

SPINS Macro Trends vs. Year Ago:

For the Four Week Period Ending 1/23/10 (SPINS P1 2010)

Unit Trends: The new year kicks off with less positive trends.

Consumers started out the new year by exercising more restraint in their purchases as unit and base unit trends in the both channels were less positive in P1 relative to P13 of 2009. These measures increased by +1.6% and +2.9%, respectively, in Natural and +4.9% and +3.7%, respectively, in Conventional Grocery. The comparable figures for P13 were +4.8%/+4.3% in Natural and +6.0%/+4.4% in Conventional Grocery, indicating that Natural trends experienced more of a decline. We monitor base unit trends, which factor out the effects of promotions, to gauge underlying consumption strength. They are still running at +3% /+4% in each channel, so this is in one sense a good sign. On the other hand, since unit trends were so poor in P1 of 2009 versus year ago we had hoped that in P1 of 2010 we would witness a more positive start to the new year. Undergirding unit growth is the fact that the inflationary environment continues to be favorable (see below). We feel that, barring an economic shock or a run-up in inflation, positive unit trends for the products we track will be maintained in future periods.

Price Trends: Consumers continue to experience a friendly inflationary environment.

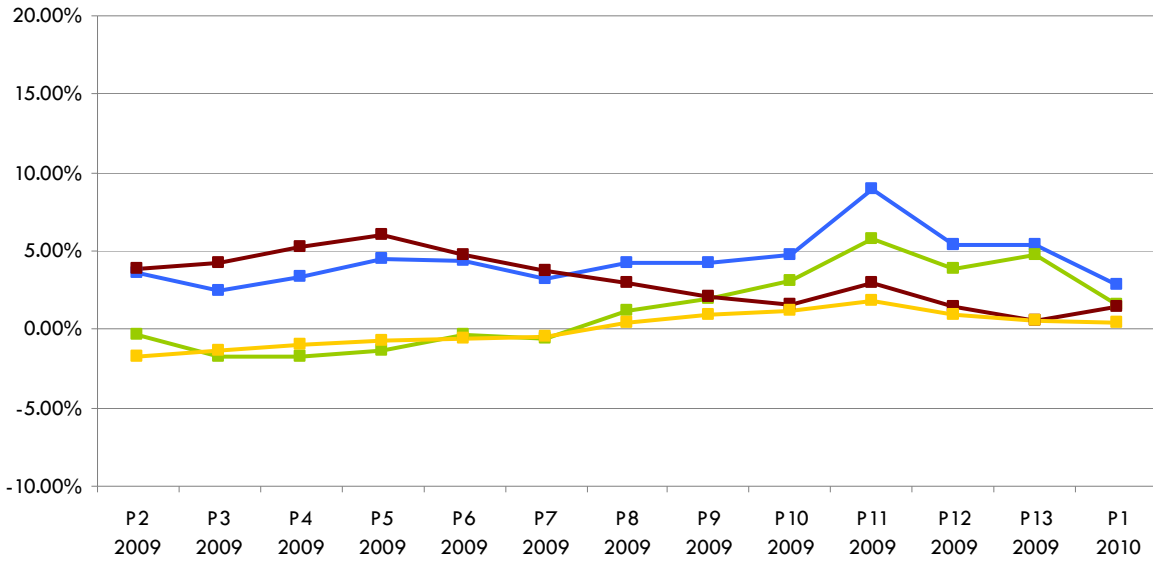
In P1, Natural average retail prices (ARP) and their base equivalents (BARP) were up +1.4% and +0.3% versus year ago as opposed to +0.5%/+1.3% in P13. In Conventional Grocery ARP/BARP changes once again were negative at -0.8% and -0.8% (versus -1.0%/-0.4% in P13). Base price changes in Natural and Conventional Grocery have averaged +1.3% and -0.4% in the last three periods, which is good news for consumers. Base price trends, which factor out promotions, are best to monitor inflation.

Dollar Trends: Unit strength, coupled with tame inflation, yields respectable growth.

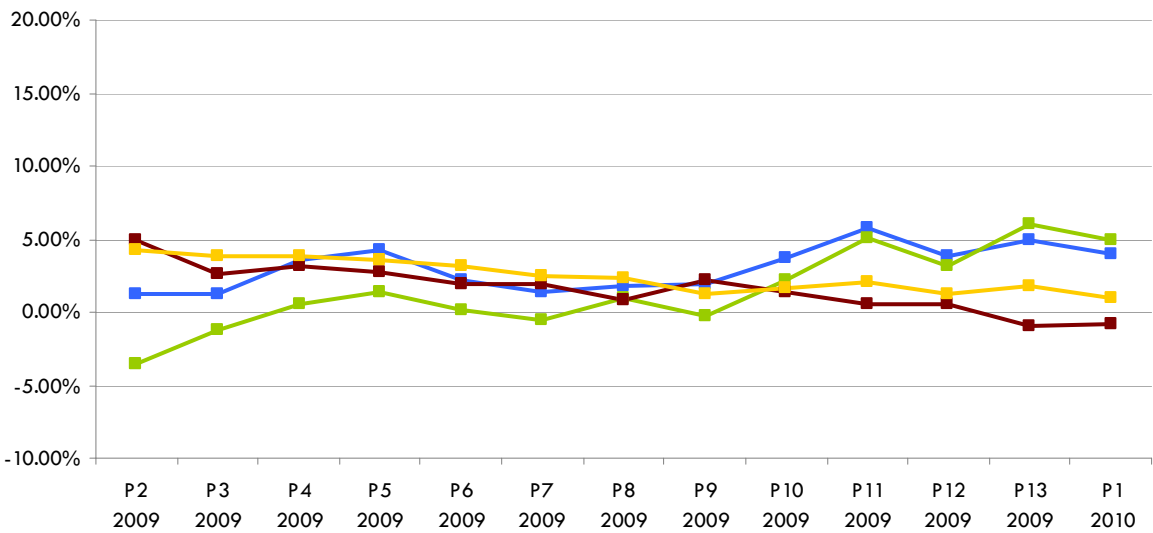
P1 dollar and base dollar trends, while positive, are generally about 2.5% lower in Natural and 1% lower in Conventional Grocery than they were in P13, reflecting the less positive unit growth mentioned above. Natural recorded changes of +2.9%/+3.2% versus the prior period values of +5.4%/+5.7%. In Conventional Grocery, dollars trended +4.0% and base dollars were up by +2.8% (compared to +5.0%/+4.0% in P13). The key point to keep in mind is that if 2010 dollar growth is to occur it will need to largely source from an uptick in units if inflation remains as muted as it has been in recent periods.

