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

FORM 10Q

(Mark One)

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1034

For the quarterly period ended June 24, 2000

or

[ ] TRANSITION REPORT PURSUANT OF SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________________________ to ___________________

Commission File Number: 0 - 20242

CENTRAL GARDEN & PET COMPANY

Delaware	68-0275553
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3697 Mt. Diablo Blvd., Suite 310, Lafayette, California 94549

(Address of principle executive offices)

(925) 283-4573

(Registrant's telephone number, including area code)

____

(Former name, former address and former fiscal year, if changed since last report)

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 requirements for the past 90 days. [x] Yes [ ] No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

Common Stock Outstanding as of June 24, 2000 16,981,755

Class B Stock Outstanding as of June 24, 2000 1,657,962

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Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This quarterly report contains "forward-looking" statements based on current expectations that involve risks and uncertainties. Actual results and the timing of certain events may differ significantly from

those projected in these forward-looking statements due to the factors listed below, under "Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Factors Relating to Forward-Looking Statements" in our Annual Report on Form 10-K for the fiscal year ended September 25, 1999, and from time to time in our filings with the Securities and Exchange Commission. These risks and uncertainties include, without limitation, the final accounting for all issues between the Company and Pharmacia Corporation (formerly known as Monsanto Company) under the Solaris Agreement, such as the amounts receivable from Pharmacia Corporation for cost reimbursements, payments for cost reductions and payments for services; the amounts payable to Pharmacia Corporation for inventory; responsibility for obsolete inventory and for non-payment by Solaris' direct sales accounts; costs associated with the realignment of the Company's lawn and garden distribution operations to reflect anticipated business levels for the fiscal year 2000 and beyond; and the impact of outstanding or potential litigation.

CENTRAL GARDEN & PET COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)
(In thousands, except share amounts)

<TABLE>
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ASSETS	September 25, 1999	June 24, 2000
<S>	<C>	<C>
Current Assets:		
Cash & cash equivalents	$ 8,017	$ 7,568
Accounts receivable (less allowance for doubtful accounts of $6,484 and $6,810)	149,411	215,013
Inventories	240,207	254,979
Inventories held for return to manufacturer	75,887	-
Prepaid expenses and other assets	11,254	10,986
Total current assets	484,776	488,546
Land, Buildings, Improvements and Equipment - net	94,179	94,891
Goodwill	346,488	385,479
Other Assets	30,387	39,930
Total	$ 955,830	$ 1,008,846

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:		
Notes payable	$ 95,883	$ 162,318
Accounts payable	188,113	150,201
Accrued expenses	29,667	37,185
Current portion of long-term debt	1,485	5,659
Total current liabilities	315,148	355,363
Long-Term Debt	123,898	138,050
Deferred Income Taxes and Other Long-Term Obligations	21,057	18,736
Commitments and Contingencies	---	---
Shareholders' Equity:		
Preferred stock, $.01 par value: 1,000 shares authorized, none outstanding at September 25, 1999 or June 24, 2000	---	---
Class B stock, $.01 par value: 1,660,919 shares outstanding September 25, 1999 and 1,657,962 outstanding at June 24, 2000	16	16
Common stock, $.01 par value: 30,183,365 shares issued and 19,332,015 outstanding September 25, 1999; 30,341,505 issued and 16,981,755 outstanding at June 24, 2000	302	303
Additional paid-in capital	524,058	525,148
Retained earnings	94,474	112,948
Treasury Stock	(123,123)	(141,718)
Total shareholders' equity	495,727	496,697
Total	$ 955,830	$ 1,008,846

</TABLE>

See notes to condensed consolidated financial statements

CENTRAL GARDEN & PET COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(In thousands)

<TABLE>
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	Nine Months Ended	
	June 26, 1999	June 24, 2000
<S>	<C>	<C>
Cash Flows From Operating Activities:		
Net Income	$ 28,798	$ 18,495
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	14,768	17,531
Change in assets and liabilities:		
Receivables	(82,252)	(64,107)
Inventories	(42,573)	64,502
Prepaid expenses and other assets	4,365	(5,376)
Accounts payable	108,593	(40,187)
Accrued expenses and other liabilities	20,127	5,087
Net cash provided by (used in) operating activities	51,826	(4,055)
Cash Flows From Investing Activities:		
Additions to land, buildings, improvements and equipment	(13,858)	(9,964)
Payments to acquire companies, net of cash acquired	(13,888)	(34,745)
Net cash used in investing activities	(27,746)	(44,709)
Cash Flows From Financing Activities:		
Proceeds from notes payable - net	51,991	66,435
Repayments of long-term debt	(1,768)	(616)
Proceeds from issuance of stock - net	1,611	1,091
Payments to reacquire stock	(83,551)	(18,595)
Net cash provided by (used in) financing activities	(31,717)	48,315
Net Decrease in Cash	(7,637)	(449)

Cash at Beginning of Period	10,328	8,017
Cash at End of Period	$ 2,691	$ 7,568
Supplemental Information		
Cash paid for interest	$ 6,390	$ 13,319
Cash paid for income taxes	12,350	8,848
Assets (excluding cash) acquired through purchase of subsidiaries	6,251	8,069
Liabilities assumed through the purchase of subsidiaries	3,274	21,306

</TABLE>

See notes to condensed consolidated financial statements

CENTRAL GARDEN & PET COMPANY

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)
(In thousands, except per share amounts)

