SPINS

AN INDUSTRY OVERVIEW

Edricco Reina | San Diego, August 2015

The Morning Headlines….

SPINS – A Brief Introduction

Natural & Organic – Industry Overview

Natural & Organic Consumer

Trend Watch

A Brief Introduction to

SPINS

LIVE VIBRANTLY

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.

Third Party Retailer Reporting	SPINSscan Natural & Key Accounts	SPINSscan Specialty Gourmet & Key Accounts	SPINSscan Conventional Food & Key Accounts	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

91 **Categories**
Energy Bars, Non Dairy Beverages, Meat Alternatives, Homeopathy, Herbal Formulas…

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

60+ **Attributes**
Functional Ingredient, Gluten-free, Functional, Vegan, Hormone Free, Raw Positioned…

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

24 **Health Concerns**
Blood Sugar Support, Bone, Joint, Cardiovascular, Immune, Digestive, Prenatal, Weight…

625 **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."

Natural Products (NPI)		Specialty Products (SPL)		Conventional Products	
$ Sales ($BB)	$ % Chg	$ Sales ($MM)	$ % Chg	$ Sales ($MM)	$ % Chg
$42.1	+10.5%	$52.9	+6.2%	$438.6	+0.2%

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.

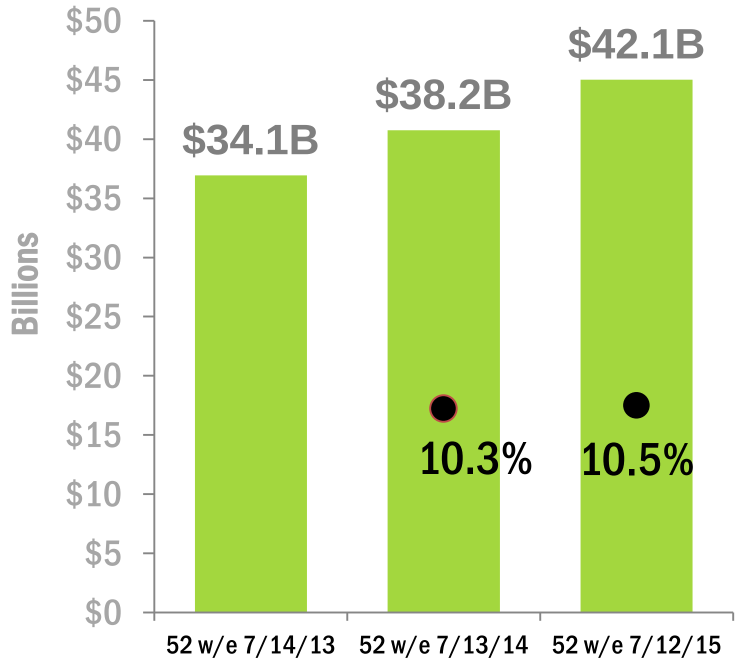
SPINS Channel	Total Channel		Natural Products		70%+ Organics	
	12 week	52 week	12 week	52 week	12 week	52 week
NATURAL SUPERMARKETS	7.8%	8.8%	7.2%	8.3%	8.1%	9.8%
SPECIALTY GOURMET SUPERMARKETS	5.6%	7.2%	8.3%	10.0%	8.6%	11.4%
CONVENTIONAL FOOD	1.8%	1.4%	11.2%	10.5%	13.0%	13.0%
CONVENTIONAL MULTI OUTLET	1.8%	1.4%	12.1%	10.9%	14.2%	14.1%

*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



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

NATURAL BRANDS – **DOLLAR SALES**

7.3%	Private Label Organic
-5.5%	Chobani
-3.2%	Private Label
11.5%	Horizon
6.2%	Silk
8.8%	Nature Made
1.6%	Green Mountain
16.4%	Eggland Best
10.2%	Natures Bounty
11.6%	Amys Kitchen

