The Morning Headlines….

SPINS – A Brief Introduction

Natural & Organic – Industry Overview

Natural & Organic Consumer

Trend Watch
A Brief Introduction to SPINS
Our mission is to increase the presence and accessibility of products that contribute to a healthier and more vibrant America.
COMPREHENSIVE CROSS-CHANNEL REPORTING

SPINSscan Natural

- Full-format stores with $2 million+ in annual sales and at least 50%+ of sales from natural/organic products.
- Includes co-ops, associations, independents, large regional chains (excludes Whole Foods).
- Breeds innovation and sustains the level of authenticity and high product standards that define the industry.
- $11.5B channel with 28% increase in store count and 60% increase in volume over the past 5 years.

SPINSscan Specialty Gourmet

- Full-format stores with $2 million+ in annual sales with at least 25% of sales from SPINS-defined specialty items.
- High-end stores with a focus on specialty, imported, natural, organic and prepared items.
- Drives more than $13.6B and poised for continued success.

SPINSscan Conventional

- Joint service with IRI
- Comprised of 101,000 retail locations spanning Grocery, Drug, Walmart, Mass, Dollar, Military and Club.
- Includes reporting in the nation’s leading retailers such as Target, Safeway, Kroger, Wegman’s and Walmart, to name just a few.
- $33B natural/organic market, with overall health and wellness double that size.
SUCCESSFULLY NAVIGATE THE EXPANDING MARKET

Leading and emerging manufacturers and retailers alike rely on SPINS’ unmatched natural and specialty expertise, dynamic data, actionable insights, and transformative technology solutions to better understand their business.

Single Retailer
Expanding distribution from store to region to national

Third Party Retailer Reporting

Natural Supermarkets

SPINSscan Natural & Key Accounts

SPINSscan Specialty Gourmet & Key Accounts

SPINSscan Conventional Food & Key Accounts

Large Scale Retailers
Drug > Mass > Multi Outlet

SPINSscan Conventional FDM, Multi Outlet & Key Accounts
SPINS PRODUCT LIBRARY

SPINS has developed the “dictionary” for the industry and currently codes nearly 1.7mm UPCs.

3 Product Universes – Natural, Health & Wellness and Conventional Products

1.7 million active UPCs
- 267,000 Natural & Organic
- 351,000 Health & Wellness

9 Product Positions – Beyond the Label Position Coding

Intensive coding of every UPC based on:
- 70+ industry relevant label based attributes
- 7 Third Party Certifier attributes via direct partnerships
- Syndicated hierarchy & coding rules built on an industry standard framework

Proprietary & Copyright Protected
SPINS PRODUCT SEGMENTATION

We organize all products into industry-standard hierarchy and code them against numerous attributes.

**Categories**
- Energy Bars, Non Dairy Beverages, Meat Alternatives, Homeopathy, Herbal Formulas...

**Subcategories**
- Pre/Probiotics, Medicinal Teas, Cheese & Alternatives, Yogurt & Kefir, Functional Drinks & Kombucha...

**Attributes**
- Functional Ingredient, Gluten-free, Functional, Vegan, Hormone Free, Raw Positioned...

**Certifications**
- Non GMO Project, NOP Organic, Fair Trade USA, B Corporation, Whole Grain Council...

**Health Concerns**
- Blood Sugar Support, Bone, Joint, Cardiovascular, Immune, Digestive, Prenatal, Weight...

**Ingredients**
- Chia, Fish Oil, Fiber, Plant Sterols, Vitamin D, Probiotics, DHA Products, Protein, Glucosamine...
## SPINS BRAND POSITIONING

We segment all UPCs into 3 distinct “Product Universes.”

<table>
<thead>
<tr>
<th>Natural Products (NPI)</th>
<th>Specialty Products (SPL)</th>
<th>Conventional Products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$ Sales ($BB)</strong></td>
<td><strong>$ Sales ($MM)</strong></td>
<td><strong>$ Sales ($MM)</strong></td>
</tr>
<tr>
<td>$42.1</td>
<td>$52.9</td>
<td>$438.6</td>
</tr>
<tr>
<td>+10.5%</td>
<td>+6.2%</td>
<td>+0.2%</td>
</tr>
</tbody>
</table>

We code beyond the label: SPINS recognizes and defines how brands are positioned towards natural in the marketplace. Because the term is not regulated, SPINS brand positioning is critical to understanding buying behavior and identifying growth opportunities in the health and wellness sector.

