



For Immediate Release  
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**Whole Foods Market Reports Fourth Quarter Results  
Non-GAAP Diluted EPS Increase to \$0.29;  
Company Repurchases \$100 Million of Stock in Quarter, Raises Quarterly  
Dividend 20% to \$0.18 per Share, and Revises Fiscal Year 2007 Guidance**

November 2, 2006. Whole Foods Market, Inc. (NASDAQ: WFMI) today reported sales and earnings for the 12-week quarter ended September 24, 2006. For the quarter, sales increased 16% to \$1.3 billion. Comparable store sales increased 8.6% on top of a 13.4% increase in the prior year. Identical store sales (excluding two relocated stores and one major expansion) increased 8.4%.

In September 2005, the Company recorded a \$17.4 million pre-tax non-cash share-based compensation charge related to the accelerated vesting of outstanding stock options based on historical team member turnover rates and the Company's best estimate of future turnover rates. To adjust this estimate for actual experience, the Company recorded an additional \$3.0 million pre-tax non-cash share-based compensation charge in the fourth quarter this year. The Company's Consolidated Statements of Operations on a Non-GAAP Basis (hereinafter referred to as adjusted results) exclude these charges, as well as \$16.5 million in pre-tax Hurricane Katrina costs in the fourth quarter last year and \$7.2 million in pre-tax credits for insurance proceeds and other adjustments related to Hurricane Katrina in the first three quarters this year.

For the quarter, adjusted net income increased to \$42.2 million, and adjusted diluted earnings per share increased to \$0.29. Economic Value Added (EVA) improved \$10.2 million to \$8.3 million, and operating cash flow per share was \$0.79.

For the 52 weeks ended September 24, 2006, sales increased 19% to \$5.6 billion. Comparable store sales grew 11.0% on top of a 12.8% increase in the prior year. Identical store sales (excluding five relocated stores and one major expansion) increased 10.3%. Year over year, the Company reported a 10% increase in ending square footage and a 14% increase in weighted average square footage, reflecting the Company's front-end loaded new store openings. Adjusted net income increased to \$201.8 million, and adjusted diluted earnings per share increased to \$1.39. Economic Value Added (EVA) improved \$38.6 million to \$64.4 million, and operating cash flow per share was \$3.12.

"In fiscal 2006, we produced strong operating results, reporting our third consecutive year of double-digit comparable store sales growth, an increase in adjusted diluted earnings per share to \$1.39, and a \$39 million improvement in EVA," said John Mackey, chairman, chief executive officer, and co-founder of Whole Foods Market. "We returned \$358 million in cash dividends to our shareholders and are pleased to announce today a 20% increase in our quarterly dividend to \$0.18 per share."

During the quarter, the Company produced \$114 million in cash flow from operations and received \$13 million in proceeds from the exercise of stock options. Capital expenditures in the quarter were \$142 million of which \$97 million was for new stores. The Company paid approximately \$21 million to shareholders in cash dividends and repurchased approximately two million shares, or \$100 million, of common stock on the open market.

For the fiscal year, the Company produced \$453 million in cash flow from operations and received \$222 million in proceeds from the exercise of stock options. Capital expenditures for the fiscal year totaled \$340 million of which \$209 million was for new stores. The Company paid approximately \$358 million to shareholders in cash dividends and repurchased approximately two million shares, or \$100 million, of common stock on the open market.

The Company finished the year with total cash and investments of approximately \$256 million and total long-term debt of approximately \$9 million.

The Company today announced that its Board of Directors declared a dividend of \$0.18 per share payable on January 22, 2007 to shareholders of record as of January 12, 2007. This is an increase of 20% from the Company's previous \$0.15 quarterly dividend and is the fourth increase since the Company declared its first cash dividend of \$0.075 on a split-adjusted basis in November 2003.

The following table highlights the Company's fiscal year 2006 growth in sales, comparable store sales, and square footage relative to its historical five-year ranges and averages.