NATURAL BRANDS – **DOLLAR GROWTH**

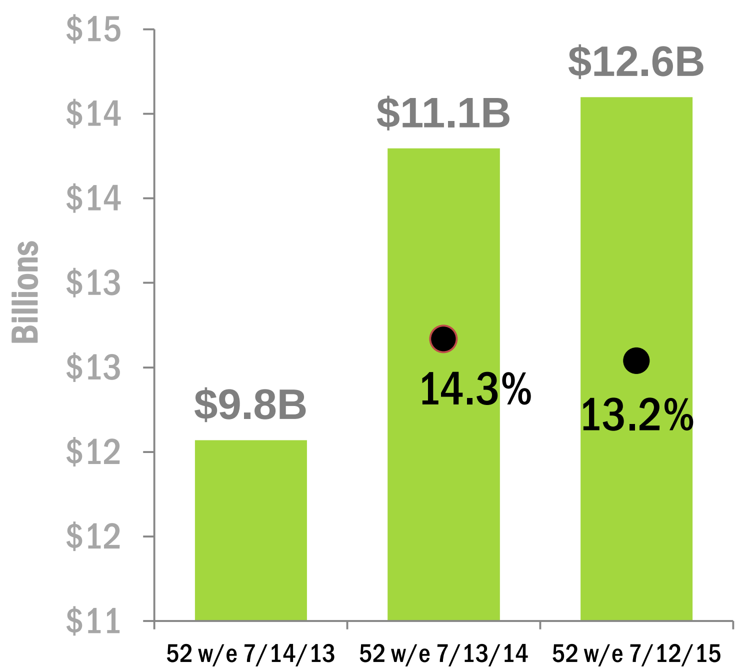
54.1%	KIND
7.3%	Private Label Organic
16.4%	Eggland Best
11.5%	Horizon
49.7%	Talenti
28.3%	Applegate Farms
42.9%	Rachael Ray Nutrish
70.6%	Skinny Pop
3861.0%	Wild Oats
8.8%	Nature Made

*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**

7.3%	Private Label Organic
11.4%	Horizon
11.4%	Amys Kitchen
6.4%	Earthbound Farm
10.6%	Organic Valley
6.3%	Driscolls Organic
6.0%	Stonyfield Farm
15.1%	Clif Bar
8.1%	Annies Homegrown
1.4%	Cascadian Farm

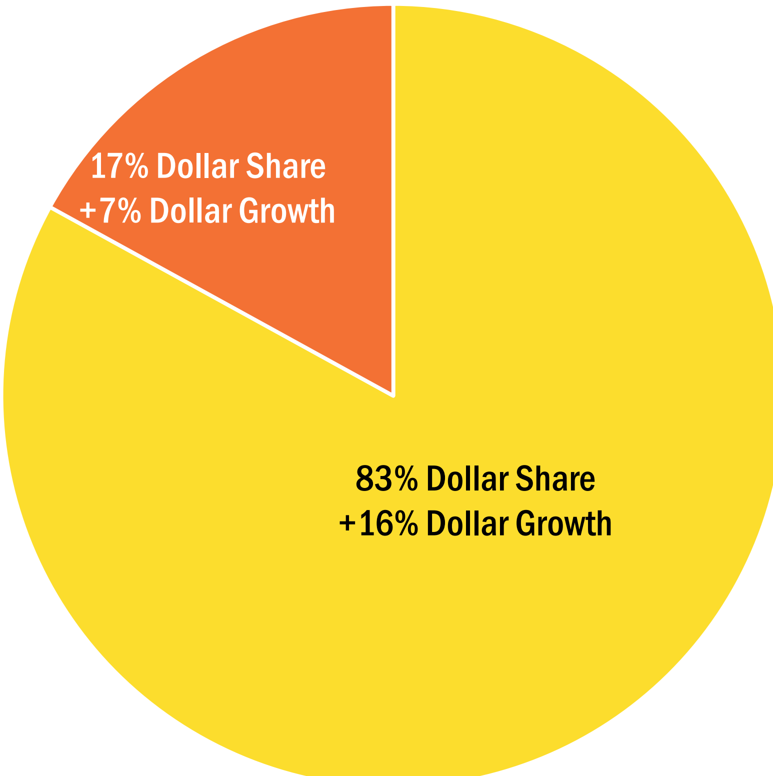
ORGANIC BRANDS – **DOLLAR GROWTH**

7.3%	Private label organic
11.4%	Horizon
3617.3%	Wild oats
11.4%	Amys kitchen
37.6%	Gt kombucha
10.6%	Organic valley
15.1%	Clif bar
38.3%	Eggland best
43.4%	Plum organics
148.0%	Better body foods

*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.