<TABLE>
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	Nine Months Ended		Three Months Ended	
	June 26, 1999	June 24, 2000	June 26, 1999	June 24, 2000
<S>	<C>	<C>	<C>	<C>
Net sales	$ 1,204,265	$ 1,055,337	$ 529,140	$ 453,803
Cost of goods sold and occupancy	937,907	783,583	421,522	339,055
Gross profit	266,358	271,754	107,618	114,748
Selling, General and Administrative Expenses	208,251	221,673	80,994	84,980
Income from operations	58,107	50,081	26,624	29,768
Interest expense - net	8,456	17,046	3,031	6,768
Income before income taxes	49,651	33,035	23,593	23,000
Income taxes	20,853	14,540	9,909	10,125
Net Income	$ 28,798	$ 18,495	$ 13,684	$ 12,875
Net Income per Share				
Basic	$ 0.99	$ 0.98	$ 0.50	$ 0.69
Diluted	$ 0.96	$ 0.94	$ 0.47	$ 0.61
Weighted Average Shares Outstanding				
Basic	28,980	18,867	27,239	18,640
Diluted	33,218	23,064	31,427	22,850

</TABLE>

See notes to condensed consolidated financial statements

Central Garden & Pet Company
Notes to Condensed Consolidated Financial Statements
Three Months and Nine Months Ended June 24, 2000
(Unaudited)

1. Basis of Presentation

The condensed consolidated balance sheet as of June 24, 2000, the consolidated statements of income for both the three and nine months ended June 24, 2000 and June 26, 1999 and the consolidated statements of cash flows for the nine months ended June 24, 2000 and June 26, 1999 have been prepared by the Company, without audit. The condensed consolidated balance sheet as of September 25, 1999 has been derived from the audited financial statements of the Company for the year ended September 25, 1999. In the opinion of management, all adjustments (which include only normal recurring adjustments) considered necessary to present fairly the financial position, results of operations and cash flows of the Company for the periods mentioned above, have been made.

Due to the seasonal nature of the Company's business, the results of operations for the three and nine months ended June 24, 2000 are not indicative of the operating results that may be expected for the year ending September 30, 2000.

It is suggested that these interim financial statements be read in conjunction with the annual audited financial statements, accounting policies and financial notes thereto, included in the Company's 1999 Annual Report which has previously been filed with the Securities and Exchange Commission.

2. Share Repurchase Program

On October 5, 1999, the Company's Board of Directors authorized the Company to increase the share repurchase program up to a maximum of $155 million of common shares. During the three month period ended December 25, 2000, the Company repurchased 2,500,000 shares for a total of $18.6 million. No additional share repurchases occurred during the period between December 26, 1999 and June 24, 2000.

3. Earnings Per Share

The following is a reconciliation of the numerators and denominators of the basic and diluted per-share computations for income from continuing operations (in thousands, except per share amounts):

<TABLE>
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	Three Months Ended June 24, 2000			Nine Months Ended June 24, 2000		
	Income	Shares	Per Share	Income	Shares	Per Share
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Basic EPS:						
Net income	$12,875	18,640	$0.69	$18,495	18,867	$0.98
Effect of dilutive securities:						
Options to purchase common stock		103			90	
Convertible notes	1,042	4,107		3,124	4,107	
Diluted EPS:						
Net income attributed to common shareholders	$13,917	22,850	$0.61	$21,619	23,064	$0.94

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	Three Months Ended June 26, 2000			Nine Months Ended June 26, 2000		
	Income	Shares	Per Share	Income	Shares	Per Share
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Basic EPS:						
Net income	$13,684	27,239	$0.50	$28,798	28,980	$0.99
Effect of dilutive securities:						
Options to purchase common stock		81			131	
Convertible notes	$ 1,079	4,107		$ 3,236	4,107	
Diluted EPS:						
Net income attributed to common shareholders	$14,763	31,427	$0.47	$32,034	33,218	$0.96

</TABLE>

4. Segment Information

Management has determined that the reportable segments of the Company are its Distribution, Pet Products and Garden Products segments, based on the level at which the chief operating decision making group reviews the results of operations in order to make decisions regarding performance assessment and resource allocation. There has been no change in the segments reported or the basis of measurement of segment profit or loss from that which was reported in the Company's 1999 Form 10-K. Segment information for the three month and nine month periods ended June 26, 1999 and June 24, 2000 and segment assets at September 25, 1999 and June 24, 2000 are set forth below (dollars in thousands):

<TABLE>
<CAPTION>

	Three Months Ended		Nine Months Ended	
	June 26, 1999	June 24, 2000	June 26, 1999	June 24, 2000
<S>	<C>	<C>	<C>	<C>
Net sales				
Distribution	$356,820	$255,888	$ 766,506	$ 563,014
Garden Products	129,365	147,779	304,738	344,444
Pet Products	59,286	67,418	176,583	194,652
Corporate, eliminations and all other	(16,331)	(17,282)	(43,562)	(46,773)
Total net sales	$529,140	$453,803	$1,204,265	$1,055,337
Intersegment sales				
Garden Products	$ 5,976	$ 12,311	19,207	$ 29,915
Pet Products	11,861	6,391	25,917	17,752
Corporate, eliminations and all other	(1,506)	(1,420)	(1,562)	(894)
Total intersegment sales	$ 16,331	$ 17,282	$ 43,562	$ 46,773
Income (loss) from operations				
Distribution	$ 10,358	$ 8,813	$ 15,144	$ 6,453
Garden Products	14,772	17,851	36,680	42,571
Pet Products	6,284	8,853	20,958	24,175
Corporate, eliminations and all other	(4,790)	(5,749)	(14,675)	(23,118)
Income from operations	26,624	29,768	58,107	50,081
Interest expense	3,031	6,768	8,456	17,046
Income taxes	9,909	10,125	20,853	14,540
Net income	$ 13,684	$ 12,875	$ 28,798	$ 18,495
Depreciation and amortization				
Distribution	$ 812	$ 1,180	$ 2,464	$ 3,454
Garden Products	912	840	2,398	2,644
Pet Products	967	1,246	2,846	3,603
Corporate, eliminations and all other	2,382	2,856	7,060	7,830
Total depreciation and amortization	$ 5,073	$ 6,122	$ 14,768	$ 17,531
Expenditures for long-lived assets				
Distribution	$ 1,177	$ 871	$ 6,289	$ 3,717
Garden Products	30	915	1,874	2,748
Pet Products	1,469	422	4,964	3,499
Corporate, eliminations and all other	0	0	731	0

