

*Use of Non-GAAP Financial Measures*

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP financial measures that exclude the impact of Pet segment charges related to a non-cash intangible asset impairment in fiscal 2015 and Garden segment charges in fiscal 2014 and Garden segment gains recognized during fiscal 2014 related to the sale of plant assets may be useful in certain instances to provide additional meaningful comparisons between current results and results in prior periods that should be considered when assessing our ongoing performance. The Company believes that these non-GAAP financial measures provide useful information to investors and other users of its financial statements, such as lenders. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. While the Company's management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace the Company's GAAP financial results and should be read in conjunction with those GAAP results.

**CENTRAL GARDEN & PET COMPANY**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**

(unaudited, in thousands, except per share amounts)

	GAAP Fourth Quarter 2015	Intangible Impairment (A)	Adjusted Fourth Quarter 2015
Net sales	\$ 386,369	\$ -	\$ 386,369
Cost of goods sold and occupancy	278,397		278,397
Gross profit	107,972	-	107,972
Selling, general and admin expenses and impairment	106,639	(7,272)	99,367
Income (loss) from operations	1,333	7,272	8,605
Net income (loss) attributable to Central Garden & Pet Company	\$ (4,369)	\$ 4,654	\$ 285
Earnings per share - Diluted	\$ (0.09)		\$ 0.01
Weighted shares outstanding - Diluted	48,322		49,922
Gross margin	27.9%		27.9%
Selling, general and administrative expenses as a percentage of sales	25.7%		25.7%
Operating margin	0.3%		2.2%

**CENTRAL GARDEN & PET COMPANY**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**

(unaudited, in thousands, except per share amounts)

	GAAP Fourth Quarter 2014	Garden Charge	Gain on Plant Assets Sale (B)	Adjusted Fourth Quarter 2014
Net sales	\$ 374,238	\$ -	\$ -	\$ 374,238
Cost of goods sold and occupancy	266,682			266,682
Gross profit	107,556	-	-	107,556
Selling, general and admin expenses	106,183		2,879	109,062
Income (loss) from operations	1,373	-	(2,879)	(1,506)
Net loss	\$ (4,070)	\$ -	\$ (1,814)	\$ (5,884)
Loss per share - Diluted	\$ (0.08)			\$ (0.12)
Weighted shares outstanding	49,324			49,324
Gross margin	28.7%			28.7%
Selling, general and administrative expenses as a percentage of sales	28.4%			29.1%
Operating margin	0.4%			(0.4%)

(A) In the fourth quarter of fiscal 2015, we recognized a non-cash intangible asset impairment charge within our Pet segment.

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(B) The garden charges reflect the impact of a Garden segment charge in fiscal 2014 related to the discontinuance of certain products.

**GAAP to Non-GAAP Reconciliation**  
(unaudited, in thousands, except per share amounts)

**For the Year Ended September 26, 2015**

	Fiscal 2015 GAAP	Intangible Impairment (A)	Fiscal 2015 As Adjusted
Net sales	\$ 1,650,737	\$ —	\$1,650,737
Cost of goods sold and occupancy	1,162,685	—	1,162,685
Gross profit	488,052	—	488,052
Selling, general and administrative expenses and impairment	396,617	(7,272)	389,345
Income from operations	91,435	7,272	98,707
Net income attributable to Central Garden & Pet Company	\$ 31,971	\$ 4,654	\$ 36,625
Earnings per share - Diluted	\$ 0.64		\$ 0.74
Weighted shares outstanding	49,638		49,638
Gross margin	29.6%		29.6%
Selling, general and administrative expenses and impairment as a percentage of sales	24.0%		23.6%
Operating margin	5.5%		6.0%

