

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 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 No

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

Yes No

As of February 3, 2005, there were 36,539,642 shares outstanding of the Registrant's Common Stock, par value \$.01 per share.

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)

	December 31, 2004	June 30, 2004
	----- (Unaudited)	----- (Note)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,304	\$ 27,489
Accounts receivable, less allowance for doubtful accounts of \$2,026 and \$2,185	75,699	69,392
Inventories	88,261	86,873
Deferred income taxes	3,111	3,111
Other current assets	16,872	11,449
	-----	-----
Total current assets	196,247	198,314
Property, plant and equipment, net of accumulated depreciation and amortization of \$47,147 and \$40,799	89,386	87,002
Goodwill	345,235	333,218
Trademarks and other intangible assets, net of accumulated amortization of \$8,818 and \$8,349	55,666	55,793
Other assets	11,012	9,904
	-----	-----
Total assets	\$ 697,546	\$ 684,231
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 55,317	\$ 59,031
Current portion of long-term debt	3,851	6,845
Income taxes payable	6,211	2,489
	-----	-----
Total current liabilities	65,379	68,365
Long-term debt, less current portion	93,782	104,294
Deferred income taxes	14,807	14,807
	-----	-----
Total liabilities	173,968	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 37,206,048 and 37,064,648 shares	372	371
Additional paid-in capital	396,767	394,740
Deferred compensation	(2,341)	(2,809)
Retained earnings	122,957	106,097
Foreign currency translation adjustment	15,108	7,651
	-----	-----
	532,863	506,050
Less: 671,556 shares of treasury stock, at cost	(9,285)	(9,285)
	-----	-----
Total stockholders' equity	523,578	496,765
	-----	-----
Total liabilities and stockholders' equity	\$ 697,546	\$ 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 amounts)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2004	2003	2004	2003
	(Unaudited) (Unaudited)			
Net sales	\$ 169,753	\$ 142,792	\$ 307,357	\$ 269,845
Cost of sales	116,522	95,693	215,151	185,584
Gross profit	53,231	47,099	92,206	84,261
Selling, general and administrative expenses	35,173	30,047	63,358	55,866
Operating income	18,058	17,052	28,848	28,395
Interest expense and other expenses, net	553	350	1,208	1,141
Income before income taxes	17,505	16,702	27,640	27,254
Provision for income taxes	6,827	6,330	10,780	10,340
Net income	\$ 10,678	\$ 10,372	\$ 16,860	\$16,914
Net income per share:				
Basic	\$ 0.29	\$ 0.30	\$ 0.46	\$ 0.49
Diluted	\$ 0.29	\$ 0.29	\$ 0.46	\$ 0.47
Weighted average common shares outstanding:				
Basic	36,390	34,913	36,332	34,567
Diluted	37,207	36,135	37,031	35,745

See notes to consolidated financial statements.

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

	Common Stock		Addi- tional Paid-in Capital	Unamor- tized Non-Cash Compen- sation	Re- tained Earn- ings	Treasury Stock		Foreign Cur- rency Trans- lation Adjust- ment	Total	Compre- hensive 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	141,400	1	2,004						2,005	
Non-cash compensation charge			23	468					491	
Comprehensive income: Net income for the period					16,860				16,860	\$ 16,860
Translation adjustments								7,457	7,457	7,457
Total compre- hensive income										\$ 24,317
Balance at December 31, 2004	37,206,048	\$372	\$ 396,767	\$ (2,341)	\$ 122,957	671,556	\$ (9,285)	\$ 15,108	\$ 523,578	

See notes to consolidated financial statements.

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

	Six Months Ended December 31,	
	2004	2003
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 16,860	\$ 16,914
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,817	5,331
Provision for doubtful accounts	22	(115)
Increase (decrease) in cash attributable to changes in operating assets and liabilities, net of amounts applicable to acquired businesses:		
Accounts receivable	(4,570)	(12,641)
Inventories	(1,215)	(7,126)
Other current assets	(4,563)	(1,364)
Other assets	(1,234)	1,868
Accounts payable and accrued expenses	(7,469)	1,837
Income taxes, net	3,455	7,912
Net cash provided by operating activities	8,103	12,616
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(5,340)	(2,293)
Acquisitions of businesses, net of cash acquired	(5,418)	-
Net cash used in investing activities	(10,758)	(2,293)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of bank revolving credit facility, net	(8,500)	(1,650)
Payments on economic development revenue bonds	(3,550)	(258)
Purchase of treasury stock	-	(279)
Proceeds from exercise of warrants and options, net of related expenses	2,005	9,788
Repayments of other long-term debt, net	(871)	(2,352)
Net cash (used in) provided by financing activities	(10,916)	5,249
Effect of exchange rate changes on cash	(1,614)	(2,785)
Net (decrease) increase in cash and cash equivalents	(15,185)	12,787
Cash and cash equivalents at beginning of period	27,489	10,984
Cash and cash equivalents at end of period	\$ 12,304	\$ 23,771

See notes to consolidated financial statements.

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 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 and six months ended December 31, 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 HAIN CELESTIAL GROUP, INC. AND SUBSIDIARIES NOTES
 TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)-Continued

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2004	2003	2004	2003
Numerator:				
Net income	\$ 10,678	\$10,372	\$ 16,860	\$16,914
Denominator (in thousands):				
Denominator for basic earnings per share - weighted average shares outstanding during the period	36,390	34,913	36,332	34,567
Effect of dilutive securities:				
Stock options	817	1,072	696	1,018
Warrants	-	150	3	160
	817	1,222	699	1,178
Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversions	37,207	36,135	37,031	35,745
Basic net income per share	\$ 0.29	\$ 0.30	\$ 0.46	\$ 0.49
Diluted net income per share	\$ 0.29	\$ 0.29	\$ 0.46	\$ 0.47

4. INVENTORIES

Inventories consisted of the following:

	December 31, 2004	June 30, 2004
Finished goods	\$56,146	\$56,132
Raw materials, work-in-progress and packaging	32,115	30,741
	\$88,261	\$86,873

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

	December 31, 2004	June 30, 2004
Land	\$ 8,212	\$ 8,113
Buildings and improvements	30,819	29,867
Machinery and equipment	85,581	79,275
Furniture and fixtures	2,607	2,527
Leasehold improvements	3,872	3,478
Construction in progress	5,442	4,541
	-----	-----
	136,533	127,801
Less: Accumulated depreciation and amortization	47,147	40,799
	-----	-----
	\$ 89,386	\$ 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 December 31, 2004, goodwill (not deductible for tax purposes) from this transaction was estimated to be \$24.7 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 December 31, 2004, goodwill (deductible for tax purposes) from this transaction was estimated to be \$8.4 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	\$ 12,369
Property and equipment	12,871
Other assets	102

Total assets	25,342
Liabilities assumed	4,364

Net assets acquired	\$ 20,978
	=====

The balance sheet at December 31, 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 and six months ended December 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 the periods shown. This information has not been adjusted to reflect any changes in the operations of these businesses subsequent to their

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

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 December 31, 2003	Six Months Ended December 31, 2003
Net sales	\$ 156,778	\$ 296,842
Net income	\$ 10,940	\$ 16,861
Earnings per share:		
Basic	\$ 0.31	\$ 0.49
Diluted	\$ 0.30	\$ 0.47
Weighted average shares:		
Basic	34,913	34,567
Diluted	36,135	35,745

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 9.0 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 December 31, 2004, \$90.7 million was borrowed under the Credit Facility at an interest rate of 3.7%. On February 7, 2005, the outstanding borrowings under the Credit Facility were reduced to \$82.7 million by an \$8 million repayment.

