders of AMI Common Stock or GOE Common Stock who would have received fractional shares of Hain Common Stock instead received an amount in cash equal to the product of the fractional share interest and \$23.1625, the average closing price of shares of Hain Common Stock as reported on the National Market System of The Nasdaq Stock Market, Inc. for the 10 trading days ending June 24, 1998.

Parent expects to issue up to 1,716,111 shares of Hain Common Stock to holders of AMI Common Stock and GOE Common Stock as stock consideration.

In connection with the Mergers, Hain entered into its Third Amended and Restated Revolving Credit and Term Loan Agreement with IBJ Schroder Bank & Trust Company, as issuer and agent for the lenders named therein (as amended, the "Credit Facility"). Under the Credit Facility, the term loan portion is \$60.0 million (increased from \$18.6 million) and the revolving line of credit is \$15.0 million.

Parent funded the cash consideration paid to holders of AMI Common Stock and GOE Common Stock through borrowings under the Credit Facility.

(b) Assets constituting plant, equipment or other physical property acquired by the Parent (through its wholly owned subsidiary Hain Acquisition) in the Mergers were used by AMI in manufacturing. At the present time, Parent intends to use these assets in the same manner in which they were used prior to the Mergers.

Item 7. Financial Statements and Exhibits.

(a) Financial statements of business acquired.

The financial statements required by this Item will be filed by Parent by amendment to this Current Report on Form 8-K no later than September 15, 1998.

(b) Pro forma financial information.

The pro forma financial statements required by this Item will be filed by Parent by amendment to this Current Report on Form 8-K no later than September 15, 1998.

(c) Exhibits.

(2.1) Agreement and Plan of Merger by and between The Hain Food Group, Inc. and Arrowhead Mills, Inc. dated April 24, 1998. (Incorporated by reference to Annex A to Parent's Registration Statement on Forms S-4/S-3, File No. 333-56319).

(2.2) Agreement and Plan of Merger by and between The Hain Food Group, Inc. and Garden of Eatin', Inc. dated April 24, 1998. (Incorporated by reference to Annex B to Parent's Registration Statement on Forms S-4/S-3, File No. 333-56319).

(2.3) First Amendment to Agreement and Plan of Merger by and between The Hain Food Group, Inc. and Arrowhead Mills, Inc. dated June 25, 1998. (Incorporated by reference to Exhibit 2.6 to Parent's Registration Statement on Forms S-4/S-3, File No. 333-56319).

(2.4) First Amendment to Agreement and Plan of Merger by and between The Hain Food Group, Inc. and Garden of Eatin', Inc. dated June 25, 1998. (Incorporated by reference to Exhibit 2.5 to Parent's Registration Statement on Forms S-4/S-3, File No. 333-56319).

(2.5) Voting Agreement and Irrevocable Proxy between The Hain Food Group, Inc. and Alexander Dzieduszycki, The George Dana Sinkler, Jr. Revocable Living Trust and TSG2 L.P. dated April 24, 1998 (Incorporated by reference to Exhibit 2.3 to Parent's Registration Statement on Form S-4/S-3, File No. 333-56319).

(2.6) Voting Agreement and Irrevocable Proxy between The Hain Food Group, Inc. and TSG2 L.P. and Al H. Jacobson dated April 24, 1998 (Incorporated by reference to Exhibit 2.4 to Parent's Registration Statement on Form S-4/S-3, File No. 333-56319).

(99.1) Press release of Parent dated July 1, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE HAIN FOOD GROUP, INC.

Dated: July 14, 1998

By: /s/ Jack Kaufman

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Jack Kaufman  
Chief Financial Officer

EXHIBIT INDEX

Number Description

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[The Hain Food Group, Inc. Letterhead]

For further information,  
please contact:

Jack Kaufman, Chief Financial Officer  
The Hain Food Group  
516/237-6200

Roger Spencer / Philip Thomas  
The P.L. Thomas Group  
312/906-8060

HAIN FOOD GROUP COMPLETES ACQUISITION OF  
FOUR NATURAL AND SPECIALTY FOOD BUSINESSES

Uniondale, NY, July 1, 1998 -- The Hain Food Group, Inc. (Nasdaq: HAIN) today completed its acquisition of four natural and specialty food businesses from The Shansby Group and other owners. The acquired companies are Arrowhead Mills, Inc., DeBoles Nutritional Foods, Inc., Dana Alexander Inc. and Garden of Eatin', Inc. and the aggregate purchase price was approximately \$80 million. These acquisitions will be accounted for as purchases and, accordingly, the operating results of the acquired companies will be included in Hain's operating results from July 1, 1998 on, according to Irwin D. Simon, President and Chief Executive Officer.

Arrowhead Mills is a leading manufacturer and marketer of high quality natural and organic foods, including several brand leaders in the cereal, flour and baking mix, packaged grain and nut butter categories. DeBoles is the leading natural food pasta producer. Dana Alexander is a fast growing manufacturer and marketer of all-natural gourmet vegetable chips sold under the Terra chips brand name. Garden of Eatin', Inc. is a market leader in natural tortilla corn chips and other snack items.

Simon commented, "We are excited about the potential that these brands bring to our growing business. The acquired brands will add approximately \$60 million of annual revenues to our existing brands and bring us very close to \$200 million in annual sales. We are particularly pleased with the synergies between these new brands and our existing business, which allows us to integrate these brands fairly quickly and should result in efficiencies and cost savings. We are also pleased that several senior executives of the acquired companies will be joining the Hain organization. Their expertise will help us grow our new and existing brands."

Certain of the statements in this press release are forward looking in nature and, accordingly, are subject to risks and uncertainties. The actual results may differ from those described or contemplated.

The Hain Food Group, headquartered in Uniondale, NY is a specialty food company which has a product line comprised of the following key brands: Hain Pure Foods-Registered Trademark- (an all-natural food brand including rice cakes and other foods). Westbrae-Registered Trademark-, Westsoy-Registered Trademark-, Little Bear-Registered Trademark- and Bearitos-Registered Trademark- (natural non-dairy beverages, snacks, and other natural foods), Estee-Registered Trademark- (sugar-free and fructose-sweetened products); Hollywood-Registered Trademark- (safflower, canola and peanut oils, mayonnaise and margarine); Kineret-Registered Trademark- (kosher foods); Earth's Best (natural baby foods); Featherweight-Registered Trademark- (low-sodium foods); Harry's Premium Snacks (natural snack products), Farm Foods-Registered Trademark- (frozen vegetarian products), Boston Better Snacks-Registered Trademark- (snack foods), Weight Watchers-Registered Trademark- (dry and refrigerated weight control products); and Alba Foods-Registered Trademark- (dry milk mixes and shakes).

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