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<S>	<C>	<C>	<C>	<C>
Total expenditures for long-lived assets	$ 2,676	$ 2,208	$ 13,858	$ 9,964

</TABLE>

September 25, 1999 June 24, 2000

Assets		
Distribution	$216,981	$ 171,291
Garden Products	179,953	245,280
Pet Products	99,583	116,772
Corporate, eliminations and all other	459,313	475,503
Total assets	$955,830	$1,008,846

5. Proposal to Spin Off Garden Distribution Business

On June 7, 2000, the Company filed with the Securities and Exchange Commission ("SEC") a Form 10 which, when declared effective by the SEC, would permit the Company to spin off its lawn and garden distribution business to shareholders. On August 3, 2000, the Company announced that it plans to withdraw the Form 10 filed on June 7 and refile within 30 to 60 days once the Form 10 has been updated to reflect the resizing of the Company's lawn and garden distribution business. If the spin-off is completed, the lawn and garden business would become a separate public company while Central would continue to operate its existing lawn and garden branded products business, as well as its branded pet products and pet distribution businesses.

6. Recent Acquisition

On March 29, 2000, the Company announced that it had acquired the AMDRO and IMAGE consumer product lines from American Cyanamid, the agricultural products division of American Home Products Corporation, for approximately $28 million. The acquisition was accounted for under the purchase method, and the resulting goodwill will be amortized on a straight-line basis over 20 years.

7. Other Charges

In September 1999, the Company recorded Other Charges totaling $7.6 million associated with the expiration of the Solaris Agreement, workforce reductions and facility closures in the Company's Distribution operations. During the six months ended March 25, 2000, the Company closed the three distribution centers identified in the September 2000 closure plan, completed the associated workforce reductions, and paid all remaining severance amounts accrued as of September 25, 1999. $.5 million is included in accrued expenses as of June 24, 2000 associated with lease costs, property taxes and other facility costs which will be required to be paid through the expiration of the leases on these closed distribution centers.

8. New Accounting pronouncements

In December 1999, the SEC released Staff Accounting Bulletin No. 101 ("SAB 101"), which provides the staff's views in applying generally accepted accounting principles to selected revenue recognition issues. In March 2000, the SEC released SAB 101A, which delayed for one quarter the implementation date of SAB 101 for registrants with fiscal years beginning between December 16, 1999 and March 15, 2000. In June 2000, the SEC released SAB 101B, which delayed the implementation date of SAB 101 until no later than the fourth fiscal quarter of fiscal years beginning after December 15, 1999.

The Company is evaluating what impact, if any, SAB 101 may have on its consolidated financial statements.

9. Subsequent Events

On June 30, 2000, The Scotts Company filed suit against Central to collect the purchase price of certain lawn and garden products previously sold to Central. Central has withheld payments to Scotts of approximately $17 million on the basis of claims it has against Scotts - including amounts due for services and goods previously supplied by Central and not yet paid for by Scotts. This action, *The Scotts Company v. Central Garden & Pet Company*, Docket No. C2 00-755, is in the United States District Court for the Southern District of Ohio, Eastern Division. On July 3, 2000, Pharmacia Corporation (formerly known as Monsanto Company) filed suit against Central seeking an accounting and unspecified amounts allegedly due Pharmacia under the four-year alliance agreement between Central and Pharmacia which expired in September 1999, as well as damages for breach of contract. This action, Pharmacia Corporation v. Central Garden & Pet

Company, Docket No. 00CC-002253 Q CV, is in the Circuit Court of St. Louis County, Missouri.

Central believes that the reconciliation of all accounts will not result in a balance due from Central to Pharmacia. Further, Central believes it has substantial counterclaims and rights of offset against both Scotts and Pharmacia, as well as meritorious defenses, and intends to vigorously contest both suits.

On July 7, 2000, Central filed suit against Scotts and Pharmacia seeking damages and injunctive relief as well as restitution for, among other things, breach of contract and violations of the antitrust laws by Scotts and Pharmacia. This action, Central Garden & Pet Company, a Delaware corporation v. The Scotts Company, an Ohio corporation; and Pharmacia Corporation, formerly known as Monsanto Company, a Delaware corporation, Docket No. C 00 2465, is in the United States District Court for the Northern District of California.

On July 19, 2000 the Company announced that Scotts intends to discontinue its distribution relationship with Central after September 30, 2000. The revenue and gross profit for the year ended September 2000 expected to be lost in fiscal 2001 is estimated to be approximately $185 to $195 million and $31 to $33 million respectively. The Company expects this loss of gross profit to be significantly offset next year with expense reductions and other business growth. As a result of this expected significant reduction in volume, Central expects to record substantial one time charges in the fiscal year ending September 30, 2000 associated with the resizing of the Garden Distribution business.

On August 2, 2000, a fire of undetermined origin destroyed the Company's Phoenix, Arizona lawn and garden distribution center. The fire also destroyed a medical supply distribution center operated by a third party which is located in an adjoining facility and caused the evacuation of neighboring businesses and residences. The Phoenix facility is one of Central's smallest distribution centers. The Company maintains insurance coverage against property damage and third party liability which it believes will be adequate to cover most or all of the losses or liabilities to which it may become subject as a result of the fire.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Central was incorporated in Delaware in June 1992 and is the successor to a California corporation which was incorporated in 1955. References to "we," "us," or "Central" means Central Garden & Pet Company and its subsidiaries and divisions, and their predecessor companies and subsidiaries. Central's operations are grouped into three business segments, the lawn and garden branded products business ("Garden Products"), the distribution business ("Distribution") and the pet branded products business ("Pet Products").

