FORM 10-K405

WD 40 CO - WDFC

Filed: October 25, 2000 (period: August 31, 2000)

Annual report. The Regulation S-K Item 405 box on the cover page is checked

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FORM 10-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended August 31, 2000	Commission File No. 0-6936-3

WD-40 COMPANY
(Exact Name of Registrant as specified in Charter)

Delaware	95-1797918
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1061 Cudahy Place, San Diego, California	92110
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code	(619) 275-1400

Securities registered pursuant to Section 12(b) of the Act:

Title of Class: None

Securities registered pursuant to Section 12(g) of the Act:

Title of Class: Common Stock, $.001 par value

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: Yes X No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K: X .

The aggregate market value (closing price) of the voting stock held by non-affiliates of the Registrant as of October 13, 2000 was $305,358,000.

As of October 13, 2000 the Registrant had 15,434,304 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The Proxy Statement for the annual meeting of stockholders on December 12, 2000 is incorporated by reference into PART III, Items 10-12.

PART I

ITEM 1 - BUSINESS

(a) General Development of Business.

For more than four decades, WD-40 Company sold only one petroleum-based product, known as "WD-40." WD-40 is a multi-purpose product which acts as a lubricant, rust preventative, penetrant, cleaner and moisture displacer. In December 1995, the Company acquired the 3-IN-ONE Oil brand from affiliates of Reckitt & Colman, P.L.C. 3-IN-ONE Oil is a lower cost general purpose lubricant that is useful when precise applications of a lubricant are needed. In April 1999, the Company acquired the Lava brand of heavy-duty hand cleaners from Block Drug Company. The three brands complement each other, providing the Company with a line of both lubricant and heavy-duty hand cleaning products aimed at the Do-It-Yourself (DIY), hardware, automotive and other retail and industrial markets.

Shortly after the Lava acquisition, the Company decided to discontinue marketing the T.A.L 5 lubricant which had been developed internally. During fiscal 1999, the Company determined that the market potential for the T.A.L 5 product was below the level that would warrant further allocation of resources. A thorough analysis of the potential for this brand led to the decision to discontinue marketing the product.

The acquisition of the 3-IN-ONE Oil brand provided the Company with an existing network of distribution in 17 countries, including several markets in which the WD-40 brand had not been sold. The Company has been using this distribution network to introduce the WD-40 brand to these markets and to add distribution channels to markets that have been previously established. This trend has caused a reduction in 3-IN-ONE sales in certain markets as sales of those products are replaced by sales of WD-40.

In fiscal 1999, the Company acquired the Lava brand of heavy-duty hand cleaners from Block Drug Company, Inc. The Lava brand is more than 100 years old and is well recognized by U.S. consumers. Because the characteristics of the Lava consumer are very similar to those of the WD-40 consumer, the Company feels that the strength of the WD-40 brand name will be an effective vehicle in promoting the growth of Lava in the U.S. In addition, the Company saw opportunities to develop the brand internationally and in distribution channels in which the brand has not yet been sold. In August 1999, the Company announced the introduction of several new products to augment the Lava product line, including the Lava Heavy-Duty Hand Cleaner Towel and several new sizes of the Lava Liquid Hand Soap. Also, during fiscal 2000, the Company announced plans for introducing the Lava brand into the U.K. market and the acquisition of the Solvol brand of heavy duty hand cleaners in Australia from Unilever Australia Ltd. during the first quarter of fiscal 2001.

(b) Financial Information About Industry Segments.

The Company operates in two markets - the manufacture and sale of multi-purpose lubricants and the manufacture and sale of heavy-duty hand cleaners. Both are marketed primarily through retail chain stores, hardware stores, automotive parts outlets, and industrial distributors and suppliers.

(c) Narrative Description of Business.

WD-40 Company manufactures and markets two multi-purpose lubricant products known as "WD-40" and "3-IN-ONE Oil," and the Lava brand of heavy-duty hand cleaners. WD-40 is sold

primarily in aerosol cans through retail chain stores, hardware and sporting goods stores, automotive parts outlets and industrial distributors and suppliers. It has a wide variety of consumer uses in, for example, household, marine, automotive, sporting goods, and gardening applications. The product also has numerous industrial applications.

3-IN-ONE Oil is a drip oil lubricant, sold primarily through the same distribution channels as the WD-40 brand. It is a low-cost, entry-level lubricant. The unique drip tip allows precise application for small mechanisms and assemblies, tool maintenance, and threads on screws and bolts. 3-IN-ONE Oil is a market share leader among drip oils for household consumers. It also has wide industrial applications in such areas as locksmithing, HVAC, marine, farming, construction, and jewelry manufacturing. The product's high quality and the established distribution network that was acquired with the brand have enabled the product to gain international acceptance. In fiscal 2000, the Company introduced the a patented new telescoping package for 3-IN-ONE that allows precise delivery of oil in tight, hard-to-reach places.

The Company purchased the Lava brand of heavy-duty hand cleaners from Block Drug Company in April 1999. The Lava brand is more than 100 years old and has exceptional awareness among American consumers. At the time of the acquisition, the brand was comprised of two sizes of bar soap and one size of liquid soap. In August 1999, the Company augmented the brand with the addition of the Lava Towel, a waterless hand cleaning towel and two new sizes of Liquid Lava. The Company's strategy in acquiring this brand was to first expand distribution in the U.S. and then begin to market Lava internationally. Prior to the Company's acquisition, the brand had been sold in a limited number of domestic trade channels, notably supermarkets and drug stores. The Company believes that the Lava brand, because of its heavy-duty characteristics, will have greater appeal to consumers who shop in other channels such as hardware, automotive and club stores. The Company intends to develop distribution in these channels where, with its WD-40 and 3-IN-ONE brands, it has considerable marketing experience. In addition, the Company has announced plans to market the Lava brand in the U.K. and Canada in fiscal 2001.

WD-40 Company is subject to competition from many similar products which perform some or all of the functions of WD-40, 3-IN-ONE Oil and Lava. The Company is aware of many competing products, some of which sell for lower prices, however, the Company relies on the awareness of its brands among consumers and the value offered by those brands as perceived by consumers as its primary competitive strategy. Competition in international markets varies by country. The Company has no way of estimating the total size of the market or the proportion of the market held by the Company.

With the trend toward consolidation in the retail marketplace, the Company's customer base is shifting toward fewer, but larger, customers who purchase in larger volumes. To support this trend, the Company has had to expand its use of customer- and market-specific promotions and allowances, which has negatively impacted and will continue to impact, the Company's ability to maintain existing profit margins.

Alternate sources of constituent chemicals are readily available and there are no current or anticipated shortages of any raw materials considered essential to the business. There are no environmental laws or regulations currently affecting capital expenditures. Recent focus on environmental regulations relating to VOCs (Volatile Organic Compounds) resulted in a change in the formulation of the WD-40 product whereby CO_2 was chosen as the aerosol propellant in late 1996. As a result of this change, the cost of manufacturing WD-40 was increased and the Company increased its selling prices to offset the increased cost. In the event of future increases in product cost, the Company may not be in a position to increase selling prices, and therefore an increase in costs could have an adverse effect on the Company's profitability.

The Company has a patent pending, but relies primarily upon its established trademarks, brand names, and marketing efforts, including advertising and sales promotion, to compete effectively. The WD-40, 3-IN-ONE Oil and Lava trademarks are registered in the United States and in various foreign countries.

At August 31, 2000 the Company employed 184 people throughout the world: 105 by the United States parent corporation, 5 of which are based in the Malaysian sales office; 10 by the Company's Canadian subsidiary; 60 by the United Kingdom subsidiary, including 11 in Germany, 7 in France, 3 in Italy and 7 in Spain; 6 by the Australian subsidiary; and 3 by the Company's Manufacturing subsidiary. The majority of the Company's employees are engaged in sales and/or marketing activities.

(d) Financial Information About Foreign and Domestic Operations and Export Sales.

The information required by this item is included in Note 5 - Business Segments and Foreign Operations, of the Company's consolidated financial statements, which have been included in ITEM 8, Financial Statements and Supplementary Data. The Company is subject to a variety of risks due to its foreign operations, including currency risk and credit risk. The Company attempts to minimize its exposure to foreign currency exchange fluctuations by the use of forward contracts to hedge non-functional currency cash balances. With the continuing expansion of the Company's business in Asia, Latin America, Eastern Europe and various states in the former Soviet Union, the Company is subject to increased credit risk for product sold to customers in these areas.

ITEM 2 - PROPERTIES

The Company owns and occupies an office and plant facility at 1061 Cudahy Place, San Diego, California 92110. The building consists of approximately 11,000 square feet of office space and 4,000 square feet of plant and storage area.

The Company owns and occupies an office and plant facility at Kiln Farm, Milton Keynes, England. The building consists of approximately 8,000 square feet of office space and 4,700 square feet of plant and storage area.

The Company leases approximately 2,000 square feet of office space in Etobicoke, Ontario, Canada and approximately 2,500 square feet of office space in Epping, New South Wales, Australia.

The Company leases approximately 1,300 square feet of office space for sales offices in each of the following cities: Atlanta, Georgia; Miami, Florida; Northbrook, Illinois; Thousand Oaks, California, and Trevose, Pennsylvania. The Company leases approximately 1,800 square feet of office space for a sales office in Kuala Lumpur, Malaysia. In addition, the Company leases space for the branch offices in Germany, France, Spain and Italy. The Company believes that these properties should be sufficient to meet its needs for office and plant facilities for several years.

