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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2005

Or

[ ] Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ______ to _______.

Commission file number: 0-22818

THE HAIN CELESTIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days.

Yes X No ____

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

Yes X No ____

As of May 4, 2005, there were 36,649,042 shares outstanding of the Registrant's Common Stock, par value $.01 per share.

THE HAIN CELESTIAL GROUP, INC.

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

	March 31, 2005	June 30, 2004
ASSETS	(Unaudited)	(Note)
Current assets:		
Cash and cash equivalents	$ 17,117	$ 27,489
Accounts receivable, less allowance for doubtful accounts of $2,016 and $2,185	72,982	69,392
Inventories	83,928	86,873
Deferred income taxes	3,111	3,111
Other current assets	19,163	11,449
Total current assets	196,301	198,314
Property, plant and equipment, net of accumulated depreciation and amortization of $47,842 and $40,799	87,407	87,002
Goodwill	345,220	333,218
Trademarks and other intangible assets, net of accumulated amortization of $8,925 and $8,349	55,567	55,793
Other assets	12,253	9,904
Total assets	$ 696,748	$ 684,231
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 61,445	$ 59,031
Current portion of long-term debt	3,152	6,845
Income taxes payable	3,071	2,489
Total current liabilities	67,668	68,365
Long-term debt, less current portion	85,533	104,294
Deferred income taxes	13,542	14,807
Total liabilities	166,743	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 37,410,598 and 37,064,648 shares	374	371
Additional paid-in capital	399,066	394,740
Deferred compensation	(2,106)	(2,809)
Retained earnings	130,655	106,097
Foreign currency translation adjustment	12,991	7,651
	540,980	506,050
Less: 761,556 and 671,556 shares of treasury stock, at cost	(10,975)	(9,285)
Total stockholders' equity	530,005	496,765
Total liabilities and stockholders' equity	$ 696,748	$ 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 March 31,		Nine Months Ended March 31,	
	2005	2004	2005	2004
	(Unaudited)	(Unaudited)		
Net sales	$ 161,261	$ 136,862	$ 468,618	$ 406,707
Cost of sales	115,793	98,316	330,944	283,900
Gross profit	45,468	38,546	137,674	122,807
Selling, general and administrative expenses	33,740	29,527	97,098	85,393
Operating income	11,728	9,019	40,576	37,414
Interest expense and other expenses, net	1,182	932	2,390	2,073
Income before income taxes	10,546	8,087	38,186	35,341
Provision for income taxes	2,848	3,073	13,628	13,413
Net income	$ 7,698	$ 5,014	$ 24,558	$ 21,928
Net income per share:				
Basic	$ 0.21	$ 0.14	$ 0.68	$ 0.63
Diluted	$ 0.21	$ 0.14	$ 0.66	$ 0.61
Weighted average common shares outstanding:				
Basic	36,440	35,694	36,368	34,943
Diluted	37,308	36,804	37,124	36,098

See notes to consolidated financial statements.

THE HAIN CELESTIAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2005 (In thousands, except per share and share amounts)

	Common Stock Shares	Common Stock Amount at $.01	Additional Paid-in Capital	Unamortized Non-Cash Compensation	Retained Earnings	Treasury Stock Shares	Treasury Stock Amount	Foreign Currency Translation Adjustment	Total	Comprehensive Income
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	345,950	3	4,291						4,294	
Purchase of Treasury Shares						90,000	(1,690)		(1,690)	
Non-cash compensation charge			35	703					738	
Comprehensive income: Net income for the period					24,558				24,558	24,558
Translation adjustments								5,340	5,340	5,340
Total comprehensive income										$29,898
Balance at March 31, 2005	37,410,598	$ 374	$ 399,066	$ (2,106)	$ 130,655	761,556	$ (10,975)	$ 12,991	$ 530,005	

See notes to consolidated financial statements.

