SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended **March 31, 2000** Commission File No 1-4506

GARAN, INCORPORATED

(Exact name of registrant as specified in its charter)

VIRGINIA	13-5665557
(State of Incorporation)	(I.R.S. Employer Identification No.)
350 Fifth Avenue, New York, NY	10118
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 563-2000

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 than the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES [X] NO [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the period covered by this report.

Class	Outstanding March 31, 2000
Common Stock (no par value)	5,321,838 shares

GARAN, INCORPORATED AND SUBSIDIARIES
FORM 10-Q

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PART I. - FINANCIAL INFORMATION

GARAN, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS
(UNAUDITED)

	THREE MONTHS ENDED 3/31/00	3/31/99
Net sales	$54,668,000	$58,656,000
Cost of sales	41,261,000	43,727,000
Gross margin on sales	13,407,000	14,929,000
Selling and administrative expenses	7,374,000	6,808,000
Interest on capitalized leases	22,000	22,000
Interest income	(719,000)	(617,000)
Earnings before provision for income taxes	6,730,000	8,716,000
Provision for income taxes	2,793,000	3,530,000
Net earnings	**$ 3,937,000**	**$ 5,186,000**
Earnings per share data:		
Earnings per share - Basic	$ 0.74	$ 1.01
- Diluted	$ 0.74	$ 1.01
Average common shares outstanding - Basic	5,322,000	5,141,000
- Diluted	5,348,000	5,176,000
Dividends paid per share	$ 0.25	$ 0.25

GARAN, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS
(UNAUDITED)

	SIX MONTHS ENDED 3/31/00	3/31/99
Net sales	$108,013,000	$97,693,000
Cost of sales	83,208,000	72,651,000
Gross margin on sales	24,805,000	25,042,000
Selling and administrative expenses	13,970,000	12,534,000
Interest on capitalized leases	46,000	46,000
Interest income	(1,383,000)	(1,378,000)
Earnings before provision for income taxes	12,172,000	13,840,000
Provision for income taxes	5,051,000	5,606,000
Net earnings	**$ 7,121,000**	**$ 8,234,000**
Earnings per share data:		
Earnings per share - Basic	$ 1.34	$ 1.60
- Diluted	$ 1.33	$ 1.59
Average common shares outstanding- Basic	5,322,000	5,141,000
- Diluted	5,348,000	5,176,000
Dividends paid per share	$ 1.30	$ 1.15

GARAN, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	03/31/00	**9/30/99**
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 4,796,000	$ 12,952,000
U.S. Government securities - short-term	5,970,000	0
Accounts receivable, less estimated uncollectibles of $512,000 at 3/31/00 and $512,000 at 9/30/99	31,251,000	59,381,000
Inventories	49,178,000	37,333,000
Other current assets	7,274,000	6,706,000
Total current assets	98,469,000	116,372,000
U.S. Government Securities - Long-term	38,510,000	25,435,000
Property, plant and equipment, less accumulated depreciation and amortization	16,227,000	15,393,000
Other assets	6,371,000	6,492,000
TOTAL	**$ 159,577,000**	**$ 163,692,000**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 10,207,000	$ 9,959,000
Accrued liabilities	21,265,000	22,495,000
Federal and state income taxes payable	2,814,000	6,496,000
Current portion of capitalized leases	20,000	20,000
Total current liabilities	**34,306,000**	**38,970,000**
Capitalized lease obligations, net of current portion	2,130,000	2,150,000
Deferred income taxes	2,110,000	2,445,000
Shareholders' Equity:		
Preferred stock ($10 par value) 500,000 shares authorized; none issued		
Common stock (no par value) 15,000,000 shares authorized; issued 5,321,838 at 3/31/00 and 5,305,737 at 9/30/99	2,661,000	2,653,000
Additional paid-in-capital	11,538,000	11,272,000
Unamortized value of restricted stock	(3,499,000)	(3,925,000)
Retained earnings	110,331,000	110,127,000
Total shareholders' equity	**121,031,000**	**120,127,000**
TOTAL	**$ 159,577,000**	**$ 163,692,000**