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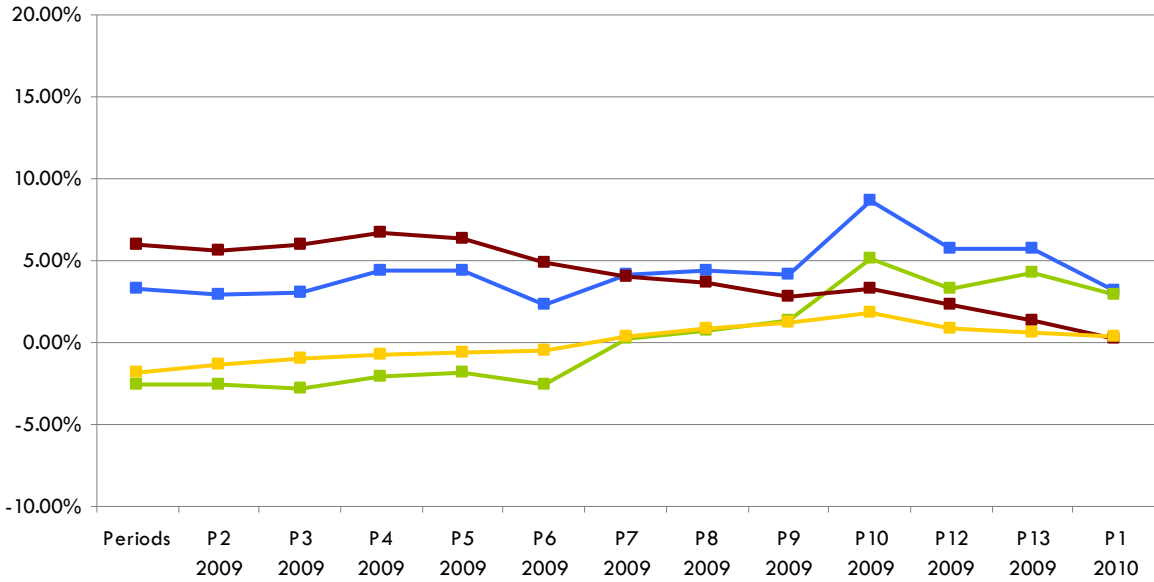
SPINSscan Natural,
TUS; Total Store



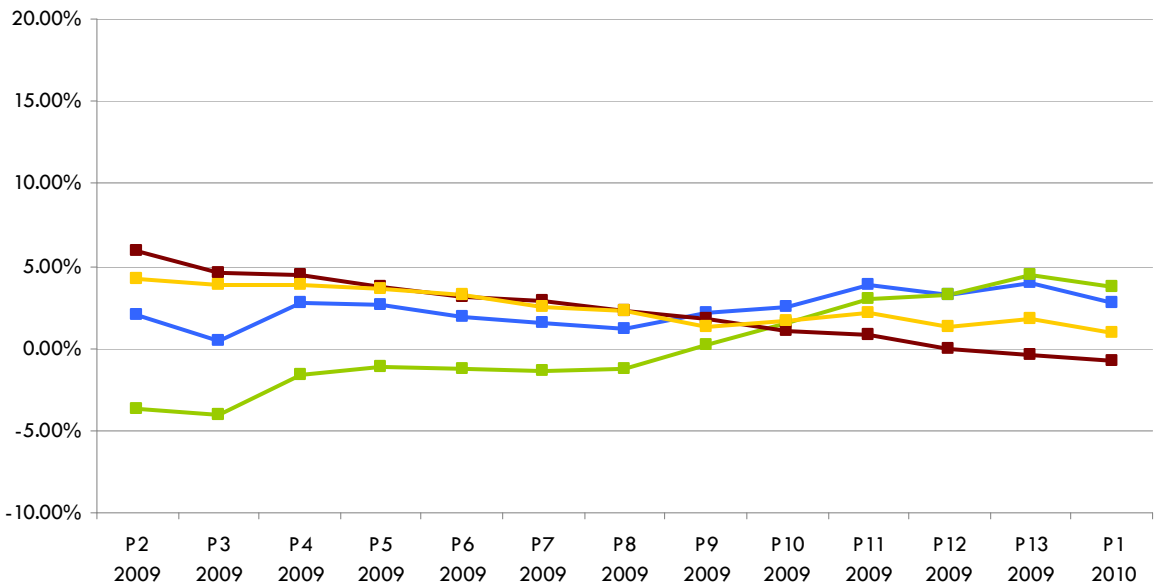
SPINSscan Conventional Markets,
TUS Grocery; Total NPI (natural/organic)

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SPINSscan Natural,
TUS; Total Store



SPINSscan Conventional Markets,
TUS Grocery; Total NPI (natural/organic)