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

	Nine Months Ended March 31, 2005	Nine Months Ended March 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES	(Unaudited)	
Net income	$ 24,558	$ 21,928
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,176	7,900
Provision for doubtful accounts	(8)	57
Increase (decrease) in cash attributable to changes in operating assets and liabilities, net of amounts applicable to acquired businesses:		
Accounts receivable	(2,364)	(7,999)
Inventories	2,734	(8,405)
Other current assets	(7,149)	(2,589)
Other assets	(2,604)	1,828
Accounts payable and accrued expenses	150	(6,577)
Income taxes, net	(864)	10,205
Net cash provided by operating activities	24,629	16,348
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(7,026)	(6,145)
Acquisitions of businesses, net of cash acquired	(6,478)	(4,480)
Net cash used in investing activities	(13,504)	(10,625)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of bank revolving credit facility, net	(16,500)	(7,650)
Payments on economic development revenue bonds	(3,550)	(408)
Purchase of treasury stock	(1,690)	(279)
Costs in connecting with bank financing	(34)	(25)
Proceeds from exercise of warrants and options, net of related expenses	4,294	17,606
Repayments of other long-term debt, net	(1,559)	(2,891)
Net cash (used in) provided by financing activities	(19,039)	6,353
Effect of exchange rate changes on cash	(2,458)	(1,959)
Net (decrease) increase in cash and cash equivalents	(10,372)	10,117
Cash and cash equivalents at beginning of period	27,489	10,984
Cash and cash equivalents at end of period	$ 17,117	$ 21,101

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. The consolidated financial statements reflect all normal recurring adjustments which, in management's opinion, are necessary for a fair presentation for interim periods. Operating results for the three months and nine months ended March 31, 2005 are not necessarily indicative of the results that may be expected for the year ending June 30, 2005. Please refer to the footnotes to our consolidated financial statements as of June 30, 2004 and for the year then ended included in our Annual Report on Form 10-K for information not included in these condensed footnotes.

3. EARNINGS PER SHARE

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

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2005	2004	2005	2004
Numerator:				
Net income	$ 7,698	$ 5,014	$ 24,558	$ 21,928
Denominator (in thousands):				
Denominator for basic earnings per share - weighted average shares outstanding during the period	36,440	35,694	36,368	34,943
Effect of dilutive securities:				
Stock options	868	1,059	754	1,031
Warrants	-	51	2	124
	868	1,110	756	1,155
Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversions	37,308	36,804	37,124	36,098
Basic net income per share	$ 0.21	$ 0.14	$ 0.68	$ 0.63
Diluted net income per share	$ 0.21	$ 0.14	$ 0.66	$ 0.61

4. INVENTORIES

Inventories consisted of the following:

	March 31, 2005	June 30, 2004
Finished goods	$53,121	$56,132
Raw materials, work-in-progress and packaging	30,807	30,741
	$ 83,928	$86,873

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

	March 31, 2005	June 30, 2004
Land	$ 8,181	$ 8,113
Buildings and improvements	30,665	29,867
Machinery and equipment	83,551	79,275
Furniture and fixtures	2,600	2,527
Leasehold improvements	3,876	3,478
Construction in progress	6,376	4,541
	135,249	127,801
Less: Accumulated depreciation and amortization	47,842	40,799
	$ 87,407	$ 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 March 31, 2005, 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 March 31, 2005, 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 March 31, 2005, 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. We expect these procedures to be completed by the end of fiscal 2005.

The results of operations for the three months and nine months ended March 31, 2005 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 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 March 31, 2004	Nine Months Ended March 31, 2004
Net sales	$ 152,676	$ 449,518
Net income	$ 5,525	$ 22,386
Earnings per share:		
Basic	$ 0.15	$ 0.64
Diluted	$ 0.15	$ 0.62
Weighted average shares:		
Basic	35,694	34,943
Diluted	36,804	36,098

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 March 31, 2005, $82.7 million was borrowed under the Credit Facility at an interest rate of 4.2%. On April 4, 2005, we borrowed an additional $11.0 million in conjunction with our acquisition of Zia Cosmetics, Inc. On May 9, 2005, we made a repayment of $4.0 million bringing our borrowings under the Credit Facility to $89.7 million.

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 nine months ended March 31, 2005 and 2004 would have been the pro forma amounts that follow:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2005	2004	2005	2004
Net income, as reported	$ 7,698	$ 5,014	$ 24,558	$ 21,928
Non-cash compensation charge, net of related tax effects	179	65	479	79
Stock-based employee compensation expense determined under fair value method, net of related tax effects	(1,537)	(2,413)	(6,392)	(4,350)
Pro forma net income	$ 6,340	$ 2,666	$ 18,645	$ 17,657
Basic net income per share:				
As reported	$ 0.21	$ 0.14	$ 0.68	$ 0.63
Pro forma	$ 0.17	$ 0.07	$ 0.51	$ 0.51
Diluted net income per share:				
As reported	$ 0.21	$ 0.14	$ 0.66	$ 0.61
Pro forma	$ 0.17	$ 0.07	$ 0.50	$ 0.49

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 will adopt SFAS No. 123(R) on July 1, 2005.