<b>Historical and Current Performance</b>	<b>Low</b>	<b>High</b>	<b>Average</b>	<b>FY06</b>
Sales growth	17.0%	22.8%	20.7%	19.3%
Comparable store sales growth	8.6%	14.9%	11.1%	11.0%
Two-year comps (sum of two years)	17.8%	27.8%	21.4%	23.8%
Weighted average square footage growth	9%	17%	14%	14%

The following table breaks out additional information on the quarter for comparable stores and all stores, highlighting the Company's strong performance throughout its store base.

<b>Comparable Stores</b>	<b>Average Size</b>	<b>Average Comps</b>	<b>NOPAT ROIC*</b>	<b># of Stores</b>
Over 11 years old	27,400	7.3%	84%	46
Between eight and 11 years old	30,100	6.3%	69%	34
Between five and eight years old	32,500	8.1%	44%	39
Between two and five years old	37,700	11.9%	25%	38
Less than two years old (includes two relocations)	48,400	11.6%	4%	16
All comparable stores (7.5 years old, square footage weighted)	33,300	8.6%	39%	173
All stores (6.8 years old, square footage weighted)	34,300		33%	186

\*Includes pre-opening expense

Gross profit consists of sales less cost of goods sold and occupancy costs plus the contribution from non-retail distribution and food preparation operations. For the fourth quarter, adjusted gross profit decreased 43 basis points to 34.8% of sales. For stores in the comparable store base, adjusted gross profit decreased eight basis points to 35.2% of sales. These results include a LIFO credit of \$0.6 million this quarter versus a \$2.2 million credit in the fourth quarter last year, a negative impact of 15 basis points year over year.

Adjusted direct store expenses improved 42 basis points to 25.5% of sales. For stores in the comparable store base, adjusted direct store expenses improved 70 basis points to 25.2% of sales.

Adjusted G&A expenses improved seven basis points to 3.2% of sales.

The following table shows the Company's adjusted fiscal year 2006 results for certain line items as a percentage of sales compared to its historical five-year ranges and averages, highlighting the consistency of these results on an annualized basis over time.

<b>Historical and Current Performance</b>	<b>Low</b>	<b>High</b>	<b>Average</b>	<b>FY06</b>
Gross profit	34.2%	35.1%	34.7%	34.9%
Direct store expenses	25.2%	25.5%	25.4%	25.4%
G&A	3.1%	3.6%	3.3%	3.2%

Pre-opening and relocation costs were \$13.7 million in the fourth quarter. Of the \$13.7 million, approximately \$1.8 million was accelerated depreciation related to relocations and approximately \$5.9 million was pre-opening rent, both of which were expensed for accounting purposes but were primarily non-cash.

### **New Store Development**

In the fourth quarter, the Company opened three new stores in Los Altos, CA; Redmond, WA; and Milwaukee, WI and relocated one store in Atlanta, GA. Three of these stores opened at the end of the quarter. In the first quarter of fiscal year 2007, the Company has opened two stores in West Orange, NJ and Tigard, OR and plans to open a store in Seattle, WA next week and relocate a store in Dallas, TX in early December.

The Company has recently signed eight new store leases averaging 57,000 square feet in size which are as follows: San Jose, CA; Boise, ID; Kildeer, IL; Nashua, NH; Cary, NC; Dallas, TX; Salt Lake City, UT; and Indiana.

The following table provides additional information about the Company's store openings in fiscal year 2006 and thus far in fiscal year 2007, leases currently tendered but not opened, and total development pipeline for stores scheduled to open through fiscal year 2010. For accounting purposes, a store is tendered on the date the Company has access to the site for construction and other purposes.