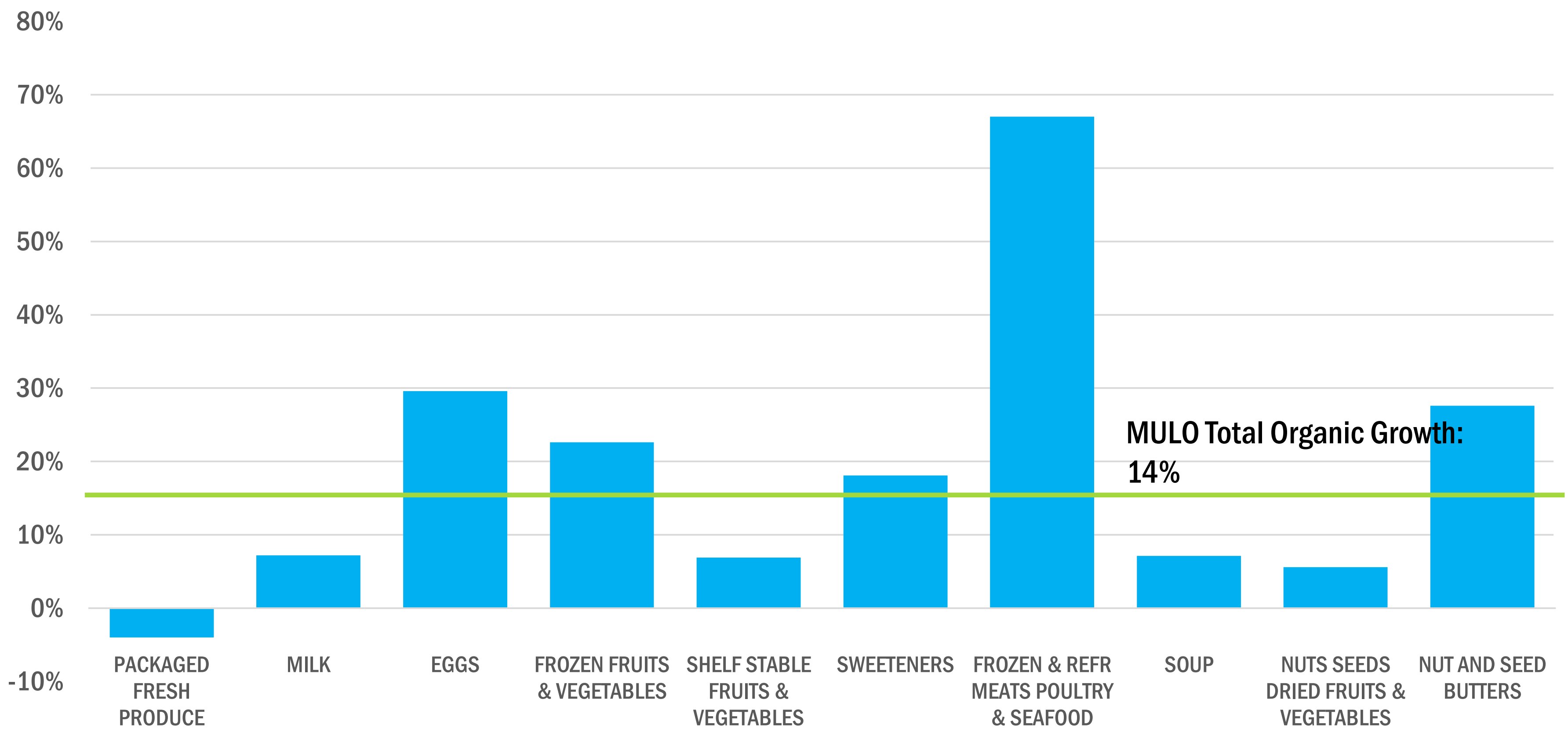
Dollar Share & Growth by Organic* Segment

- Branded Organic
- Private Label Organic

Included products contain at least 70% organic content.