Recent developments affecting the Distribution Segment:

From October 1, 1995 to September 30, 1999, Distribution distributed Solaris product nationwide, pursuant to an exclusive distribution agreement. Management believes that the relationship with Solaris embodied in the Solaris Agreement had a substantial impact on our results of operations. Sales of products purchased from Solaris, our largest supplier, accounted for approximately 43% of Distribution's net sales and 27% of Central's net sales during fiscal 1999. Under the Solaris Agreement, Distribution, in addition to serving as the master agent and master distributor of Solaris products, provided a wide range of value-added services including logistics, order processing and fulfillment, inventory distribution and merchandising. As a result of the Solaris Agreement, a majority of our sales of Solaris products were derived from servicing direct sales accounts, rather than as a traditional distributor. Under the Solaris Agreement, our inventories of Solaris product increased significantly, since we not only carried inventories to support our own sales of Solaris products but also certain inventory previously carried by Solaris as well as additional inventories to support sales of Solaris products by our former network of independent distributors.

In January 1999, Pharmacia Corporation sold its Solaris lawn and garden business exclusive of its Roundup herbicide products for consumer use to The Scotts Company ("Scotts") and entered into a separate, long-term, exclusive agreement pursuant to which Pharmacia Corporation continues to make Roundup herbicide products for consumer use and Scotts markets the products. Scotts has been for many years a substantial supplier to us and, in connection with its direct sales, a substantial purchaser of our services.

In the fall of 1999, Scotts altered its distribution systems for certain products, including Ortho and Miracle-Gro products and Pharmacia Corporation's consumer Roundup products for which Scotts acts as Pharmacia Corporation's exclusive sales agent. Beginning October 1, 1999, Scotts began to distribute Ortho and Roundup products through a system that involves a combination of distributors, of which we were the largest, as well as through direct sales by Scotts to certain major retailers. In addition, Scotts began to sell Miracle-Gro directly to certain retailers.

The business likely to be taken over in this fiscal year ending September 30, 2000 by Scotts is estimated to be approximately $200-250 million in sales. The gross profit associated with these sales in fiscal 1999 was approximately $15-25 million. We expect this loss of gross profit to be partially offset this fiscal year with expense reductions and other business growth. However, there is no assurance that the business taken over by Scotts will not be greater than $200-250 million, or that we will be successful in our attempts to reduce expenses and generate new business.

Due to the changes in Scotts' distribution system, our inventory of Scotts products and the related payables have been reduced by an amount in excess of $75 million. Additionally, we have taken actions to realign our lawn and garden distribution operations to reflect anticipated business levels for fiscal 2000. The amount and profitability of Distribution's business with Scotts in fiscal 2000 may be influenced by numerous factors and is impossible to predict. Accordingly, the actual results of our operations may differ significantly from the foregoing estimates.

The sale of the Solaris business by Pharmacia Corporation and the expiration of the Solaris Agreement subject our Distribution business to significant uncertainties. These include the resolution of all payments due between us and Pharmacia Corporation under the Solaris Agreement, such as the amounts receivable from Pharmacia Corporation for cost reimbursements, payments for cost reductions and payments for services; the amounts payable to Pharmacia Corporation for inventory; and responsibility for obsolete inventory and for non-payment by Solaris' sub-agents. The resolution of these uncertainties has resulted in litigation (see Note 8 to the condensed financial statements) and could have a material adverse effect on our results of operations, financial position and/or cash flows.

On July 19, 2000, the Company announced that it had learned from Scotts that Scotts intends to discontinue its distribution relationship with the Company after September 30, 2000. The affected products would include Scotts(R), Ortho(R), and Miracle-Gro(R) products manufactured by the Scotts Company and consumer Roundup(R) products manufactured by Pharmacia Corporation for which Scotts acts as Pharmacia's exclusive sales agent.

For the Company's current fiscal year ending September 30, 2000, the revenue attributable to the affected products is estimated to be approximately $185-195 million. The gross profit associated with these sales in the current year is estimated to be approximately $31-33 million (8-10% of estimated total gross profit for the current year). The loss of the Scotts business, coupled with other changes in service levels projected for fiscal year 2001, will substantially reduce the Distribution segment's sales to Wal*Mart, its largest customer.

The Company expects that it will take steps to realign its lawn and garden distribution operations to reflect the reduced business levels which it anticipates for the fiscal year 2001. As a result, the Company expects to record substantial one-time charges in the fourth quarter of the fiscal year ending September 2000.

As a result of the foregoing changes, the Company expects that its lawn and garden distribution business will be substantially smaller in fiscal year 2001 than in prior years with attendant reductions in revenue, gross profit, operating income, and assets employed.

Three Months Ended June 24, 2000
Compared with Three Months Ended June 26, 1999

Net sales for the three months ended June 24, 2000 decreased by 14.2% or $75.3 million to $453.8 million from $529.1 million for the quarter ended June 26, 1999. The $75.3 million decrease was primarily the net result of an $100.9 million decrease in Distribution sales (primarily attributable to reduced Solaris sales) offset by a $18.4 million increase in Garden Products sales ($12.5 million attributable to the businesses acquired) together with a $8.1 million increase in Pet Products sales.