<b>New Store Information</b>	<b>Stores Opened FY06</b>	<b>Stores Opened FY07 YTD</b>	<b>Current Leases Tendered</b>	<b>Current Leases Signed*</b>
Number of stores (including relocations)	13	2	13	88
Number of relocations	2	0	1	18
New markets	4	0	2	21
Average store size (gross square feet)	50,200	53,800	53,200	55,900
As a percentage of existing store average size	147%	156%	154%	162%
Total square footage	653,000	108,000	691,000	4,959,000
As a percentage of existing square footage	10%	2%	11%	76%
Average pre-opening expense per store (incl. rent)	\$1.9 million	-	-	-
Average pre-opening rent per store	\$0.7 million	-	-	-
Average tender period	7.8 months	-	-	-

\*Includes leases tendered

### **Growth Goals for Fiscal Year 2007 and Beyond**

The Company notes that fiscal year 2007 will be a 53-week year, with the extra week falling in the fourth quarter making it a thirteen-week quarter. For fiscal year 2007, on a 52-week to 52-week basis, the Company now expects total sales growth of 13% to 17%. The Company has produced three consecutive years of double-digit comparable stores sales growth. In fiscal year 2006, the Company produced 11.0% comparable stores sales growth, ranging from 13.0% in the first quarter to 8.6% in the fourth quarter. For the first five weeks of fiscal year 2007 ended October 29, 2006, comparable store sales increased 6.8% on top of a 13.6% increase in the prior year. Based on recent results, current sales trends and the continuing difficult comparisons, particularly in the first half of the year, the Company expects comparable store sales growth of 6% to 8% for fiscal year 2007.

“After producing such strong growth over the last three years, we believe fiscal 2007 will be a transition year for us. As we revert back to our historical comparable store sales growth range, without yet producing a fully offsetting increase in sales from new stores, we believe our total sales growth will be impacted,” said Mr. Mackey. “However, having opened six new stores over the last two months, we believe we are just beginning to execute on delivering an acceleration in store openings that will be a driver of strong sales and comps in the not-so-distant future. We remain confident in our ability to achieve our goal of reaching \$12 billion in sales in fiscal 2010.”

Thus far in fiscal year 2007, the Company has opened two stores representing approximately 108,000 square feet, and all of the Company’s 13 currently tendered stores, representing approximately 691,000 square feet, are expected to open this fiscal year. In addition, the Company expects to announce five additional stores tendered for openings in fiscal year 2007 with its first quarter results in mid-February, translating to an estimated year-over-year increase in ending square footage of approximately 16%.

On a 52-week basis compared to adjusted fiscal year 2006 results, the Company expects growth in operating income before pre-opening and relocation costs to be in line with or slightly lower than sales growth.

The Company expects total pre-opening and relocation costs for fiscal year 2007 to be in the range of \$68 million to \$74 million. This significant year-over-year increase is due primarily to the anticipated acceleration in leases tendered and square footage opening in fiscal years 2007 and 2008, including the opening of 18 to 20 new stores this fiscal year. Approximately \$18 million to \$24 million relates to stores expected to open in fiscal year 2008. These ranges are based on estimated tender dates which are subject to change. The Company expects significantly higher-than-average pre-opening expense in fiscal year 2007 of approximately \$7 million related to its first Whole Foods Market store in London. Excluding this store, the Company expects total pre-opening and relocation expense for stores opening in fiscal year 2007 to average approximately \$2.4 million per store, above the Company’s average for stores that opened in fiscal year 2006 due primarily to higher accelerated depreciation related to relocations. On an average weekly basis, the Company expects quarterly pre-opening and relocation expense to be fairly even throughout the fiscal year.

The Company expects share-based compensation of approximately \$2 million to \$3 million per quarter in the first half of the year and \$3 million to \$4 million per quarter in the second half of the year following the Company’s annual grant date early in the third quarter, when the majority of options are granted.

Capital expenditures are expected to be in the range of \$525 million to \$575 million. Of this amount, approximately 70% to 75% is related to new stores opening in fiscal year 2007 and beyond.

The Company expects its materially higher pre-opening and relocation costs resulting primarily from the anticipated acceleration in leases tendered and square footage opening in fiscal years 2007 and 2008 to significantly impact fiscal year 2007 diluted earnings per share growth.

Longer term, the Company’s goal is to reach \$12 billion in sales in fiscal year 2010.