ITEM 3 - LEGAL PROCEEDINGS

The Company is party to various claims, legal actions and complaints, including product liability litigation, arising in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance or will not have a material adverse effect on the Company's financial position or results of operations.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth the names and ages of, and the positions and offices held by, all executive officers within the Company:

Name	Age	Position
Garry O. Ridge	44	President and Chief Executive Officer. Mr. Ridge joined the Company's Australian subsidiary, WD-40 Company (Australia) Pty. Limited, in 1987 as Managing Director and has held several senior management positions prior to his election as CEO in 1997.
Thomas J. Tranchina	52	Vice President Finance, Chief Financial Officer and Treasurer. Mr. Tranchina joined the Company in April, 1998. Prior to joining WD-40 Company, Mr. Tranchina held a variety of senior financial and operating positions for several companies, including eight years with Spectragraphics Corporation in San Diego, California.
Graham P. Milner	46	Senior Vice President, Sales and Marketing, The Americas. Mr. Milner joined the Company in 1992 as International Director, was appointed Vice President, Sales and Marketing, The Americas in March, 1997 and became Senior Vice President, The Americas, in April, 1998.
Michael L. Freeman	47	Vice President Operations, Chief Information Officer. Mr. Freeman joined the Company in 1990 as Director of Marketing and was named Director of Operations in 1994. He was promoted to Vice President Administration and Chief Information Officer in December, 1996.
Geoffrey J. Holdsworth	38	Managing Director, WD-40 Company (Australia) Pty. Limited. Mr. Holdsworth joined the Company's Australian subsidiary, WD-40 Company (Australia) Pty. Limited, in 1996 as General Manager. Prior to joining WD-40 Company, Mr. Holdsworth held sales management positions at Columbia Pelikan Pty. Ltd., Australia.
William B. Noble	42	Managing Director, WD-40 Company Ltd. (U.K.). Mr. Noble joined the Company's Australian subsidiary, WD-40 Company (Australia) Pty. Limited, in 1993 as International Marketing Manager for the Asia Region. He was appointed Managing Director, Europe in December, 1996.
Michael J. Irwin	37	Vice President Marketing, The Americas. Mr. Irwin joined the Company in May 1995 as Director of U.S. Marketing, and later served as Director of Marketing for The Americas. In April 1998 he was promoted to Vice President Marketing for The Americas.

All executive officers hold office at the pleasure of the Board of Directors. In addition, Mr. Ridge and Mr. Tranchina, have employment agreements for three year terms ending August 1, 2002.

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is traded in the over-the-counter market (Nasdaq National Market System). As of August 31, 2000, the approximate number of holders of record of the Company's common stock was 2,041. The following table sets forth the range of high and low sales prices on the Nasdaq National Market of the Company's common stock for the periods indicated, as reported by Nasdaq.

SELECTED STOCK INFORMATION

	FISCAL 2000			FISCAL 1999		
	HIGH	LOW	DIVIDEND	HIGH	LOW	DIVIDEND
First Quarter	$24 23/32	$ 21 5/8	$ .32	$31 1/4	$20 1/2	$.32
Second Quarter	24	17 1/2	.32	31 1/8	22 7/8	.32
Third Quarter	22 9/16	17 1/2	.32	29	24 3/4	.32
Fourth Quarter	21 1/2	18	.32	27 9/16	24 3/16	.32

ITEM 6 - SELECTED FINANCIAL DATA

QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following table sets forth certain unaudited quarterly financial information for each of the two years in the period ending August 31, 2000:

QUARTER ENDED:	NET SALES	GROSS PROFIT	NET INCOME	DILUTED EARNINGS PER SHARE
November 30, 1998	$ 29,617,000	$ 16,501,000	$ 3,702,000	$ .24
February 28, 1999	41,709,000	23,126,000	6,791,000	.43
May 31, 1999	33,469,000	18,997,000	4,624,000	.30
August 31, 1999	41,553,000	23,166,000	6,948,000	.44
	$ 146,348,000	$ 81,790,000	$ 22,065,000	$ 1.41
November 30, 1999	$ 32,182,000	$ 17,447,000	$ 3,053,000	$ .20
February 29, 2000	42,602,000	23,670,000	6,664,000	.43
May 31, 2000	38,300,000	20,813,000	4,905,000	.32
August 31, 2000	39,614,000	21,354,000	5,936,000	.38
	$ 152,698,000	$ 83,284,000	$ 20,558,000	$ 1.33

The following data has been derived from the Company's audited financial statements. The balance sheets at August 31, 2000 and 1999 and the related statements of income, of cash flows and of shareholders' equity of the Company for the three years ended August 31, 2000 and notes thereto appear elsewhere herein. The data should be read in conjunction with such financial statements and other financial information appearing elsewhere herein.

YEAR ENDED AUGUST 31,

	2000	1999	1998	1997	1996
Net sales	$ 152,698,000	$ 146,348,000	$ 144,397,000	$ 137,893,000	$ 130,912,000
Cost of product sold	69,414,000	64,558,000	62,984,000	59,286,000	57,925,000
Gross profit	83,284,000	81,790,000	81,413,000	78,607,000	72,987,000
Operating expenses	51,661,000	47,846,000	47,253,000	43,959,000	40,311,000
Interest and other income (expense), net	(495,000)	256,000	96,000	(1,288,000)	736,000

Income before income taxes	31,128,000	34,200,000	34,256,000	33,360,000	33,412,000
Provision for income taxes	10,570,000	12,135,000	12,368,000	11,997,000	12,115,000
Net Income	$ 20,558,000	$ 22,065,000	$ 21,888,000	$ 21,363,000	$ 21,297,000
Earnings per share (diluted)	$ 1.33	$ 1.41	$ 1.40	$ 1.37	$ 1.38
Dividends per share	$ 1.28	$ 1.28	$ 1.28	$ 1.25	$ 1.24
Total assets	$ 84,950,000	$ 91,957,000	$ 70,945,000	$ 65,418,000	$ 61,658,000
Number of employees	184	177	167	165	149

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Net sales were $152.7 million in fiscal 2000, $146.3 million in 1999 and $144.4 million in 1998, representing increases over the prior year of 4.3% in fiscal 2000 and 1.4% in fiscal 1999. Sales for the Company's three trading blocs are broken down as follows ($ in millions):

	2000		1999		1998	
Americas	$104.5	68%	$ 96.9	66%	$ 98.6	68%
Europe	34.3	23%	37.3	26%	34.9	24%
Asia/Pacific	13.9	9%	12.1	8%	10.9	8%
TOTAL	$152.7	100%	$146.3	100%	$144.4	100%

In the Americas region, sales increased in 2000 by 7.7% from $96.9 million in fiscal 1999 to $104.5 million in fiscal 2000. The increase in sales is primarily due to Lava sales in the U.S., which were $11.1 million for the year, higher than the level of sales achieved by Block Drug when the brand was purchased in April of 1999. Sales of Lava products accounted for $3.5 million in sales within the U.S. during the last four months of fiscal 1999. In the region, sales of WD-40 increased by 1% over the prior year with sales increases in Latin America and Canada of 5% and 2%, respectively, while sales in the U.S. were unchanged. Sales of 3-IN-ONE in The Americas remained flat compared to the prior year. In

the U.S., 3-IN-ONE sales increased by 26% primarily due to both new retail displays and the introduction of the new telescoping package. 3-IN-ONE sales in Canada increased by 10%, but sales in Latin America decreased by 68%. This decrease was primarily the result of competition from lower-priced locally-produced products. To counter this competition, the Company has entered into licensing agreements with local Latin American manufacturers/distributors in key countries for the local production of 3-IN-ONE. Local manufacture of 3-IN-ONE will allow a more competitive pricing structure because all manufacturing costs will be based on local currency. Latin American sales are expected to remain at these lower levels as royalty revenue from licensing replaces sales revenue in these markets. In the region, 86% of the sales in 2000 came from the U.S., and 14% from Canada and Latin America. This reflects a change in sales from 1999 and 1998 when 84% of the sales came from the U.S., and 16% from Canada and Latin America. As the U.S. and Canada are both mature and well-developed markets for the WD-40 brand, near-term growth in the region should come primarily from sales of the Lava brand of heavy-duty hand cleaner products which the Company acquired in April 1999.

Within the European region, sales declined by 7.9% to $34.3 million in fiscal 2000 after growth of 6.9% from 1998 to 1999 and 8.4% from 1997 to 1998. The decline in the region's sales for fiscal 2000 is in part due to the weakness of the Euro and the British pound against the dollar. Sales in local currencies were considerably better year to year. In spite of the currency translation issues, Germany managed 10% growth in dollars and 26% in local currency. Sales from the U.K., which is a mature and well-established market for the Company's products, accounted for 33% of the region's sales in 2000, down from 34% in 1999 and 37% in 1998. The principal European countries where the Company sells through a direct sales force - France, Germany, Spain and Italy together accounted for 31% of the region's sales in 2000 and 1999, up from 27% in 1998. The Company expects the majority of its growth in Europe to come from these four countries during the coming fiscal year.

