



## United Natural Foods, Inc. Announces Acquisition of Nor-Cal Produce, Inc.

March 31, 2016

### Strategic Acquisition to Expand UNFI's Conventional and Organic Produce Presence on the West Coast

#### Transaction Expected to be Accretive to Fiscal 2017 Earnings

PROVIDENCE, R.I.--(BUSINESS WIRE)--Mar. 31, 2016-- United Natural Foods, Inc. (Nasdaq: UNFI) (the "Company") today announced that it had acquired all the outstanding stock of Nor-Cal Produce, Inc. ("Nor-Cal") and an affiliated entity as well as certain real estate, in a cash transaction for approximately \$68.6 million, subject to certain customary post-closing adjustments. Founded in 1972, Nor-Cal is a family owned and operated distributor of conventional and organic produce and other fresh products in Northern California, with primary operations located in West Sacramento, CA. Annual net sales for Nor-Cal for the twelve months ended February 29, 2016 were approximately \$151 million. The acquisition further highlights UNFI's continued drive into fresh and, when combined with the Company's existing produce operations, gives the Company a national presence in produce. The transaction is expected to be accretive to the Company's earnings in fiscal 2017. The Company financed the purchase price with a combination of available cash and borrowings under its revolving credit facility.

"We are excited to expand the breadth of our fresh perimeter product assortment and distribution network with the acquisition of Nor-Cal," commented Steven Spinner, UNFI's President and Chief Executive Officer. "This acquisition further illustrates UNFI's growth into fresh and we look forward to working with Todd Achondo, President of Nor-Cal, who will remain at the company in a leadership role, and their entire team."

"The entire Nor-Cal team is excited to be a part of UNFI. We look forward to working together to grow the combined company and better serve our customers nationwide," stated Mr. Achondo.

#### About United Natural Foods

United Natural Foods, Inc. carries and distributes more than 85,000 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](http://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 September 30, 2015, its quarterly reports on Form 10-Q filed with the SEC on December 10, 2015 and March 10, 2016 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 Haddon House Food Products, Inc. ("Haddon"); the ability of the Company to consummate the proposed acquisition of Haddon; the Company's ability to successfully deploy its operational initiatives to achieve synergies from the Haddon and Nor-Cal acquisitions; 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 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; increased competition in our industry as a result of increased distribution of natural, organic and specialty products by conventional grocery distributors and direct distribution of those products by large retailers; 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; the addition or loss of significant customers; 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, severe weather, work stoppages or otherwise; consumer demand for natural and organic products outpacing suppliers' ability to produce those products; decreased forward buying opportunities; 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; 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.*

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Source: United Natural Foods, Inc.

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