Gross profit increased by 6.6% or $7.1 million from $107.6 million during the quarter ended June 26, 1999 to $114.7 million for the comparable 2000 period. Gross profit as a percentage of net sales increased from 20.3% for the three months ended June 26, 1999 to 25.3% for the three months ended June 24, 2000. The increase in gross profit dollars was principally related to the increases in Garden and Pet Products sales offset by a $3.0 million decrease in Distribution. Excluding Distribution, gross profit dollars from existing operations increased by $5.0 million. The increase in gross profit as a percentage of net sales is primarily the result of an increase in Distribution gross profit percentage combined with a larger proportion of higher margin branded product sales relative to total sales. The increased Distribution gross profit percentage was primarily the result of the reduction in sales of low margin Solaris products principally to retailers' distribution centers. Garden and Pet Products' gross profit percentages remained relatively constant.

Selling, general and administrative expenses increased 4.9% or $4.0 million from $81.0 million during the quarter ended June 26, 1999 to $85.0 million for the comparable 2000 period. As a percentage of net sales, selling, general and administrative expenses increased from 15.3% during the quarter ended June 26, 1999 to 18.7% for the comparable 2000 period. The primary factors contributing to the selling, general and administrative expenses increase in absolute dollars were increases in expenses of (1) $2.8 million attributable to the businesses acquired; (2) $1.2 million of professional fees incurred in relation to our strategic planning and evaluation process, and (3) $1.4 million of increases in operating expenses associated with the sales increases in both Garden and Pet Products, offset in part by decreases in Distribution expenses.

Net interest expense for the quarter ended June 24, 2000 increased by $3.8 million to $6.8 million from $3.0 million for the quarter ended June 26, 1999. The increase is due to higher average outstanding short-term debt resulting principally from the Company's stock repurchase program and the businesses acquired since October 1999.

Average short-term borrowings for the quarter ended June 24, 2000 were $199.1 million compared with $52.8 million for the quarter ended June 26, 1999. The average short-term interest rates for the quarter ended June 24, 2000 and June 26, 1999 were 9.8% and 8.2%, respectively.

The Company's effective income tax rate for the quarter ended June 24, 2000 was 44% compared with 42% for the quarter ended June 26, 1999. The increase in the effective tax rate results principally from non-deductible goodwill expense being a higher percentage of taxable income than was the case in the quarter ended June 26,1999.

Nine Months Ended June 24, 2000
Compared with Nine Months Ended June 26, 1999

Net sales for the nine months ended June 24, 2000 decreased by 12.4% or $148.9 million to $1,055.3 million from $1,204.3 million for the nine months ended June 26, 1999. The $148.9 million decrease was primarily the net result of a $203.5 million decrease in Distribution sales (primarily attributable to reduced Solaris sales) being partially offset by a $39.7 million increase in Garden Products sales ($24.7 million attributable to the businesses acquired - Norcal Pottery, acquired in January 1999; Unicorn Laboratories, acquired in December 1999; and the Amdro and Image product lines, acquired in March 2000), together with a $18.1 million increase in Pet Products sales.

Gross profit increased by 2.0% or $5.4 million from $266.4 million during the nine months ended June 26, 1999 to $271.8 million for the comparable 2000 period. Gross profit as a percentage of net sales increased from 22.1% for the nine months ended June 26, 1999 to 25.8% for the nine months ended June 24, 2000. The increase in gross profit dollars was principally related to the increases in Garden and Pet Products sales offset by a $7.0 million decrease in Distribution. Excluding Distribution, gross profit dollars from existing operations increased by $5.0 million. The increase in gross profit as a percentage of net sales is primarily the result of an increase in Distribution gross profit percentage combined with a larger proportion of higher margin branded product sales relative to total sales. The increased Distribution gross profit percentage was primarily the result of the reduction in sales of low margin Solaris products principally to retailers' distribution centers. Garden and Pet Products' gross profit percentages remained relatively constant.

Selling, general and administrative expenses increased 6.4% or $13.4 million from $208.3 million during the nine months ended June 26, 1999 to $221.7 million for the comparable 2000 period. As a percentage of net sales, selling, general and administrative expenses increased from 17.3% during the nine months ended June 26, 1999 to 21.0% for the comparable 2000 period.

The primary factors contributing to the selling, general and administrative expenses increase in the nine months ended June 24, 2000 included: (1) $5.9 million attributable to the businesses acquired; (2) $4.8 million of professional fees incurred in relation to our strategic planning and evaluation process; (3) the short term effects of the end of the Solaris Alliance producing a rapid decrease in Garden Distribution sales and related inventory levels coupled with management's decision to defer certain

cost reductions during the first three fiscal quarters in order to maintain operational infrastructure for the year 2000 garden season and flexibility for future strategic planning; and (4) increases in operating expenses associated with the sales increases in both Garden and Pet Products.

Net interest expense for the nine months ended June 24, 2000 increased by $8.6 million to $17.0 million from $8.4 million for the nine months ended June 26, 1999. The increase is due to higher average outstanding short-term debt resulting principally from the Company's stock repurchase program and the businesses acquired. During the nine month period ended June 24, 2000, the Company repurchased 2,500,000 shares of its stock for a total cost of approximately $18.6 million, primarily through the use of its revolving credit facility.

Average short-term borrowings for the nine months ended June 24, 2000 were $176.0 million compared with $38.8 million for the nine months ended June 26, 1999. The average short-term interest rates for the nine months ended June 24, 2000 and June 26, 1999 were 8.7% and 7.7%, respectively.

The Company's effective income tax rate for the nine months ended June 24, 2000 was 44% compared with 42% for the nine months ended June 26, 1999. The increase in the effective tax rate results principally from non-deductible goodwill expense being a higher percentage of taxable income than was the case in the nine months ended June 26, 1999.