Source: SPINSscan Conventional TUS Multi Outlet 12 wks ending 7/12/15

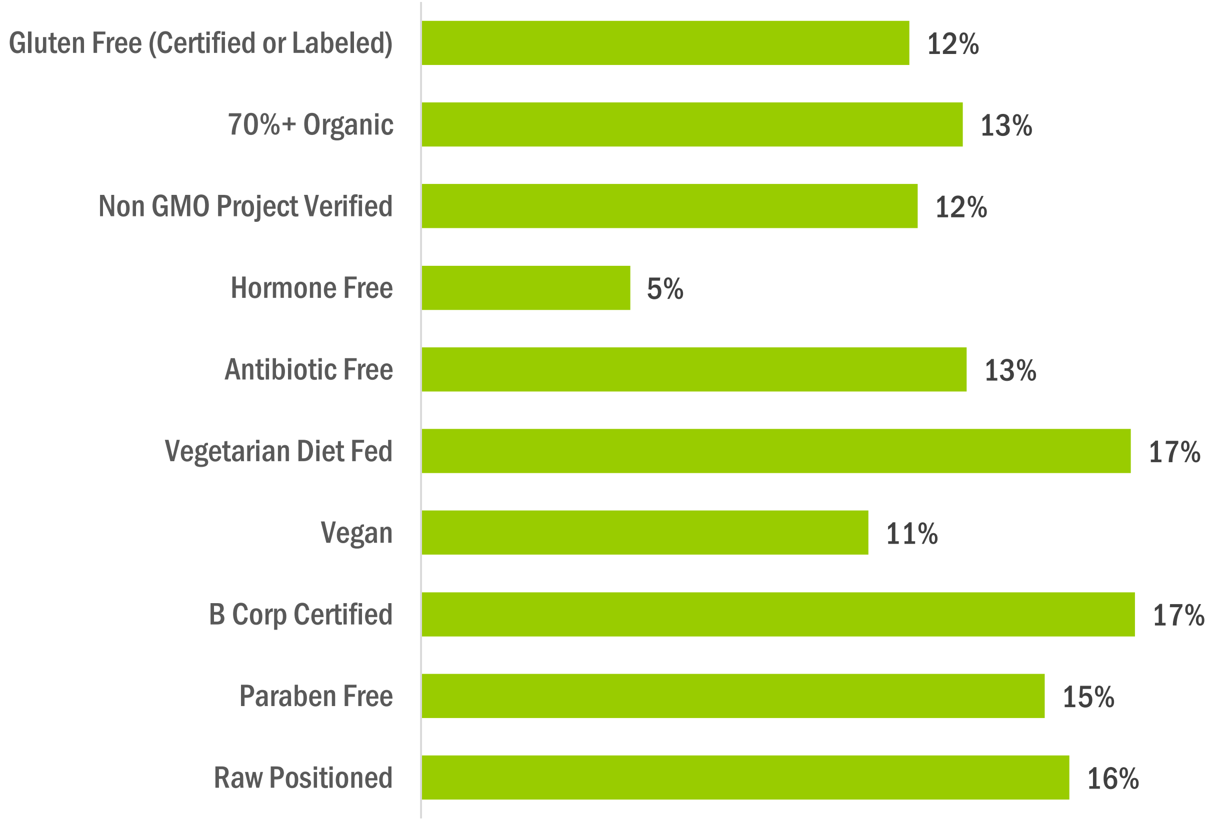
ORGANIC PRIVATE LABEL CATEGORIES DRIVING GROWTH



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.



Dollar Growth by Attributes, ranked by current dollar sales across all three channels.

*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.