**Non-GAAP Measures:** In addition to reporting financial results in accordance with generally accepted accounting principles, GAAP, the Company provides non-GAAP operating results that exclude certain charges or credits and information regarding Economic Value Added (“EVA”). These amounts are not in accordance with, or an alternative to, GAAP. The Company’s management believes that these presentations provide useful information to management, analysts and investors regarding certain additional financial and business trends relating to its results of operations and financial condition and to help enable comparability between current and prior periods. In addition, management uses non-GAAP EVA measures for reviewing the financial results of the Company and for incentive compensation and capital planning purposes. In this press release, the Company has presented its results for the twelve and fifty-two week periods ended September 24, 2006 and September 25, 2005 on a GAAP and Non-GAAP basis with a line item reconciliation. Also in this press release, is a tabular reconciliation of EVA to GAAP net income, which the Company believes to be the most directly comparable GAAP financial measure.

**About Whole Foods Market:** Founded in 1980 in Austin, Texas, Whole Foods Market® is a Fortune 500 company and the largest natural and organic foods retailer. The Company had sales of \$5.6 billion in fiscal year 2006 and currently has 188 stores in the United States, Canada and the United Kingdom.

The following constitutes a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995. Except for the historical information contained herein, the matters discussed in this press release are forward-looking statements that involve risks and uncertainties, which could cause our actual results to differ materially from those described in the forward looking statements. These risks include but are not limited to general business conditions, the timely development and opening of new stores, the impact of competition, and other risks detailed from time to time in the Company's SEC reports, including the reports on Form 10-K and 10-K/A Amendment No. 1 for the fiscal year ended September 25, 2005. The Company does not undertake any obligation to update forward-looking statements.

*The Company will host a conference call today to discuss this earnings announcement- at 4:00 p.m. CT. The dial in number is 1-800-867-4593 and the conference ID is “Whole Foods.” A simultaneous audio webcast will be available at [www.wholefoodsmarket.com](http://www.wholefoodsmarket.com).*

**Whole Foods Market, Inc.**  
**Consolidated Statements of Operations - Non-GAAP basis**  
(In thousands, except per share amounts)

**Twelve weeks ended**

	September 24, 2006				September 25, 2005			
	GAAP	Stock Acceleration	Natural Disaster	Non-GAAP	GAAP	Stock Acceleration	Natural Disaster	Non-GAAP
Sales	\$ 1,291,017	\$ -	\$ -	\$ 1,291,017	\$ 1,115,067	\$ -	\$ -	\$ 1,115,067
Cost of goods sold and occupancy costs	841,436	(206)	-	841,230	725,081	(1,192)	(2,122)	721,767
Gross profit	449,581	206	-	449,787	389,986	1,192	2,122	393,300
Direct store expenses	331,505	(1,740)	-	329,765	312,976	(10,092)	(13,399)	289,485
General and administrative expenses	42,979	(1,054)	-	41,925	44,072	(6,109)	(1,000)	36,963
Operating income before pre-opening	75,097	3,000	-	78,097	32,938	17,393	16,521	66,852
Pre-opening and relocation costs	13,746	-	-	13,746	11,394	-	-	11,394
Operating income	61,351	3,000	-	64,351	21,544	17,393	16,521	55,458
Other income (expense):								
Interest expense	(21)	-	-	(21)	(10)	-	-	(10)
Investment and other income	5,005	-	-	5,005	3,448	-	-	3,448
Income before income taxes	66,335	3,000	-	69,335	24,982	17,393	16,521	58,896
Provision for income taxes	26,534	640	-	27,174	15,922	2,976	6,608	25,506
Net income	\$ 39,801	\$ 2,360	\$ -	\$ 42,161	\$ 9,060	\$ 14,417	\$ 9,913	\$ 33,390
Basic earnings per share	\$ 0.28	\$ 0.02	\$ -	\$ 0.30	\$ 0.07	\$ 0.11	\$ 0.07	\$ 0.25
Weighted average shares outstanding	140,215	140,215	140,215	140,215	134,972	134,972	134,972	134,972
Diluted earnings per share	\$ 0.28	\$ 0.02	\$ -	\$ 0.29	\$ 0.06	\$ 0.10	\$ 0.07	\$ 0.23
Weighted average shares outstanding, diluted basis	143,462	143,462	143,462	143,462	142,070	142,070	142,070	142,582
Dividends per share	\$ -			\$ -	\$ 0.12			\$ 0.12