In the Asia/Pacific region, sales grew by 15% from 1999 to 2000 after growing by 11% from 1998 to 1999. Of the sales in the region, 18% were from Australia in 2000, down from 21% in 1999 and 22% in 1998. The Company expects continued growth in sales from this region in the coming year. During 2000, sales in the Asia/Pacific region have passed the levels achieved prior to the Asian economic and political crisis which severely impacted the economies of several countries in the region in 1998.

Gross profit was $83.3 million, or 54.5% of sales in fiscal 2000, $81.8 million, or 55.9% in 1999 and $81.4 million, or 56.4% in 1998. Changes in gross profit percentage from year to year are due primarily to changes in average selling prices arising from changes in both the mix of products sold and the mix of customers and trade channels in which the products are sold. In addition, the Company has begun to experience increases in the cost of certain raw materials as a result of the worldwide increase in oil prices. Due to the consolidation of companies in the retailing industry, increasing portions of the Company's sales are made to fewer, but larger, customers with greater purchasing power, negatively impacting selling prices and margins.

A breakdown of gross profit and gross profit percentage by trading bloc by year follows:

	2000		1999		1998	
Americas	$56.7	54.3%	$53.8	55.5%	$55.8	56.6%
Europe	19.9	58.1%	22.0	58.9%	20.0	57.5%
Asia/Pacific	6.7	47.7%	6.0	49.7%	5.6	50.7%
Total	$83.3	54.5%	$81.8	55.9%	$81.4	56.4%

Selling, general, & administrative expenses were $34.1 million in fiscal 2000, or 22.3% of sales compared to $32.4 million in fiscal 1999, or 22.1% of sales and $31.1 million or 21.5% of sales in 1998. The increase in SG&A expenses in 2000 and in 1999 is due primarily to continued investment in employee related expenses, supply chain restructuring, and information systems required to support future growth. In addition, FY 2000 also had increased freight and warehousing costs associated with Lava inventories.

Advertising and sales promotion expense was $15.2 million, or 10.0% of sales in 2000, $14.0 million, or 9.5% of sales in 1999 and $14.8 million, or 10.3% of sales in 1998. While the change in advertising and sales promotion as a percentage of sales has not been significant over the three years and reflects historical levels, the Company expects next year's advertising and promotion expenses to be a greater percentage of sales. The expected increase will result primarily from the introduction of the Lava brand to new markets around the world. Greater spending in mature markets continues to be needed to support the changing mix in the Company's customer base towards fewer but larger customers with greater purchasing power. Supporting these larger customers requires additional spending in customer-specific marketing and promotional programs.

Amortization expense was $2.4 million for fiscal 2000, up $.9 million from $1.5 million in 1999 and $1.3 million in 1998. The increase is due to the amortization of goodwill attributable to the purchase of the Lava brand in April 1999. Amortization expense also includes amortization of goodwill attributable to the purchase of the 3-IN-ONE brand in December 1995.

Income from operations was $31.6 million or 20.7% of sales in 2000, $33.9 million, or 23.2% of sales in 1999 and $34.2 million, or 23.7% of sales in 1998. The decline in income from operations as a percentage of sales from 1999 to 2000 was due to the items discussed above, namely the lower gross profit percentage and higher SG&A, advertising and sales promotion and amortization expenses.

Other income (expense) was ($495,000) in fiscal 2000, $256,000 in fiscal 1999 and $96,000 in 1998. The components of other income (expense) are shown below:

	2000	1999	1998
Interest (expense) income, net	$ (662,000)	$ 38,000	$ 551,000

Foreign currency losses	(23,000)	(67,000)	(41,000)
Gain (loss) on disposal of property and equipment	13,000	30,000	(392,000)
Other income (expense)	177,000	255,000	(22,000)
TOTAL	$ (495,000)	$ 256,000	$ 96,000

The increase in interest expense in fiscal 2000 compared to 1999 and the decrease in interest income from 1998 to 1999 are due to the acquisition of the Lava brand. As a result of this acquisition, the Company used cash on hand resulting in less cash invested while borrowing funds and incurring higher interest costs. Foreign currency exchange produced a net loss of $23,000 in fiscal 2000, a loss of $67,000 in fiscal 1999 and a loss of $41,000 in 1998. Exchange losses have been limited due to programs put in place, particularly in the UK, to better manage currency conversion. The loss on disposal of property, plant and equipment in 1998 was due largely to a decision to convert company owned vehicles in the U.S. to leased vehicles and was partially offset by lower depreciation expense. Other income in 2000 includes $57,000 in insurance dividends from key man life insurance policies and $99,000 in increased cash surrender value from key man life insurance policies.

The provision for income taxes was 34.0% of taxable income in fiscal 2000, $35.5% in 1999, and 36.0% in 1998. The declining income tax rate over the past three fiscal years is due to tax savings arising from

a recent restructuring of the Company's operations, which was intended to improve efficiency and visibility in the manufacture of the Company's products.

Net income was $20.6 million or $1.33 per share on a fully diluted basis in 2000 down from $22.1 million, or $1.41 per share on a fully diluted basis in 1999 and $21.9 million, or $1.40 per share in 1998.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents decreased from $9.7 million at the end of fiscal 1999 to $2.6 million at the end of fiscal 2000. This decrease in cash resources is primarily attributable to stock repurchases and loan repayments made during the year. During fiscal 2000, the Company used $3.6 million of its cash to acquire approximately 175,000 shares of its outstanding common stock and used $5.3 million to pay down debt. The stock repurchases were made pursuant to a plan authorized by the Board of Directors allowing management to acquire up to five percent of the outstanding shares from time to time in the open market subject to available cash flow and market conditions.

At August 31, 2000, working capital was $25.1 million, a decrease of $6.7 million from $31.8 million at the end of 1999 and the current ratio of 2.2 at August 31, 2000 is down from 2.6 at August 31, 1999. These decreases are largely due to the stock repurchases and loan repayments discussed above. Additionally, part of the reduction in working capital is due to the Company's acquisition of capital assets.

The Company has an unsecured credit facility with a bank. The credit facility consists of a term loan, which matures on May 1, 2006 and a $6.0 million revolving line of credit, which matures on April 30, 2001. At August 31, 2000, $11.1 million remained due under the term loan, and $2.8 million in borrowings were outstanding under the revolving line of credit.

The Company's primary source of funds is cash flow from operations, which is expected to provide sufficient funds to meet both short and long-term operating needs, as well as future dividends. However, in an effort to augment the growth of the existing business by leveraging its core competencies, the Company has announced that it is seeking to acquire one or more branded products in related markets. If the Company is successful in doing so, existing cash flow may not be sufficient and additional outside financing may be required to support the acquisition.

The Company spent $2.2 million for new capital assets during fiscal 2000, primarily for computer hardware and software in support of sales and operations, production molds for new products, and vehicle replacements in Europe. In fiscal 2001, the Company expects to spend approximately $1.5 million for new capital assets, primarily for computer hardware and software in support of sales and operations, production molds for new products, and vehicle replacements in Europe.

MARKET RISK

The Company is exposed to a variety of risks, including foreign currency fluctuations and changes in the market value of its investments. In the normal course of its business, the Company employs established policies and procedures to manage its exposure to fluctuations in foreign currency values and changes in the market value of its investments.

The Company's objective in managing its exposure to foreign currency exchange rate fluctuations is to reduce the impact of adverse fluctuations in earnings and cash flows associated with foreign currency exchange rate changes. Accordingly, the Company's U.K. subsidiary utilizes forward contracts to hedge

its exposure on converting cash balances maintained in French francs, German deutschmarks, Italian lira and Spanish pesetas into sterling. The Company regularly monitors its foreign exchange exposures to ensure the overall effectiveness of its foreign currency hedge positions. However, there can be no assurance the Company's foreign currency hedging activities will substantially offset the impact of fluctuations in currency exchange rates on its results of operations and financial position.

FORWARD LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for certain forward-looking statements. This annual report contains forward-looking statements, which reflect the Company's current views with respect to future events and financial performance.

These forward-looking statements are subject to certain risks and uncertainties. The words "aim," "believe," "expect," "anticipate," "intend," "estimate" and other expressions that indicate future events and trends identify forward-looking statements.

Actual future results and trends may differ materially from historical results or those anticipated depending upon factors including, but not limited to, the impact of local production of 3-IN-ONE on competitive pricing in Latin America, the reduced sales levels of 3-IN-ONE as royalty revenue replaces sales in certain Latin American countries, the growth expectations of the Lava brand, the rate of sales growth in direct European countries, the rate of sales growth in the Asia/Pacific region, the impact of customer mix and raw material costs on gross margins, the impact of one or more acquisitions, the amount of future capital expenditures, foreign exchange rates and fluctuations in those rates, expected increases in Advertising and Promotion expenses, the appeal of the Lava brand to consumers in trade channels other than grocery and drug stores, and legal proceedings.

Readers also should be aware that while the Company does, from time to time, communicate with securities analysts, it is against the Company's policy to disclose to them any material non-public information or other confidential commercial information. Accordingly, shareholders should not assume that the Company agrees with any statement or report issued by any analyst irrespective of the content of the statement or report. Further, the Company has a policy against issuing or confirming financial forecasts or projections issued by others. Accordingly, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not the responsibility of the Company.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Company's financial statements at August 31, 2000 and 1999 and for each of the three years in the period ended August 31, 2000, and the Report of PricewaterhouseCoopers LLP, Independent Accountants, are included in this Report on pages i through xvi.

