



United Natural Foods, Inc. Announces Termination of Albertsons Companies, Inc. Contract

July 20, 2015

PROVIDENCE, R.I.--(BUSINESS WIRE)--Jul. 20, 2015-- United Natural Foods, Inc. (Nasdaq: UNFI) (the "Company") today announced that its contract as a distributor to Albertsons Companies, Inc. ("Albertsons"), which includes the Albertsons, Safeway and Eastern Supermarket chains, will terminate on September 20, 2015, rather than upon the original contract end date of July 31, 2016.

For the Company's fiscal year ending August 1, 2015, revenue from Albertsons is expected to be approximately \$410 million. The Company does not expect its fiscal fourth quarter financial results or its current fiscal 2015 guidance to be impacted by this announcement. The Company anticipates taking a one-time charge reflecting severance and associated termination costs in the first quarter of fiscal 2016, which will be disclosed in September 2015 when the Company reports its fourth quarter and full year 2015 results, and provides its fiscal 2016 guidance.

"We are disappointed to end our existing relationship with Albertsons," said Steve Spinner, the Company's President and Chief Executive Officer. "However, we believe that this course of action is in the best long-term interests of United Natural Foods as it will now allow us to redirect our resources to pursue our previously announced plans to expand our focus in fresh categories such as proteins and specialty cheeses across the country, grow our gourmet and ethnic business, and serve as an e-commerce solution for our customers. We plan to utilize the capital freed up from the termination of our Albertsons' relationship to further pursue our strategic objectives, and we believe this will provide greater value for our shareholders long-term."

About United Natural Foods

United Natural Foods, Inc. (<http://www.unfi.com>) carries and distributes more than 80,000 products to more than 40,000 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 Forbes Magazine in 2014 as one of "America's Best Managed Companies," ranked by Fortune in 2012 as one of its "Most Admired American Companies," and chosen by Food Logistics Magazine as one of its 2013 Top 20 Green Providers.

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, 2014 (as amended on March 12, 2015), its quarterly reports on Form 10-Q filed with the SEC on December 10, 2014 (as amended on March 12, 2015), March 12, 2015 and June 11, 2015 and other filings the Company makes with the SEC, and include, but are not limited to, 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 shift in the Company's product mix as a result of its acquisition of Tony's Fine Foods ("Tony's") and the resulting lower gross margins on those 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 and its transportation management system across the Company; volatility in 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, consumer demand for natural and organic products outpacing suppliers' ability to produce those products, severe weather, work stoppages or otherwise; union-organizing activities that could cause labor relations difficulties and increased costs; the ability to identify and successfully complete acquisitions of other natural, organic and specialty food and non-food products distributors; management's allocation of capital and the timing of capital expenditures; and the Company's ability to successfully deploy its operational initiatives to achieve synergies from the acquisition of Tony's. 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.

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