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 1934

For the quarterly period ended March 31, 2001

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 March 31, 2001	16,759,866
Class B Stock Outstanding as of March 31, 2001	1,656,462

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Consolidated Statements of Income
Three and Six Months Ended March 25, 2000 and March 31, 2001

Notes to Consolidated Financial Statements

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

3. Quantitative and Qualitative Disclosures About Market Risk

PART II. OTHER INFORMATION

1. Legal Proceedings

2. Changes in Securities and Use of Proceeds

3. Defaults Upon Senior Securities

4. Submission of Matter to a Vote of Securities Holders

5. Other Information

6. Exhibits and Reports on Form 8-K

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 30, 2000, and from time to time in our filings with the Securities and Exchange Commission. These risks and uncertainties include the final resolution of all issues between the Company and Pharmacia Corporation (formerly known as Monsanto Company) under the Solaris Agreement; the resolution of the pending litigation among the Company, Pharmacia and The Scotts Company; the success of and the costs associated with the realignment of the Company's lawn and garden distribution operations; any liabilities to which the Company may become subject as a result of the August 2, 2000 fire at its Phoenix distribution center; and the impact of any other outstanding or potential litigation.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Central Garden & Pet Company
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except shares)
(unaudited)

<TABLE>
<CAPTION>

<S>	September 30, 2000 <C>	March 31, 2001 <C>
ASSETS		
Current assets:		
Cash & cash equivalents	$ 5,685	$ 5,312
Accounts receivable (less allowance for doubtful accounts of $8,050 and $11,194)	151,190	193,647
Inventories	242,617	264,354
Prepaid expenses and other assets	20,658	21,510
Total current assets	420,150	484,823
Land, buildings, improvements and equipment - net	111,740	109,997
Goodwill	382,294	378,676
Other assets	33,234	33,924
Total	$ 947,418	$ 1,007,420
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 129,239	$ 192,576
Accounts payable	121,705	144,599
Accrued expenses	42,801	33,415

Current portion of long-term debt	5,277	5,412
Total current liabilities	299,022	376,002
Long-term debt	148,242	154,969
Deferred income taxes and other long-term obligations	36,207	13,821
Shareholders' Equity:		
Class B stock, $.01 par value: 1,657,762 and 1,656,462 shares outstanding at September 30, 2000 and March 31, 2001	16	16
Common stock, $.01 par value: 30,417,421 and 30,502,116 issued and 16,675,171 and 16,759,866 outstanding at September 30, 2000 and March 31, 2001	304	305
Additional paid-in capital	525,793	526,231
Retained earnings	82,661	80,903
Treasury stock	(144,827)	(144,827)
Total shareholders' equity	463,947	462,628
Total	$ 947,418	$ 1,007,420

</TABLE>

Central Garden & Pet Company
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

<TABLE>
<CAPTION>

	Six Months Ended	
	March 25, 2000	March 31, 2001
<S>	<C>	<C>
Cash flows from operating activities:		
Net income (loss)	$ 5,620	$ (1,758)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	11,409	15,589
Change in assets and liabilities:		
Receivables	(89,173)	(38,757)
Inventories	16,765	(17,437)
Prepaid expenses and other assets	(2,434)	(7,906)
Accounts payable	19,838	22,889
Accrued expenses	(2,111)	614
Other long-term obligations	0	(9,641)
Net cash used in operating activities	(40,086)	(36,407)
Cash flows from investing activities:		
Additions to land, buildings, improvements and equipment	(7,756)	(3,582)
Payments to acquire companies, net of cash acquired	(26,240)	(18,277)
Net cash used in investing activities	(33,996)	(21,859)
Cash flows from financing activities:		
Borrowings under lines of credit, net	94,294	63,337
Repayments of long-term debt	(1,266)	(5,883)
Proceeds from issuance of common stock - net	564	439
Payments to reacquire common stock	(18,595)	

		0
Net cash provided by financing activities	74,997	57,893
Net increase (decrease) in cash	915	(373)
Cash at beginning of period	8,017	5,685
Cash at end of period	$ 8,932	$ 5,312