GARAN, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	SIX MONTHS ENDED 3/31/00	SIX MONTHS ENDED 3/31/99
Cash Flows From Operating Activities:		
Net earnings	$ 7,121,000	$ 8,234,000
Adjustments to reconcile to net cash provided by operating activities:		
Deferred compensation	426,000	0
Depreciation and amortization	2,378,000	1,769,000
Deferred income taxes	(335,000)	15,000
Changes in assets and liabilities:		
U.S. Government securities - Short-term	(5,916,000)	9,994,000
Accounts receivable	28,130,000	10,950,000
Inventories	(11,845,000)	(10,212,000)
Other current assets	(568,000)	(515,000)
Accounts payable	248,000	801,000
Accrued liabilities	(1,230,000)	(596,000)
Income taxes payable	(3,682,000)	(1,259,000)
Other assets	121,000	(313,000)
Net Cash Provided by Operating Activities	14,848,000	18,868,000
Cash Flows From Investing Activities:		
Sale of U.S. Gov't securities - Long-term	0	6,958,000
Purchase of U.S. Gov't securities - Long-term	(13,129,000)	(14,572,000)
Additions to property, plant, and Equipment	(3,212,000)	(2,452,000)
Net Cash used for Investing Activities	(16,341,000)	(10,066,000)
Cash Flows From Financing Activities:		
Payment of dividends	(6,917,000)	(5,911,000)
Repayment of capitalized lease obligations	(20,000)	(47,000)
Proceeds from exercised stock options	274,000	280,000
Net Cash used for Financing Activities	(6,663,000)	(5,678,000)
Net (decrease) increase in Cash and Cash Equivalents	(8,156,000)	3,124,000
Cash and Cash Equivalents At Beginning of Period	12,952,000	9,599,000
Cash and Cash Equivalents At End of Period	$ 4,796,000	$ 12,723,000
Supplemental cash flow Disclosures		
Cash Paid During The Period For:		
Interest	$ 46,000	$ 46,000
Income taxes	8,891,000	6,845,000

GARAN, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2000
(UNAUDITED)

1. In the opinion of management, all adjustments necessary to a fair statement of the results of operations have been reflected.

2. Basic and diluted earnings per share are calculated on the basis of the weighted average number of common shares outstanding during the period in accordance with the provisions of the Statements of Financial Accounting Standards No. 128 as follows:

	2000			1999		
	Income	Shares	Per Share	Income	Shares	Per Share
Basic EPS	$7,121,000	5,322,000	$1.34	$8,234,000	5,141,000	$1.60
Effect of dilutive options		26,000			35,000	
	$7,121,000	5,348,000	$1.33	$8,234,000	5,176,000	$1.59

3. Inventories consist of the following:

	03/31/00	09/30/99
Raw Materials	$10,005,000	$ 6,997,000
Work in Process	8,696,000	6,932,000
Finished Goods	30,477,000	23,404,000
	$49,178,000	$37,333,000

ITEM 2.

GARAN, INCORPORATED AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements included in this report contain "forward-looking statements" based upon management's expectations and beliefs concerning future events impacting the registrant. Actual results of operations or financial condition in future periods may differ because of business conditions in the apparel industry generally, competition, the addition or loss of significant customers or personnel, availability of raw materials, the timing of orders placed by the registrant's customers, and such other risk factors as may be identified from time to time in the registrant's filings with the Securities and Exchange Commission.

RESULTS OF OPERATIONS

Three and Six-Month Periods Ended March 31, 2000 and March 31, 1999.

Net sales for the three-month period ended March 31, 2000, were $54,668,000, compared to $58,656,000, for the same period last year. Net sales for the first six months of fiscal 2000 were $108,013,000, compared to $97,693,000 for the same period last year. Net earnings for the three-month period were $3,937,000, equal to $0.74 per share, compared to $5,186,000, or $1.01 per share, last year. Net earnings for the six-month period were $7,121,000, equal to $1.34 per share compared to $8,234,000, or $1.60 per share, last year. The decrease in net sales for the quarter was due primarily to the discontinuance of the registrant’s Women’s Plus products, which was offset in part by an increase in units shipped in the registrant’s Childrenswear Division. The increase in net sales for the six-month period was due to an increase in units shipped in the registrant’s Childrenswear Division.

Gross margin for the three months ended March 31, 2000, was $13,407,000, or 24.5% of net sales, compared to $14,929,000, or 25.4% of net sales, for the comparable period in fiscal 1999. Gross margin for the six months ended March 31, 2000, was $24,805,000, or 23.0% of net sales, compared to $25,042,000, or 25.6% of net sales, for the comparable period last year. The decrease in gross margin in terms of absolute dollars and as a percentage of net sales for both periods was due principally to changes in customer programs (product mix) and expenses related to the continuing expansion of the registrant’s offshore operations.

Selling and administrative expenses for the three months ended March 31, 2000, were $7,374,000, or 13.5% of net sales, as compared to $6,808,000, or 11.6% of net sales, for the comparable period last year. Selling and administrative expenses for the six months ended March 31, 2000, were $13,970,000, or 12.9% of net sales, as compared to $12,534,000, or 12.8% of net sales, for the comparable period last year. The cost of the continued upgrading of the registrant’s internal operating and communication systems and the implementation of a distribution facility accounted for most of the increase in both periods both in absolute dollars and as a percentage of net sales.