Liquidity and Capital Resources

The Company has financed its growth through a combination of bank borrowings, supplier credit, internally generated funds and sales of securities to the public. The Company received net proceeds (after offering expenses) of approximately $431.0 million from its five public offerings of common stock in July 1993, November 1995, July 1996, August 1997 and January 1998. In November 1996, the Company completed the sale of $115 million 6% subordinated convertible notes generating approximately $112 million net of underwriting commissions.

Historically, the Company's business has been highly seasonal and its working capital requirements and capital resources tracked closely to this seasonal pattern. During the first fiscal quarter accounts receivable reach their lowest level while inventory, accounts payable and short-term borrowings begin to increase. Since the Company's short-term credit line fluctuates based upon a specified asset borrowing base, this quarter is typically the period when the asset borrowing base is at its lowest and consequently the Company's ability to borrow is at its lowest. During the second fiscal quarter, receivables, accounts payable and short-term borrowings begin to increase, reflecting the build-up of

inventory and related payables in anticipation of the peak selling season. During the third fiscal quarter, principally due to the Solaris Agreement for the period between October 1, 1995 and September 30, 1999, inventory levels have remained relatively constant while accounts receivable peak and short-term borrowings start to decline as cash collections are received during the peak-selling season. During the fourth fiscal quarter, inventory levels are at their lowest, and accounts receivable and payables are substantially reduced through conversion of receivables to cash.

As a result of the termination of the Solaris agreement and the associated reduction in Garden Distribution sales as a percentage of overall sales, this seasonal pattern is expected to be less significant in the future.

For the nine months ended June 24, 2000, the Company used cash from operating activities of $4.1 million primarily relating to the normal cycle of receivables build up in Distribution and in Garden Products. Inventory levels declined principally as a result of lower Distribution balances associated with lowered sales levels in the current year, partially offset by increased inventory levels at Garden and Pet Products consistent with their increased sales volumes. Accounts payable did not increase at the same rate as inventory partially due to favorable vendor payment terms for a fiscal 1999 program that was paid for in fiscal 2000. In addition, the increased inventory at Garden Products had shorter payment terms than were associated with comparable inventory increases within the Distribution segment during prior periods. Net cash used in investing activities of $44.7 million resulted from acquisitions of new companies and the acquisition of office and warehouse equipment, including computer hardware and software. Cash generated from financing activities of $48.3 million consisted principally of borrowings of $66.4 million of short-term debt, partially offset by payments of $18.6 million to acquire treasury shares.

The Company has a $200 million line of credit with Congress Financial Corporation (Western). The available amount under the line of credit fluctuates based upon a specific asset-borrowing base. The line of credit bears interest at a rate either equal to the prime rate or LIBOR plus 2% at the Company's option, and is secured by substantially all of the Company's assets. At June 24, 2000, the Company had $131.7 million of outstanding borrowings, and had $50.7 million of available borrowing capacity under this line. The Company's line of credit contains certain financial covenants such as minimum net worth and minimum working capital requirements. The line also requires the lender's prior written consent to any acquisition of a business. In connection with the acquisition of one company in fiscal 1998, the Company assumed a $60.0 million line of credit, subsequently increased to $70 million, of which $39.3 million was available at June 24, 2000. Interest related to this line is based on a rate either equal to the prime rate or LIBOR plus .875% at the Company's option.

The Company believes that cash flow from operations, funds available under its line of credit, and arrangements with suppliers will be adequate to fund its presently anticipated working capital requirements for the foreseeable future. The Company anticipates that its capital expenditures will not exceed $18.0 million for the next 12 months.

As part of its growth strategy, the Company has engaged in acquisition discussions with a number of companies in the past and it anticipates it will continue to evaluate potential acquisition candidates. If one or more potential acquisition opportunities, including those that would be material, become available in the near future, the Company may require additional external capital. In addition, such

acquisitions would subject the Company to the general risks associated with acquiring companies, particularly if the acquisitions are relatively large.

Weather and Seasonality

Historically, the Company's sales of lawn and garden products have been influenced by weather and climate conditions in the markets it serves. During the last several years, the Company's results of operations were negatively affected by severe weather conditions in many parts of the country. Additionally, the Company's business has been highly seasonal. In fiscal 1999, approximately two-thirds of the Company's sales occurred in the first six months of the calendar year. Substantially all of the Company's operating income has been typically generated in this period which has historically offset the operating losses incurred during the first fiscal quarter of the year. As a result of the forthcoming termination of the distribution relationship with Scotts in September 2000, and the associated reduction in Distribution sales as a percentage of overall sales, this seasonal pattern is expected to be less significant in the future.

ITEM 3. Quantitative and Qualitative Disclosure About Market Risk

The Company believes there has been no material change in its exposure to market risk from that discussed in the Company's 1999 Consolidated Financial Statements.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

On June 30, 2000, The Scotts Company filed suit against Central to collect the purchase price of certain lawn and garden products previously sold to Central. Central has withheld payments to Scotts of approximately $17 million on the basis of claims it has against Scotts - including amounts due for services and goods previously supplied by Central and not yet paid for by Scotts. This action, *The Scotts Company v. Central Garden & Pet Company*, Docket No. C2 00-755, is in the United States District Court for the Southern District of Ohio, Eastern Division. On July 3, 2000, Pharmacia Corporation (formerly known as Monsanto Company) filed suit against Central seeking an accounting and unspecified amounts allegedly due Pharmacia under the four-year alliance agreement between Central and Pharmacia which expired in September 1999, as well as damages for breach of contract. This action, *Pharmacia Corporation v. Central Garden & Pet Company*, Docket No. 00CC-002253 Q CV, is in the Circuit Court of St. Louis County, Missouri.