</TABLE>

Central Garden & Pet Company
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(unaudited)

<TABLE>
<CAPTION>

<S>	Three Months Ended March 25, 2000 <C>	Three Months Ended March 31, 2001 <C>
Net sales	$ 382,944	$ 324,061
Cost of goods sold and occupancy	284,166	225,323
Gross profit	98,778	98,738
Selling, general and administrative expenses	71,468	87,727
Income from operations	27,310	11,011
Interest expense	(6,139)	(6,406)
Interest income	171	36
Other income	256	443
Income before income taxes	21,598	5,084
Income taxes	9,503	2,390
Net income	$ 12,095	$ 2,694
Basic earnings per common share	$ 0.65	$ 0.15
Weighted average shares outstanding	18,572	18,405
Diluted earnings per common share	$ 0.58	$ 0.15
Weighted average shares outstanding	22,769	18,465

</TABLE>

Central Garden & Pet Company
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(unaudited)

<TABLE>
<CAPTION>

<S>	Six Months Ended March 25, 2000 <C>	Six Months Ended March 31, 2001 <C>
Net sales	$ 602,061	$ 537,320
Cost of goods sold and occupancy	444,529	372,601
Gross profit	157,532	164,719

Selling, general and administrative expenses	137,069	155,974
Income from operations	20,463	8,745
Interest expense	(10,867)	(12,376)
Interest income	589	85
Other income (expense)	(150)	535
Income (loss) before income taxes	10,035	(3,011)
Income taxes	4,415	(1,253)
Net income (loss)	$ 5,620	$ (1,758)
Basic earnings (loss) per common share	$ 0.30	$ (0.10)
Weighted average shares outstanding	18,981	18,387
Diluted earnings (loss) per common share	$ 0.29	$ (0.10)
Weighted average shares outstanding	19,064	18,387

</TABLE>

Central Garden & Pet Company
Notes to Condensed Consolidated Financial Statements
Three and Six Months Ended March 31, 2001
(unaudited)

1. Basis of Presentation

The condensed consolidated balance sheet as of March 31, 2001, the consolidated Statements of income for both the three and six months ended March 25, 2000 and March 31, 2001 and the consolidated statements of cash flows for the six months ended March 25, 2000 and March 31, 2001 have been prepared by the Company, without audit. 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 six months ended March 31, 2001 are not indicative of the operating results that may be expected for the year ending September 29, 2001.

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 2000 Annual Report on Form 10-K which has previously been filed with the Securities and Exchange Commission.

2. New Accounting Pronouncements

Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued in June 1998 and amended by SFAS Nos. 137 and 138, issued in June 2000. The new standards establish accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. Under the standard, certain contracts that were not formerly considered derivatives may now meet the definition of a derivative. The Company adopted the standard effective October 1, 2000. The adoption of SFAS No. 133, as amended by SFAS Nos. 137 and 138, did not have an impact on the financial position or results of operations of the Company.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements", which provides the SEC staff's views on 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 will have on the Company's income statement presentation, however, the Company does not believe it will have any impact on its financial position or results of operations.

3. Recent Acquisition

In October 2000, the Company's Pennington subsidiary acquired the Rebel and Lofts line of grass seed from KRB Seed Company, LLC, for approximately $8 million in cash which approximated the fair market value of the assets acquired, and signed perpetual licensing agreements under which the Company will make royalty payments to KRB Seed Company, LLC over the term of the licensing agreements. The acquisition was accounted for under the purchase method. Royalty payments will be recorded as expense as they are incurred. The operations of this business have been included in the Company's results of operations since October 2000.

In September 2000, Central's Pennington subsidiary acquired All-Glass Aquarium Co., Inc., a leading manufacturer and marketer of aquariums and related products, based in Franklin, Wisconsin and its Oceanic Systems subsidiary in Dallas, Texas for approximately $10 million, which was recorded as a liability in the Consolidated Balance Sheet as of September 30, 2000, and was subsequently paid during the three months ended December 30, 2000. The operations of this business have been included in the Company's results of operations since October 1, 2000.