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 and six months ended December 31, 2004 and 2003 would have been the pro forma amounts that follow:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2004	2003	2004	2003
Net income, as reported	\$ 10,678	\$ 10,372	\$ 16,860	\$ 16,914
Non-cash compensation charge, net of related tax effects	150	7	300	14
Stock-based employee compensation expense determined under fair value method, net of related tax effects	(1,393)	(716)	(4,855)	(1,937)
Pro forma net income	\$ 9,435	\$ 9,663	\$ 12,305	\$ 14,991
Basic net income per share:				
As reported	\$ 0.29	\$ 0.30	\$ 0.46	\$ 0.49
Pro forma	\$ 0.26	\$ 0.28	\$ 0.34	\$ 0.43
Diluted net income per share:				
As reported	\$ 0.29	\$ 0.29	\$ 0.46	\$ 0.47
Pro forma	\$ 0.25	\$ 0.27	\$ 0.33	\$ 0.42

On December 16, 2004, the Financial Accounting Standards Board issued Statement No. 123 (revised 2004), "Share-Based Payment," which is a revision of SFAS No. 123. SFAS No. 123(R) supersedes APB 25 and amends SFAS No. 95, "Statement of Cash Flows." Generally, the approach in SFAS No. 123 (R) is similar to the approach described in SFAS No. 123. However, SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. SFAS No. 123(R) must be adopted no later than July 1, 2005. Early adoption will be permitted in periods in which financial statements have not yet been issued. We expect to adopt SFAS No. 123(R) on July 1, 2005.

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 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 and personal care 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 December 31, 2004

Net sales for the three months ended December 31, 2004 were \$169.8 million, an increase of \$27.0 million or 18.9% over net sales of \$142.8 million for the three months ended December 31, 2003. The increase came from increases in sales across our Company, including an 8.3% increase in our Celestial Seasonings tea brand and an increase of 17.8% in our Canadian business. Sales of our low-carbohydrate products declined parallel with trends in the consumer markets; however, these sales were replaced by strong sales gains in our DeBoles pasta and our Arrowhead Mills brands. During the December 31, 2004 quarter, we benefited by approximately 2% from the phasing in of price increases we began to implement in July 2004. Sales also benefited from sales generated by businesses acquired that we did not own during the comparable quarter of the prior year.

Gross profit for the three months ended December 31, 2004 was 31.4% of net sales as compared to 33.0% of net sales for the three months ended December 31, 2003. The decline in gross profit percentage was principally the result of a change in the mix of products sold. This change in mix comes from acquired businesses increasing our consolidated sales and thereby reducing the proportionate contribution of our higher margin tea products. We also continued to incur higher costs of ingredients, increased 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. These higher costs increased the costs of our products by approximately 2.2%, which amount offset the benefit of our price increase.

Selling, general and administrative expenses increased by \$5.2 million to \$35.2 million for the three months ended December 31, 2004 as compared to \$30.0 million for the three months ended December 31, 2003. Such expenses amounted to 20.7% of net sales for the three months ended December 31, 2004 compared with 21.0% in the December 31, 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 December 31, 2004 includes approximately \$1.2 million for the cost of terminated employees, for non-cash compensation charges, and for Sarbanes-Oxley compliance costs.

Operating income was \$18.1 million for the three months ended December 31, 2004 compared to \$17.1 million for the three months ended December 31, 2003. Operating income as a percentage of net sales was 10.6% in the December 31, 2004 quarter, compared with 11.9% in the December 31, 2003 quarter. The dollar increase resulted principally from higher sales, while the percentage decrease resulted principally from lower gross profit as a percentage of sales.

Interest and other expenses, net amounted to \$.6 million for the three months ended December 31, 2004 compared to \$.4 million for the three months ended December 31, 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 \$.6 million in net currency exchange gains this quarter as compared to \$.4 million in the prior year quarter, which partially offset the additional interest costs.

Income before income taxes for the three months ended December 31, 2004 amounted to \$17.5 million compared to \$16.7 million in the comparable period of the prior year. This increase was attributable to the increase in operating income.

Our effective income tax rate approximated 39% of pre-tax income for the three months ended December 31, 2004 compared to 38% for the three months ended December 31, 2003. We expect our effective tax rate to approximate 39% during the remainder of fiscal 2005.

Net income for the three months ended December 31, 2004 was \$10.7 million compared to \$10.4 million for the three months ended December 31, 2003. The increase of \$.3 million in earnings was primarily attributable to the aforementioned increase in income before income taxes offset by the increase in our effective tax rate.

Six Months Ended December 31, 2004

Net sales for the six months ended December 31, 2004 were \$307.4 million, an increase of \$37.6 million or 13.9% over net sales of \$269.8 million for the six months ended December 31, 2003. The increase came from volume increases and from the phasing in of price increases and from sales generated by businesses acquired in 2004. During the second quarter ended December 31, 2004, sales of our low-carbohydrate products declined parallel with trends in the consumer markets; however, these sales were replaced by strong sales gains in our DeBoles pasta and our Arrowhead Mills brands. During the first quarter ended September 30, 2004, sales were negatively impacted by reductions in inventories estimated at \$12.0 million at two major distributors.

Gross profit for the six months ended December 31, 2004 was 30.0% of net sales as compared to 31.2% of net sales for the six months ended December 31, 2003. The decline in gross profit percentage was the result of a change in the mix of products sold whereby our higher margin tea sales became a lower proportion of our consolidated sales; 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 that we phased in beginning July 1, 2004.

Selling, general and administrative expenses increased by \$7.5 million to \$63.4 million for the six months ended December 31, 2004 as compared to \$55.9 million for the six months ended December 31, 2003. Such expenses amounted to 20.6% of net sales for the six months ended December 31, 2004 compared with 20.7% for the six months ended December 31, 2003. 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 six months ended December 31, 2004 includes approximately \$1.8 million for the cost of terminated employees, for non-cash compensation charges and for Sarbanes-Oxley compliance costs.

