



United Natural Foods, Inc. Announces Agreement to Acquire Tony's Fine Foods

May 22, 2014

Acquisition will Expand High-Growth Perishable Product Offerings and Distribution Footprint in Western United States

Highly Complementary Transaction Expected to be Accretive to Fiscal 2015 UNFI Earnings

PROVIDENCE, R.I.--(BUSINESS WIRE)--May 22, 2014-- United Natural Foods, Inc. (Nasdaq: UNFI) (the "Company") today announced that it had entered into a definitive agreement to acquire all of the stock of Tony's Fine Foods ("Tony's"), a leading distributor of perishable food products including a wide array of specialty protein, cheese, deli, food service and bakery goods throughout the Western United States, as well as Alaska and Hawaii. Founded in 1934 by the Ingoglia family, Tony's products are sold primarily to retail and specialty grocers, food service customers and other distribution companies.

For its fiscal year ended September 30, 2013, Tony's generated approximately \$714 million in net sales. Consummation of the transaction is subject to the satisfaction of customary closing conditions, including compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 as amended, and the transaction is expected to close late in the fourth quarter of fiscal 2014. Upon closing, Tony's will be operated as a wholly-owned subsidiary of the Company, and the transaction is expected to be accretive to the Company's earnings in its fiscal year 2015.

The total purchase price for the acquisition of the business and related real estate is expected to be approximately \$195.3 million, subject to certain post-closing adjustments, and will consist of approximately \$187.8 million in cash and approximately 112,000 shares of the Company's common stock. The shareholders of Tony's will utilize a portion of the proceeds to pay off all of Tony's' existing indebtedness as of the closing. The Company expects to finance the cash portion of the purchase price with a combination of available cash and borrowings under its revolving credit facility, which it amended yesterday to, among other things, increase the aggregate amount of availability by \$100 million. A portion of the borrowings under the revolving credit facility are expected to be refinanced into an approximately \$150 million real-estate backed term loan facility that the Company anticipates it will enter into in the fourth quarter of fiscal 2014 or first quarter of fiscal 2015.

"Natural protein and specialty perishable products are a very important part of UNFI's future. Tony's Fine Foods will serve as our platform for building out our national perimeter product offering. These fast growing products will help us further expand market share as we build out our retail store SKU offering," commented Steven Spinner, UNFI's President and Chief Executive Officer. "We welcome Scott and Karl Berger and look forward to working with the entire Tony's Fine Foods team of professionals as we build upon their more than 80 years of marketing, logistics and distribution excellence to continually deliver exceptional customer service and drive future growth."

Karl Berger, Tony's Fine Foods Co-President and third generation operator, commented, "Tony's has a consistent track record of providing quality products and innovative logistical solutions to a wide variety of food industry establishments with a commitment to superior customer service. We are thrilled to become part of UNFI, one of the leading natural, organic and specialty distributors in the U.S. and Canada, while maintaining our West Coast distribution and logistics network. We believe together, Tony's and UNFI will deepen our relationships with existing customers and broaden our reach to new customers across all of our markets."

Conference Call & Webcast

The Company will host a conference call and audio webcast today, Thursday, May 22, 2014 at 9:00 a.m. EDT. The conference call dial-in number is (877) 407-3982. The audio webcast of the conference call will be available to the public, on a listen-only basis, via the Internet at the Investors section of the Company's website at www.unfi.com. The online archive of the webcast will be available on the Company's website for 30 days.

About United Natural Foods

United Natural Foods, Inc. (<http://www.unfi.com>) carries and distributes more than 65,000 products to more than 31,000 customer locations throughout the United States and Canada. The Company serves a wide variety of retail formats including conventional supermarket chains, natural product superstores, independent retail operators and the food service channel. United Natural Foods, Inc. was ranked by Fortune in 2006 - 2010 as one of its "Most Admired Companies" and in 2012 as one of its "Most Admired American Companies," winner of the Supermarket News 2008 Sustainability Excellence Award, recognized by the Nutrition Business Journal for its 2009 Environment and Sustainability Award and chosen by Food Logistics Magazine as one of its 2012 Top 20 Green Providers.

About Tony's Fine Foods

Since 1934 Tony's Fine Foods (<http://tonysfinefoods.com>) specializes in the marketing, logistics and distribution of deli, bakery, food service, specialty, and perishable products throughout the Western United States, including Alaska and Hawaii. Tony's is committed to providing quality products, exceptional customer service, and innovative logistical solutions to a wide variety of food industry establishments.

For more information on United Natural Foods, Inc., visit the Company's website at www.unfi.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding the Company's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties and are based on current expectations and management estimates; actual results may differ materially. The risks and uncertainties which could impact these statements are described in the Company's filings under the Securities Exchange Act of 1934, as amended, including its annual report on Form 10-K filed with the Securities and

Exchange Commission ("SEC") on October 1, 2013, its quarterly reports on Form 10-Q filed with the SEC on December 11, 2013 and March 12, 2014, and other filings the Company makes with the SEC, and include, but are not limited to the occurrence of any event, change or other circumstance that could give rise to the termination of the acquisition agreement entered into by the parties in connection with the Company's proposed acquisition of all of the stock of Tony's; the ability of the Company to consummate the proposed acquisition of Tony's; the Company's ability to successfully deploy its operational initiatives to achieve synergies from the Tony's acquisition; the Company's ability to arrange and close on a term loan facility on terms satisfactory to the Company, the Company's dependence on principal customers; the Company's sensitivity to general economic conditions, including the current economic environment; changes in disposable income levels and consumer spending trends; the Company's ability to reduce its expenses in amounts sufficient to offset its increased focus on sales to conventional supermarkets and the resulting lower gross margins on the sales; the Company's reliance on the continued growth in sales of natural and organic foods and non-food products in comparison to conventional products; the Company's ability to timely and successfully deploy its warehouse management system throughout its distribution centers; increased fuel costs; the Company's sensitivity to inflationary and deflationary pressures; the relatively low margins and economic sensitivity of the Company's business; the potential for disruptions in the Company's supply chain by circumstances beyond its control; the risk of interruption of supplies due to lack of long-term contracts, severe weather, work stoppages or otherwise; the ability to identify and successfully complete acquisitions of other natural, organic and specialty food and non-food products distributors; and management's allocation of capital and the timing of capital expenditures. 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. The Company is not undertaking to update any information in the foregoing reports until the effective date of its future reports required by applicable laws. Any projections of future results of operations are based on a number of assumptions, many of which are outside the Company's control and should not be construed in any manner as a guarantee that such results will in fact occur. These projections are subject to change and could differ materially from final reported results. The Company may from time to time update these publicly announced projections, but it is not obligated to do so.

Source: United Natural Foods, Inc.

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General Information

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