4. Earnings Per Share

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

	Three Months Ended March 31, 2001			Six Months Ended March 31, 2001		
	Income	Shares	Per Share	Loss	Shares	Per Share
Basic EPS:						
Net Income (loss)	$ 2,694	18,405	$ 0.15	$(1,758)	18,387	$ (0.10)
Effect of dilutive securities:						
Options to purchase common stock		60				
Diluted EPS:						
Net income (loss) attributable to common shareholders	$ 2,694	18,465	$ 0.15	$(1,758)	18,387	$ (0.10)

	Three Months Ended March 25, 2000			Six Months Ended March 25, 2000		
	Income	Shares	Per Share	Income	Shares	Per Share
Basic EPS:						
Net Income	$12,095	18,572	$ 0.65	$ 5,620	18,981	$ 0.30
Effect of dilutive securities:						
Options to purchase common stock		89			83	
Convertible notes	1,042	4,107				
Diluted EPS:						
Net income attributable to common shareholders	$13,137	22,769	$ 0.58	$ 5,620	19,064	$ 0.29

Shares of common stock from the assumed conversion of the Company's convertible securities totaling 4,107,143 were not included in the computation of diluted EPS for the three and six month periods ended March 31, 2001 and the six month period ended March 25, 2000 because the assumed conversion would have been anti-dilutive.

For the six month periods ended March 31, 2001 options to purchase 3,155,559 shares of common stock were outstanding but were not included in the computation of diluted earnings per share because the effect would be anti dilutive in loss periods. For the three month period ended March 31, 2001 options to purchase 3,018,128 shares of common stock were outstanding but were not included in the computation of diluted earnings per share because the options exercise price was greater than the average market price of the common shares and therefore, the effect would be anti dilutive. For the three and six month periods ended March 25, 2000, options to purchase 3,227,648 and 3,233,648 shares of common stock were outstanding but were not included in the computation of diluted earnings per share because the options exercise price was greater than the average market price of the common shares and therefore, the effect would be anti dilutive.

5. Segment Information

In December 2000, the Company cancelled the spin-off of its garden distribution business and adopted a plan to reorganize its garden and pet

businesses. Under the reorganization plan, the Company's garden products and distribution businesses became one operating unit and its pet products and distribution businesses became another operating unit.

Consistent with the above changes, management has determined that the reportable segments of the Company are Garden Products and Pet Products, based on the level at which the chief operating decision making group reviews the results of operations to make decisions regarding performance assessment and resource allocation. This represents a change in the segments reported in the Company's fiscal 2000 Annual Report filed on Form 10-K. Segment information, based upon the new reportable segments, for the three and six month periods ended March 31, 2001 and March 25, 2000 and segment assets as of September 30, 2000 and March 31, 2000 is set forth below (dollars in thousands):

	Three Months Ended	
	March 25, 2000	March 31, 2001
Net sales		
Pet Products	$ 120,895	$ 129,146
Garden Products	281,843	212,762
Intersegment eliminations	(19,794)	(17,847)
Total net sales	$ 382,944	$ 324,061
Intersegment sales		
Pet Products	$ 5,810	$ 9,487
Garden Products	13,984	8,360
Total intersegment sales	$ 19,794	$ 17,847
Income (loss) from operations		
Pet Products	$ 10,730	$ 8,804
Garden Products	24,256	10,535
Corporate	(7,676)	(8,328)
Total income from operations	27,310	11,011
Interest expense - net	(5,968)	(6,370)
Other income	256	443
Income taxes	9,503	2,390
Net income	$ 12,095	$ 2,694

	Six Months Ended	
	March 25, 2000	March 31, 2001
Net sales		
Pet Products	$ 238,006	$ 262,433
Garden Products	393,019	305,701
Intersegment eliminations	(28,964)	(30,814)
Total net sales	$ 602,061	$ 537,320
Intersegment sales		
Pet Products	$ 11,360	$ 19,851
Garden Products	17,604	10,963
Total intersegment sales	$ 28,964	$ 30,814
Income (loss) from operations		
Pet Products	$ 15,120	$ 14,845
Garden Products	19,002	7,077
Corporate	(13,659)	(13,177)