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10 - DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this item is set forth under the captions "Security Ownership of Directors and Executive Officers," "Nominees for Election as Directors," "Compensation, Committees and Meetings of the Board of Directors," "Compensation Committee Interlocks and Insider Participation" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's Proxy Statement to be filed with the Securities and Exchange Commission in connection with the 2000 Annual Meeting of Shareholders, December 12, 2000 (the "Proxy Statement"), which information is incorporated by reference herein.

ITEM 11 - EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference to the Proxy Statement under the headings "Executive Compensation," "Compensation

Committee Report on Executive Compensation" and "Stock Performance Graph."

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item is incorporated by reference to the Proxy Statement under the headings "Principal Security Holders" and "Security Ownership of Directors and Executive Officers."

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Not Applicable.

PART IV

ITEM 14 - EXHIBITS, FINANCIAL STATEMENT SCHEDULE, AND REPORTS ON FORM 8-K

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All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

(3) Exhibits

Exhibit No.	Description
	Articles of Incorporation and By-Laws.
3(a)	The Certificate of Incorporation is incorporated by reference from the Registrant's Form 10-Q filed January 14, 2000, Exhibit 3(a) thereto.
3(b)	The By-Laws are incorporated by reference from the Registrant's Form 10-Q filed January 14, 2000, Exhibit 3(b) thereto.
	Material contracts.
	Executive Compensation Plans and Arrangements (Exhibits 10(a) through 10(g) are management contracts and compensatory plans or arrangements required to be filed as exhibits pursuant to ITEM 14(c)).
10(a)	The WD-40 Company Supplemental Death Benefit Plan is incorporated by reference from the Form 10-K Annual Report dated November 9, 1995, Exhibit 10(b) thereto.
10(b)	The WD-40 Company Supplemental Retirement Benefit Plan is incorporated by reference from the Form 10-K Annual Report dated November 9, 1995, Exhibit 10(c) thereto.
10(c)	The Second Amendment and Restatement, WD-40 Company 1990 Incentive Stock Option Plan is incorporated by reference from the Form 10-K/A filed December 5, 1997, Exhibit 10(d) thereto.
10(d)	The Employment Agreement between WD-40 Company and Garry O. Ridge dated August 2, 1999 is incorporated by reference from the Registrant's Form 10-K Annual Report filed November 23, 1999, Exhibit 10(d) thereto.
10(e)	The Employment Agreement between WD-40 Company and Thomas J. Tranchina dated August 2, 1999 is incorporated by reference

from the Registrant's Form 10-K Annual Report filed November 23, 1999, Exhibit 10(e) thereto.

10(f)	The form of Indemnity Agreement between the Registrant and its executive officers and directors is incorporated herein by reference from the Registrant's Proxy Statement filed on November 9, 1999 (Appendix D thereto).
10(g)	1999 Non-Employee Director Restricted Stock Plan dated February 5, 1999 and Amendment thereto dated June 27, 2000.
10(h)	The Asset Purchase Agreement between Block Drug Company, Inc. and WD-40 Company dated March 25, 1999 is incorporated by reference from the Registrant's Form 10-K Annual Report filed November 23, 1999, Exhibit 10(f) thereto.

21	Subsidiaries of the Registrant.
23	Consent of Independent Accountants.
27	Financial Data Schedule (electronic filing only).

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended August 31, 2000.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

WD-40 COMPANY
Registrant

By /s/ Thomas J. Tranchina

Thomas J. Tranchina
Vice President Finance
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)
Date 10/20/00

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ GARRY O. RIDGE

GARRY O. RIDGE
Chief Executive Officer and Director
(Principal Executive Officer)
Date 10/20/00

/s/ HARLAN F. HARMSEN

HARLAN F. HARMSEN, Director
Date 10/20/00

/s/ MARIO L. CRIVELLO

MARIO L. CRIVELLO, Director
Date 10/20/00

/s/ JACK L. HECKEL

JACK L. HECKEL, Director
Date 10/20/00

/s/ GERALD L. LUICK

GARY L. LUICK, Director
Date 10/19/00

/s/ GERALD C. SCHLEIF

GERALD C. SCHLEIF, Director
Date 10/19/00

/s/ EDWARD J. WALSH

EDWARD J. WALSH, Director
Date 10/20/00

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and
Shareholders of WD-40 Company

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of shareholders' equity and of cash flows present fairly, in all material respects, the financial position of WD-40 Company and its subsidiaries at August 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended August 31, 2000, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

San Diego, California
October 1, 2000

WD-40 COMPANY
CONSOLIDATED BALANCE SHEETS
AUGUST 31, 2000 AND 1999

	2000	1999
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,619,000	$ 9,741,000
Short-term investments	-	194,000
Trade accounts receivable, less allowance for cash discounts and doubtful accounts of $662,000 and $710,000	29,544,000	28,646,000
Product held at contract packagers	1,377,000	1,868,000
Inventories	7,000,000	6,104,000

Other current assets	5,822,000	5,594,000
Total current assets	46,362,000	52,147,000
Property, plant and equipment, net	4,835,000	3,861,000
Low income housing investment	3,246,000	3,312,000
Goodwill, net	28,254,000	30,792,000
Other assets	2,253,000	1,845,000
	$ 84,950,000	$ 91,957,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 11,335,000	$ 11,262,000
Accrued payroll and related expenses	3,394,000	3,328,000
Income taxes payable	2,021,000	3,311,000
Line of credit	2,757,000	-
Current portion of long-term debt	1,740,000	2,461,000
Total current liabilities	21,247,000	20,362,000
Long-term debt	9,531,000	14,065,000
Deferred employee benefits	1,380,000	1,356,000
Total long-term liabilities	10,911,000	15,421,000
Commitments and contingencies (Note 13)		
Shareholders' equity		
Common stock, no par value, 18,000,000 shares authorized - 15,603,146 shares issued and outstanding	-	10,143,000
Common stock, $.001 par value, 36,000,000 shares authorized - 15,434,304 shares issued and outstanding	15,000	-
Paid-in capital	10,612,000	509,000
Retained earnings	42,507,000	45,208,000
Accumulated other comprehensive income	(342,000)	314,000
Total shareholders' equity	52,792,000	56,174,000
	$ 84,950,000	$ 91,957,000

The accompanying notes are an integral part of these financial statements.

WD-40 COMPANY
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED AUGUST 31, 2000, 1999 AND 1998

	2000	1999	1998
Net sales	$ 152,698,000	$ 146,348,000	$ 144,397,000
Cost of product sold	69,414,000	64,558,000	62,984,000
Gross profit	83,284,000	81,790,000	81,413,000
Operating expenses			
Selling, general and administrative	34,067,000	32,362,000	31,098,000
Advertising and sales promotion	15,204,000	13,969,000	14,811,000
Amortization expense	2,390,000	1,515,000	1,344,000
	51,661,000	47,846,000	47,253,000
Income from operations	31,623,000	33,944,000	34,160,000
Interest income (expense), net	(662,000)	38,000	551,000
Other income (expense), net	167,000	218,000	(455,000)
Income before income taxes	31,128,000	34,200,000	34,256,000
Provision for income taxes	10,570,000	12,135,000	12,368,000

Net income	$ 20,558,000	$ 22,065,000	$ 21,888,000
Earnings per common share			
Basic	$ 1.33	$ 1.41	$ 1.40
Diluted	$ 1.33	$ 1.41	$ 1.40
Common equivalent shares			
Basic	15,477,250	15,599,501	15,604,160
Diluted	15,479,437	15,652,004	15,664,119

The accompanying notes are an integral part of these financial statements.

WD-40 COMPANY
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED AUGUST 31, 2000, 1999 AND 1998

	COMMON STOCK		PAID-IN	RETAINED
	SHARES	AMOUNT	CAPITAL	EARNINGS
Balance at September 1, 1997	15,561,942	$ 8,459,000	$ 321,000	$ 42,403,000
Issuance of common stock upon exercise of options	119,856	2,640,000		
Exchange of common stock upon exercise of options	(48,490)	(1,419,000)		
Cash dividends				(19,973,000)
Equity adjustment from foreign currency translation, net				
Net income				21,888,000
Balance at August 31, 1998	15,633,308	9,680,000	321,000	44,318,000
Issuance of common stock upon exercise of options	24,448	525,000		
Issuance of restricted common stock	750	20,000		
Exchange of common stock upon exercise of options	(1,740)	(48,000)		
Stock repurchased	(53,620)	(34,000)		(1,212,000)
Tax benefit on exercise of stock options			188,000	
Cash dividends				(19,963,000)
Equity adjustment from foreign currency translation, net				
Net income				22,065,000
Balance at August 31, 1999	15,603,146	10,143,000	509,000	45,208,000
Issuance of common stock upon exercise of options	2,944	47,000		
Stock repurchased	(174,536)	(129,000)		(3,462,000)
Recapitalization (Note 1)		(10,046,000)	10,046,000	
Issuance of restricted common stock	2,750		57,000	
Cash dividends				(19,797,000)
Equity adjustment from foreign currency translation, net				
Net income				20,558,000
Balance at August 31, 2000	15,434,304	$ 15,000	$ 10,612,000	$ 42,507,000

