



November 18, 2008

Dear Valued Client,

I'd like to take this opportunity to thank you for the support you have continued to provide SPINS over the last 24 months as we have transitioned to a new business model.

As we enter 2009, SPINS has never been stronger as a company and I have never been more enthused than I am today about the road ahead. As you will see in the attached SPINS service update, we have transformed our company over the last two years, and we are now effectively positioned to be a single source provider for our clients. Please take time to read carefully through the update as you may not realize all the additional offerings that are core to SPINS today for providing information and insights.

We have invested heavily in a talented team, improved technology and infrastructure, and expanded service offerings because we understand the need for information to navigate the changing dynamics of today's marketplace.

We also continue to build strong partnerships with independent retailers across the country who are committed to authenticity in what they do and have the ability to create strong relationships with their consumers. We elect to make these significant investments in both our business and these partnerships because we believe in the long-term value and power of these retailers and the natural food industry.

Despite the ailing economy and the constant questions from the media, our industry is stronger than ever and the retailers and brands that resonate with the consumer continue to thrive and outshine other segments in the market.

As our industry continues to grow and evolve over these next years, SPINS will continue to make it a top priority to provide services that are relevant to your needs. We look forward to continuing our work together, and building further success in Natural Products and your business through insight, information, and collaboration.

Sincerely,

Tony Olson
CEO
SPINS



November 18, 2008

Dear Valued Client,

As 2008 draws to a close, this annual service update is an exciting one for SPINS as we near completion of our 24 month transition and investment plan. This plan has transformed our four business units based on the services and insights most meaningful to our clients. Our investments to transform and solidify our organizational structure, upgrade our IT & operations infrastructure, expand market coverage and service depth, add new insights & create more value, and develop new partnerships, are receiving strong positive feedback as we conclude our transition plan and enter 2009. The best indicator of the relevance, value, and success of these investments is you, our community of industry participants who have embraced these changes and affirmed your commitment to moving the industry forward, together.

For 2009, SPINS is pleased to announce the following new services and enhancements:

Retail Measurement Services

New Key Accounts

SPINS continues to expand Key Account Reporting across Natural, Specialty/Gourmet, Conventional and Other Channels bringing our total count to over 150 Key Accounts representing retail banners and corporate totals across these channels. New proprietary key account releases planned include:

Natural Supermarkets:

- INFRA (period 11, 2008)
- PCC Breakout within NCGA Key Account (period 1, 2009)

Specialty/Gourmet:

- Mollie Stone's (period 11, 2008)
- Town and Country/Central Market (period 2, 2009)
- Northwest Grocers – Unified Grocers ad group (Q2, 2009)
- Nugget Markets (Q2, 2009)

Conventional FDM:

- Pathmark rolled into A&P (P10, 2008)

More store level reporting

Following the launch of these new key accounts, store level reporting across SPINS proprietary Key Accounts will reach over **200** stores.

More convenient & efficient account reporting

Effective P1 2009, SPINS proprietary key accounts will reside in one bundled key account database, grouped by account type (channel). All 200+ stores released across all accounts will now be bundled in one database as well. Both consolidations will provide for easier cross-account reporting and opportunity analysis.

Natural Channel restatement enhancements

In addition to these Key Account offerings, SPINS is also pleased to announce the following enhancements as part of the P1 2009 SPINSscan Natural restatement (released 2/11/09):

- ✓ Continued increases in retail cooperator partners, with over 40 independent retailers being added to our sample - These additions drive our sampling rate to well beyond a 1 in 3 sample for the natural supermarket channel
- ✓ The Northern California region returns, increasing region breakouts to eight

- ✓ Geographical state adjustments to SPINSscan Natural regions for better alignment with general industry geographical structures
- ✓ Upgrades to existing enhanced facts, providing for sophistication in modeling for promotional analytics, particularly at key account level

More details regarding the P1 2009 SPINSscan Natural restatement will be provided in January 2009.

Consumer Measurement Services

Syndicated reporting update now available

SPINSscan Consumer Insights and Shopper Insights update through 6/30/08, with Whole Foods and Organic buyer group breakouts is now available. Tracking the impact of the economy on consumer behavior, this mid-year update identifies shifts in consumer dynamics, particularly for committed versus transitional shoppers.

Custom reporting available soon: Consumer interaction & new/lost/retained buyers

Through our partnership with The Nielsen Company, SPINS consumer insights are enhanced through Nielsen's powerful custom consumer reporting capabilities. Planned for launch in phases throughout 2009, two initial custom analyses include Combination Purchasing Analysis and Buyer Flow Analysis.

- ✓ With consumers buying a variety of products in a category, a **Combination Purchasing Analysis** (CPA) measures consumer purchasing behavior for a specific group of buyers and identifies variables driving interaction. The CPA analysis is customized to a specific business issue, such as interaction between organic brands within a category, interaction between items in the brand franchise, or interaction between organic, natural non organic and conventional items.
- ✓ As products constantly gain and lose buyers, the **Buyer Flow Analysis** measures the stability of a product's buyer base. This is performed by analyzing New, Lost and Retained buyers of the product. The Buyer Flow analysis is also customized to address specific business issues such as, "Is my declining penetration due to losing buyers to other natural competitive brands, or to conventional brands?", and, "Which buyers were lost - those most committed to Natural products or those buyers on the periphery of Natural?"

