

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

	<b>QUARTER ENDED</b>		<b>TWELVE MONTHS</b>	
	<b><u>JULY 31,</u></b>		<b><u>ENDED</u></b>	
<i>(In thousands, except per share data)</i>	<b><u>2001</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2000</u></b>
Net sales	\$ 269,734	\$ 229,653	\$ 1,016,834	\$ 908,688
Cost of sales	216,464	183,566	818,040	734,673
Gross profit	<u>53,270</u>	<u>46,087</u>	<u>198,794</u>	<u>174,015</u>
Operating expenses	43,988	39,937	167,325	166,673
Restructuring and asset impairment charges	-	-	801	2,420
	1,626	-	1,626	-
Amortization of intangibles	243	242	1,036	1,070
Total operating expenses	<u>44,231</u>	<u>40,179</u>	<u>169,162</u>	<u>170,163</u>
Operating income	<u>9,039</u>	<u>5,908</u>	<u>29,632</u>	<u>3,852</u>
Other expense (income):				
Interest expense	1,647	1,839	6,939	6,412
Other, net	385	(182)	429	(527)
Total other expense	<u>2,032</u>	<u>1,657</u>	<u>7,368</u>	<u>5,885</u>
Income (loss) before income taxes (benefit)	7,007	4,251	22,264	(2,033)
Income taxes (benefit)	2,803	1,701	8,906	(802)
Net income (loss)	<u>\$ 4,204</u>	<u>\$ 2,550</u>	<u>\$ 13,358</u>	<u>\$ (1,231)</u>
Per share data (basic):				
Net income (loss)	<u>\$ 0.23</u>	<u>\$ 0.14</u>	<u>\$ 0.72</u>	<u>\$ (0.07)</u>
Weighted average basic shares of common stock	<u>18,616</u>	<u>18,275</u>	<u>18,482</u>	<u>18,264</u>
Per share data (diluted):				
Net income (loss)	<u>\$ 0.22</u>	<u>\$ 0.14</u>	<u>\$ 0.71</u>	<u>\$ (0.07)</u>
Weighted average diluted shares of common stock	19,027	18,651	18,818	18,264

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

<i>(In thousands)</i>	<u><b>JULY 31,</b></u> <u><b>2001</b></u>	<u><b>JULY 31,</b></u> <u><b>2000</b></u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash	\$ 6,393	\$ 1,943
Accounts receivable, net	81,559	69,474
Notes receivable, trade	685	456
Inventories	110,653	104,486
Prepaid expenses	5,394	6,085
Deferred income taxes	3,513	2,350
Refundable income taxes	366	4,401
Total current assets	<u>208,563</u>	<u>189,195</u>
Property & equipment, net	62,186	52,625
Other assets:		
Notes receivable, trade, net	1,050	765
Goodwill, net	27,500	26,624
Covenants not to compete, net	180	181
Other, net	965	844
Total assets	<u><u>\$ 300,444</u></u>	<u><u>\$ 270,234</u></u>
<b><u>LIABILITIES AND STOCKHOLDERS'</u></b>		
<b><u>EQUITY</u></b>		
Current liabilities:		
Notes payable - line of credit	\$ 68,056	\$ 68,007
Current installments of long-term debt	2,975	2,770
Current installment of obligations under capital leases	1,120	1,036
Accounts payable	53,169	39,393
Accrued expenses	13,242	12,178
Total current liabilities	<u>138,562</u>	<u>123,384</u>
Long-term debt, excluding current installments	24,455	26,722
Deferred income taxes		367
Obligations under capital leases, excluding current installments	1,484	1,807
Total liabilities	<u>164,501</u>	<u>152,280</u>
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 18,653 at July 31, 2001; issued and outstanding 18,283 at July 31, 2000	187	183
Additional paid-in capital	72,644	68,180
Unallocated shares of ESOP	(2,258)	(2,421)
Retained earnings	65,370	52,012
Total stockholders' equity	<u>135,943</u>	<u>117,954</u>
Total liabilities and stockholders' equity	<u><u>\$ 300,444</u></u>	<u><u>\$ 270,234</u></u>

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

**TWELVE MONTHS ENDED**  
**JULY 31,**

*(In thousands)*

	<u>2001</u>	<u>2000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 13,358	\$ (1,231)
Adjustments to reconcile net income(loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	7,908	7,601
Loss on impairment of intangible asset	255	-
Loss on disposals of property & equipment	640	1,977
Deferred income tax expense	(1,529)	(930)
Provision for doubtful accounts	2,903	1,992
Changes in assets and liabilities, net of acquired companies:		
Accounts receivable	(14,887)	(10,854)
Inventory	(5,719)	(13,761)
Prepaid expenses	713	(425)
Refundable income taxes	4,035	(461)
Other assets	42	(117)
Notes receivable, trade	(514)	208
Accounts payable	13,725	5,950
Accrued expenses	1,056	(1,528)
Net cash provided by (used in) operating activities	21,986	(11,579)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for purchases of subsidiaries, net of cash acquired	(2,393)	(1,200)
Proceeds from disposals of property and equipment	46	57
Capital expenditures	(15,891)	(15,870)
Net cash used in investing activities	(18,238)	(17,013)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net borrowings under note payable	49	26,854
Repayments on long-term debt	(2,742)	(3,846)
Proceeds from long-term debt	89	5,287
Principal payments of capital lease obligations	(1,162)	(1,045)
Proceeds from exercise of stock options	4,468	440
Net cash provided by financing activities	702	27,690
<b>NET INCREASE (DECREASE) IN CASH</b>	4,450	(902)
Cash at beginning of period	1,943	2,845
Cash at end of period	\$ 6,393	\$ 1,943
<u>Supplemental disclosures of cash flow information:</u>		
Cash paid during the period for:		
Interest	\$ 6,822	\$ 5,746
Income taxes, net of refunds	\$ 5,709	\$ 795

In 2001 and 2000 the Company incurred \$905 and \$1,634, respectively, of capital lease obligations.