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

Natural Channel Specialty Channel Conventional Channel

NATURAL CHANNEL DYNAMICS

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

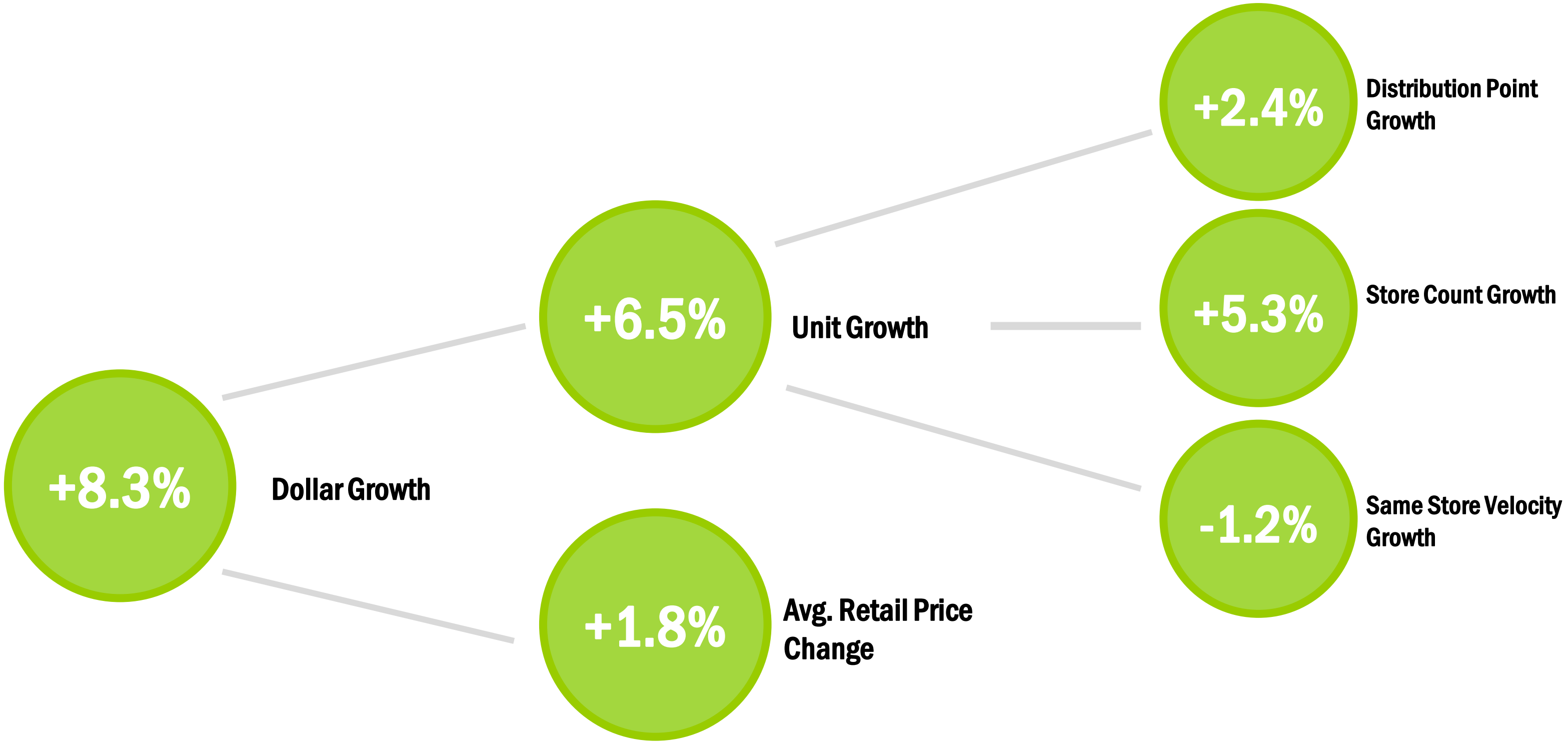
	Dollars ($B)	Growth	Dollar Share
NATURAL PRODUCTS	$5.8	8.3%	82%
SPECIALTY PRODUCTS	$0.8	11.3%	11%
CONVENTIONAL PRODUCTS	$0.4	8.5%	5%
TOTAL CHANNEL	$7.1	8.8%	--

- 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.

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SPECIALTY GOURMET CHANNEL DYNAMICS