SPINS will announce more information as The Nielsen Company's custom consumer reporting capability approaches availability. Feel free to contact your sales manager with any questions in the meantime.

SPINS Product Library

Hierarchy changes

Effective with the SPINSscan Natural P1 restatement:

- ✓ A new Over the Counter (OTC) department across the Natural, Specialty/Gourmet, and Alternative channels and key accounts will be released. This new department will consist of 2 categories, Internal and Topical Medicines.
- ✓ Within the Cookies & Snack Bars category, the Snack Bars & Toaster Pastries subcategory is being split into separate subcategories: Snack Bars, and, Toaster Pastries.

Organic Private Label reporting

In 2008 we began to phase in reporting of organic private label across SPINSscan Conventional Accounts on a per category basis and we continue to plan for additional category releases of organic private label in 2009.

Health & Wellness Insights

SPINS & The Nielsen Company recently launched Health and Wellness Insights (HWI), an unparalleled set of 115 characteristics combining SPINS' and Nielsen's attributes relating to Health and Wellness into a single offering for Nielsen custom database clients. This new service is offered via Nielsen client service teams and is supported by SPINS consulting services for optimal utilization & business insights.

Business Partnerships and Investments

SPINS continues to build strategic partnerships throughout the industry as an increasing number of leading retailers, brokers, and distributors across Natural, Specialty/Gourmet, and Conventional retail channels rely on SPINS for industry standard product positioning definitions, retail landscape & consumer dynamic expertise, business insights, and strategic & tactical decision support.

- ✓ We continue to expand our network of both full-time on-site business consultants as well as part-time consulting support across all of these partners. An increasing number of retailers rely on SPINS and its consulting insights to make both corporate and store level merchandising decisions, and we have developed exciting new proprietary tools to help in these endeavors.
- ✓ Our strategic alliance with The Nielsen Company continues to grow as we work even more collaboratively to solve business issues for our clients, leveraging the expertise & capabilities of both companies. More details on offerings and joint services will be announced as plans develop.

Price Adjustment

Since 2001, the combined Natural Supermarket & FDM channels have grown from \$12.2B to \$32.3B in 2008. Over this same 8 year period while our industry has expanded by 165%, SPINS base prices have increased only 4 times for a total of 23% more than they were in 2001, including holding base prices unchanged for the past 3 years and adding many service enhancements at no additional charge. Effective January 1, 2009, SPINS will be taking a price adjustment of 4% on average to base prices across all services. Some services and bundles will be increasing by more, some less. SPINS will honor current pricing for all contracts signed before 12/31/08 for the full term of the new contract. All contracts signed on 1/1/09 or later will be based on new 2009 adjusted prices.

Closing thought

As I mentioned in the opening paragraph, much has changed at SPINS & the industry in the last 24 months to allow us to expand well beyond our heritage of retail measurement services. While we will continue to invest in enhancements and new solutions to meet the growing needs of our industry's community, we are positioned better than ever to comprehensively support the needs of our partners. Following are just a few examples of the many enhancements introduced since we began our business model transition:

- ✓ Creation and development of four business units: Retail Measurement Services, Consumer Measurement Services, Product Library, and Consulting Services (Consulting, Reporting & Analytics)
- ✓ More than 200 new cooperative retailers, increasing SPINS sample rate from 1:7 to better than 1:3
- ✓ Key account breakouts to over 150 retail banners & corporate totals through both new proprietary retailer agreements and our alliance with The Nielsen Company
- ✓ Enhanced facts and weekly periods launched across all services, as well as conditional facts across FDM channels and accounts
- ✓ Creation of Brand Position segmentations (Natural Standards, Natural Perceived, Specialty Natural and Conventional Natural) as an industry standard to identify a product's natural or organic positioning
- ✓ An increase of 75,000 new UPCs to our product library (for a total of 300,000 UPCs by the end of Q1 2009), new attributes, health concerns, categories & subcategories to the SPINS Product Library through organic growth of the industry as well as expanded coverage of Specialty/Gourmet retailers
- ✓ Robust consumer behavior reporting through both syndicated and custom offerings leveraging our partnership with The Nielsen Company's Homescan panel service of 125,000 consumer households
- ✓ Delivery lead time reduction for SPINSscan Natural from 33 days to 18 days following period close - This reduction is particularly remarkable considering that SPINS is processing over five times the amount of data from even a year ago
- ✓ Consulting resources to leverage SPINS' content expertise, advanced analytic & modeling capabilities such as price elasticity models and promotion ROI analyses, regular & custom reporting needs, and business issue insights & consulting
- ✓ Additional on site & part time business consultants at brokers, natural retailers, and conventional retailers
- ✓ Talent. SPINS has significantly grown both the number and level of talent of our retail client services support, manufacturer client services support encompassing consulting and sales groups, and IT teams

As we move into 2009, we thank you for your continued support over the past 24 months and we trust that our investments and enhancements will continue to add value to our partnership and your business. We look forward to a great 2009 together!

Thank you,

Michael Movitz
VP, Services