	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL	CURRENT YEAR'S COMPREHENSIVE INCOME
Balance at September 1, 1997	$ 157,000	$ 51,340,000	$ 21,698,000
Issuance of common stock upon exercise of options		2,640,000	
Exchange of common stock upon exercise of options		(1,419,000)	
Cash dividends		(19,973,000)	
Equity adjustment from foreign currency translation, net	522,000	522,000	$ 522,000
Net income		21,888,000	21,888,000
Balance at August 31, 1998	679,000	54,998,000	$ 22,410,000

Issuance of common stock upon exercise of options		525,000	
Issuance of restricted common stock		20,000	
Exchange of common stock upon exercise of options		(48,000)	
Stock repurchased		(1,246,000)	
Tax benefit on exercise of stock options		188,000	
Cash dividends		(19,963,000)	
Equity adjustment from foreign currency translation, net	(365,000)	(365,000)	$ (365,000)
Net income		22,065,000	22,065,000
Balance at August 31, 1999	314,000	56,174,000	$ 21,700,000
Issuance of common stock upon exercise of options		47,000	
Stock repurchased		(3,591,000)	
Recapitalization (Note 1)		-	
Issuance of restricted common stock		57,000	
Cash dividends		(19,797,000)	
Equity adjustment from foreign currency translation, net	(656,000)	(656,000)	$ (656,000)
Net income		20,558,000	20,558,000
Balance at August 31, 2000	$(342,000)	$ 52,792,000	$ 19,902,000

The accompanying notes are an integral part of these financial statements.

WD-40 COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2000, 1999 AND 1998

	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 20,558,000	$ 22,065,000	$ 21,888,000
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	3,409,000	2,422,000	2,161,000
(Gain) loss on sale of equipment	(13,000)	(12,000)	392,000
Deferred income tax expense (benefit)	63,000	(58,000)	(305,000)
Tax benefit from exercise of stock options	-	188,000	-
Non-cash compensation	-	20,000	-
Changes in assets and liabilities			
Trade accounts receivable	(1,852,000)	(1,863,000)	(4,406,000)
Product held at contract packagers	491,000	62,000	94,000
Inventories	(1,017,000)	(815,000)	1,668,000
Other assets	(312,000)	(956,000)	(365,000)
Accounts payable and accrued expenses	515,000	4,471,000	913,000
Income taxes payable	(1,214,000)	93,000	1,551,000
Long-term deferred employee benefits	26,000	232,000	85,000
Net cash provided by operating activities	20,654,000	25,849,000	23,676,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in short-term investments	194,000	5,899,000	(6,093,000)
Assets of business acquired	-	(23,283,000)	-
Proceeds from sale of equipment	166,000	127,000	624,000
Capital expenditures	(2,233,000)	(1,308,000)	(1,271,000)
Net cash used in investing activities	(1,873,000)	(18,565,000)	(6,740,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of common stock	104,000	477,000	1,221,000
Stock repurchase	(3,591,000)	(1,246,000)	-
Proceeds from issuance of long-term debt	-	16,000,000	-
Borowings on line of credit, net	2,757,000	-	-
Repayments of long-term debt	(5,255,000)	(1,229,000)	(669,000)
Dividends paid	(19,797,000)	(19,963,000)	(19,973,000)
Net cash used in financing activities	(25,782,000)	(5,961,000)	(19,421,000)
Effect of exchange rate changes on cash	(121,000)	(154,000)	189,000
Increase (decrease) in cash and cash equivalents	(7,122,000)	1,169,000	(2,296,000)
Cash and cash equivalents at beginning of year	9,741,000	8,572,000	10,868,000

Cash and cash equivalents at end of year	$ 2,619,000	$ 9,741,000	$ 8,572,000
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Exchange of common stock upon exercise of options	$ -	$ 48,000	$ 1,419,000

The accompanying notes are an integral part of these financial statements.

WD-40 COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2000, 1999, AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION
The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, WD-40 Manufacturing Company, WD-40 Products (Canada) Ltd., WD-40 Company Ltd. (U.K.), and WD-40 Company (Australia) Pty. Ltd. All significant intercompany transactions and balances have been eliminated.

FINANCIAL STATEMENT PRESENTATION
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS
Cash equivalents are highly liquid investments purchased with an original maturity of three months or less.

SHORT-TERM INVESTMENTS
Short-term investments consist principally of variable rate demand notes issued by state, county and municipal governments. While these notes have contractual maturities of up to 30 years, they also provide liquidity at regularly scheduled auction dates, which typically occur every one to five weeks. Such investments are considered short-term due to the auction dates and the Company's intent is to sell the securities from time to time during the year. The Company has classified its investment portfolio as available-for-sale. Additionally, the cost of securities sold is based upon the specific identification method.

PRODUCT HELD AT CONTRACT PACKAGERS
Product held at contract packagers represents inventory held at United States, Australian, and Canadian contract packagers underlying their obligation to pay the Company for the inventory acquired.

These contract packagers will continue to package products to rigid specifications, and upon order from WD-40 Company, ship ready-to-sell inventory to the Company's customers. The contract packagers, rather than the Company, are responsible for inventory control. The Company does not record a sale of the inventory until such inventory is shipped to customers.

INVENTORIES
Inventories are stated at the lower of average cost or market. The inventory balance primarily represents hand cleaning products owned by WD-40 Company (U.S.), lubricant inventory owned by WD-40 Company Ltd. (U.K.) and concentrate owned by WD-40 Manufacturing Company (U.S.) and WD-40 Company (U.S.).

PROPERTY, PLANT AND EQUIPMENT
Property, plant, and equipment is stated at cost. Depreciation has been computed principally using the straight-line method based upon estimated useful lives of ten to thirty years for buildings and improvements, three to fifteen years for machinery and equipment, five years for vehicles and three to ten years for furniture and fixtures.

Upon the disposition of an asset, its accumulated depreciation is deducted from the original cost, and any gain or loss is reflected in current earnings.

GOODWILL

Goodwill represents the excess of the purchase cost over the fair value of identifiable assets at the date of acquisition of the 3-IN-ONE brand and the Lava brand (Note 2) and is amortized on a straight-line basis over their estimated useful lives of 15 years. The Company evaluates the carrying value of goodwill at each balance sheet date as well as the amortization period to determine whether adjustments are required. No such adjustments have been recorded by the Company.

LONG-LIVED ASSETS

The Company assesses potential impairments to its long-lived assets when there is evidence that events or changes in circumstances have made recovery of the asset's carrying value unlikely. An impairment loss would be recognized when the sum of the expected future undiscounted net cash flows is less than the carrying amount of the asset. No impairment losses have been identified by the Company.

FAIR VALUE OF FINANCIAL INSTRUMENTS

At August 31, 2000, the carrying amounts of the Company's other financial instruments, include cash equivalents, trade receivables, accounts payable, forward foreign currency exchange contracts and long-term debt. The carrying amounts of these instruments approximate fair value because of their short maturities and variable interest rates. Management believes that the estimated fair value of the Company's low income housing investment approximates its carrying value at August 31, 2000.

DIVERSIFICATION OF CREDIT RISK

The Company's policy is to place its cash, cash equivalents and investments in high credit quality financial institutions, in investment grade commercial paper and in securities of various government agencies. Additionally, the Company limits its credit exposure from trade receivables by performing on-going credit evaluations of customers.

REVENUE RECOGNITION

Revenues are recognized upon the shipment of product to customers.

ADVERTISING COSTS

The Company expenses advertising costs when incurred.

INCOME TAXES

Current income tax expense is the amount of income taxes expected to be payable for the current year. A deferred income tax liability or asset is established for the expected future tax consequences resulting from the differences in financial reporting and tax bases of assets and liabilities. Deferred income tax expense is the change during the year in the deferred income tax liability or asset.

COMPREHENSIVE INCOME

The Company discloses all components of comprehensive income in the financial statements in the period in which they are recognized. The components of comprehensive income for the Company include net income and foreign currency translation adjustments. The foreign currency translation adjustments are reported net of the effect of income tax expense (benefit) of $(377,000), $(201,000) and $295,000 for the years ended August 31, 2000, 1999 and 1998, respectively.

EARNINGS PER SHARE

Basic earnings per common share is calculated by dividing net income for the period by the weighted-average number of common shares outstanding during the period. Diluted earnings per common share is calculated by dividing net income for the period by the weighted-average number of common shares outstanding during the period increased by dilutive potential common shares ("dilutive securities") that were outstanding during the period. Dilutive securities are comprised of options granted under the Company's stock option plan (Note 6).

FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

The accounts of the Company's foreign subsidiaries have been translated into United States dollars at appropriate rates of exchange. Cumulative translation gains or losses are recorded as accumulated other comprehensive income in shareholders' equity. Gains or losses resulting from foreign currency transactions (transactions denominated in a currency other than the entity's local currency) are included in the consolidated statement of income as other income (expense). Aggregate foreign currency transaction losses were $23,000, $67,000 and $41,000 for the years ended August 31, 2000, 1999 and 1998, respectively.