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

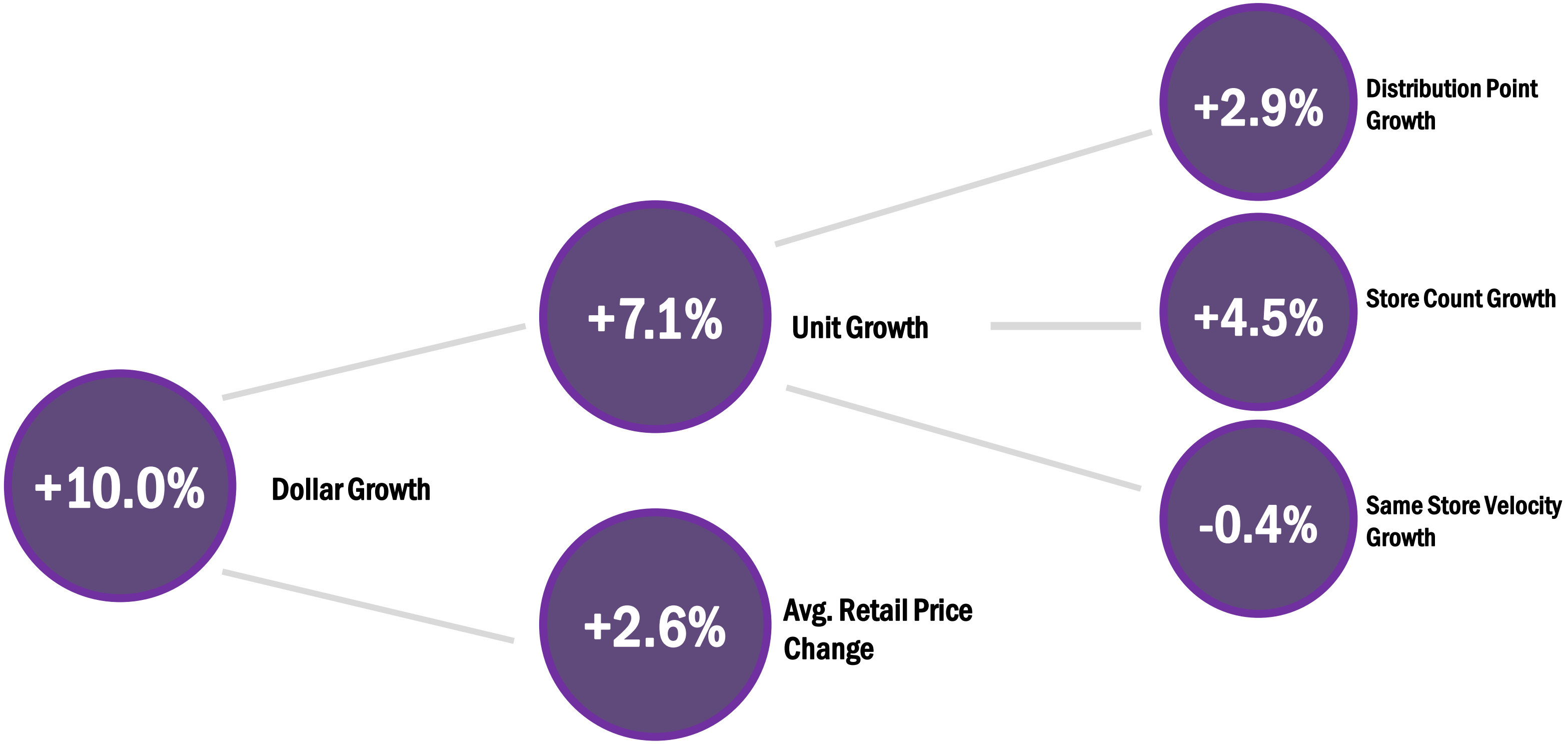
	Dollars ($B)	Growth	Dollar Share
NATURAL PRODUCTS	$2.2	9.9%	27%
SPECIALTY PRODUCTS	$2.0	8.9%	25%
CONVENTIONAL PRODUCTS	$3.1	6.2%	39%
TOTAL CHANNEL	$8.0	7.2%	--

- 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.



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.

