

**UNITED NATURAL FOODS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

<i>(In thousands, except per share data)</i>	<b>QUARTER ENDED</b>		<b>NINE MONTHS ENDED</b>	
	<b>APRIL 30,</b>		<b>APRIL 30,</b>	
	<b><u>2001</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2000</u></b>
Net sales	\$ 258,536	\$ 229,205	\$ 747,100	\$ 679,035
Cost of sales	208,853	183,900	601,576	551,107
Gross profit	<u>49,683</u>	<u>45,305</u>	<u>145,524</u>	<u>127,928</u>
Operating expenses	41,182	40,561	123,337	126,736
Restructuring and asset impairment charges	802	-	802	2,420
Amortization of intangibles	269	278	793	828
Total operating expenses	<u>42,253</u>	<u>40,839</u>	<u>124,932</u>	<u>129,984</u>
Operating income (loss)	<u>7,430</u>	<u>4,466</u>	<u>20,592</u>	<u>(2,056)</u>
Other expense (income):				
Interest expense	1,692	1,666	5,292	4,573
Other, net	268	(140)	43	(345)
Total other expense	<u>1,960</u>	<u>1,526</u>	<u>5,335</u>	<u>4,228</u>
Income (loss) before income taxes (benefit)	5,470	2,940	15,257	(6,284)
Income taxes (benefit)	2,188	1,175	6,103	(2,503)
Net income (loss)	<u>\$ 3,282</u>	<u>\$ 1,765</u>	<u>\$ 9,154</u>	<u>\$ (3,781)</u>
Per share data (basic):				
Net income (loss)	<u>\$ 0.18</u>	<u>\$ 0.10</u>	<u>\$ 0.50</u>	<u>\$ (0.21)</u>
Weighted average basic shares of common stock	<u>18,580</u>	<u>18,261</u>	<u>18,436</u>	<u>18,260</u>
Per share data (diluted):				
Net income (loss)	<u>\$ 0.17</u>	<u>\$ 0.10</u>	<u>\$ 0.49</u>	<u>\$ (0.21)</u>
Weighted average diluted shares of common stock	18,839	18,562	18,752	18,260

**UNITED NATURAL FOODS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

<i>(In thousands)</i>	<u>APRIL 30,</u> <u>2001</u>	<u>APRIL 30,</u> <u>2000</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash	\$ 7,829	\$ 3,334
Accounts receivable, net	87,604	76,635
Notes receivable, trade	416	707
Inventories	113,200	101,919
Prepaid expenses	5,279	4,487
Deferred income taxes	2,917	2,406
Refundable income taxes	1,092	7,045
Total current assets	218,337	196,533
Property & equipment, net	62,094	47,952
Other assets:		
Notes receivable, trade, net	1,029	257
Goodwill, net	27,736	26,835
Covenants not to compete, net	206	212
Other, net	730	539
Total assets	\$ 310,132	\$ 272,328
<b><u>LIABILITIES AND STOCKHOLDERS'</u></b>		
<b><u>EQUITY</u></b>		
Current liabilities:		
Notes payable - line of credit	\$ 67,054	\$ 66,504
Current installments of long-term debt	2,949	2,240
Current installment of obligations under capital leases	465	300
Accounts payable	66,791	48,102
Accrued expenses	14,906	13,052
Total current liabilities	152,165	130,198
Long-term debt, excluding current installments	25,140	23,906
Deferred income taxes	618	1,398
Obligations under capital leases, excluding current installments	2,209	1,804
Total liabilities	180,132	157,306
Stockholders' equity:		
Preferred stock, \$.01 par value, authorized 5,000 shares; none issued and outstanding		
Common stock, \$.01 par value, authorized 50,000 shares; issued and outstanding 18,584 at April 30, 2001; issued and outstanding 18,264 at April 30, 2000	186	183
Additional paid-in capital	70,945	67,839
Unallocated shares of ESOP	(2,298)	(2,462)
Retained earnings	61,167	49,462
Total stockholders' equity	130,000	115,022
Total liabilities and stockholders' equity	\$ 310,132	\$ 272,328

**UNITED NATURAL FOODS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

**NINE MONTHS ENDED**  
**APRIL 30,**

*(In thousands)*

**CASH FLOWS FROM OPERATING ACTIVITIES:**

	<u>2001</u>	<u>2000</u>
Net income (loss)	\$ 9,154	\$ (3,781)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,830	5,735
Loss on impairment of intangible asset	255	-
Loss on disposals of property & equipment	582	1,970
Deferred income tax (expense) benefit	(316)	45
Provision for doubtful accounts	2,198	1,992
Changes in assets and liabilities, net of acquired companies:		
Accounts receivable	(20,227)	(18,015)
Inventory	(8,265)	(11,194)
Prepaid expenses	828	1,173
Refundable income taxes	3,308	(3,106)
Other assets	237	147
Notes receivable, trade	(224)	465
Accounts payable	27,348	14,659
Accrued expenses	2,721	(653)
Net cash provided by (used in) operating activities	23,429	(10,563)

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Payments for purchases of subsidiaries, net of cash acquired	(2,393)	(1,200)
Proceeds from disposals of property and equipment	43	40
Capital expenditures	(14,166)	(10,644)
Net cash used in investing activities	(16,516)	(11,804)

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Net (repayments) borrowings under note payable	(954)	25,350
Repayments on long-term debt	(2,032)	(3,172)
Proceeds from long-term debt	39	1,266
Principal payments of capital lease obligations	(849)	(688)
Proceeds from exercise of stock options	2,769	100
Net cash (used in) provided by financing activities	(1,027)	22,856

**NET INCREASE IN CASH**

	5,886	489
Cash at beginning of period	1,943	2,845
Cash at end of period	\$ 7,829	\$ 3,334

Supplemental disclosures of cash flow information:

Cash paid during the period for:

Interest	\$ 5,171	\$ 4,080
Income taxes	\$ 3,100	\$ 740

In the nine months ended April 30, 2001 and 2000, the Company incurred \$679 and \$537, respectively, of capital lease obligations.