Because health and wellness consumers also gravitate towards a number of products outside of the NPI, SPINS has defined and codes for specialty and health & wellness products.

Traditional mainstream brands and items.
AN INDUSTRY OVERVIEW OF
NATURAL & ORGANIC PRODUCTS
NATURAL & ORGANIC GROWTH ACROSS CHANNELS

Natural and organic sales continue to outpace total channel sales.

<table>
<thead>
<tr>
<th></th>
<th>12 week</th>
<th>52 week</th>
<th>12 week</th>
<th>52 week</th>
<th>12 week</th>
<th>52 week</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SPINS Channel</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Supermarkets</td>
<td>7.8%</td>
<td>8.8%</td>
<td>7.2%</td>
<td>8.3%</td>
<td>8.1%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Specialty Gourmet Supermarkets</td>
<td>5.6%</td>
<td>7.2%</td>
<td>8.3%</td>
<td>10.0%</td>
<td>8.6%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Conventional Food</td>
<td>1.8%</td>
<td>1.4%</td>
<td>11.2%</td>
<td>10.5%</td>
<td>13.0%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Conventional Multi Outlet</td>
<td>1.8%</td>
<td>1.4%</td>
<td>12.1%</td>
<td>10.9%</td>
<td>14.2%</td>
<td>14.1%</td>
</tr>
</tbody>
</table>

* Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional (powered by IRI), 52 weeks ending 7/12/2015. Growth based on dollar volume for the current period versus year ago and is based on currently coded items.
NATURAL PRODUCT GROWTH

Natural product sales have reached over $42 billion and have grown 22% since 2012.

THREE YEAR TRENDS

- $34.1B (52 w/e 7/14/13)
- $38.2B (52 w/e 7/13/14)
- $42.1B (52 w/e 7/12/15)

10.3% growth from $34.1B to $38.2B
10.5% growth from $38.2B to $42.1B

NATURAL CATEGORY LEADERS

- 7.6% Packaged Fresh Produce
- 3.9% Yogurt & Kefir
- 5.7% Vitamins & Minerals
- 14.2% Chips Pretzels & Snacks
- 7.3% Milk
- 15.7% Refrigerated Juices & Functional Beverages
- 17.8% Energy Bars & Gels
- 17.1% Eggs
- 10.6% Refrigerated Non-dairy Beverages
- 5.1% Coffee & Coffee Substitutes & Cocoa

*Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional (powered by IRI), 52 weeks ending 7/12/2015. Growth based on dollar volume for the current period versus year ago and is based on currently coded items.
**LEADING NATURAL BRANDS ACROSS CHANNELS**

<table>
<thead>
<tr>
<th>NATURAL BRANDS – DOLLAR SALES</th>
<th>NATURAL BRANDS – DOLLAR GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.3% Private Label Organic</td>
<td>54.1% KIND</td>
</tr>
<tr>
<td>-5.5% Chobani</td>
<td>7.3% Private Label Organic</td>
</tr>
<tr>
<td>-3.2% Private Label</td>
<td>16.4% Eggland Best</td>
</tr>
<tr>
<td>11.5% Horizon</td>
<td>11.5% Horizon</td>
</tr>
<tr>
<td>6.2% Silk</td>
<td>49.7% Talenti</td>
</tr>
<tr>
<td>8.8% Nature Made</td>
<td>28.3% Applegate Farms</td>
</tr>
<tr>
<td>1.6% Green Mountain</td>
<td>42.9% Rachael Ray Nutrish</td>
</tr>
<tr>
<td>16.4% Eggland Best</td>
<td>70.6% Skinny Pop</td>
</tr>
<tr>
<td>10.2% Natures Bounty</td>
<td>3861.0% Wild Oats</td>
</tr>
<tr>
<td>11.6% Amys Kitchen</td>
<td>8.8% Nature Made</td>
</tr>
</tbody>
</table>

*Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional (powered by IRI), 52 weeks ending 7/12/2015. Growth based on dollar volume for the current period versus year ago and is based on currently coded items.*
ORGANIC PRODUCT GROWTH

Organic product sales have reached over $12 billion and have grown 17% since 2012.