Operating income was \$28.8 million for the six months ended December 31, 2004 compared to \$28.4 million for the six months ended December 31, 2003. Operating income as a percentage of net sales was 9.4% for the current year period, compared with 10.5% for the prior year period. The dollar increase resulted principally from higher sales, while the percentage decrease resulted principally from lower gross profit as a percentage of sales.

Interest and other expenses, net amounted to \$1.2 million for the six months ended December 31, 2004 compared to \$1.1 million for the six months ended December 31, 2003. Our interest expense was \$.7 million higher the current year period as compared to the prior year period, principally as a result of the higher average borrowings we carry this year after our recent acquisitions. We had \$.8 million in net currency exchange gains in the current year period as compared to \$.3 million in net currency exchange losses in the prior year period, which partially offset the additional interest costs.

Income before income taxes for the six months ended December 31, 2004 amounted to \$27.6 million compared to \$27.3 million in the comparable period of the prior year. This increase was attributable to the increase in operating income.

Our effective income tax rate approximated 39% of pre-tax income for the six months ended December 31, 2004 compared to 38% for the six months ended December 31, 2003. We expect our effective tax rate to approximate 39% during the remainder of fiscal 2005.

Net income for the six months ended December 31, 2004 and 2003 was \$16.9 million. Although overall dollars were flat period over period, the percentage decrease from 6.3% for the prior year period to 5.5% for the current year period was primarily attributable to the aforementioned decrease in income before income taxes as a percentage of sales offset by the increase in our effective tax rate as a percentage of sales.

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 December 31, 2004, we had \$90.7 million outstanding under the Credit Facility. On February 7, 2005, the outstanding borrowings under the Credit Facility were reduced to \$82.7 million by an \$8 million repayment.

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.

Net cash provided by operations was \$8.1 million and \$12.6 million for the six months ended December 31, 2004 and 2003, respectively. Our working capital and current ratio was \$130.9 million and 3.0 to 1, respectively, at December 31, 2004 compared with \$129.9 million and 2.9 to 1 respectively, at June 30, 2004. The increase in working capital resulted principally from a decrease in our current liabilities offset by a decrease in current assets. The decrease in current assets was driven by a decrease in cash which was used to reduce both current liabilities and debt during the six months ended December 31, 2004.

Net cash (used in) provided by financing activities was \$(10.9) million and \$5.2 million for the six months ended December 31, 2004 and 2003, respectively. The change was due principally to our pay down of approximately \$12.9 million of debt offset by proceeds from the exercise of warrants and options of approximately \$2.0 million during the first six months of fiscal 2005, as compared to our pay down of approximately \$4.3 million offset by proceeds from the exercise of warrants and options of approximately \$9.8 million during the first six months of fiscal 2004.

We believe that cash on hand of \$12.3 million at December 31, 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 \$6 million, and scheduled debt and lease payments of approximately \$8.6 million for the remainder of fiscal 2005. We currently invest our cash on hand in highly liquid short-term investments yielding approximately 2% 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 December 31, 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 actual cost or market, 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 provide 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 when the earnings process is complete, which occurs when products are shipped in accordance with terms of agreements, title and risk of loss transfer to customers, collection is probable and pricing is fixed or determinable. Sales are reported net of sales incentives, which include trade discounts and promotions and certain coupon costs. Shipping and handling costs billed to customers are included in reported sales. Allowances for cash discounts are recorded in the period in which the related sale is recognized.

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 30, 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 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Stockholders was held on December 2, 2004. The Company submitted the following matters to a vote of security holders:

1. To elect a board of directors to serve until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified; and
2. To amend our 2002 Long Term Incentive and Stock Award Plan to increase the number of shares issuable over the term of the plan by 1,800,000 shares to 4,900,000 shares in the aggregate; and
3. To ratify the appointment of Ernst & Young LLP as our registered independent accountants for fiscal 2005.

The stockholders elected the persons named below, the Company's nominees for directors, as directors for the Company, casting votes as shown below:

ELECTION OF DIRECTORS	FOR	WITHHELD
Irwin D. Simon	32,024,449	2,541,537
Beth L. Bronner	31,157,998	3,407,988
Jack Futterman	32,067,389	2,498,597
Daniel R. Glickman	32,358,627	2,207,359
Barry J. Alperin	32,289,772	2,276,214
Marina Hahn	31,693,382	2,872,604
Mitchell A. Ring	32,095,716	2,470,270
Andrew R. Heyer	31,410,959	3,155,027
Lewis D. Schiliro	32,261,889	2,304,097
D. Edward I. Smyth	32,120,481	2,445,505
Roger Meltzer	31,751,225	2,814,761
Larry S. Zilavy	32,292,297	2,273,689

The stockholders did not approve the proposal to amend our 2002 Long Term Incentive and Stock Award Plan casting 13,635,165 votes in favor, 16,094,136 votes against, 118,365 abstaining and 4,718,320 not voted.

The stockholders ratified the appointment of Ernst & Young LLP, casting 34,263,151 votes in favor, 266,536 votes against, and 36,299 abstaining.

ITEM 6. EXHIBITS

EXHIBITS

Exhibit Number	Description
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10.1	Form of Indemnification Agreement.
10.2	Form of Change in Control Agreement.
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: February 9, 2005

/s/ Irwin D. Simon

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

Date: February 9, 2005

/s/ Ira J. Lamel

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

INDEMNIFICATION AGREEMENT

This Indemnification Agreement, made and entered into as of this [] day of [], 2004 ("Agreement"), by and between The Hain Celestial Group, Inc., a Delaware corporation ("Company"), and [] ("Indemnitee"):

WHEREAS, highly competent persons continue to be reluctant to serve corporations as directors, officers or in other capacities unless they are provided with adequate protection through insurance and/or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interest of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, the Delaware corporate indemnification statute (Section 145 of the Delaware General Corporation Law) is nonexclusive and, therefore, contemplates that contracts may be entered into with respect to indemnification of directors, officers, employees and agents;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that Indemnitee be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby agree as follows:

Section 1. Services by Indemnitee. Indemnitee agrees to serve as a director, officer, employee and/or agent of the Company and/or any of its subsidiaries, as the case may be, and may serve as a director, officer, employee and/or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise at the request of the Company (a "Relevant Enterprise" and, together with the Company and the Company's subsidiaries, the "Company Entities"). Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between any of the Company Entities and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with any of the Company Entities, if any, is "at will", and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and any of the Company Entities or other applicable formal severance policies duly adopted by the Board, and, with respect to service as a director of any of the Company Entities, Indemnitee specifically acknowledges that this Agreement does not impose any obligation of the Company to continue Indemnitee's service to the Company except as may otherwise be provided by the Certificate of Incorporation or By-laws of the

relevant Company Entity and the General Corporation Law of the State of Delaware. The foregoing notwithstanding, subject to Section 13 hereof, this Agreement shall continue in force after Indemnitee has ceased to serve as a director, officer, employee and/or agent, as the case may be, of any of the Company Entities.

