



## United Natural Foods Announces Fiscal 2001 Second Quarter Results

March 6, 2001

Dayville, Connecticut – March 6, 2001 -- United Natural Foods, Inc. (Nasdaq: UNFI) today announced results for the second quarter of fiscal 2001, ending January 31, 2001, in line with the Company's recent guidance.

Net sales for fiscal year 2001's second quarter totaled \$244.4 million, a 5.6% increase over the \$231.4 million recorded in the second quarter a year ago. Net sales for the six months ended January 31, 2001 were \$488.6 million, an 8.6% increase over the comparable prior year period. As previously reported, second quarter top-line growth was adversely impacted by the closure of several internet-based companies and several Wild Oats stores that generated sales in the prior year, as well as increased sales volume in the prior year resulting from Year 2000 concerns.

Net income for the current quarter, excluding moving costs related to the expansion of the Company's New Oxford, PA distribution facility, was \$2.7 million, or \$0.15 per diluted share. Net income for the six months ended January 31, 2001, excluding these costs, was \$6.0 million, or \$0.32 per diluted share. Net income including these costs was \$2.6 million, or \$0.14 per share, for the quarter and \$5.9 million, or \$0.31 per share for the six-month period. The Company incurred a net loss per share of (\$0.07) for the second quarter of fiscal 2000 and \$(0.12) per share for the six months ended January 31, 2000, excluding the impact of certain non-recurring and special charges described below occurring in the second quarter. Including the non-recurring and special charges the Company incurred a net loss per share of (\$0.25) and \$(0.30), respectively, for the quarter and six months ended January 31, 2000. These charges included approximately \$1.5 million, net of tax, of restructuring and asset impairment charges related to the write-off of certain Eastern Region fixed assets and the closing of the Company's Chicago facility, and approximately \$1.8 million, net of tax, of severance costs and the write-off of current assets in the Eastern Region and Chicago.

Chief Executive Officer Michael Funk said, "Our results this quarter were negatively impacted by a number of factors including gross margin contraction, higher than anticipated transportation costs and labor productivity. Despite these challenges, this quarter highlights the progress we have made since last year's second quarter. Our gross margin has improved 140 basis points and we have reduced operating expenses, excluding the special items noted above, by \$1.7 million. These operational improvements have resulted in operating income increasing \$7.0 million over the comparable prior year quarter. As we look ahead to the remainder of 2001, we continue to believe our year-over-year revenue growth rates will range from 7% - 11% for our third and fourth 2001 fiscal quarters. Additionally, we are still projecting earnings per share to be \$0.20 - \$ 0.23 for our fiscal third quarter and \$0.22 - \$0.25 for our fiscal fourth quarter."

### Conference Call

Management will conduct a conference call and audio webcast at 11:00 a.m. ET on March 6, 2001 to review the Company's quarterly results, market trends and future outlook. The conference call dial-in number is 703-871-3022. The audio webcast will be available, on a listen only basis, via the Internet at [www.streetevents.com](http://www.streetevents.com). Please allow extra time to the webcast to visit the site and download any software required to listen to the Internet broadcast. The online archive of the webcast will be available for 30 days.

### About United Natural Foods

United Natural Foods, Inc. distributes over 30,000 products to more than 7,000 customers in 50 states. The Company serves a wide variety of retail formats including conventional supermarket chains, natural product superstores and independent retail operators.

### Financial Tables Follow

For more information on United Natural Foods, Inc., via fax at no charge, please dial 1-800-PRO-INFO and enter the Company's ticker symbol, UNFI. Or, visit the Company's web-site at [www.unfi.com](http://www.unfi.com).

### AT THE COMPANY: AT THE FINANCIAL RELATIONS BOARD:

Thomas Simone	Joseph Calabrese	Vanessa Schwartz
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"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding United Natural's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, including but not limited to general business conditions, the impact of competition and our dependence on principal customers, see "Risk Factors" in the Company's annual report on Form 10-Q filed with the Commission on December 15, 2000, and its other filings under the Securities Exchange Act of 1934, as amended. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. United Natural is not undertaking to update any information in the foregoing reports until the effective date of its future reports required by applicable laws.

[Supplementary Financial Tables](#)