THREE YEAR TRENDS

ORGANIC CATEGORY LEADERS

7.7%  Packaged Fresh Produce
7.3%  Milk
28.8%  Eggs
11.4%  Energy Bars & Gels
12.7%  Yogurt & Kefir
11.7%  Baby Food
46.3%  Refrigerated Juices & Functional Beverages
16.7%  Bread & Baked Goods
10.7%  Fz Lunch & Dinner Entrees
10.5%  Soup

* Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional (powered by IRI), 52 weeks ending 7/12/2015. Growth based on dollar volume for the current period versus year ago and is based on currently coded items.
# LEADING ORGANIC BRANDS ACROSS CHANNELS

**ORGANIC BRANDS – DOLLAR SALES**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Sales Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.3%</td>
<td>Private Label Organic</td>
<td></td>
</tr>
<tr>
<td>11.4%</td>
<td>Horizon</td>
<td></td>
</tr>
<tr>
<td>11.4%</td>
<td>Amys Kitchen</td>
<td></td>
</tr>
<tr>
<td>6.4%</td>
<td>Earthbound Farm</td>
<td></td>
</tr>
<tr>
<td>10.6%</td>
<td>Organic Valley</td>
<td></td>
</tr>
<tr>
<td>6.3%</td>
<td>Driscolls Organic</td>
<td></td>
</tr>
<tr>
<td>6.0%</td>
<td>Stonyfield Farm</td>
<td></td>
</tr>
<tr>
<td>15.1%</td>
<td>Clif Bar</td>
<td></td>
</tr>
<tr>
<td>8.1%</td>
<td>Annies Homegrown</td>
<td></td>
</tr>
<tr>
<td>1.4%</td>
<td>Cascadian Farm</td>
<td></td>
</tr>
</tbody>
</table>

**ORGANIC BRANDS – DOLLAR GROWTH**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Growth Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.3%</td>
<td>Private label organic</td>
<td></td>
</tr>
<tr>
<td>11.4%</td>
<td>Horizon</td>
<td></td>
</tr>
<tr>
<td>3617.3%</td>
<td>Wild oats</td>
<td></td>
</tr>
<tr>
<td>11.4%</td>
<td>Amys kitchen</td>
<td></td>
</tr>
<tr>
<td>37.6%</td>
<td>Gt kombucha</td>
<td></td>
</tr>
<tr>
<td>10.6%</td>
<td>Organic valley</td>
<td></td>
</tr>
<tr>
<td>15.1%</td>
<td>Clif bar</td>
<td></td>
</tr>
<tr>
<td>38.3%</td>
<td>Eggland best</td>
<td></td>
</tr>
<tr>
<td>43.4%</td>
<td>Plum organics</td>
<td></td>
</tr>
<tr>
<td>148.0%</td>
<td>Better body foods</td>
<td></td>
</tr>
</tbody>
</table>

*Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional (powered by IRI), 52 weeks ending 7/12/2015. Growth based on dollar volume for the current period versus year ago and is based on currently coded items.*
ORGANIC BRANDS DRIVE ORGANIC GROWTH

Private Label Organic is a strong contributor to overall organic sales volume within Conventional outlets, but Branded Organic drives more dollar growth.

Source: SPINSscan Conventional TUS Multi Outlet 12 wks ending 7/12/15
ORGANIC PRIVATE LABEL CATEGORIES DRIVING GROWTH

MULO Total Organic Growth: 14%

Source: SPINSscan Conventional TUS Multi Outlet 52 wks ending 7/12/15
FASTEST GROWING PRODUCT ATTRIBUTES

Consumers are seeking transparency and authenticity. These are savvy shoppers who are looking at ‘specifics’ and this will accelerate.

*Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional (powered by IRI), 52 weeks ending 7/12/2015. Growth based on dollar volume for the current period versus year ago and is based on currently coded items.*
PRODUCT ATTRIBUTES ACROSS CHANNELS

Many natural attributes are going mainstream, but the Natural Channel is still where the innovation is at.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>$ Sales (MM)</th>
<th>% Mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gluten Free (Labeled or Certified)</td>
<td>$26,648,838,039</td>
<td>33.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>59.5%</td>
</tr>
<tr>
<td>70%+ Organic</td>
<td>$14,098,976,535</td>
<td>11.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>86.7%</td>
</tr>
<tr>
<td>Non GMO Project Verified</td>
<td>$12,031,072,156</td>
<td>11.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85.2%</td>
</tr>
<tr>
<td>Hormone Free</td>
<td>$11,921,123,402</td>
<td>20.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>74.0%</td>
</tr>
<tr>
<td>Antibiotic Free</td>
<td>$3,402,333,728</td>
<td>6.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>89.1%</td>
</tr>
<tr>
<td>Vegetarian Diet Fed</td>
<td>$2,291,286,709</td>
<td>12.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>82.0%</td>
</tr>
<tr>
<td>Vegan</td>
<td>$2,217,945,739</td>
<td>4.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>91.3%</td>
</tr>
<tr>
<td>B Corp Certified</td>
<td>$2,086,666,181</td>
<td>14.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>80.4%</td>
</tr>
<tr>
<td>Paraben Free</td>
<td>$1,110,550,929</td>
<td>17.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>76.8%</td>
</tr>
<tr>
<td>Raw Positioned</td>
<td>$988,148,710</td>
<td>8.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>87.7%</td>
</tr>
</tbody>
</table>
NATURAL CHANNEL DYNAMICS

The Natural Channel continues to drive the development of the Natural Products Industry.

<table>
<thead>
<tr>
<th></th>
<th>Dollars ($B)</th>
<th>Growth</th>
<th>Dollar Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATURAL PRODUCTS</td>
<td>$5.8</td>
<td>8.3%</td>
<td>82%</td>
</tr>
<tr>
<td>SPECIALTY PRODUCTS</td>
<td>$0.8</td>
<td>11.3%</td>
<td>11%</td>
</tr>
<tr>
<td>CONVENTIONAL PRODUCTS</td>
<td>$0.4</td>
<td>8.5%</td>
<td>5%</td>
</tr>
<tr>
<td>TOTAL CHANNEL</td>
<td>$7.1</td>
<td>8.8%</td>
<td>--</td>
</tr>
</tbody>
</table>

- Natural products comprise lion’s share of sales mix and growth
- Retailers are selectively adding Specialty and Conventional products

52 weeks ending 7/12/2015
WHAT IS DRIVING NATURAL & ORGANIC GROWTH IN THE NATURAL CHANNEL?

Sales growth in Natural Channel stores can be attributed primarily to store count growth and distribution.

Source: SPINSscan Natural, 52 weeks ending 7/12/2015.

Growth based on dollar volume for the current period versus year ago and is based on currently coded items.
**SPECIALTY GOURMET CHANNEL DYNAMICS**

Specialty Gourmet Channel is shifting from Conventional products to Natural products, driving nearly 40% of growth.

<table>
<thead>
<tr>
<th></th>
<th>Dollars ($B)</th>
<th>Growth</th>
<th>Dollar Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATURAL PRODUCTS</td>
<td>$2.2</td>
<td>9.9%</td>
<td>27%</td>
</tr>
<tr>
<td>SPECIALTY PRODUCTS</td>
<td>$2.0</td>
<td>8.9%</td>
<td>25%</td>
</tr>
<tr>
<td>CONVENTIONAL PRODUCTS</td>
<td>$3.1</td>
<td>6.2%</td>
<td>39%</td>
</tr>
<tr>
<td>TOTAL CHANNEL</td>
<td>$8.0</td>
<td>7.2%</td>
<td>--</td>
</tr>
</tbody>
</table>

- Conventional product ~40% of sales, but these products are not growing as quickly
- Retailers investing heavily in Natural products and continuing to grow Specialty products

52 weeks ending 7/12/2015
WHAT IS DRIVING NATURAL & ORGANIC GROWTH IN THE SPECIALTY GOURMET CHANNEL?