During 2000, the Company entered into forward foreign currency exchange rate contracts to hedge cash balances denominated in various currencies held by one of its wholly owned foreign subsidiaries, WD-40 Company Ltd. (U.K.). Realized and unrealized gains and losses on these contracts are recorded in income. The effect of this practice is to minimize variability in the Company's operating results arising from foreign exchange rate movements. The Company does not engage in foreign currency speculation. These foreign exchange contracts do not subject the Company to significant risk from exchange rate movements, because gains and losses on these contracts offset losses and gains on the balances being hedged. The Company does not purchase contracts which exceed the amount of the balances being hedged. At August 31, 2000, the Company had approximately $927,654 of foreign exchange contracts outstanding, which mature starting in September 2000 and continue to mature through January 2001. The amount of net realized and unrealized gains on the foreign exchange contracts was not material during the year ended August 31, 2000.

STOCK-BASED COMPENSATION
The Company measures compensation expense for its stock-based employee compensation plans using the intrinsic value method. The Company is presenting pro forma disclosures of net income and earnings per share, as if the fair value method had been applied in measuring compensation expenses (Note 8).

SEGMENT INFORMATION
The Company discloses certain information about the Company's operating segments, products, geographical areas in which it operates and its major customers (Note 5).

NEW PRONOUNCEMENT

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES, as amended by SFAS No. 137, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES - DEFERRAL OF THE EFFECTIVE DATE OF FASB STATEMENT NO. 133, AN AMENDMENT OF FASB STATEMENT NO. 133 AND SFAS NO. 138, ACCOUNTING FOR CERTAIN DERIVATIVE INSTRUMENTS AND CERTAIN HEDGING ACTIVITIES - AN AMENDMENT OF FASB STATEMENT NO. 133. SFAS No. 133 standardizes the accounting for derivative instruments by requiring that all derivatives be recognized as assets and liabilities and measured at fair value. The Company will be required to adopt this standard during the year ending August 31, 2001. The Company has determined that the adoption of SFAS No. 133 will not have a material impact on the Company's financial statements.

RECAPITALIZATION
In December 1999, the Company filed a Certificate of Merger with the Secretary of State of Delaware to change the Company's state of incorporation from California to Delaware as authorized by the shareholders of the Company. The Company's common stock now has a par value of $0.001 per share.

The Company's shareholders also approved an increase in the authorized number of shares of common stock from eighteen million (18,000,000) to thirty-six million (36,000,000).

RECLASSIFICATIONS
Certain reclassifications have been made to the prior year financial statements to conform to classifications used in the current year. These reclassifications had no effect on reported earnings.

2. ACQUISITION

On April 30, 1999, the Company acquired all of the worldwide trademarks and other intangible assets of the Lava brand of heavy-duty hand cleaners from Block Drug Company, Inc. The Company paid cash in the amount of $19,000,000 for the Lava brand, including intangible assets.

In addition, the Company incurred $724,000 in transaction costs related to the acquisition and paid $3,453,000 for inventory. To finance the transactions, the Company borrowed $16,000,000 from a commercial bank and used cash from the liquidation of short-term investments for the balance.

3. SHORT-TERM INVESTMENTS

The cost of the Company's investment portfolio by type of security is as follows:

	2000	1999
Type of Security		
Other securities	$ -	$ 194,000

The realized gain on disposal of securities in 2000, as well as the unrealized gain on investments as of August 31, 2000, was not material.

4. SELECTED FINANCIAL STATEMENT INFORMATION

	2000	1999
Inventories		
Raw materials	$ 575,000	$ 520,000
Finished goods	6,425,000	5,584,000
	$ 7,000,000	$ 6,104,000

	2000	1999
Property, Plant and Equipment, Net		
Land	$ 254,000	$ 254,000
Buildings and improvements	2,239,000	2,209,000
Furniture and fixtures	4,303,000	3,570,000
Machinery, equipment and vehicles	2,009,000	1,711,000
	8,805,000	7,744,000
Less accumulated depreciation	(3,970,000)	(3,883,000)
	$ 4,835,000	$ 3,861,000

Depreciation expense for the years ended August 31, 2000, 1999 and 1998 was $1,020,000, $907,000 and $817,000, respectively.

	2000	1999
Goodwill, net		
Goodwill	$ 34,724,000	$ 34,991,000
Accumulated amortization	(6,470,000)	(4,199,000)

	$ 28,254,000	$ 30,792,000

5. BUSINESS SEGMENTS AND FOREIGN OPERATIONS

The accounting policies of the segments are the same as those described in the SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Note 1). Segment data does not include intersegment revenues, or charges allocating corporate-headquarters costs to each of its operating segments. The Company evaluates the performance of its segments and allocates resources to them based on sales. The Company is organized based on geographic location.

The table below presents information about reported segments for the years ended August 31:

	THE AMERICAS	EUROPE	ASIA-PACIFIC	TOTAL
2000				
Net sales	$ 104,440,000	$ 34,340,000	$ 13,918,000	$ 152,698,000
Operating income	20,063,000	7,146,000	4,414,000	31,623,000
Total assets	68,944,000	15,228,000	778,000	84,950,000
1999				
Net sales	96,954,000	37,293,000	12,101,000	146,348,000
Operating income	20,848,000	9,482,000	3,614,000	33,944,000
Total assets	74,744,000	16,409,000	804,000	91,957,000
1998				
Net sales	98,566,000	34,885,000	10,946,000	144,397,000
Operating income	22,906,000	8,084,000	3,170,000	34,160,000
Total assets	55,580,000	14,666,000	699,000	70,945,000

	SALES 2000	1999	1998
PRODUCT LINE INFORMATION			
Lubricants	$ 141,527,000	$ 142,836,000	$ 144,397,000
Hand cleaning products	11,171,000	3,512,000	-
	$ 152,698,000	$ 146,348,000	$ 144,397,000
GEOGRAPHICAL INFORMATION			
United States	$ 89,353,000	$ 81,796,000	$ 83,139,000
International	63,345,000	64,552,000	61,258,000
	$ 152,698,000	$ 146,348,000	$ 144,397,000

	LONG-LIVED ASSETS 2000	1999	1998
GEOGRAPHICAL INFORMATION			
United States	$ 35,339,000	$ 36,203,000	$ 17,800,000
International	3,249,000	3,607,000	3,379,000
	$ 38,588,000	$ 39,810,000	$ 21,179,000

6. EARNINGS PER COMMON SHARE

The schedule below summarizes the elements included in the calculation of basic and diluted earnings per common share for the years ended August 31, 2000, 1999 and 1998.

	NET INCOME	SHARES	PER SHARE AMOUNT
2000			
Net income	$ 20,558,000		
Basic EPS		15,477,250	$1.33
Dilutive securities		2,187	
Diluted EPS		15,479,437	$1.33
1999			
Net income	$ 22,065,000		
Basic EPS		15,599,501	$1.41
Dilutive securities		52,503	
Diluted EPS		15,642,004	$1.41
1998			
Net income	$ 21,888,000		
Basic EPS		15,604,160	$1.40
Dilutive securities		59,959	
Diluted EPS		15,664,119	$1.40

For the years ended August 31, 2000, 1999 and 1998, 706,734, 134,114 and 137,400 options outstanding were excluded from the calculation of diluted EPS, as their effect would have been antidilutive.

7. INCOME TAXES

The provision for income taxes includes the following:

	YEAR ENDED AUGUST 31, 2000	1999	1998
CURRENT TAX PROVISION			
United States	$ 7,540,000	$ 8,188,000	$ 7,911,000
State	890,000	1,510,000	1,964,000
Foreign	1,929,000	2,650,000	2,798,000
Total current	10,359,000	12,348,000	12,673,000
DEFERRED TAX PROVISION (BENEFIT)			
United States	$ 211,000	(156,000)	(343,000)
Foreign	-	(57,000)	38,000
Total deferred	211,000	(213,000)	(305,000)
	$ 10,570,000	$ 12,135,000	$ 12,368,000

Deferred tax assets included in other current assets are comprised of the following:

	YEAR ENDED AUGUST 31, 2000	1999
Accrued employee benefits	$ 401,000	$ 422,000
State income taxes	177,000	221,000
Reserves and allowances	633,000	604,000
	$ 1,211,000	$ 1,247,000

Long-term deferred tax assets and (liabilities) included in other assets are comprised of the following:

	August 31, 2000	1999
Depreciation	$ (207,000)	$ (161,000)
Deferred compensation	565,000	557,000
Investment in low income housing	(305,000)	(168,000)
	$ 53,000	$ 228,000

Following is a reconciliation of the amount computed by applying the statutory federal income tax rate to income before income taxes to the provision for income taxes:

	Year Ended August 31, 2000	1999	1998
Amount computed at U.S. statutory federal tax rate	$ 10,895,000	$ 11,970,000	$ 11,990,000
State income taxes, net of federal benefit	841,000	1,445,000	1,257,000
Affordable housing credits	(739,000)	(738,000)	(717,000)
Other	(427,000)	(542,000)	(162,000)
	$ 10,570,000	$ 12,135,000	$ 12,368,000

Income taxes paid during the years ended August 31, 2000, 1999 and 1998 amounted to $9,721,381, $10,563,000 and $11,638,000, respectively.

8. STOCK OPTIONS

Under the Company's current stock option plan, the Board of Directors may grant officers and key employees options to purchase up to 1,480,000 shares of the Company's common stock at a price not less than 100 percent of the fair market value of the stock at the date of grant. Options are generally exercisable one year after grant and may not be granted for terms in excess of ten years. At August 31, 2000, options for 472,182 shares were exercisable, and options for 370,491 shares were available for future grants.