Section 2. Notice by Indemnitee. Indemnitee agrees to notify the Company in writing immediately upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses (as hereinafter defined) covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

Section 3. Indemnification -- General. The Company shall indemnify, and advance Expenses to, Indemnitee (a) as provided in this Agreement and (b) to the fullest extent permitted by applicable law in effect on the date hereof and as amended from time to time. The rights of Indemnitee provided under clause (b) of the preceding sentence shall include, but shall not be limited to, the rights set forth in the other Sections of this Agreement.

Section 4. Proceedings Other Than Proceedings by or in the Right of any of the Company Entities. Indemnitee shall be entitled to the rights of indemnification provided in this Section 4 if, by reason of his Corporate Status (as hereinafter defined), he is, or is threatened to be made, a party to or a participant in any threatened, pending, or completed Proceeding (as hereinafter defined), other than a Proceeding by or in the right of any of the Company Entities. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses, judgments, fines and amounts paid in settlement actually and

reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the relevant Company Entity, and, with respect to any criminal Proceeding, had no reasonable cause to believe his conduct was unlawful.

Section 5. Proceedings by or in the Right of any of the Company Entities. Indemnatee shall be entitled to the rights of indemnification provided in this Section 5 if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or a participant in any threatened, pending or completed Proceeding brought by or in the right of any of the Company Entities to procure a judgment in its favor. Pursuant to this Section, Indemnatee shall be indemnified against all Expenses (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses) actually and reasonably incurred by him or on his behalf in connection with such Proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the relevant Company Entity; provided, however, that, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnatee shall have been adjudged to be liable to any of the Company Entities, unless and to the extent that the Court of Chancery of the State of Delaware, or the court in which such Proceeding shall have been brought or is pending, shall determine that such indemnification may be made.

Section 6. Partial Indemnification. Notwithstanding any other provision of this Agreement, to the extent that Indemnatee is, by reason of his Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnatee is not wholly successful in defense of such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnatee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and

without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, penalties, fines and amounts paid in settlement) actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion to which Indemnitee is entitled.

Section 7. Indemnification for Additional Expenses.

(a) The Company shall indemnify Indemnitee against any and all Expenses which are reasonably incurred by Indemnitee in connection with any action brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement or any other agreement or By-Law of the Company now or hereafter in effect, or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company; but only to the extent that Indemnitee prevails in such action and ultimately is determined to be entitled to such indemnification, advance payment of Expenses or insurance recovery, as the case may be. Indemnitee shall be entitled to advancement of such Expenses pursuant to and in accordance with the provisions of Section 8 hereof.

(b) Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

Section 8. Advancement of Expenses. The Company shall advance all reasonable Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding within seven (7) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by an undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, the obligation of the Company to advance Expenses pursuant to this Section 8 shall be subject to the condition that, if, when and to the extent that the Company determines that Indemnitee would not be permitted to be indemnified under applicable law, the Company shall be entitled to be reimbursed, within thirty (30) days of such determination, by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid; provided, however, that if Indemnitee has commenced or thereafter commences legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, any determination made by the Company that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any advance of Expenses until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed).

Section 9. Procedure for Determination of Entitlement to Indemnification.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary or Assistant Secretary of the Company shall,

promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 9(a) hereof, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case:

(i) if a Change in Control (as hereinafter defined) shall have occurred, by Independent Counsel (as hereinafter defined) in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or

(ii) if a Change of Control shall not have occurred, (A) by a majority vote of the Disinterested Directors (as hereinafter defined), even though less than a quorum of the Board, or (B) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (C) if so directed by the Board, by a majority vote of a quorum of the outstanding shares of stock of all classes entitled to vote for directors, voting as a single class, which quorum shall consist of stockholders who are not at that time parties to the Proceeding in question;

and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within seven (7) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including reasonable attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification), and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 9(b) hereof, the Independent Counsel shall be selected as provided in this Section 9(c). If a Change of Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change of Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give prompt written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within 10 days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 18 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 9(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee, as the case may be, may petition the Court of Chancery of the State of Delaware for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other

person as the Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 9(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 9(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 9(c), regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 11(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) The Company shall not be required to obtain the consent of the Indemnitee to the settlement of any Proceeding which the Company has undertaken to defend if the Company assumes full and sole responsibility for such settlement and the settlement grants the Indemnitee a complete and unqualified release in respect of the potential liability. The Company shall not be liable for any amount paid by the Indemnitee in settlement of any Proceeding that is not defended by the Company, unless the Company has consented to such settlement, which consent shall not be unreasonably withheld.

Section 10. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification or the advancement of expenses hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification or advancement of expenses under this Agreement if Indemnitee has submitted a request for indemnification or the advancement of expenses in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including the Board or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including the Board or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or selected under Section 9 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; provided, further, that the foregoing provisions of this Section 10(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 9(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so

called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 9(b) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the relevant Company Entity, including financial statements, or on information supplied to Indemnitee by the officers of the relevant Company Entity in the course of their duties, or on the advice of legal counsel for the relevant Company Entity, by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by such Company Entity. The provisions of this Section 10(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any other director, officer, agent or employee of any of the Company Entities shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 11. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 9 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 9(b) of this Agreement within the time periods specified therein, (iv) payment of indemnification is not made pursuant to Section 6 or 7 of this Agreement within seven (7) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within seven (7) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Court of Chancery of the State of Delaware of his entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 11(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his rights under Section 6 of this Agreement.

(b) In the event that a determination shall have been made pursuant to Section 9(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 11 shall be conducted in all respects as a de novo trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. If a Change of Control shall have occurred, in any judicial proceeding or arbitration commenced pursuant to this Section 11, the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 9(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 11, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 11, seeks a judicial adjudication of or an award in arbitration to enforce his rights under, or to record damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all expenses (of the types described in the definition of Expenses in Section 18 of this Agreement) actually and reasonably incurred by him in such judicial adjudication or arbitration, but only if he prevails therein. If it shall be determined in said judicial adjudication or arbitration that Indemnitee is entitled to receive part but not all of the indemnification or advancement of expenses sought, the expenses incurred by Indemnitee in connection with such judicial adjudication or arbitration shall be appropriately prorated.

(e) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 11 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

Section 12. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the relevant company's Certificate of Incorporation or By-Laws, any other agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the General Corporation Law of the State of Delaware, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded under the relevant company's Certificate of Incorporation or By-Laws and/or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of any of the Company Entities, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnatee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligations to indemnify or advance expenses hereunder to Indemnatee who is or was serving a Relevant Enterprise shall be reduced by any amount Indemnatee has actually received as indemnification or advancement of expenses from such Relevant Enterprise.