**GAAP to Non-GAAP Consolidated Reconciliation**  
(unaudited, in thousands, except per share amounts)

**For Fiscal Year Ended September 27, 2014**

	Fiscal 2014 GAAP	Garden Charge (B)	Gain on Sale of Plant Assets (C)	Fiscal 2014 As Adjusted
Net sales	\$1,604,357	\$ 7,035	\$ -	\$ 1,611,392
Cost of goods sold and occupancy	1,150,333	(9,873)		1,140,460
Gross profit	454,024	16,908		470,932
Selling, general and administrative expenses	397,811		4,875	402,686
Income from operations	\$ 56,213	\$ 16,908	\$ (4,875)	\$ 68,246
Net income (loss)	\$ 8,804	\$ 10,652	\$ (3,071)	\$ 16,385
Net loss per share attributable to Central Garden & Pet Co.				
Earnings per share – Diluted	\$ 0.18			\$ 0.33
Weighted shares outstanding	49,397			49,397
Gross margin	28.3%			29.2%
Selling, general and administrative expenses as a percentage of sales	24.8%			25.0%
Operating margin	3.5%			4.2%

(A) In the fourth quarter of fiscal 2015, we recognized a non-cash intangible asset impairment charge within our Pet segment.

(B) The garden charges reflect the impact of a Garden segment charge in fiscal 2014 related to the discontinuance of certain products.

(C) In fiscal 2014, we recognized a gain from the sale of manufacturing plant assets related to a product the Garden segment will now purchase rather than produce.

**Non-GAAP Consolidated Comparative Summary**  
(unaudited, in thousands, except per share amounts)

	<b>Three Months Ended September 26, 2015</b>	<b>Three Months Ended September 27, 2014</b>	<b>Fiscal Year Ended September 26, 2015</b>	<b>Fiscal Year Ended September 27, 2014</b>
Adjusted net sales	\$ 386,369	\$ 374,238	\$ 1,650,737	\$ 1,611,392
Adjusted gross profit	107,972	107,556	\$ 488,052	\$ 470,932
Adjusted gross margin	27.9%	28.7%	29.6%	29.2%
Adjusted selling, general and administrative expenses	\$ 99,367	\$ 109,062	\$ 389,345	\$ 402,686
Adjusted selling, general and administrative as a percentage of sales	25.7%	29.1%	23.6%	25.0%
Adjusted income from operations	\$ 8,605	\$ (1,506)	\$ 98,707	\$ 68,246
Adjusted operating margin	2.2%	(0.4%)	6.0%	4.2%
Adjusted EPS - diluted	\$0.00	(\$0.12)	\$0.74	\$0.33

**Pet Segment:**

	<b>Fiscal 2015</b>		<b>Fiscal 2014</b>	
	<b>Income from Operations</b>	<b>Operating Margin</b>	<b>Income from Operations</b>	<b>Operating Margin</b>
Fiscal year as reported (GAAP)	\$ 98,798	11.0%	\$ 88,077	10.4%
Intangible asset impairment charge (A)	7,272			
Fiscal year as adjusted	<u>\$ 106,070</u>	11.9%	<u>\$ 88,077</u>	10.4%

**Garden Segment**

	<b>Fiscal 2015 Net Sales</b>		<b>Fiscal 2014 Net Sales</b>	
Fiscal year as reported (GAAP)	\$ 756,188		\$ 758,852	
Garden charge (B)	-		7,035	
Fiscal year as adjusted	<u>\$ 756,188</u>		<u>\$ 765,887</u>	

  

	<b>Income from Operations</b>	<b>Operating Margin</b>	<b>Income from Operations</b>	<b>Operating Margin</b>
Fiscal year as reported (GAAP)	\$ 60,145	8.0%	\$ 41,020	5.4%
Garden charge (B)			16,908	
Gain on sale of plant assets (C)			(4,875)	
Fiscal year as adjusted	<u>\$ 60,145</u>	8.0%	<u>\$ 53,053</u>	6.9%

(A) In fiscal 2015, we recognized a non-cash intangible asset impairment charge within our Pet segment.

(B) The garden charges reflect the impact of a Garden segment charge in fiscal 2014 related to the discontinuance of certain products.

(C) In fiscal 2014, we recognized a gain from the sale of manufacturing plant assets related to a product the Garden segment will now purchase rather than produce.