A summary of the changes in options outstanding under the Company's stock option plan during the three years ended August 31, 2000 is as follows:

	OPTIONS OUTSTANDING	OPTION PRICE PER SHARE
Balance at August 31, 1997	375,050	$15.44 - $23.75
Granted	147,800	$31.75
Exercised	(119,856)	$16.13 - $23.75
Canceled	(26,157)	$17.13 - $31.75
Balance at August 31, 1998	376,837	$15.44 - $31.75
Granted	165,999	$23.06
Exercised	(24,448)	$15.94 - $23.75
Canceled	(4,792)	$23.06 - $31.75
Balance at August 31, 1999	513,596	$15.44 - $31.75
Granted	247,600	$23.50
Exercised	(2,944)	$15.94
Canceled	(22,400)	$23.06 - $31.75
Balance at August 31, 2000	735,852	$15.44 - $31.75

The following table summarizes information concerning outstanding and exercisable options as of August 31, 2000:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING	WEIGHTED-AVERAGE REMAINING LIFE (YEARS)	WEIGHTED-AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE	WEIGHTED-AVERAGE EXERCISE PRICE
$15.44 - $21.25	100,304	4.00	$20.61	100,304	$20.61
$23.00 - $31.75	635,548	7.76	$25.06	371,878	$25.86
	735,852	7.25	$24.45	472,182	$24.74

If the Company had elected to recognize compensation expense for its stock option plan using the fair value method, the Company's net income and earnings per share would be reduced to the pro forma amounts indicated below.

	YEAR ENDED AUGUST 31, 2000	1999	1998
NET INCOME			
As reported	$ 20,558,000	$ 22,065,000	$ 21,888,000
Pro forma	19,729,000	21,651,000	21,561,000
DILUTED EARNINGS PER SHARE			
As reported	$ 1.33	$ 1.41	$ 1.40
Pro forma	$ 1.27	$ 1.38	$ 1.38

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used for the years ended August 31, 2000, 1999 and 1998: expected volatility ranging from 17% to 37.5%, risk-free interest rate ranging from 4.62% to 5.96%, an average expected life of three years and a dividend yield of 5.6%. The weighted average fair value of stock options granted during the years ended August 31, 2000, 1999 and 1998 was $5.71, $3.65 and $3.23 per share, respectively.

9. COMMON STOCK

The Company has a stock repurchase plan authorized by the Board of Directors for management to acquire up to 5% of the outstanding common stock from time to time in the open market subject to available cash flow and market conditions. The Company repurchased 174,536 shares of common stock for $3,591,000 during the year ended August 31, 2000.

10. EMPLOYEE BENEFIT PLANS

The Company has a combined WD-40 Company Money Purchase Pension Plan and Trust and WD-40 Company Profit Sharing Plan (the "Plans") for the benefit of its regular full-time employees who meet certain criteria. The Plans provide for annual contributions into a trust to the extent of 10% of covered employee compensation for the WD-40 Company Money Purchase Pension Plan and Trust and as approved by the Board of Directors for the WD-40 Company Profit Sharing Plan and Trust, but which may not exceed the amount deductible for income tax purposes. The Plans may be amended or discontinued at any time by the Company. Contributions charged to income under the Plans in the years ended August 31, 2000, 1999 and 1998 totaled $1,491,000, $1,211,000 and $1,376,000 respectively.

The Company has a WD-40 Company 401(k) Plan and Trust whereby regular full-time employees who have completed certain minimum service requirements can defer a portion of their income through contributions to a trust. The Plan provides for Company contributions to the trust, as approved by the Board of Directors, equal to 50% or more of the compensation deferred by employees, but not in excess of the amount deductible for income tax purposes. Company contributions to the trust are invested in the Company's common stock. The Plan may be amended or discontinued at any time by the Company. Company contribution expense during the years ended August 31, 2000, 1999 and 1998 was approximately $182,000, $161,000 and $123,000, respectively.

The Company has agreed to provide fixed retirement benefits to certain of its key executives. The Company's gross liability related to these agreements approximates $5,138,000, of which $1,510,000, representing the present value of these obligations to employees for service through August 31, 2000, has been accrued.

The Company has life insurance policies on certain of its key executives. As of August 31, 2000, the aggregate cash surrender value of these policies is $1,700,017, which is included in other assets. Keyman life insurance premiums paid by the Company during the years ended August 31, 2000, 1999 and 1998 were $35,000, $35,000 and $30,000, respectively.

In February 1999, the Board of Directors adopted a Non-Employee Director Restricted Stock Plan to provide for the issuance of restricted common stock of the Company to each non-employee member of the Board of Directors in lieu of $5,000 of cash compensation. The issuance of shares in lieu of cash compensation is mandatory for any director who does not hold shares of the Company having a fair market value of at least $50,000 and optional for all other directors. The shares do not become vested for resale for a period of five years, except in the event of death or retirement from the Board of Directors.

In March 2000, the Board of Directors increased the number of restricted shares to be issued from 250 to 350. The Board of Directors also further amended the Plan in June 2000 to permit each Director to elect, at such Director's option, to receive 1,000 shares of the restricted Company stock in lieu of a full year's compensation. At August 31, 2000, the Company had 3,500 shares of restricted stock outstanding.

11. LOW INCOME HOUSING INVESTMENT AND RELATED DEBT

On August 31, 1993 and December 13, 1994, the Company purchased partnership units in an affordable housing tax credit fund for $3,000,000 and $2,000,000, respectively. The Company's decision to invest in the fund was due to the favorable tax credits that are available over the investment period of 15 years, subject to certain tax restrictions. The investment is accounted for at historical cost, amortized on a straight line basis over 15 years with an estimated salvage value of $2,750,000. Amortization expense during the years ended August 31, 2000, 1999 and 1998 were $66,000, $66,000 and $333,000, respectively.

The Company entered into seven-year promissory notes to fund its investments in the affordable housing tax credit fund. Each note is secured by the corresponding investment and bears interest at 7.0%. In January 2000, the Company paid off the promissory notes. Interest paid during the years ended August 31, 2000, 1999 and 1998 was $62,000, $126,000 and $173,000, respectively.

12. DEBT

In March 1999, the Company obtained a revolving loan with a commercial bank which expires on April 30, 2002. In July 2000, the loan was amended to increase the amount that may be borrowed under the terms of the loan from up to $4,000,000 to up to $6,000,000 at the bank's reference rate (8.22% at August 31, 2000) or LIBOR plus 1.25%. The agreement requires the Company to maintain minimum income levels and meet certain other restrictive covenants. Borrowings at August 31, 2000 were $2,757,000.

In March 1999, the Company obtained a term loan with a commercial bank which expires on May 1, 2006. The Company has borrowed $16,000,000 under the term loan at either the bank's reference rate (8.47% at August 31, 2000) or LIBOR plus 1.50%. During the year ended August 31, 2000, the Company paid $954,000 of interest incurred under the term loan. The term loan is payable in monthly principal installments of $133,000, plus interest. Principal payments in the amount of $1,600,000 will be due under the term loan for each of the years ending August 31, 2001 through 2005 and principal in the amount of $3,066,667 will be due thereafter. The agreement requires the Company to maintain minimum income levels and meet certain other restrictive covenants.

13. COMMITMENTS AND CONTINGENCIES

The Company is party to various claims, legal actions and complaints, including product liability litigation, arising in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance or will not have a material adverse effect on the Company's financial position or results of operations.

The Company was committed under certain noncancelable operating leases at August 31, 2000 which provide for the following future minimum lease payments: 2001, $290,000; 2002, $130,000; 2003, $19,000. Rent expense for the years ended August 31, 2000, 1999 and 1998 was $768,000, $564,000 and $267,000, respectively.

14. SUBSEQUENT EVENTS

On September 26, 2000, the Company declared a cash dividend of $.32 per share payable on October 30, 2000 to shareholders of record on October 13, 2000.

On September 26, 2000, the Company granted 420,600 stock options to purchase shares of the Company's common stock.

On October 1, 2000, the Company completed the acquisition of the Solvol brand heavy-duty hand cleaner for $1.1 million from Unilever Australia Ltd.

WD-40 COMPANY

CONSOLIDATED VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

	BALANCE AT BEGINNING	ADDITIONS CHARGED TO COSTS AND		BALANCE AT END OF

	OF PERIOD	EXPENSES	DEDUCTIONS*	PERIOD
Reserve for bad debts and sales discounts:				
Year ended August 31, 1998	$ 495,000	$ 1,647,000	$ 1,557,000	$ 585,000
Year ended August 31, 1999	$ 585,000	$ 1,422,000	$ 1,169,000	$ 838,000
Year ended August 31, 2000	$ 838,000	$ 1,534,000	$ 1,659,000	$ 713,000

* Write-off of doubtful accounts and sales discounts taken.