Sales growth in the Specialty Gourmet Channel stores can be attributed to both distribution and store count.

Dollar Growth: +10.0%

Unit Growth: +7.1%

Store Count Growth: +4.5%

Distribution Point Growth: +2.9%

Avg. Retail Price Change: +2.6%

Same Store Velocity Growth: -0.4%

Source: SPINSscan Specialty Gourmet, 52 weeks ending 7/12/2015.
Growth based on dollar volume for the current period versus year ago and is based on currently coded items.
CONVENTIONAL MULTI OUTLET CHANNEL DYNAMICS

In Conventional channel, we’re seeing far greater emphasis on Natural products, driving 45% of dollar growth.

<table>
<thead>
<tr>
<th></th>
<th>Dollars ($B)</th>
<th>Growth</th>
<th>Dollar Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATURAL PRODUCTS</td>
<td>$37.1</td>
<td>10.9%</td>
<td>6%</td>
</tr>
<tr>
<td>SPECIALTY PRODUCTS</td>
<td>$50.1</td>
<td>6.1%</td>
<td>9%</td>
</tr>
<tr>
<td>CONVENTIONAL PRODUCTS</td>
<td>$435.1</td>
<td>0.1%</td>
<td>74%</td>
</tr>
<tr>
<td>TOTAL CHANNEL</td>
<td>$588.6</td>
<td>1.4%</td>
<td>--</td>
</tr>
</tbody>
</table>

- While Conventional products represent ~74% of sales, they represent only 7% of growth
- Significant focus on Natural and Specialty products

52 weeks ending 7/12/2015
WHAT IS DRIVING NATURAL & ORGANIC GROWTH IN THE CONVENTIONAL MULTI OUTLET CHANNEL?

Sales growth in the Conventional Channel stores can be attributed primarily to increased pricing and distribution points.

Source: SPINSScan Conventional Multi Outlet, 52 weeks ending 7/12/2015.
Growth based on dollar volume for the current period versus year ago and is based on currently coded items.
SPINS CHANNEL DYNAMICS

The Natural Channel continues to drive the development of the Natural Products Industry.

<table>
<thead>
<tr>
<th></th>
<th>Natural Channel</th>
<th>Specialty Gourmet Channel</th>
<th>Conventional MULO Channel</th>
<th>Combined Channel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dollar Sales ($B)</td>
<td>Dollar % Change</td>
<td>Dollar Sales ($B)</td>
<td>Dollar % Change</td>
</tr>
<tr>
<td>NATURAL PRODUCTS</td>
<td>$5.8</td>
<td>8.3%</td>
<td>$2.2</td>
<td>9.9%</td>
</tr>
<tr>
<td>SPECIALTY PRODUCTS</td>
<td>$0.8</td>
<td>11.3%</td>
<td>$2.0</td>
<td>8.9%</td>
</tr>
<tr>
<td>CONVENTIONAL PRODUCTS</td>
<td>$0.4</td>
<td>8.5%</td>
<td>$3.1</td>
<td>6.2%</td>
</tr>
<tr>
<td>TOTAL CHANNEL</td>
<td>$7.1</td>
<td>8.8%</td>
<td>$8.0</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

52 weeks ending 7/12/2015
Natural/Organic Consumer
CONSUMER DYNAMICS

Revolutionize the way you understand and anticipate the needs of your consumers.

What makes our consumer and shopper insights unique?

SPINS and IRI’s powerful new consumer research is driven by SPINS natural product coding and IRI’s Consumer Network™ household panel.

Actual Buying Behavior is integrated with drivers from the same households:

- Lifestyle & Shopping Habits
- Attitudes Toward Product Choices
- Importance of Natural/Organic Products
- Retail Awareness & Shopping

SPINS Product Attribution is applied to buying behavior to identify drivers behind purchasing decisions.