Total income from operations	20,463	8,745
Interest expense - net	(10,278)	(12,291)
Other income (expense)	(150)	535
Income taxes	4,415	(1,253)
Net income (loss)	$ 5,620	$ (1,758)

	September 30, 2000	March 31, 2001
Assets		
Pet Products	$ 173,843	$ 165,401
Garden Products	340,311	390,812
Corporate	433,264	451,207
Total assets	$ 947,418	$ 1,007,420

6. Other Charges

Activity affecting the reserve balances associated with Other Charges recorded in fiscal 2000 and prior years is as follows (in millions):

	Severance	Exit Related and Other	Total
Balance September 30, 2000	$ 0.4	$ 9.1	$ 9.5
Costs incurred and paid		(1.6)	(1.6)
Balance December 30, 2000	$ 0.4	$ 7.5	$ 7.9
Costs incurred and paid		(1.9)	(1.9)
Balance March 31, 2001	$ 0.4	$ 5.6	$ 6.0

Remaining reserve balances totaling $6.0 million are included in the Condensed Consolidated Balance Sheet within the categories "accounts payable" and "accrued expenses", comprised of $0.4 million associated with charges recorded in the year ended September 25, 1999 and $5.6 million associated with charges recorded in the year ended September 30, 2000. Costs paid during the three and six months ended March 31, 2001 relate to facility closure costs and lease terminations associated with the charges recorded in the years ended September 26, 1998 and September 30, 2000. The remaining exit costs are expected to be incurred and paid during fiscal 2001.

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.

Recent developments:

In December 2000 the Company announced that it would cancel the proposed spin-off of its garden distribution business and would reorganize its garden and pet businesses.

With the termination of the Company's distribution arrangement with The Scotts Company and other anticipated sales decreases in the garden distribution business, we believed that we could not economically support a national garden distribution infrastructure. Additionally, we believe that the move toward direct sales to retailers by manufacturers will increase in the future. Given this, the Company commenced integrating garden distribution into our garden products business. We believe this move offers us the best opportunity to utilize our sales force and distribution know-how to provide logistics and sales support for both our proprietary brands and consumer recognized products to create a more profitable segment. This integration also applies to our pet distribution business. This part of our business will continue to support our partner suppliers but will increase its focus on expanding sales of our proprietary pet products. This use of distribution as an integral support function for proprietary brands has been used very successfully by our Pennington subsidiary. This reorganization represents a change in the segments reported from those reported in the Company's fiscal 2000 Annual Report filed on

Form 10K.

Developments affecting Garden Products:

Expiration of the Solaris Agreement and Termination of our Distribution Relationship with Scotts

From October 1, 1995 to September 30, 1999, Garden Products distributed Solaris products nationwide, pursuant to an exclusive distribution agreement (the "Solaris Agreement"). Management believes that the relationship with Solaris embodied in the Solaris Agreement had a substantial positive impact on our results of operations. In January 1999, Pharmacia Corporation (formerly known as Monsanto Company) sold its Solaris lawn and garden business exclusive of its Roundup(R) herbicide products for consumer use to Scotts and entered into a separate, long-term, exclusive agreement pursuant to which Pharmacia continues to make Roundup herbicide products for consumer use and Scotts markets the products. Beginning October 1, 1999, Scotts began to distribute Ortho(R) and Roundup(R) products through a system that involved 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(R) directly to certain retailers.

Effective September 30, 2000, Scotts discontinued its distribution relationship with Central. The affected products included Scotts(R), Ortho(R) and Miracle-Gro(R) products and consumer Roundup(R) products manufactured by Pharmacia for which Scotts acts as Pharmacia's exclusive sales agent. For Central's fiscal year ended September 30, 2000, the revenue attributable to the affected products was approximately $176 million. The gross profit associated with these sales in fiscal 2000 was estimated to be $27 million based on historical customer profitability. We expect this loss of gross profit to be partially offset in fiscal 2001 with expense reductions.