Section 13. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) 10 years after the date that Indemnatee shall have ceased to serve as a director, officer, employee and/or agent of any of the Company Entities; or (b) the final termination of any Proceeding then pending in respect of which Indemnatee is granted rights of indemnification or advancement of expenses hereunder and of any proceeding commenced by Indemnatee pursuant to Section 11 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnatee and his heirs, executors and administrators.

Section 14. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 15. Exception to Right of Indemnification or Advancement of Expenses. Except as provided in Section 7(a) of this Agreement, Indemnatee shall not be entitled to indemnification or advancement of Expenses under this Agreement (including, with respect to subsection (c) of this Section 15, payment of profits) with respect to any Proceeding:

(a) brought by Indemnatee (other than a Proceeding by Indemnatee to enforce his rights under this Agreement),

(b) brought by any of the Company Entities against the Indemnatee alleging (x) a willful violation by the Indemnatee of the terms and conditions of any employment contract, (y) a willful misappropriation of corporate assets by the Indemnatee or (z) any other willful and deliberate breach in bad faith of any of the Indemnatee's duties to any of the Company Entities or its stockholders, if the bringing of such Proceeding against Indemnatee shall have been approved or subsequently ratified by the Board,

(c) arising out of the purchase and sale by Indemnatee of securities in violation of Section 16(b) of the Securities Act of 1934, as amended, or any similar successor statute, or

(d) arising out of acts or omissions, or transactions, from which Indemnatee may not be relieved of liability under applicable law.

Section 16. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 17. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 18. Definitions. For purposes of this Agreement:

(a) "Change in Control" shall mean the occurrence of any of the following events:

(i) the acquisition by any Person (as defined below) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of 50% or more of the combined voting power of the then outstanding Voting Stock of the Company; provided, however, that for purposes of this clause (i), the following acquisitions shall not constitute a Change of Control: (A) any issuance of Voting Stock of the Company directly from the Company that is approved by the Incumbent Board (as defined in clause (ii) of this definition), (B) any acquisition by the Company of Voting Stock of the Company or (C) any acquisition of Voting Stock of the Company by any Person pursuant to a Business Combination (as defined in clause (iii) of this definition) that complies with clauses (A), (B) and (C) of clause (iii) of this definition; or

(ii) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a member of the Board (a "Director") subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds of the Directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be deemed to have been a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (within the meaning of Rule 14a-11 of the Exchange Act) with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) consummation of a reorganization, merger or consolidation, a sale or other disposition of all or substantially all of the assets of the Company, or other transaction (each, a "Business Combination"), unless, in each case, immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners of Voting Stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such Business Combination, (B) no Person (other than the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 50% or more of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination and (C) at least a majority of the members of the

board of directors of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) the stockholders of the Company approve (a) the sale or disposition by the Company (other than to a subsidiary of the Company) of all or substantially all of the assets of the Company, or (b) a complete liquidation or dissolution of the Company.

(b) "Corporate Status" describes the status of a person who is or was a director, officer, employee or agent of a Company Entity.

(c) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(d) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding.

(e) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) "Person" shall have the meaning ascribed thereto in Section 3(a)(9) of the Exchange Act, as modified, applied and used in Sections 13(d) and 14(d) thereof; provided, however, a Person shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries (in its capacity as such), (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation or other entity owned, directly or indirectly, by the stockholders of the Company in substantially the same character and proportions as their ownership of stock of the Company.

(g) "Proceeding" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is, may be or will be involved as a party or otherwise, by reason of the fact that Indemnitee is or was a director, officer, employee and/or agent of any of the Company Entities or by reason of any action taken by him or of any inaction on his part while acting in such capacity, in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement, except for (i) one initiated by an Indemnitee pursuant to Section 11 of this Agreement to enforce his rights under this Agreement or (ii) one pending on or before the date of this agreement.

Section 19. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnatee to serve as a director, officer, employee and/or agent one or more of the Company Entities, and the Company acknowledges that Indemnatee is relying upon this Agreement in serving in such capacity.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

Section 20. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

Section 21. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) upon delivery, if delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) on the first business day after the date on which it is mailed by overnight courier service or transmitted via facsimile or (iii) on the third business day after the date on which it is mailed by certified or registered mail with postage prepaid:

(a) If to Indemnatee, at the address specified on the signature page of this Agreement; and

(b) If to the Company to:

The Hain Celestial Group, Inc.
58 South Service Road
Melville, NY 11747
Attention: Chief Executive Officer

with a copy (which shall not constitute notice) to:

Cahill Gordon & Reindel LLP
80 Pine Street
New York, NY 10005
Attention: Geoffrey E. Liebmann, Esq.

or to such other address as may have been furnished to Indemnatee by the Company or to the Company by Indemnatee, as the case may be.

Section 22. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnatee pursuant to Section 11(a) of this Agreement, the Company and Indemnatee hereby irrevocably and unconditionally:

(a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"),

and not in any other state or federal court in the United States of America or any court in any other country,

(b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement,

(c) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court and

(d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or otherwise inconvenient forum.

Section 23. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate, and vice versa.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

THE HAIN CELESITAL GROUP, INC.

By:

Name: []
Title: []

INDEMNITEE:

Name: []

Address:

[]

CHANGE IN CONTROL AGREEMENT

THIS CHANGE IN CONTROL AGREEMENT dated as of (this "Agreement"), is made by and between The Hain Celestial Group, Inc., a Delaware corporation having its principal offices at 58 South Service Road, Melville, NY 11747 (the "Company"), and [] (the "Executive").

WHEREAS, the Company considers it essential to the best interest of its shareholders to foster the continued employment of key executive management personnel; and

WHEREAS, the Board of Directors of the Company (the "Board") recognizes that, as is the case with many publicly-held corporations, the possibility of a Change in Control (as defined below) of the Company exists from time to time and that such possibility, and the uncertainty, instability and questions which it may raise for and among key executive management personnel, may result in the premature departure or significant distraction of such management personnel to the material detriment of the Company and its stockholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to reinforce, focus and encourage the continued attention and dedication of key members of the executive management of the Company and its subsidiaries, including (without limitation) the Executive, to their assigned duties without distraction in the face of potentially disturbing or unsettling circumstances arising from the possibility of a Change in Control of the Company;

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and the Executive hereby agree as follows:

1. Definitions. For purposes of this Agreement, the following terms have the meanings set forth below:

1.1 "Annual Base Salary" shall mean the Executive's rate of regular base annual compensation prior to any reduction under a salary reduction agreement pursuant to section 401(k) or section 125 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), and shall not include (without limitation) cost of living allowances, fees, retainers, reimbursements, bonuses, incentive awards, prizes or similar payments.