UPCs Unique to SPINS are integrated to analyze consumers through the Natural Industry Lens.

Segments consumers across all US households.

Seven consumer segments were identified to provide in-depth insights into how to leverage existing natural and organic buyers and reach new shoppers.
ABOUT OUR CONSUMER DATA

IRI and SPINS partnered to create a truly unique segmentation of the Total U.S. population, not just users of Natural/Organic/Eco-Friendly products

Methodology

- 5,000 demographically balanced respondents were surveyed in 2013
- Survey topics covered a broad range of attitudinal, behavioral and demographic information
- Actual shopping behavior information was also integrated
- Over 45,000 National Consumer Panel households typed by segment for deeper analysis and ongoing reporting

WHO BUYS NATURAL & ORGANIC?

US HH Penetration
% US HH Purchasing

2014

Natural / Organic
98%

Organic*
80%
WHAT ARE NATURAL CONSUMERS BUYING?

U.S. Penetration of Natural Food & Beverage Categories, 2014
(Percent of U.S. Households buying the natural/organic category at least once in 2014)

One of the top 10 absolute dollar growth categories

SPINS powered by IRI Shopper Network
NATURALINK SEGMENTATION

Percent of U.S. Households

- True Believers: 10%
- Enlightened Environmentalists: 10%
- Healthy Realists: 12%
- Resistant Non-Believers: 15%
- Strapped Seekers: 10%
- Struggling Switchers: 16%
- Indifferent Traditionalists: 27%
KEY TARGETS

Four Segments are Key Targets Based on Attitudes, Buying Behavior and Aspirations

Resistant Non-Believers

Enlightened Environmentalists

Struggling Switchers

Healthy Realists

Indifferent Traditionalists

Strapped Seekers

42% US HH are Natural/Health and wellness leaning. They drive approximately 70% of Natural product sales
MEET THE TRUE BELIEVERS

I am passionate about...
Staying fit and healthy, trying new things and being a great role model for my kids. I am a true believer in the benefits of Natural/Organic products, and I make a real effort to be knowledgeable about them. Sustainability is very important to me, and I take pride in choosing Natural/Organic products.

MY MEDIAN INCOME IS $70K

MY AVG. AGE 42

MY FAMILY College/Post Grad

75% Caucasian

I ATTENDED College/Post Grad

I LIVE West skew

Source: SPINS NaturaLink

WHAT Holds Me Back

Expense of natural/organic products
Availability of natural/organic options at local store
No all-natural/organic options available for products I like

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I LIVE West skew

Source: SPINS NaturaLink
I am passionate about...

The environment, and making good choices that support it. I'm also making a real effort to make healthier choices. I'll go out of my way to shop at stores that carry natural/organic products, but it's also important that products do what they're supposed to.

**MY MEDIAN INCOME IS**

$59k

**MY AVG. AGE**

61

**MY FAMILY**

2

**I ATTENDED**

Post Grad

77% Caucasian

**I LIVE**

Skew NE, West

Source: SPINS NaturaLink

**WHAT Holds Me Back**

Expense of natural/organic products

Availability of natural/organic options at local store

**THESE ARE My Top 3 Priorities For...**

<table>
<thead>
<tr>
<th>Food &amp; Beverage</th>
<th>Personal Care</th>
<th>Home Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Made w/all natural ingredients</td>
<td>Free of chemicals</td>
<td>Most effective</td>
</tr>
<tr>
<td>2 Best taste</td>
<td>Most effective ingredients</td>
<td>Eco-friendly</td>
</tr>
<tr>
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<td>Multi-purpose</td>
</tr>
</tbody>
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**THESE THINGS ARE Important and I'm Willing to Pay More**

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<tr>
<th>Food &amp; Beverage</th>
<th>Personal Care</th>
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<td>Organic</td>
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<td>Eco-Friendly</td>
</tr>
<tr>
<td>All Natural</td>
<td>All Natural</td>
<td>All Natural</td>
</tr>
<tr>
<td>Non-GMO</td>
<td>Eco-Friendly</td>
<td>Organic</td>
</tr>
<tr>
<td>Eco-Friendly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair Trade</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPINS NaturaLink