Due to the termination of the Scotts distribution relationship and anticipated sales declines, we have taken actions to downsize our lawn and garden distribution operations to reflect anticipated business levels for the fiscal year 2001. As a result, we have recorded charges of $27.5 million in the fiscal year ending September 30, 2000 as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Fiscal 2000 Compared with Fiscal 1999" in the Company's fiscal 2000 annual report filed on Form 10-K.

The sale of the Solaris business by Pharmacia, the expiration of the Solaris Agreement and termination of the Scotts distribution relationship subject our distribution business to significant uncertainties. These include the resolution of all payments due between us and Pharmacia under the Solaris Agreement, such as the amounts receivable from Pharmacia for cost reimbursements and payments for cost reductions; the amounts payable to Pharmacia for inventory; and responsibility for obsolete inventory and for non-payment by Solaris' sub-agents. Scotts and Pharmacia have each initiated litigation against Central arising out of the prior distribution relationship. In addition, Central has 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. Each of these cases is in its early stage. For this reason and because of the uncertainties inherent in complex litigation, it is not currently possible to make an assessment of the potential impact, losses or gains that may arise out of these cases individually or collectively. Central believes that the reconciliation of all accounts and claims with Pharmacia and Scotts will not result in additional charges to Central. 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. However, there can be no assurance that the resolution of this litigation will not have a material adverse effect on its results of operations, financial position and/or cash flows.

Three Months Ended March 31, 2001
Compared with Three Months Ended March 25, 2000

Net sales for the three months ended March 31, 2001 decreased by 15.4%, or $58.9 million, to $324.1 million from $382.9 million for the three months ended March 25, 2000. Of the decrease in net sales, approximately $79.7 million relates to the closure of distribution centers of the sales and logistics units of both of the Company's business segments offset in part by an increase of $27.5 million related to newly acquired operations. The balance of the sales decrease, $6.7 million, relates principally to our pet products segment which was adversely impacted by a decline in methoprene sales and a delay in the ordering pattern of mosquito control chemicals due to a late spring in their major markets.

Gross profit remained virtually unchanged between quarters, but declined slightly in our garden products segment due to a combination of reductions in its sales and logistics support unit offset by increases from our propriety brands and newly acquired operations. The slight decline in garden products was offset by a slight increase in our pet products segment primarily as a result of newly acquired businesses. Gross profit as a percentage of net sales increased from 25.8% for the 2000 quarter to 30.5% for the quarter ended March 31, 2001, principally due to increases in sales of higher margin proprietary products in both segments coupled with a substantial reduction of lower margin non Central distribution sales.

Selling, general and administrative expenses increased 22.8%, or $16.3 million, from $71.4 million during the quarter ended March 25, 2000 to $87.7 million for the comparable 2001 quarter. As a percentage of net sales, selling, general and administrative increased from 18.7% during the three months ended March 25, 2000 to 27.1% for the three months ended March 31, 2001. Selling and delivery expenses increased approximately $.4 million from $36.3 million for the quarter ended March 25, 2000 to $36.7 million for the quarter ended March 31, 2001. Of this increase, approximately $3.5 million related to newly acquired operations, $3.2 million from existing operations principally related to higher fuel costs and increased usage of common freight carriers in our garden products segment, largely offset by $6.3 million related to reductions associated with the recent closures of thirteen garden distribution branches. Facilities expense decreased by $.4 million from $3.4 million during the quarter ended March 25, 2000 to $3.0 million for the comparable 2001 period. Of the decrease, approximately $1.1 million related to reductions in connection with the closure of the garden distribution branches offset in part by $.2 million of expense related to newly acquired operations and $.5 million associated with our ongoing distribution operations attributable to increased rent on a new facility and increased utility costs within our garden products segment. Warehouse and administrative expenses increased $16.3 million from $31.7 million during the quarter ended March 25, 2000 to $48.0 million for the similar 2001 period. Of the $16.3 million increase, approximately $2.3 million related to newly acquired businesses in both the garden products and pet products segments. Of the remaining increase, (1) approximately $1.4 million related to additional labor and freight costs to relocate inventory from our closed garden branches to continuing branches and outside storage locations, (2) $1.8 million legal and professional fees related principally to certain ongoing litigation, (3) $3.5 million related to receivables still remaining at our closed garden branches, (4) $.7 million related to costs associated with the fire at our Arizona facility, (5) $.9 million related to product research and increased information systems expense, (6) $2.6 million related to increased personnel costs, (7) $2.0 million related to increased depreciation and amortization partially due to reclassifying all of the current quarter depreciation to warehouse and administrative expense and (8) approximately $2.1 million related to the significant reduction in inventory levels resulting in an increase in the amount of purchasing, merchandise handling and storage costs charged to expense and not included in inventory costs compared to the prior year. These expense increases were offset in part by a net reduction of approximately $1.0 million related to the closure of the garden distribution branches.