A reconciliation of the numerators and denominators of the basic and diluted earnings per share calculations follows (in thousands):

	GAAP	Stock Acceleration	Natural Disaster	Non-GAAP	GAAP	Stock Acceleration	Natural Disaster	Non-GAAP
Net income (numerator for basic earnings per share)	\$ 39,801	\$ 2,360	\$ -	\$ 42,161	\$ 9,060	\$ 14,417	\$ 9,913	\$ 33,390
Interest on 5% zero coupon convertible subordinated debentures, net of income taxes	58	-	-	58	-	-	-	98
Adjusted net income (numerator for diluted earnings per share)	\$ 39,859	\$ 2,360	\$ -	\$ 42,219	\$ 9,060	\$ 14,417	\$ 9,913	\$ 33,488
Weighted average common shares outstanding (denominator for basic earnings per share)	140,215	140,215	140,215	140,215	134,972	134,972	134,972	134,972
Potential common shares outstanding:								
Assumed conversion of 5% zero coupon convertible subordinated debentures	311	311	311	311	-	-	-	512
Assumed exercise of stock options	2,936	2,936	2,936	2,936	7,098	7,098	7,098	7,098
Weighted average common shares outstanding and potential additional common shares outstanding (denominator for diluted earnings per share)	143,462	143,462	143,462	143,462	142,070	142,070	142,070	142,582
Basic earnings per share	\$ 0.28	\$ 0.02	\$ -	\$ 0.30	\$ 0.07	\$ 0.11	\$ 0.07	\$ 0.25
Diluted earnings per share	\$ 0.28	\$ 0.02	\$ -	\$ 0.29	\$ 0.06	\$ 0.10	\$ 0.07	\$ 0.23

**Whole Foods Market, Inc.**  
**Consolidated Statements of Operations - Non-GAAP basis**  
(In thousands, except per share amounts)

**Fifty-two weeks ended**

	September 24, 2006				September 25, 2005			
	GAAP	Stock Acceleration	Natural Disaster	Non-GAAP	GAAP	Stock Acceleration	Natural Disaster	Non-GAAP
Sales	\$ 5,607,376	\$ -	\$ -	\$ 5,607,376	\$ 4,701,289	\$ -	\$ -	\$ 4,701,289
Cost of goods sold and occupancy costs	3,647,734	(206)	879	3,648,407	3,052,184	(1,192)	(2,122)	3,048,870
Gross profit	1,959,642	206	(879)	1,958,969	1,649,105	1,192	2,122	1,652,419
Direct store expenses	1,421,968	(1,740)	4,232	1,424,460	1,223,473	(10,092)	(13,399)	1,199,982
General and administrative expenses	181,244	(1,054)	-	180,190	158,864	(6,109)	(1,000)	151,755
Operating income before pre-opening	356,430	3,000	(5,111)	354,319	266,768	17,393	16,521	300,682
Pre-opening and relocation costs	37,421	-	-	37,421	37,035	-	-	37,035
Operating income	319,009	3,000	(5,111)	316,898	229,733	17,393	16,521	263,647
Other income (expense):								
Interest expense	(32)	-	-	(32)	(2,223)	-	-	(2,223)
Investment and other income	20,736	-	(2,121)	18,615	9,623	-	-	9,623
Income before income taxes	339,713	3,000	(7,232)	335,481	237,133	17,393	16,521	271,047
Provision for income taxes	135,885	640	(2,893)	133,632	100,782	2,976	6,608	110,366
Net income	\$ 203,828	\$ 2,360	\$ (4,339)	\$ 201,849	\$ 136,351	\$ 14,417	\$ 9,913	\$ 160,681
Basic earnings per share	\$ 1.46	\$ 0.02	\$ (0.03)	\$ 1.45	\$ 1.05	\$ 0.11	\$ 0.08	\$ 1.24
Weighted average shares outstanding	139,328	139,328	139,328	139,328	130,090	130,090	130,090	130,090
Diluted earnings per share	\$ 1.41	\$ 0.02	\$ (0.03)	\$ 1.39	\$ 0.99	\$ 0.10	\$ 0.07	\$ 1.17
Weighted average shares outstanding, diluted basis	145,082	145,082	145,082	145,082	139,950	139,950	139,950	139,950
Dividends per share	\$ 2.45			\$ 2.45	\$ 0.47			\$ 0.47