1.2 "Cause" for termination by the Company or any subsidiary of the Executive's employment, after any Change in Control, shall mean (i) the willful and continued failure by the Executive to substantially perform the Executive's duties with the Company, or a subsidiary of the Company, as such duties may reasonably be defined from time to time by the Board (or a duly designated and authorized committee thereof), or to abide by the reasonable written policies of the Company or of the Executive's primary employer (other than any such

failure resulting from the Executive's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination by the Executive for Good Reason pursuant to Section 4.1) after a written demand for substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties or has not abided by any reasonable written policies, or (ii) the continued and willful engaging by the Executive in conduct which is demonstrably and materially injurious to the Company or its subsidiaries, monetarily or otherwise. For purposes of clauses (i) and (ii) of this definition, no act, or failure to act, on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive in bad faith and without reasonable belief that the Executive's act, or failure to act, was in the best interests of the Company or its subsidiaries.

1.3 "Change in Control" shall mean and be deemed to have occurred if:

(i) The acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of 50% or more of the combined voting power of the then outstanding Voting Stock of the Company; provided, however, that for purposes of this Section 1.3(i), the following acquisitions shall not constitute a Change of Control: (A) any issuance of Voting Stock of the Company directly from the Company that is approved by the Incumbent Board (as defined below), (B) any acquisition by the Company of Voting Stock of the Company or (C) any acquisition of Voting Stock of the Company by any Person pursuant to a Business Combination (as defined below) that complies with clauses (A), (B) and (C) of Section 1.3(iii) below; or

(ii) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a member of the Board (a "Director") subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds of the Directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be deemed to have been a member

of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (within the meaning of Rule 14a-11 of the Exchange Act) with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) consummation of a reorganization, merger or consolidation, a sale or other disposition of all or substantially all of the assets of the Company, or other transaction (each, a "Business Combination"), unless, in each case, immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners of Voting Stock of the Company immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination (including, without limitation, an entity

which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such Business Combination, (B) no Person (other than the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 50% or more of the combined voting power of the then outstanding shares of Voting Stock of the entity resulting from such Business Combination and (C) at least a majority of the members of the board of directors of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) the stockholders of the Company approve (a) the sale or disposition by the Company (other than to a subsidiary of the Company) of all or substantially all of the assets of the Company, or (b) a complete liquidation or dissolution of the Company.

1.4 "Company" shall mean The Hain Celestial Group, Inc. and any successor to its business and/or assets which assumes (either expressly, by operation of law or otherwise) and/or agrees to perform this Agreement by operation of law or otherwise (except in determining, under Section 1.3 hereof, whether or not any Change in Control of the Company has occurred in connection with such succession).

1.5 "Disability" shall mean and be deemed the reason for the termination by the Executive of the Executive's employment, if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of the Executive's duties for a period of three (3) consecutive months.

1.6 "Good Reason" for termination by the Executive of the Executive's employment in connection with or as a result of any Change in Control shall mean the occurrence (without the Executive's prior express written consent) of any one of the following acts, or failures to act, unless, in the case of any act or failure to act described in clauses (i), (iv), (v) or (vi) below, such act or failure to act is corrected by the Company or any subsidiary prior to the Date of Termination specified in the Notice of Termination given in respect thereof:

(i) the assignment to the Executive of any duties or responsibilities inconsistent with the Executive's most significant position(s) (including without limitation status, offices, titles and reporting responsibilities/rights) as an executive officer of the Company and/or a subsidiary held during the one hundred eighty (180) day period immediately preceding any related Potential Change in Control, or a substantial adverse alteration of the Executive's position or title(s) with the Company or any subsidiary or in the nature of such status, offices, titles and reporting responsibilities/rights;

(ii) a reduction in the Executive's Annual Base Salary as in effect on the date of this Agreement or as the same may be increased at any time thereafter and from time to time;

(iii) the relocation of the Company's principal executive offices to a location more than thirty (30) miles from its location on the date of this Agreement (or, if different, more than thirty (30) miles from where such offices are located immediately prior to any Potential Change of Control) or the Company's requiring the Executive to be based anywhere other than the location where the Executive is performing his duties immediately prior to any Potential Change in Control, except for required travel on the Company's business to an extent substantially consistent with the Executive's business travel obligations as of the date of the Potential Change in Control;

(iv) any failure by the Company to comply with any of the provisions of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(v) the failure by the Company or a subsidiary to continue in effect any pension benefit or incentive or deferred compensation plan in which the Executive participates immediately prior to any Potential Change in Control which is material to the Executive's total compensation, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan or arrangement) has been made with respect to such plan, or the failure by the Company or a subsidiary to continue the Executive's participation therein (or in such substitute or alternative plan or arrangement) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of the Executive's participation relative to other participants, as existed at the time of the Potential Change in Control;

(vi) the failure by the Company or a subsidiary to continue to provide the Executive with health and welfare benefits substantially similar to those enjoyed by the Executive under any of the Company's or a subsidiary's retirement, life insurance, medical, health and accident, or disability or similar plans in which the Executive was participating at the time of any Potential Change in Control, the taking of any action by the Company or a subsidiary which would directly or indirectly materially reduce any of such benefits or deprive the Executive of any material fringe benefit enjoyed by the Executive at the time of the Potential Change in Control, or the failure by the Company or a subsidiary to provide the Executive with the number of paid vacation days to which the Executive is entitled in accordance with the Company or a subsidiary's normal vacation policy in effect at the time of the Potential Change in Control;

(vii) any purported termination of the Executive's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 4.1; and/or

(viii) a termination by the Executive of his employment for any reason during the Window Period.

1.7 "Person" shall have the meaning ascribed thereto in Section 3(a)(9) of the Exchange Act, as modified, applied and used in Sections 13(d) and 14(d) thereof; provided, however, a Person shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or

other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries (in its capacity as such), (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation or other entity owned, directly or indirectly, by the stockholders of the Company in substantially the same character and proportions as their ownership of stock of the Company.

1.8 "Potential Change in Control" shall mean and be deemed to have occurred if:

(i) the Company enters into an agreement the consummation of which would result in the occurrence of a Change in Control;

(ii) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred; and/or

(iii) any Person becomes, after the date hereof, the Beneficial Owner, directly or indirectly, of securities of the Company representing twenty five percent (25%) or more of the combined voting power of the Company's then outstanding securities, or any Person increases such Person's beneficial ownership of such securities by five (5) percentage points or more over the percentage so owned by such Person on the date hereof.

1.9 "Voting Power" means securities entitled to vote generally in the election of directors.

1.10 "Window Period" shall mean the thirteen (13) month period following a Change in Control.

2. Term of this Agreement. This Agreement shall commence on the date hereof and shall continue in effect as long as the Executive is employed by the Company, provided, however, that if (i) a Change in Control shall have occurred during the Executive's employment with the Company, this Agreement shall continue in effect until the termination of the applicable Window Period, or (ii) if a Potential Change in Control shall have occurred during the Executive's employment with the Company, this Agreement shall continue in effect until one (1) year after the Executive's termination of employment with the Company (the "Term").