**TARGET: Manufacturer & Retailer Innovation**

TV, celebrity chefs

Product certification labels

MEET THE ENLIGHTENED ENVIRONMENTALISTS
MEET THE HEALTHY REALISTS

I am passionate about...
Being healthy and fit. I make exercise a priority. I also love trying new things. Usually I’m the first one of my friends to try something new - and I’m open to buying Natural/Organic/Eco-Friendly products when I see them in the stores - but sometimes I have a hard time deciding whether to buy them or the conventional products. The truth is, I’m more concerned about buying them for my kids than for me. When it comes right down to it, if I know they’ll taste good/work, I’m willing to buy them.

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WHAT Holds Me Back
Availability of natural/organic options at local store

Target: Retailer Innovation

12%

Source: SPINS NaturaLink
MEET THE STRAPPED SEEKERS

I am passionate about...
Trying new things and living a healthy lifestyle (but sometimes I know I should make healthier food choices than I do). My friends often come to me for product recommendations! I make a point to seek out Natural/Organic products, but my limited budget is often a barrier to buying name brands. That’s okay, because I think store brand products are just as good. Bottom-line, though, product taste/efficacy are my biggest priorities.

<table>
<thead>
<tr>
<th>My Median Income is</th>
<th>$45K</th>
</tr>
</thead>
<tbody>
<tr>
<td>My Avg. Age</td>
<td>45</td>
</tr>
<tr>
<td>My Family</td>
<td></td>
</tr>
<tr>
<td>I Attended</td>
<td>All Levels of School</td>
</tr>
<tr>
<td>But I Skew</td>
<td>Non-White</td>
</tr>
<tr>
<td>I Live</td>
<td>Skew South</td>
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</table>

WHAT Holds Me Back
- Expense of natural/organic products
- Availability of natural/organic options at local store
- No all-natural/organic options available for products I like

MY MEDIAN INCOME IS $45K
MY AVG. AGE 45
I ATTENDED All Levels of School
63% Caucasian
BUT I SKEW Non-White
I LIVE Skew South

These are my top 3 priorities for...

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These things are important and I’m willing to pay more

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<tr>
<td>Fair Trade</td>
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</table>

Target: Manufacturer & Retailer Innovation

10%

Source: SPINS NaturaLink
**TRENDWATCH: ANCIENT GRAINS**

**What are the leading subcategories featuring ancient grains?**
*(Ranked by Dollar Volume)*

<table>
<thead>
<tr>
<th>Natural Channel</th>
<th>Conventional Multi Outlet</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Across All Subcategories</strong></td>
<td><strong>Total Across All Subcategories</strong></td>
</tr>
<tr>
<td>+5%</td>
<td>+38%</td>
</tr>
<tr>
<td><strong>Bread Loaves</strong></td>
<td><strong>Packaged Grains</strong></td>
</tr>
<tr>
<td>+8%</td>
<td>+3%</td>
</tr>
<tr>
<td><strong>Adult &amp; Family Cereals</strong></td>
<td><strong>Bread Loaves</strong></td>
</tr>
<tr>
<td>+17%</td>
<td>+29%</td>
</tr>
<tr>
<td><strong>Packaged Grains</strong></td>
<td><strong>Adult &amp; Family Cereals</strong></td>
</tr>
<tr>
<td>-10%</td>
<td>+226%</td>
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</table>

Adult & Family Cereals drive over ¼ of the total dollar growth of all products with the Ancient Grains label claim!

52 weeks ending 7/12/2015
TRENDWATCH: PALEO

Taking cue from the clean, unadulterated diets of our early Paleolithic era ancestors, the Paleo movement has taken off in a big way. Given its success, Paleo may even begin to make a statement in segments such as body care. With many variations of Paleo standards, we’ll see a surge in Paleo certifications to appeal to consumer confidence.