INDEX TO EXHIBITS

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10(a)	WD-40 Company Supplemental Death Benefit Plan	13
10(b)	WD-40 Company Supplemental Retirement Benefit Plan	13
10(c)	Second Amendment and Restatement, WD-40 Company 1990 Incentive Stock Option Plan	13
10(d)	Employment Agreement between WD-40 Company and Garry O. Ridge dated August 2, 1999	13
10(e)	Employment Agreement between WD-40 Company and Thomas J. Tranchina dated August 2, 1999	13
10(f)	Indemnity Agreement between the Registrant and its executive officers and directors	13
10(g)	1999 Non-Employee Director Restricted Stock Plan dated February 5, 2000 and Amendment thereto dated June 27, 2000	
10(h)	Asset Purchase Agreement between Block Drug Company, Inc. and WD-40 Company dated March 25, 1999	13
21	Subsidiaries of the Registrant	
23	Consent of Independent Accountants	
27	Financial Data Schedule (electronic filing only)	

EXHIBIT 10(g)

WD-40 COMPANY

1999

NON-EMPLOYEE DIRECTOR RESTRICTED STOCK PLAN

This Non-Employee Director Restricted Stock Plan (the "Plan") is adopted this 5th day of February, 1999 by the Board of Directors of WD-40 COMPANY, a California corporation, (the "Company").

1. ESTABLISHMENT AND PURPOSE

The purpose of the Plan is to authorize the issuance of shares of the Company's common stock to Directors who are not full time employees of the Company. The Board of Directors has determined that it will be in the best interest of the Company and its shareholders for all Directors to maintain a minimum level of share ownership.

2. AMOUNT OF STOCK

The total number of shares of the Company's common stock that may be issued pursuant to the Plan shall not exceed 25,000 shares during any one calendar year. In the event that there are not a sufficient number of authorized but unissued shares available pursuant to the Company's Articles of Incorporation to cover the number shares called for by this Plan for any year as well as for any outstanding stock option plan or other plan authorizing the future issuance of a specific number of shares, this Plan shall be suspended until a sufficient number of shares are duly authorized.

3. ADMINISTRATION

The Plan shall be administered by the Board of Directors. Subject to the express terms and conditions of the Plan, the Board of Directors shall have full power to construe and interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, and to make all other determinations necessary or advisable, in the sole discretion of the Board of Directors, for its administration.

4. ISSUANCE OF RESTRICTED SHARES

(a) ISSUANCE OF SHARES. On or about the 1st day of March of each calendar year, the Company shall, in lieu of the payment of $5,000 of annual Director compensation, issue 250 restricted shares of the Company's common stock to each non-employee director who does not then own shares having an aggregate fair market value of at least $50,000. Any non-employee director who owns shares having an aggregate fair market value of $50,000 or more may elect, by written letter delivered to the President on or before December 31st of the preceding year, to receive shares in lieu of $5,000 of annual compensation as a Director. Share ownership for purposes of the Plan shall include all shares in which the director has a direct or indirect pecuniary interest as defined under regulations promulgated pursuant to Section 16 of the Securities Exchange Act of 1934, but pecuniary interest shall not be established by attribution to family member ownership interests.

(b) RESTRICTED SHARES. All shares issued pursuant to the Plan shall be restricted for a period of five years or until such Director's retirement from the Board of Directors following his or her 65th birthday, or such Director's earlier death or disability. During such period of restriction the shares may not be sold or disposed of and they shall be subject to forfeiture and cancellation by the Company in the event such Director resigns or otherwise fails to continue to serve on the Board of Directors for any reason other than as a result of death or disability or following his or her 65th birthday.

(c) ADJUSTMENTS.

(i) Provided that the total number of shares to be issued each year does not exceed the limitation set forth in Paragraph 2 above, the number of shares to be issued pursuant to this Plan to each Director may be adjusted by a resolution adopted by the Board of Directors prior to the first day of the calendar year to account for an increase or decrease in the trading range for the Company's common stock of twenty percent (20%) or more over the prior year, or other factors deemed relevant.

(ii) In the event of an increase or decrease in the number of outstanding shares of common stock of the Company through stock dividend or stock split, an appropriate adjustment shall be made in

the number of shares to be issued to enable Directors to receive the same proportionate stockholdings as would have been issued pursuant to the Plan prior to such stock dividend or stock split.

(iii) In the event the Company proposes to merge or consolidate with another corporation or to sell or dispose of its assets and business or to dissolve, the restrictions upon resale shall be removed as of the closing or expiration of such transaction so that the shares may be tendered for acceptance of any cash or exchange offer made in connection with such transaction.

5. SHARE CERTIFICATE ENDORSEMENTS

Each share certificate representing shares issued pursuant to the Plan shall bear the following restrictive endorsements which may be removed at such time as the restrictions provided by the Plan have expired and provided that counsel for the Company has issued an opinion that the shares may be transferred free of restrictions imposed by the Securities Act of 1933 or the securities laws of any state or any other law regulating the issuance of securities:

(i) "The shares represented by this certificate are subject to transfer restrictions in accordance with the terms of a Non-Employee Director Restricted Stock Plan dated 5th of February, 1999, a copy of which may be obtained without charge by written request delivered to the Corporation."

(ii) "The shares represented by this certificate have not be registered under the Securities Act of 1933 or any applicable state securities acts and cannot be transferred without an opinion of counsel satisfactory to the Corporation's legal counsel that such transfer will not violate any such securities laws."

6. TAX REPORTING AND WITHHOLDING

The Company shall comply with all reporting and withholding requirements applicable to the compensatory issuance of shares to non-employee Directors under the Internal Revenue Code and regulations thereunder.

7. SUSPENSION, AMENDMENT OR TERMINATION OF THE PLAN

The Board of Directors may at any time amend, suspend or terminate the Plan. Unless the Plan shall theretofore have been terminated by the Board of Directors, the Plan shall terminate on December 31, 2009. No shares may be issued during such suspension or after such termination. The termination of the Plan shall not, without the consent of a Director holding restricted shares issued pursuant to the Plan, alter or impair any rights or obligations theretofore granted or imposed by the Plan.

8. DELIVERY OF SHARES SUBJECT TO DELAYS

The issuance and delivery of shares under the Plan shall be subject to and in compliance with the laws of any state or other governmental authority applicable thereto, the Board of Directors being hereby authorized to cause to be prepared, filed and presented on the Company's behalf to any governmental official, agency or tribunal all such applications or other instruments or papers and to maintain any and all proceedings as shall be required to cause the issuance to the Company of a permit or other authorization to issue or deliver any such shares. Neither the Company nor any officer, director or employee shall be liable for any delay in issuance or delivery of any shares pending the filing of any such application, instrument or papers or the grant of a permit or other authorization to enable such issuance or delivery to be made.

IN WITNESS WHEREOF, the Plan is adopted this 5th day of February, 1999

WD-40 COMPANY

By

Garry O. Ridge, President

Attest:

Harlan F. Harmsen, Secretary

EXHIBIT 10(g)

AMENDMENT TO WD-40 COMPANY
1999 NON-EMPLOYEE DIRECTOR RESTRICTED STOCK PLAN

This Amendment to WD-40 Company 1999 Non-Employee Director Restricted Stock Plan (the "Plan") is made and executed effective June 27, 2000, by the Board of Directors of WD-40 Company, a Delaware Corporation (the "Company").

R E C I T A L S

A. On March 28, 2000, at its regular quarterly meeting of the Board of Directors the Board unanimously authorized an increase in the number of shares to be issued in lieu of $5,000 of annual director compensation from 250 shares to 350 shares.

B. At its regular quarterly meeting held on June 27, 2000, the Board of Directors unanimously approved a further amendment to the Plan to permit each Director to elect, at such Director's option, to receive 1,000 shares of the restricted Company stock in lieu of a full year's compensation.

C. In order to carry out the foregoing, the Plan is hereby amended as follows:

1. Paragraph 4(a) is hereby amended to read, in its entirety, as follows:

"(a) ISSUANCE OF SHARES. On or about the first day of March of each calendar year, the Company shall, in lieu of the payment of $5,000 of annual Director compensation, issue 350 restricted shares of the Company's common stock to each non-employee Director who does not then own shares having an aggregate fair market value of at least $50,000.00. Any non-employee Director who owns shares having an aggregate fair market value of $50,000 or more, may elect, by written letter delivered to the President on or before December 31 of the preceding year, to receive shares in lieu of $5,000 of annual compensation as a Director. In addition,

any such Director may elect, at such time, to accept 1,000 shares of the Company stock in lieu of such Director's entire compensation, excluding only such compensation as may be payable for attendance at or chairing of committee meetings. Share ownership for purposes of the Plan shall include all shares in which the Director has a direct or indirect pecuniary interest as defined under regulations promulgated pursuant to Section 16 of the Securities Exchange Act of 1934, but pecuniary interest shall not be established by attribution to family member ownership interest."

2. In all other respects the Plan is hereby ratified and confirmed.

IN WITNESS WHEREOF, this Amendment to the Plan is adopted as of the effective date first herein above set forth.

WD-40 COMPANY

By /s/ Garry O. Ridge

Garry O. Ridge, President

ATTEST:

/s/ John B. Sidell

JOHN B. SIDELL, Assistant Secretary

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

The Registrant has the following wholly owned subsidiaries which do business under their respective legal names:

Name	Place of Incorporation
WD-40 Manufacturing Company	California, USA
WD-40 Products (Canada) Ltd.	Ontario, Canada
WD-40 Company Limited	London, England
WD-40 Company (Australia) Pty. Limited	New South Wales, Australia

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-43174, No. 33-90972 and No. 333-41247) of WD-40 Company of our report dated October 1, 2000 relating to the financial statements and financial statement schedules, which appears in this Form 10-K.

PRICEWATERHOUSECOOPERS LLP

San Diego, California
October 23, 2000

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