3. Severance Payments.

3.1 Severance. The Company shall pay the Executive the payments described in Section 3.1.1 and 3.1.2 (the "Severance Payments") upon the termination of the Executive's employment with the Company during the Window Period (including, but not limited to, the Executive's termination of employment for Good Reason, death or Disability), unless such termination is (i) by the Company for Cause, or (ii) by the Executive without Good Reason. In addition, the Executive's employment shall be deemed to have been terminated immediately following a Change in Control by the Company without Cause or by the Executive for Good Reason if (a) the Executive reasonably demonstrates that the Executive's employment was terminated prior to a Change in Control without Cause (1) at the request of a Person who has entered into an agreement with the Company the consummation of which will constitute a

Change in Control (or who has taken other steps reasonably calculated to effect a Change in Control) or (2) otherwise in connection with, as a result of or in anticipation of a Change in Control, (b) the Executive terminates his employment for Good Reason prior to a Change in Control and the Executive reasonably demonstrates that the circumstance(s) or event(s) which constitute such Good Reason occurred (1) at the request of such Person or (2) otherwise in connection with, as a result of or in anticipation of a Change in Control, or (c) the Executive dies or is terminated due to Disability, in each case, after the occurrence of a Potential Change in Control and related Change in Control actually occurs within one (1) year after the Date of Termination or the date of death, as the case may be. The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

3.1.1 In lieu of any further salary and bonus payments to the Executive for periods subsequent to the Date of Termination, the Company shall pay to the Executive (i) a lump sum severance payment in cash (or at the Executive's sole and exclusive option receive such amounts as salary continuation during the applicable periods set forth below), equal to (x) [](1) times the highest Annual Base Salary paid or payable to the Executive during the thirty-six (36) month period immediately preceding the month in which the Change in Control occurs, and (y) [] times the highest annual bonus amount paid or payable to the Executive during the thirty-six (36) month period immediately preceding the month in which the change in control occurs, and (ii) all unpaid accrued vacation through the Date of Termination in accordance with the Company's plans and practices in effect immediately prior to the Change in Control, provided that such unpaid vacation has been accrued on the books and records of the Company prior to the Date of Termination.

3.1.2 After the Date of Termination, the Company shall continue to provide the Executive and/or the Executive's dependents, as the case may be, with (i) life, disability, accident and health insurance benefits ("Benefits Coverage") substantially similar to those which the Executive and/or the Executive's dependents is receiving immediately prior to any related Potential Change in Control or the receipt of the Notice of Termination (without giving effect to any reduction in such benefits subsequent to a Change in Control which reduction constitutes Good Reason), whichever is greater, until the earlier to occur of such time as the Executive is provided with substantially comparable Benefits Coverage with a new employer or [] months; (ii) the automobile allowance, gas and other automobile benefits the Executive was receiving immediately prior to any related Potential Change in Control or the receipt of the Notice of Termination (without giving effect to any reduction in such benefits subsequent to a Change in Control which reduction constitutes Good Reason), whichever is greater, for a period of twelve (12) months; and (iii) outplacement services, the scope and provider of which shall be selected by the Executive with the cost of such services and related expenses borne by the Company, subject to the submission of reasonable

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1 The blanks on this page will be for 1, 2 or 3 years, depending on the employee.

documentation in accordance with the Company's standard practice to substantiate expenses.

3.1.3 During the term of this Agreement and through the period of [] months following the Date of Termination, all benefits under any pension or retirement plans, employees stock ownership plan or any other plan or agreement relating to retirement benefits ("Retirement Benefits") in which the Executive participates shall continue to accrue to the Executive, crediting of service all Retirement Benefits provided to the Executive as a fully vested participant under any such plan or agreement relating to retirement benefits. No contributions shall be required to be made by the Executive to any plan providing for employee contributions following the Date of Termination. To the extent that the amount of any Retirement Benefits are or would be payable from a nonqualified plan, the Company shall, as soon as practicable following the Date of Termination (but in no event later than the 30th day after the Date of Termination), pay directly to the Executive in one lump sum, cash in an amount equal to the additional benefits that would have been provided had such accrual or crediting been taken into account in calculating such Retirement Benefits. Such lump sum payment shall be calculated as provided in the relevant plan and, in the case of a defined contribution plan, shall include an amount equal to the gross amount of the maximum employer contributions.

3.1.4 Any outstanding options to purchase common stock of the Company held by the Executive prior to the Date of Termination under an existing stock option plan maintained by the Company shall immediately vest and become exercisable in full in accordance with the terms and the provisions of the applicable stock option plan.

3.2 Special Reimbursement. In the event that the Executive becomes entitled to the Severance Payments, if any payment or benefit paid or payable, or received or to be received, by or on behalf of the Executive in connection with a Change in Control or the termination of the Executive's employment, whether any such payments or benefits are pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any of its subsidiaries, any Person, or otherwise (the "Total Payments"), will or would be subject to the excise tax imposed under section 4999 of the Code (the "Excise Tax"), the Company shall pay to the Executive an additional amount (the "Gross-Up Payment") such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and any Excise Tax imposed upon or attributable to the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Total Payments.

3.2.1 For purposes of determining whether any of the Total Payments will be subject of the Excise Tax and the amount of such Excise Tax, (i) the Total Payments shall be treated as "parachute payments" within the meaning of section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel (delivered to the Executive) selected by the Company and

reasonably acceptable to the Executive such Total Payments (in whole or in part) (a) do not constitute parachute payments, including (without limitation) by reason of section 280G(b)(4)(A) of the Code, (b) such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered, within the meaning of section 280G(b)(4)(B) of the Code, or (c) are otherwise not subject to the Excise Tax, and (ii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of sections 280G(d)(3) and (4) of the Code.

3.2.2 In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time of termination of the Executive's employment, the Executive shall repay to the Company, at the time that the amount of such reduction in Excise Tax is finally determined, the portion of the Gross-Up Payment attributable to such reduction plus interest on the amount of such repayment at the rate provided in section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder at the time of the termination of the Executive's employment (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus any interest, penalties or additions payable by the Executive with respect to such excess) at the time that the amount of such excess is finally determined. The Executive and the Company shall each reasonably cooperate with the other in connection with any administrative or judicial proceedings concerning the existence or amount of any such subsequent liability for Excise Tax with respect to the Severance Payments.

3.3 Date of Payment. The payment provided for in Section 3.1.1 and Section 3.2 hereof shall be made not later than the fifteenth (15th) day following the Date of Termination; provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to the Executive on such day an estimate, as determined in good faith by the Company, of the minimum amount of such payments to which the Executive is likely to be entitled to and shall pay the remainder of such payments (together with interest at the rate provided in section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined but in no event later than the thirtieth (30th) day after the Date of Termination. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to the Executive, payable on the fifth (5th) business day after demand by the Company (together with interest at the rate provided in section 1274(b)(2)(B) of the Code). At the time that payments are made under this Section 3.3, the Company shall provide the Executive with a detailed written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Company has received from outside counsel, auditors or consultants (and any such opinions or advice which are in writing shall be attached to the statement).