Central believes that the reconciliation of all accounts will not result in a balance due from Central to Pharmacia. Further, Central believes it has substantial counterclaims and rights of offset against both Scotts and Pharmacia, as well as meritorious defenses, and intends to vigorously contest both suits.

On July 7, 2000, Central filed suit against Scotts and Pharmacia seeking damages and injunctive relief as well as restitution for, among other things, breach of contract and violations of the antitrust laws by Scotts and Pharmacia. This action, *Central Garden & Pet Company, a Delaware corporation v. The Scotts Company, an Ohio corporation; and Pharmacia Corporation, formerly known as Monsanto Company, a Delaware corporation*, Docket No. C 00 2465, is in the United States District Court for the Northern District of California.

For a discussion of other pending legal proceedings, please see Central's Report on Form 10-Q for the quarter ended March 25, 2000.

ITEM 2. Changes in Securities and Use of Proceeds
Not Applicable

ITEM 3. Defaults Upon Senior Securities
Not Applicable

ITEM 4. Submission of Matter to a Vote of Securities Holders
Not Applicable

ITEM 5. Other Information
On August 2, 2000, a fire of undetermined origin destroyed the Company's Phoenix, Arizona lawn and garden distribution center. The fire also destroyed a medical supply distribution center operated by a third party which is located in an adjoining facility and caused the evacuation of neighboring businesses and residences. The Phoenix facility is one of Central's smallest distribution centers. The Company maintains insurance coverage against property damage and third party liability which it believes will be adequate to cover most or all of the losses or liabilities to which it may become subject as a result of the fire.

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit Number	Exhibit
10.6.1	Amendment No. 8 to Loan and Security Agreement by and among Congress Financial Corporation (Western) and Central Garden & Pet Company, Matthews Redwood and Nursery Supply, Inc., Four Paws Products, Ltd. and Ezell Nursery Supply, Inc., dated May 12, 2000.
27.1	Financial Data Schedule.

(b) The following reports on Form 8-K were filed during the quarter ended June 24, 2000.

(1) On March 31, 2000, the Company filed a report on Form 8-K, dated March 29, 2000, announcing that it has acquired the AMDRO(R) and IMAGE(R) product lines from American Cyanamid.

(2) On June 8, 2000, the Company filed a report on Form 8-K, dated June 7, 2000, announcing that the Company has filed a Form 10 with the SEC which, when declared effective by the SEC, would permit the Company to spin off its lawn and garden distribution business to shareholders.

SIGNATURES

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

CENTRAL GARDEN & PET COMPANY

____
Registrant

Dated: August 4, 2000

____
William E. Brown, Chairman of the Board and
Chief Executive Officer

/s/ Lee D. Hines, Jr.
____
Lee D. Hines, Jr., Vice President and
Chief Financial Officer

EXHIBIT 10.6.1

May 12, 2000

Central Garden & Pet Company
3697 Mount Diablo Boulevard
Suite 310
Lafayette, California 94549

Re: Amendment No. 8 to Loan and Security Agreement

Ladies and Gentlemen:

Reference is made to the Loan and Security Agreement, dated as of December 17, 1997 (the "Loan Agreement") by and among Congress Financial Corporation (Western) ("Lender"), Central Garden & Pet Company ("CG&Pet"), Matthews Redwood and Nursery Supply, Inc. ("Matthews"), Four Paws Products, Ltd. ("Four Paws"), Ezell Nursery Supply, Inc. ("Ezell"), Kaytee Products Incorporated ("Kaytee"), Norcal Pottery Products, Inc. ("Norcal"), TFH Publications, Inc. ("TFH") and Wellmark International ("Wellmark", and together with CG&Pet, Matthews, Four Paws, Ezell, Kaytee, Norcal and TFH., each individually a "Borrower" and collectively, "Borrowers"), as amended by Amendment No. 1 to Loan and Security Agreement, dated June 4, 1998, Amendment No. 2 to the Loan and Security Agreement, dated September 11, 1998, Amendment No. 3 to the Loan and Security Agreement, dated as of December 30, 1998, Amendment No. 4 to the Loan and Security Agreement, dated as of June 25, 1999, Amendment No. 5 to the Loan and Security Agreement, dated as of October 29, 1999, Amendment No. 6 to the Loan and Security Agreement, dated January 14, 2000 and Amendment No. 7 to the Loan and Security Agreement, dated March 14, 2000 ("Amendment No. 7"), together with all other agreements, documents, supplements and instruments now or at any time hereafter executed and/or delivered by Borrowers or any other person, with, to or in favor of Lender in connection therewith (all of the foregoing, together with this Amendment and the agreements and instruments delivered hereunder, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, collectively, the "Financing Agreements"). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

Borrowers have requested further amendments to the Loan Agreement and each of the parties to the Loan Agreement is willing to agree to such amendments, subject to the terms and conditions contained herein. By this Amendment, Lender and Borrowers intend to evidence such amendments.

In consideration of the foregoing and the agreements and covenants contained herein and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to Loan Agreement.

(a) Section 1.34 of the Loan Agreement is hereby deleted in its entirety and the following substituted therefor:

(i) "1.34 "Inventory Loan Limit" shall mean as to CG&Pet, the amount of $125,000,000, less the amount of Obligations determined by Lender to be outstanding at such time in respect of inventory loans ("Inventory Loan Limit") of the other Borrowers, as to Matthews, the amount of $10,000,000, as to Four Paws, the amount of $10,000,000, as to Ezell, the amount of $10,000,000, as to Kaytee, the amount of $10,000,000, as to TFH, the amount of $5,000,000, as to Norcal, the amount of $5,000,000, and as to Wellmark, the amount of $10,000,000."