Leading Brands:
Epic
Julian Bakery
The New Primal
Pederson’s Natural Farms
Paleo People
Primal Island

Paleo plus gluten free certifications is the big winner.

With both Paleo and Gluten Free lifestyles touting a ‘no gluten’ mantra, it’s no surprise that the vast majority of items that are Paleo Positioned also come with a gluten free tag. A subset of Paleo products that are certified by the Gluten Free Certification Organization are seeing even more remarkable growth!
Vegan labeling has expanded across almost 70 new segments in 2014, for a total of 117 sub-categories, broadening the possibilities - almost 10,000 vegan items in the SPINS Product Library! Soy based vegan products are old school, and alternative proteins are in, such as pea and rice, that pack a protein punch! All channels are stacking more varied options to reach the vegan-minded consumer.

$1.6B +11%

NPI Vegan Product sales in the Conventional Channel are growing!

NPI fixture LARABAR ALT leads the Vegan bar pack with its line a pea protein-infused recipes

700+

Vegan Items

LaraBar
Health Warrior
That’s It
ProBar
Go Macro
Good Greens

52 weeks ending 7/12/2015
TRENDWATCH: BEVERAGES

In line with the trends within food, consumers are looking for clean, streamlined beverages with functional benefits.

- **+192%** Functional Beverages featuring Turmeric
- **+57%** Refrigerated Cultured or Fermented Beverages
- **+51%** Raw Refrigerated Juices & Functional Beverages
- **+29%** Non-GMO Refrigerated Juices & Functional Beverages
- **+19%** Flavored Sparkling Water

52 weeks ending 7/12/2015
TRENDWATCH: YOGURT

The yogurt aisle seems to be getting more diverse by the day through a revival of regional and historical styles. This category is not just about Greek anymore!

$7.9B | +3.3%

Yogurt remains a top Food and Beverage category both in absolute dollar growth and overall volume. Its fastest growing subcategories:

+17%  Non-Dairy Yogurt & Kefir

+10%  Yogurt & Kefir Drinks

52 weeks ending 7/12/2015
TRENDWATCH: PROTEIN

Relevant attributes:
- Plant based
- Raw
- Vegan
- Sprouted
- Organic
- Non-GMO
- Gluten free
- Grass fed
- Soy free
- Dairy free
“On body, in body.” Consumers are checking their labels to avoid harsh chemicals in their body care.

Body Care “Free of” Claims

**Propylene Glycol**
Can cause skin irritation, liver abnormalities and kidney damage with prolonged/excessive application. +16%

**Sodium laurel sulfate**
Shown to be a skin irritant that can cause dryness, eczema, psoriasis and thinning hair after prolonged use. +28%

**Parabens**
Found in low concentration in breast cancer tumors and found to mimic estrogen over the past several years. +21%

Coral Reef Safe Sunscreen
Certain ingredients commonly found in sunscreens are causing irreparable damage to coral reefs around the world. Many natural brands are now making it known that their sunscreens not only protect their consumers’ skin from the sun, but also our coral reefs. +51%

Dollar Sales Growth Sunscreens with Coral Reef Safe Claim
WHAT TO EXPECT GOING FORWARD?

- Strong growth will continue in 2015 and beyond for natural and organic products
  - Expected to outpace overall store growth across all channels
  - Consumers continue to notice additional brand distribution in Conventional

- Natural supermarkets will continue to flourish and take the forefront in innovation and health paving the way for products to grow more mainstream over time
  - While stores in these channels go to market markedly different, consumers see them both as significantly more innovative in assortment and bringing more education and product knowledge to the shopping experience
  - New store growth and new product innovation will both continue to drive sales

- Certifications will continue to experience strong growth
  - Organic, Non-GMO, Gluten Free, Fair Trade, B certified are among the certifications expected to continue to outpace overall growth
  - Consumers increasingly seek transparency to build confidence in the products they purchase – certifications meet this need
  - Important for retailers and certifiers to educate consumers
Thanks and Live Vibrantly!

For more information, contact:

Edricco Reina
Director Strategic Partnerships

erina@spins.com