Net interest expense for the quarter ended March 31, 2001 increased by $.4 million to $6.4 million from $6.0 million for the quarter ended March 25, 2000, primarily due to the increase in long term debt associated with the acquisitions of Amdro and All Glass.

The Company's effective income tax rate for the quarter ended March 31, 2001 was 47% compared with 44% for the comparable 2000 quarter. The increase in the effective rate results principally from non-deductible goodwill expense being a higher percentage of taxable income than was the case in the quarter ended March 25, 2000.

Six Months Ended March 31, 2001
Compared with Six Months Ended March 25, 2000

Net sales for the six months ended March 31, 2001 decreased by 10.8%, or $64.7 million, to $537.3 million from $602.1 million for the six months ended March 25, 2000. The Company's Garden Products segment had a decrease in sales for the six month period ended March 31, 2001 of $92.8 million excluding new acquisitions, of which, approximately $91.2 million relates to the closure of distribution centers of the sales and logistics units of both of the Company's business segments. The Company's Pet Products segment incurred a decrease in sales for the six month period of $21.1 million, excluding new acquisitions. These decreases were offset by sales from the Company's newly acquired business of approximately $49.2 million for the six month period ended March 31, 2001.

Gross profit as a percentage of revenues increased to 30.7% for the six month period ended March 31, 2001 compared to 26.2% for the comparable period ended March 25, 2000. The increase in gross profit as a percentage of net sales relates principally to increases in sales of higher margin proprietary products in both segments coupled with a substantial reduction of lower margin non Central distribution sales.

Selling, general and administrative expenses increased 13.8%, or $18.9 million, from $137.1 million during the six month period ended March 25, 2000 to $156.0 million for the comparable 2001 period. As a percentage of net sales, selling, general and administrative expenses increased from 22.8% during the six months ended March 25, 2000 to 29.0% for the similar 2001 period. Selling and delivery expenses decreased approximately $2.1 million from $68.4 million for the six months ended March 25, 2000 to $66.3 million for the comparable 2001 period. The expense reduction in this category was totally attributable to reductions related to the thirteen garden branches closed earlier this fiscal year. Facilities expense decreased 15.5%, or $.9 million, from $6.6 million during the first half of 2000 to $5.7 million for the similar 2001 period. The decrease in facility costs is attributable to reductions in lease costs related to the closed garden branches offset in part by facilities costs related to newly acquired businesses. Warehouse and administrative expenses increased $21.9 million from $62.1 million during the six months ended March 25, 2000 to $84.0 million for the six months ended March 31, 2001. Of the $21.9 million increase approximately $4.8 million related to newly acquired operations. The largest portions of the increase in warehouse and administrative costs occurred during the quarter ended March 31, 2001. The reasons for that increase are detailed in the section dealing with the comparison of the quarters ended in March. The remaining increase related to the quarter ended December 30, 2000 was associated with increased personnel costs, increased information system costs and higher costs relative to inventory levels required to support remaining operations.

Net interest expense for the six months ended March 31, 2001 increased by $2.0 million to $12.3 million from $10.3 million for the comparable period ended March 25, 2000, primarily due to the increase in long term debt associated with the acquisitions of Amdro and All Glass.