(b) Section 1.42 of the Loan Agreement is hereby deleted in its entirety and the following substituted therefor:

1.42 "Maximum Credit" shall mean the amount of $200,000,000.

(c) The first sentence of Section 12.1 (a) of the Loan Agreement is hereby deleted in its entirety and the following substituted therefor:

"This Agreement and the other Financing Agreements shall become effective as of the date set forth on the first page thereof and shall continue in full force and effect for a term ending on July 12, 2002 (the "Renewal Date"), and from year to year thereafter, unless sooner terminated pursuant to the terms hereof."

2. Representations, Warranties and Covenants. In addition to the continuing representations, warranties and covenants heretofore or hereafter made by

Borrowers to Lender pursuant to the Loan Agreement and the other Financing Agreements, Borrowers, jointly and severally hereby represent, warrant and covenant with and to Lender as follows (which representations, warranties and covenants are continuing and shall survive the execution and delivery hereof and shall be incorporated into and made a part of the Financing Agreements);

(a) no Event of Default exists on the date of this Amendment (after giving effect to the amendments to the Loan Agreement made by this Amendment); and

(b) this Amendment has been duly executed and delivered by Borrowers and is in full force and effect as of the date hereof, and the agreements and obligations of Borrowers contained herein constitute legal, valid and binding obligations of Borrowers enforceable against Borrowers in accordance with their respective terms.

3. Conditions Precedent.

(a) The effectiveness of the amendments contained herein shall be subject to the following:

(i) the receipt by Lender of an original of this Amendment, duly authorized, executed and delivered by Borrowers;

(ii) no Event of Default shall have occurred and be continuing and no event shall have occurred or condition be existing and continuing which, with notice or passage of time or both, would constitute an Event of Default; and

(iii) the receipt by Lender of the required number of consents of its participants in the Loans and the Financing Agreements to its execution and delivery of this Amendment.

(b) Each Borrower hereby acknowledges and agrees that the Inventory and Accounts of Kaytee shall not constitute Eligible Inventory or Eligible Accounts for lending purposes under the Financing Agreements unless and until each of the following conditions has been satisfied:

(i) Lender shall have received, in form and substance satisfactory to Lender, all consents, waivers, acknowledgments and other agreements (including, but not limited to, Intercreditor Agreements, consents, waivers, acknowledgments and other agreements in connection with the existing mortgages on the Chilton, Wisconsin and Rialto, California Real Property of Kaytee and the existing industrial revenue bond arrangements with the Chilton, Wisconsin and Cressona, Pennsylvania Real Property of Kaytee) from third persons which Lender may deem necessary or desirable in order to permit, protect and perfect its security interests in and liens upon the Collateral or to effectuate the provisions of this Amendment and the other Financing Agreements.

(ii) Lender shall have received duly executed Uniform Commercial Code termination statements executed by each of Bank One, Wisconsin and Firstar Bank Wisconsin with respect to all Uniform Commercial Code financing statements filed against Kaytee by each of Bank One, Wisconsin and Firstar Bank Wisconsin.

4. Effect of this Amendment. This Amendment constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior oral or written communications, memoranda, proposals, negotiations, discussions, term sheets and commitments with respect to the subject matter hereof. Except as expressly amended pursuant hereto, no other changes or modifications to the Financing Agreements or consents under any provisions thereof are intended or implied, and in all other respects the Financing Agreements are hereby specifically ratified, restated and confirmed by all parties hereto as of the effective date hereof. Without limiting -the generality of the foregoing, the execution and delivery of this Amendment shall not be deemed, in any manner, to constitute a waiver of, or otherwise affect the obligations of Borrowers under that letter agreement with respect to Certain Post-Closing Items, dated December 17, 1997, by and among Lender and Borrowers. To the extent of conflict between the terms of this Amendment and the other Financing Agreements, the terms of this Amendment shall control.

5. Further Assurances. Borrowers shall execute and deliver such additional documents and take such additional action as may be reasonably requested by Lender to effectuate the provisions and purposes of this Amendment.

6. Governing Law. The rights and obligations hereunder of each of the parties hereto shall be governed by and interpreted and determined in accordance with the internal laws of the State of California (without giving effect to principles of conflicts of law).

7. Counterparts. This Amendment may be executed in any number of counterparts, but all of such counterparts shall together constitute but one and the same agreement. In making proof of this Amendment, it shall not be necessary to produce or account for more than one counterpart thereof signed by each of the parties hereto.

8. Please sign in the space provided below and return a counterpart of this Amendment, whereupon this Amendment, as so agreed to and accepted, shall become a binding agreement between Borrowers and Lender.

Very truly yours,

CONGRESS FINANCIAL CORPORATION (WESTERN)

By: Bruce Laughton

Title: Vice President

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

AGREED TO AND ACCEPTED:

CENTRAL GARDEN & PET COMPANY

By: /s/ Lee D. Hines, Jr.

Title: Vice President & CFO

MATTHEWS REDWOOD AND NURSERY
SUPPLY, INC.

By: /s/ Lee D. Hines, Jr.

Title: Vice President

FOUR PAWS PRODUCTS, LTD.

By: /s/ Lee D. Hines, Jr.

Title: Vice President

EZELL NURSERY SUPPLY, INC.

By: /s/ Lee D. Hines, Jr.

Title: Vice President

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

KAYTEE PRODUCTS INCORPORATED

By: /s/ Lee D. Hines, Jr.

Title: Vice President

TFH PUBLICATIONS, INC.

By: /s/ Lee D. Hines, Jr.

Title: Vice President

NORCAL POTTERY PRODUCTS, INC.

By: /s/ Lee D. Hines, Jr.

Title: Vice President

WELLMARK INTERNATIONAL

By: /s/ Lee D. Hines, Jr.

Title: Vice President

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