A reconciliation of the numerators and denominators of the basic and diluted earnings per share calculations follows (in thousands):

	GAAP	Stock Acceleration	Natural Disaster	Non-GAAP	GAAP	Stock Acceleration	Natural Disaster	Non-GAAP
Net income (numerator for basic earnings per share)	\$ 203,828	\$ 2,360	\$ (4,339)	\$ 201,849	\$ 136,351	\$ 14,417	\$ 9,913	\$ 160,681
Interest on 5% zero coupon convertible subordinated debentures, net of income taxes	283	-	-	283	2,539	-	-	2,539
Adjusted net income (numerator for diluted earnings per share)	\$ 204,111	\$ 2,360	\$ (4,339)	\$ 202,132	\$ 138,890	\$ 14,417	\$ 9,913	\$ 163,220
Weighted average common shares outstanding (denominator for basic earnings per share)	139,328	139,328	139,328	139,328	130,090	130,090	130,090	130,090
Potential common shares outstanding:								
Assumed conversion of 5% zero coupon convertible subordinated debentures	363	363	363	363	3,414	3,414	3,414	3,414
Assumed exercise of stock options	5,391	5,391	5,391	5,391	6,446	6,446	6,446	6,446
Weighted average common shares outstanding and potential additional common shares outstanding (denominator for diluted earnings per share)	145,082	145,082	145,082	145,082	139,950	139,950	139,950	139,950
Basic earnings per share	\$ 1.46	\$ 0.02	\$ (0.03)	\$ 1.45	\$ 1.05	\$ 0.11	\$ 0.08	\$ 1.24
Diluted earnings per share	\$ 1.41	\$ 0.02	\$ (0.03)	\$ 1.39	\$ 0.99	\$ 0.10	\$ 0.07	\$ 1.17

**Whole Foods Market, Inc.**  
**Consolidated Balance Sheets**

September 24, 2006 and September 25, 2005  
(In thousands)

**Assets**

	2006	2005
Current assets:		
Cash and cash equivalents	\$ 2,252	\$ 308,524
Short-term investments - available-for-sale securities	193,847	-
Restricted cash	60,065	36,922
Trade accounts receivable	82,137	66,682
Merchandise inventories	203,727	174,848
Deferred income taxes	48,149	39,588
Prepaid expenses and other current assets	33,804	45,965
Total current assets	623,981	672,529
Property and equipment, net of accumulated depreciation and amortization	1,236,133	1,054,605
Goodwill	113,494	112,476
Intangible assets, net of accumulated amortization	34,767	21,990
Deferred income taxes	29,412	22,452
Other assets	5,209	5,244
Total assets	\$ 2,042,996	\$ 1,889,296

**Liabilities And Shareholders' Equity**

	2006	2005
Current liabilities:		
Current installments of long-term debt and capital lease obligations	\$ 49	\$ 5,932
Trade accounts payable	121,857	103,348
Accrued payroll, bonus and other benefits due team members	153,014	126,981
Dividends payable	-	17,208
Other current liabilities	234,850	164,914
Total current liabilities	509,770	418,383
Long-term debt and capital lease obligations, less current installments	8,606	12,932
Deferred rent liability	120,421	91,775
Other long-term liabilities	56	530
Total liabilities	638,853	523,620
Shareholders' equity:		
Common stock, no par value, 300,000 shares authorized; 142,189 and 136,017 shares issued; 139,607 and 135,908 shares outstanding in 2006 and 2005, respectively	1,147,872	874,972
Common stock in treasury, at cost	(99,964)	-
Accumulated other comprehensive income	6,975	4,405
Retained earnings	349,260	486,299
Total shareholders' equity	1,404,143	1,365,676
Commitments and contingencies		
Total liabilities and shareholders' equity	\$ 2,042,996	\$ 1,889,296