The Company's effective income tax rate for the six months ended March 31, 2001 was 42% compared with 44% for the comparable 2000 quarter. The decrease is primarily attributable an increase in the effective rate principally from non-deductible goodwill expense being a higher percentage of taxable income compared to the 2000 period offset by a net tax benefit incurred in the first three months of the six month period ended March 31, 2001.

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 remained relatively constant while accounts receivable peaked and short-term borrowings started to decline as cash collections were received during the peak- selling season. During the fourth fiscal quarter, inventory levels were at their lowest, and accounts receivable and payables were substantially reduced through conversion of receivables to cash. As a result of the termination of the Solaris agreement effective September 30, 1999, the ending of the Company's distribution relationship with the Scotts company effective September 30, 2000, and the associated reduction in Garden Products sales as a percentage of overall sales, this seasonal pattern is expected to be less significant in the future.

The Company's businesses service two broad markets: lawn and garden and pet supplies. Pet Products primarily deals with products that have a year round selling cycle with very little change quarter to quarter. As a result, it is not necessary to carry large quantities of inventory to meet peak demands. Additionally, this level sales cycle eliminates the need for manufacturers to give extended credit terms to either distributors or retailers. On the other hand, Garden Products is highly seasonal with approximately two-thirds of its sales occurring during the fiscal second and third quarters. For many manufacturers of garden products this seasonality requires them to move large quantities of their products well ahead of the peak selling period. To encourage distributors to carry large amounts of inventory, industry practice has been for manufacturers to give extended credit terms and/or promotional discounts.

Cash used in operating activities was $36.4 million during the six months ended March 31, 2001, a decrease of $3.7 million from the $40.1 million used in operating activities for the comparable 2000 period. The decrease is primarily attributable to increased efforts in collecting accounts receivable as compared to the 2000 period.

Cash used in investing activities of $21.9 million resulted from the payment of amounts due related to the acquisitions of All-Glass Aquarium and the Lofts and

Rebel lines of products by the Company's Pennington Subsidiary, as well as the acquisition of office and warehouse equipment, including computer hardware and software.

Cash generated from financing activities of $57.9 million consisted principally of net borrowings of $63.3 million under the Company's lines of credit, partially offset by $5.9 million in repayments of long term debt.

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 March 31, 2001, the Company had $116.6 million of outstanding borrowings, and had $20.8 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. On December 12, 2000, the agreement was amended and extended to July 12, 2002. In connection with the acquisition of one company in fiscal 1998, the Company assumed a $60.0 million line of credit. On January 13, 2001, this line was increased from $60.0 million to $75.0 million. On March 1, 2001 the line was further increased from $75.0 million to $85.0 million. At March 31, 2001, there were $71.0 million of outstanding borrowings and $14.0 million of available borrowing capacity under this line. 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.

Excluding the potential impact of any adverse consequences associated with legal matters discussed in "Part II - Item 1. Legal Proceedings", the Company believes that cash flows from operating activities, funds available under its lines 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 2000, approximately 62% of the Company's sales occurred in the first six months of the calendar year, the Company's second and third fiscal quarters. 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 termination of the distribution relationship with Scotts in September 2000, and the associated reduction in Garden Products sales as a percentage of overall sales, this seasonal pattern is expected to be less significant in the future.

Item 3. Quantitative and Qualitative Disclosures 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 fiscal 2000 Annual Report filed on Form 10-K.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Item 1. Legal Proceedings

Scotts and Pharmacia Litigation. 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. Scotts has filed an amended complaint seeking $23 million for such products. Central has withheld payments to Scotts 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 Pharamacia which expired in September 19999, 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 filed motions in both the Scotts and Pharmacia actions to have those cases dismissed or stayed. Central's motion in the Scotts' action has been denied. In the Pharmacia action, the court denied Central's motion to stay but granted Central's request that Scotts be joined as a party. On January 18, 2001, Pharmacia Corporation filed an Amended Petition adding Scotts to the Pharmacia action. On January 29, 2001, Central filed its Answer, including affirmative defenses, to the Amended Petition as well as Counter/Cross claims against Pharmacia and Scotts. Pharmacia and Scotts have filed responses to Central's counter and cross-claims. In addition, they filed a motion to stay claims other than claims arising under the alliance agreement between Central and Pharmacia. The Court granted this motion, thereby requiring that claims against Scotts or Pharmacia arising from non-alliance matters be litigated in the Ohio and California's federal actions, as appropriate.