3.4 Legal Costs. The Company shall also reimburse the Executive for all legal fees and expenses incurred in good faith by the Executive as a result of any dispute with any party (including, but not limited to, the Company and/or any affiliate of the Company) regarding the payment of any benefit provided for in this Agreement (including, but not limited

to, all such fees and expenses incurred in disputing any termination or in seeking in good faith to obtain or enforce any benefit or right provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of Section 4999 of the Code), plus in each case interest on any delayed payment at the applicable Federal rate provided for in section 7872(f)(2)(A) of the Code. Such payments shall be made within five (5) business days after delivery of the Executive's written requests for payment accompanied by such evidence of fees and expenses incurred as the Company reasonably may require.

3.5 Employment Agreement. The payment to the Executive of the Severance Payments provided for in Section 3.1 shall be in lieu of any severance payable to the Executive under the terms of any other employment agreement in effect on the Date of Termination. Except as provided in the preceding sentence, this Agreement is not intended to and shall not modify or supersede any such employment agreement or other contract or arrangement between the Executive and the Company in effect from time to time.

4. Termination Procedures and Compensation During Dispute.

4.1 Notice of Termination. Any purported termination of the Executive's employment with the Company (other than by reason of death) during the Window Period shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 7 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment with the Company under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board in the form and in the manner specified in Section 1.3 of this Agreement. For purposes of this Agreement, any purported termination not effected in accordance with the Section 4.1 shall not be considered effective.

4.2 Date of Termination. "Date of Termination," with respect to any purported termination of the Executive's employment during the Window Period, shall mean (i) if the Executive's employment is terminated for Disability, fifteen (15) days after Notice of Termination is given, and (ii) if the Executive's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination by the Company, shall not be less than thirty (30) days and not more than forty-five (45) days (except in the case of a termination for Cause) and, in the case of a termination by the Executive, shall not be less than fifteen (15) days nor more than thirty (30) days, respectively, after the date on which such Notice of Termination is given).

4.3 Dispute Concerning Termination. If within fifteen (15) days after any Notice of Termination is given, or, if later, prior to the Date of Termination (as determined without regard to this Section 4.3), the party receiving such Notice of Termination notifies the other party in writing that a dispute exists concerning the termination, the Date of Termination shall be the date on which the dispute is finally resolved in accordance with Section 4.4; provided, however, that the Date of Termination shall be extended by a notice of dispute only if

the basis for such notice is reasonable, such notice is given in good faith and the party giving such notice pursues the resolution of such dispute with reasonable diligence.

4.4 Alternative Dispute Resolution Including Arbitration. If a dispute arises out of or related to this Agreement, the Company and the Executive agree that they shall first seek to resolve any dispute by negotiation. If the dispute has not been resolved within thirty (30) days after the date a party hereto provides notice of dispute to the other party in accordance with Section 4.3, either party may initiate mediation of the dispute by sending the other party a written request dispute be mediated. The parties shall mediate the dispute before a neutral, third party mediator (if a mutually agreeable mediator cannot be identified, one shall be appointed by the American Arbitration Association) selected by the mutual agreement of both parties within thirty (30) days after the date of written request for mediation. If the dispute has not been resolved within sixty (60) days after the original notice of a dispute or within thirty (30) days after the date of the request for mediation, whichever is the later, then either party may proceed to binding arbitration before a panel of three independent arbitrators selected from a list made available by the American Arbitration Association. The mediator shall not serve as an arbitrator. The arbitration shall be governed by the current arbitration rules of the American Arbitration Association or its successors. Any mediation or arbitration commenced pursuant to this Section 4.4 shall be conducted in the metropolitan area of New York, New York. Notwithstanding any provisions in such rules to the contrary, the arbitrators shall issue findings of fact and conclusions of law, and an award, within 15 days of the date of the hearing unless the parties otherwise agree.

4.5 Compensation During Dispute. If a purported termination occurs during the Window Period, and such termination is disputed in accordance with Section 4.3 above, the Company shall continue to pay the Executive the full compensation (including without limitation Annual Base Salary and Target Bonus) in effect at the time of any related Potential Change in Control or when the notice giving rise to the dispute was given (whichever is greater) and continue the Executive as a participant in all compensation, incentive, pension and welfare benefit and insurance plans in which the Executive was participating at the time of any Potential Change in Control or when the notice giving rise to the dispute was given, whichever is greater, until the dispute is finally resolved in accordance with Sections 4.3 and 4.4 hereof. Amounts paid under this Section 4.5 are in addition to all other amounts due under this Agreement and shall not be offset against or reduce any other amounts due under this Agreement or any other plan, agreement or arrangement.

5. No Mitigation. The Company agrees that, if the Executive's employment is terminated during the Window Period, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 3 or Section 4.5. Further, the amount of any payment or benefit provided for in Section 3 or Section 4.5 shall not be reduced by any compensation earned by the Executive as a result of employment by another employer, by retirement benefits, or offset against any amount claimed to be owed by the Executive to the Company or any of its subsidiaries, or otherwise.

6. Successors; Binding Agreement.

6.1 Successors. In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive were to terminate the Executive's employment for Good Reason during the Window Period, except that, for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination.

6.2 Binding Agreement. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder (other than amounts which, by their terms, terminate upon the death of the Executive) if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the term of this Agreement to the executors, personal representatives or administrators of the Executive's estate.

7. Notices. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt:

To the Company:

Irwin D. Simon
The Hain Celestial Group, Inc.
58 South Service Road
Melville, New York 11747
Attention: Chairman of the Board and
Chief Executive Officer

With a copy to:

Roger Meltzer, Esq.
Cahill, Gordon & Reindel LLP
80 Pine Street
New York, New York 10005

To the Executive:

[]
[]
[]

8. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without regard to the principles of conflict of laws thereof. All references to sections of the Exchange Act or the Code shall be deemed also to refer to and include any successor provisions to such sections. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law and any additional withholding to which the Executive has agreed. The rights and obligations of the Company and the Executive under this Agreement shall survive the expiration of the Term.

9. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

11. No Limitation. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any other contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to the conflicts of law provisions thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

THE HAIN CELESTIAL GROUP, INC.

By: -----
Name: Irwin D. Simon
Title: President &
Chief Executive
Officer

[EXECUTIVE]

By: -----
Name:

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: February 9, 2005

/s/ Irwin D. Simon

Irwin D. Simon
President and Chief Executive Officer

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: February 9, 2005

/s/ Ira J. Lamel

Ira J. Lamel
Executive Vice President and
Chief Financial Officer

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 December 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: February 9, 2005

/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.

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 December 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: February 9, 2005

/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.