Interest income for the three months ended March 31, 2000, increased to $719,000 from $617,000 for the comparable period last year. Interest income for the six months ended March 31, 2000, was $1,383,000 as compared to $1,378,000 for the comparable period last year. The increase in both periods was the result of more favorable rates of return.

FINANCIAL CONDITION

At March 31, 2000, working capital was $64,163,000, a decrease of $13,239,000 from working capital at September 30, 1999, of $77,402,000. Substantially all of the decrease was the due to the registrant’s investing a substantial portion of the accounts receivable collected during the quarter in U.S. Government Securities – long-term which are not included in working capital. Shareholders' equity at March 31, 2000, was $121,031,000 or $22.74 book value per share as compared to $120,127,000 or $22.64 book value per share at September 30, 1999.

Accounts receivable were $31,251,000 at March 31, 2000, a decrease of $28,130,000 over the balance at September 30, 1999. Because the registrant’s business is seasonal, the receivable balance should be compared to the balance of $31,613,000 at March 31, 1999, rather than the September 30, 1999, year-end balance.

Inventory increased to $49,178,000 from $37,333,000 at September 30, 1999, an increase of 31.7%. Because the registrant’s business is seasonal, the inventory should be compared to the inventory of $42,988,000 at March 31, 1999, rather than the September 30, 1999, year-end balance. The inventory increase from September 30, 1999, to March 31, 2000, was due primarily to the seasonal nature of the registrant’s business and increases in inventory to support the registrant’s anticipated demand in the second half of fiscal 2000. The increase from March 31, 1999, to March 31, 2000, is based on anticipated demand in the second half of fiscal 2000 and a change in the registrant’s manufacturing pattern to reflect its offshore operations.

YEAR 2000

The registrant has successfully updated its management information systems and in doing so dealt with its Year 2000 compliance issues. The registrant had no material problems related to the millennium date change on January 1, 2000, and does not anticipate that any Y2K issues will have any material adverse effect on its operations and financial condition. At this time, the registrant continues to believe that the most likely "worst-case" scenario involves potential disruptions in areas in which the registrant's operations must rely on third parties whose systems may not work properly at all times after January 1, 2000, including failures impacting on the registrant’s Central American operations. However, no such failures have occurred, and while such failures could affect important operations of the registrant, either directly or indirectly, the registrant cannot at present estimate either the likelihood or the potential cost of such failures.

EVENT SUBSEQUENT TO MARCH 31, 2000

On April 24, 2000, the Company repurchased 250,000 shares of its Common Stock in a single block purchase from an institutional investor at the market price. The accompanying financial statements, the calculations of earnings per share, and all data in this Management's Discussion and Analysis of Financial Condition and Results of Operations do not reflect this transaction.

ITEM 3. QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISK

The Company does not believe it is exposed to market risks with respect to any of its investments; the Company does not utilize market rate sensitive instruments for trading or other purposes. The Company's investments consist primarily of U.S. Government securities with maturities of four years or less.

PART II. - OTHER INFORMATION

ITEM 4. Submission of Matters to a Vote of Security Holders.

At the 2000 Annual Meeting of the shareholders of the registrant held on March 3, 2000, Stephen J. Donohue, Jerald Kamiel, and William J. Wilson were reelected as directors of the registrant, and the selection of Citrin Cooperman & Company, LLP as the registrant's independent certified public accountants for the fiscal year ending September 30, 2000, was ratified. The tabulation of the votes is as follows:

	Votes For	Votes Withheld
Stephen J. Donohue	4,451,847	28,003
Jerald Kamiel	4,450,668	29,182
William J. Wilson	4,450,515	29,335

The names of the registrant's other directors who continued in office after the 2000 Annual Meeting are: Rodney Faver, Richard A. Lichtenstein, Seymour Lichtenstein, Frank Martucci, Perry Mullen, and Marvin S. Robinson.

	Votes For	Votes Against	Abstain
Ratification of Accountants	4,478,596	774	480

ITEM 6. Exhibits and Reports on Form 8-K.

a. Exhibits

Exhibit 27. Financial Data Schedule

b. Reports on Form 8-K

No reports have been filed on Form 8-K during the quarter ended March 31, 2000.

SIGNATURES

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

GARAN, INCORPORATED

BY:Seymour Lichtenstein
Seymour Lichtenstein
Principal Executive Officer

BY:William J. Wilson
William J. Wilson
Principal Financial Officer

DATE: May 12, 2000