Central believes that the reconciliation of all accounts and claims with Pharmacia and Scotts will not result in additional charges to Central. 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. However, Central cannot assure you that the resolution of this litigation will not have a material adverse effect on its results of operations, financial position and/or cash flows.

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 October 26, 2000, the federal district court issued an order denying, for the most part, Pharmacia's motion to dismiss Central's federal antitrust claims. Central was given leave to file an amended federal complaint to clarify certain of its allegations. Central filed a first amended complaint on November 14, 2000. The federal district court's October 26 order also ruled that it did not have jurisdiction over Central's state law claims and that such claims should be adjudicated in a state court. On October 31, 2000, Central filed an action entitled Central Garden & Pet Company v. The Scotts Company and Pharmacia Corporation, Docket No. C00-04586 in Contra Costa Superior Court asserting various state law claims, including the claims previously asserted in the federal action. On December 4, 2000, Pharmacia and Scotts filed a joint Motion to Stay. The state court has stayed the California action while the contract claims between and among the parties are litigated in the Ohio and Missouri actions and the antitrust claims are litigated in the federal California action.

Phoenix Fire. On August 2, 2000, a fire destroyed the Company's leased warehouse space in Phoenix, Arizona, and an adjoining warehouse space leased by a third party. The adjoining warehouse tenant, the building owner, and nearby businesses have presented claims for property damage and business interruption. Local residents have filed a purported class action lawsuit alleging claims for bodily injury and property damage as a result of the fire. In addition, the Arizona Department of Environmental Quality is monitoring the cleanup operations, and the Company, the building owner and the adjoining warehouse tenant have submitted a plan and are currently assessing whether the fire and fire suppression efforts may have caused environmental impacts to soil, groundwater and/or surface water. The United States Environmental Protection Agency has also sent the Company a request for information regarding the Phoenix fire. The overall amount of the damages to all parties caused by the fire, and the overall amount of damages which the Company may sustain as a result of the fire, have not been quantified. At the time of the fire, the Company maintained property insurance covering losses to the leased premises, the Company's inventory and equipment, and loss of business income. The Company also maintained insurance providing $51 million of coverage (with no deductible) against third party liability. The Company believes that this insurance coverage will be available with respect to third party claims against the Company if parties other than the Company are not found responsible. The precise amount of the damages sustained in the fire, the ultimate determination of the parties responsible and the availability of insurance coverage are likely to depend on the outcome of complex litigation, involving numerous claimants, defendants and insurance companies.

For a discussion of other pending legal proceedings, please see Central's Annual Report on Form 10-K for the year ended September 30, 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

(a) The annual meeting of shareholders was held on February 12, 2001.
(b) The following directors were elected at the meeting

William E. Brown
Glenn W. Novotny
Brooks M. Pennington III
Lee D. Hines, Jr.
Daniel P. Hogan, Jr.
Bruce A. Westphal

Set forth below is a tabulation with respect to the matter voted on at the meeting:

	For	Against or Withheld
William E. Brown		
Common	14,005,407	497,775
Class B	1,604,659	-0-
Glenn W. Novotny		
Common	14,015,446	487,736
Class B	1,604,659	-0-
Brooks M. Pennington III		
Common	14,011,697	491,485
Class B	1,604,659	-0-
Lee D. Hines, Jr.		
Common	14,015,836	487,346
Class B	1,604,659	-0-
Daniel P. Hogan, Jr.		
Common	14,020,236	482,946
Class B	1,604,659	-0-
Bruce Westphal		
Common	14,020,136	483,046
Class B	1,604,659	-0-

Item 5. Other Information
Not Applicable

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

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: May 14, 2001

/s/ Lee D. Hines, Jr.

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