9. SUBSEQUENT EVENTS

On April 4, 2005, the Company acquired 100% of the stock of privately-held Zia Cosmetics, Inc., including the Zia Natural Skincare brand, a respected leader in therapeutic products for healthy, beautiful skin sold mainly through natural food retailers. Zia Natural Skincare complements Hain Celestial's Jason(R) personal care line of pure natural and organic products acquired in June 2004 and expands the premium skin care offerings of the Company in the fast-growing natural health and personal care product category. The purchase price consisted of approximately $10.8 million in cash, plus the assumption of certain liabilities.

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 March 31, 2005

Net sales for the three months ended March 31, 2005 were $161.3 million, an increase of $24.4 million or 17.8% over net sales of $136.9 million for the three months ended March 31, 2004. The increase came from increases in sales across our Company, including increases in sales of our branded products such as a 6% increase in our Celestial Seasonings tea brand, a 15% increase in our Terra Chips brand, a 23% increase in our Garden of Eatin' tortilla chips brand, and a 74% increase in our Earth's Best baby food brand including sales of its new Sesame Street products. We also saw an increase of 20% in our European business. Partially offsetting these increases were lower volumes from our low-carbohydrate products which declined parallel with trends in the consumer markets, and a decline in our business in Canada. During the March 31, 2005 quarter, sales 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 March 31, 2005 and for the three months ended March 31, 2004 was 28.2% of net sales. In the current quarter, gross profit was impacted by higher costs of ingredients, increased transportation costs resulting from higher fuel costs and the cost effects of regulations issued in 2004 on the U.S. trucking industry. In addition, the Company has incurred charges of approximately $1.2 million for its stock keeping unit rationalization program. These higher costs increased the costs of our products which were in part offset by the price increase we put in place at the beginning of the fiscal year.

Selling, general and administrative expenses increased by $4.2 million to $33.7 million for the three months ended March 31, 2005 as compared to $29.5 million for the three months ended March 31, 2004. Such expenses amounted to 20.9% of net sales for the three months ended March 31, 2005 compared with 21.6% in the March 31, 2004 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 March 31, 2005 includes approximately $0.4 million for the cost of terminated employees, for non-cash compensation charges and for Sarbanes-Oxley compliance costs.

Operating income was $11.7 million for the three months ended March 31, 2005 compared to $9.0 million for the three months ended March 31, 2004. Operating income as a percentage of net sales was 7.3% in the March 31, 2005 quarter, compared with 6.6% in the March 31, 2004 quarter. The increase resulted principally from higher sales and selling, general, and administrative expenses being lower as a percentage of sales.

Interest and other expenses, net amounted to $1.2 million for the three months ended March 31, 2005 compared to $.9 million for the three months ended March 31, 2004. Our interest expense was $0.6 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 also had $.1 million in net currency exchange losses this quarter as compared to $0.4 million in the prior year quarter.

Income before income taxes for the three months ended March 31, 2005 amounted to $10.5 million compared to $8.1 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 27% of pre-tax income for the three months ended March 31, 2005 compared to 38% for the three months ended March 31, 2004. This decrease was attributable to a $1.3 million reduction in tax liabilities resulting from the termination of certain outstanding tax matters and is equal to the amount charged against the Company's earnings when these arose in prior years. We expect our effective tax rate to approximate 37% during the remainder of fiscal 2005.

Net income for the three months ended March 31, 2005 was $7.7 million compared to $5.0 million for the three months ended March 31, 2004. The increase of $2.7 million in earnings was primarily attributable to the aforementioned increase in income before income taxes as well as the decrease in our effective tax rate.

Nine Months Ended March 31, 2005

Net sales for the nine months ended March 31, 2005 were $468.6 million, an increase of $61.9 million or 15.2% over net sales of $406.7 million for the nine months ended March 31, 2004. The increase came from volume increases and from the phasing in of price increases and from sales generated by businesses acquired in 2004. Sales were impacted by declines of our low-carbohydrate products which declined parallel with trends in the consumer markets; however, these sales were replaced by strong sales gains in our Earth's Best(R), Terra Chips(R), Garden of Eatin'(R) and Celestial Seasonings(R) brands.

Gross profit for the nine months ended March 31, 2005 was 29.4% of net sales as compared to 30.2% of net sales for the nine months ended March 31, 2004. 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 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 $11.7 million to $97.1 million for the nine months ended March 31, 2005 as compared to $85.4 million for the nine months ended March 31, 2004. Such expenses amounted to 20.7% of net sales for the nine months ended March 31, 2005 compared with 21.0% for the nine months ended March 31, 2004. 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 nine months ended March 31, 2005 includes approximately $2.2 million for the cost of terminated employees, for non-cash compensation charges and for Sarbanes-Oxley compliance costs.