**Whole Foods Market, Inc.****Consolidated Statements of Cash Flows**

September 24, 2006 and September 25, 2005

(In thousands)

	Fifty-two weeks ended	
	September 24, 2006	September 25, 2005
<b>Cash flows from operating activities</b>		
Net Income	\$ 203,828	\$ 136,351
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	156,223	133,759
Loss on disposition of assets	6,291	15,886
Share-based compensation	9,432	19,135
Tax benefit related to exercise of employee stock options	-	62,643
Excess tax benefit related to exercise of employee stock options	(52,008)	-
Deferred income tax benefit	(15,521)	(27,873)
Deferred rent	26,607	16,080
Interest accretion on long-term debt	460	4,120
Other	693	1,317
Net change in current assets and liabilities		
Trade accounts receivable	(17,720)	(2,027)
Merchandise inventories	(32,200)	(21,486)
Prepaid expense and other current assets	(7,849)	(4,151)
Trade accounts payable	18,509	12,597
Accrued payroll, bonus and other benefits due team members	26,033	26,445
Other accrued expenses	129,886	38,023
Net cash provided by operating activities	452,664	410,819
<b>Cash flows from investing activities</b>		
Development costs of new store locations	(208,588)	(207,792)
Other property and equipment expenditures	(131,614)	(116,318)
Proceeds from hurricane insurance	3,308	-
Acquisition of intangible assets	(16,332)	(1,500)
Purchase of available-for-sale securities	(555,095)	-
Sale of available-for-sale securities	362,209	-
Increase in restricted cash	(23,143)	(10,132)
Notes receivable	-	13,500
Net cash used in investing activities	(569,255)	(322,242)
<b>Cash flows from financing activities</b>		
Dividends paid	(358,075)	(54,683)
Issuance of common stock	222,030	85,816
Purchase of treasury stock	(99,964)	-
Excess tax benefit related to exercise of employee stock options	52,008	-
Payments on long-term debt and capital lease obligations	(5,680)	(5,933)
Net cash provided by financing activities	(189,681)	25,200
Net increase (decrease) in cash and cash equivalents	(306,272)	113,777
Cash and cash equivalents at beginning of period	308,524	194,747
Cash and cash equivalents at end of period	\$ 2,252	\$ 308,524
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	\$ 607	\$ 1,063
Federal and state income taxes paid	\$ 70,220	\$ 74,706
<b>Non-cash transactions:</b>		
Conversion of convertible debentures into common stock	\$ 4,922	# \$ 147,794

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<http://www.wholefoodsmarket.com>

**Whole Foods Market, Inc.**  
**Economic Value Added**  
(In thousands)

<b>EVA</b>	Twelve weeks ended		Fifty-two weeks ended	
	September 24, 2006	September 25, 2005	September 24, 2006	September 25, 2005
Net income	\$ 39,801	\$ 9,060	\$ 203,828	\$ 136,351
Provision for income taxes	26,534	15,922	135,885	100,782
EVA adjustments*	8,308	29,424	19,088	38,832
NOPBT	74,643	54,406	358,801	275,965
Income taxes (40%)	29,857	21,762	143,520	110,386
NOPAT	44,786	32,644	215,281	165,579
Capital Charge	36,458	34,483	150,871	139,793
EVA	\$ 8,328	\$ (1,839)	\$ 64,410	\$ 25,786

\* GAAP amounts not included in EVA include interest expense, gains and losses on the disposition of assets, accelerated depreciation and share-based compensation.