Operating income was $40.6 million for the nine months ended March 31, 2005 compared to $37.4 million for the nine months ended March 31, 2004. Operating income as a percentage of net sales was 8.7% for the current year period, compared with 9.2% 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 $2.4 million for the nine months ended March 31, 2005 compared to $2.1 million for the nine months ended March 31, 2004. Our interest expense was $1.3 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 $.7 million in net currency exchange gains in the current year period as compared to less than $.1 million in net currency exchange losses in the prior year period, which partially offset the additional interest costs.

Income before income taxes for the nine months ended March 31, 2005 amounted to $38.2 million compared to $35.3 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 35.7% of pre-tax income for the nine months ended March 31, 2005 compared to 38% for the nine months ended March 31, 2004. This decrease was attributable to a $1.3 million reduction in tax liabilities in the current quarter resulting from the termination of certain outstanding tax matters and is equal to the amount charged against the Company's earnings when these arose in prior years. We expect our effective tax rate to approximate 37% during the remainder of fiscal 2005.

Net income for the nine months ended March 31, 2005 was $24.6 million compared to $21.9 million for the nine months ended March 31, 2004. The increase of $2.7 million in earnings was primarily attributable to the aforementioned increase in income before income taxes as well as the decrease in our effective tax rate.

Liquidity and Capital Resources

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

We have available to us a $300 million Credit Facility through April 22, 2009. The Credit Facility is secured only by a pledge of shares of certain of our foreign subsidiaries and is guaranteed by all of our direct and indirect domestic subsidiaries. We are required to comply with customary affirmative and negative covenants for facilities of this nature. As of March 31, 2005, we had $82.7 million outstanding under the Credit Facility. On April 4, 2005, we borrowed an additional $11.0 million in conjunction with our acquisition of Zia Cosmetics, Inc. On May 9, 2005, we made a repayment of $4.0 million bringing our borrowings under the Credit Facility to $89.7 million.

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 $24.6 million and $16.3 million for the nine months ended March 31, 2005 and 2004, respectively. Our working capital and current ratio was $128.6 million and 2.9 to 1, respectively, at March 31, 2005 compared with $129.9 million and 2.9 to 1 respectively, at June 30, 2004. The decrease in our working capital resulted principally from the net effects of our earnings offset by a decrease in inventories and the use of cash in financing activities.

Net cash (used in) provided by financing activities was $(19.0) million and $6.4 million for the nine months ended March 31, 2005 and 2004, respectively. The change was due principally to our pay down of approximately $21.6 million of debt and the purchase of treasury shares for $1.7 million, offset by proceeds from the exercise of warrants and options of approximately $4.3 million during the first nine months of fiscal 2005, as compared to our pay down of approximately $10.9 million of debt and the purchase of treasury shares of $.3 million, offset by proceeds from the exercise of warrants and options of approximately $17.6 million during the first nine months of fiscal 2004.

We believe that cash on hand of $17.1 million at March 31, 2005, 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 $4 million, and scheduled debt and lease payments of approximately $7.9 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 was approximately $5.5 million and $6.2 million at March 31, 2005 and June 30, 2004, respectively.

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 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(a)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1-31, 2005				635,361
February 1-29, 2005	80,000	$ 18.82	80,000	555,361
March 1-31, 2005	10,000	$ 18.40	10,000	545,361
Total	90,000	$ 18.77	90,000	545,361

(a) The Company's plan to repurchase up to one million shares of its common stock was first announced publicly on a conference call on August 29, 2002.

(b) On April 18, 2005, the Company announced that the Board of Directors authorized the repurchase of up to one million shares of common stock. This authorization increases the remaining shares above from 545,361 by 454,639 shares to the one million shares.

ITEM 6. EXHIBITS

EXHIBTS

Exhibit Number	Description
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: May 10, 2005

/s/ Irwin D Simon

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

Date: May 10, 2005

/s/ Ira J. Lamel

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

EXHIBIT 31.1

CERTIFICATION

I, Irwin D. Simon, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

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

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

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

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: May 10, 2005

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

EXHIBIT 31.2

CERTIFICATION

I, Ira J. Lamel, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

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

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

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

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

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: May 10, 2005

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

EXHIBIT 32.1

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

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2005 (the "Report") filed by The Hain Celestial Group, Inc. (the "Company") with the Securities and Exchange Commission, I, Irwin D. Simon, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: May 10, 2005

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

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

EXHIBIT 32.2

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

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2005 (the "Report") filed by The Hain Celestial Group, Inc. (the "Company") with the Securities and Exchange Commission, I, Ira J. Lamel, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: May 10, 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.