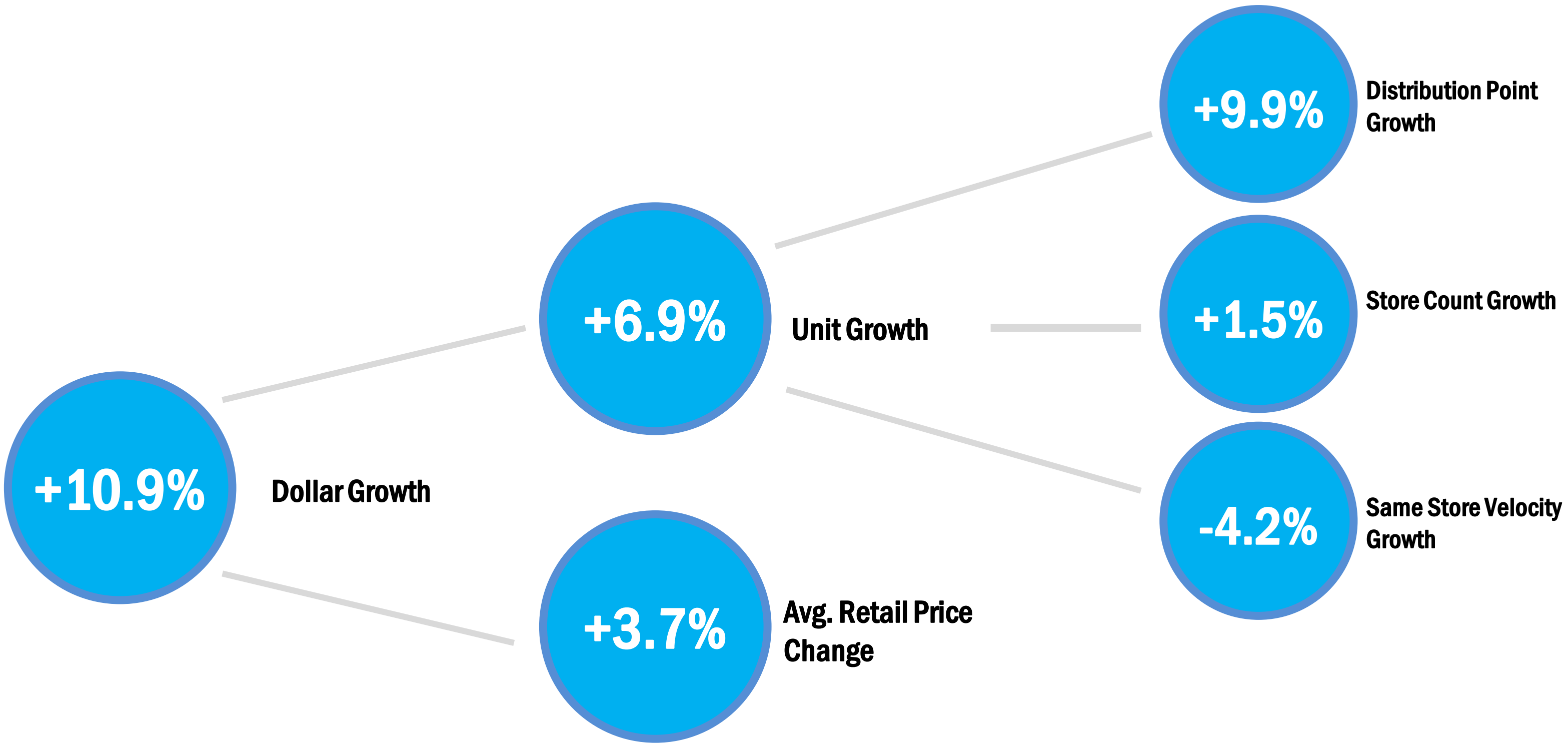
	Dollars ($B)	Growth	Dollar Share
NATURAL PRODUCTS	$37.1	10.9%	6%
SPECIALTY PRODUCTS	$50.1	6.1%	9%
CONVENTIONAL PRODUCTS	$435.1	0.1%	74%
TOTAL CHANNEL	$588.6	1.4%	--

- 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.

	Natural Channel		Specialty Gourmet Channel		Conventional MULO Channel		Combined Channel	
	Dollar Sales ($B)	Dollar % Change	Dollar Sales ($B)	Dollar % Change	Dollar Sales ($B)	Dollar % Change	Dollar Sales ($MM)	Dollar % Change
NATURAL PRODUCTS	$5.8	8.3%	$2.2	9.9%	$37.1	10.9%	$45.0	10.5%
SPECIALTY PRODUCTS	$0.8	11.3%	$2.0	8.9%	$50.1	6.1%	$52.9	6.2%
CONVENTIONAL PRODUCTS	$0.4	8.5%	$3.1	6.2%	$435.1	0.1%	$438.6	0.2%
TOTAL CHANNEL	$7.1	8.8%	$8.0	7.2%	$588.6	1.4%	$603.7	1.6%

52 weeks ending 7/12/2015

SPINS NATURALINK

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.

IRI	+	SPINS	+	NaturaLink
Consumer Network Panel		Natural Positioning Product Attribution Unique UPCs		Consumer Segmentation

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

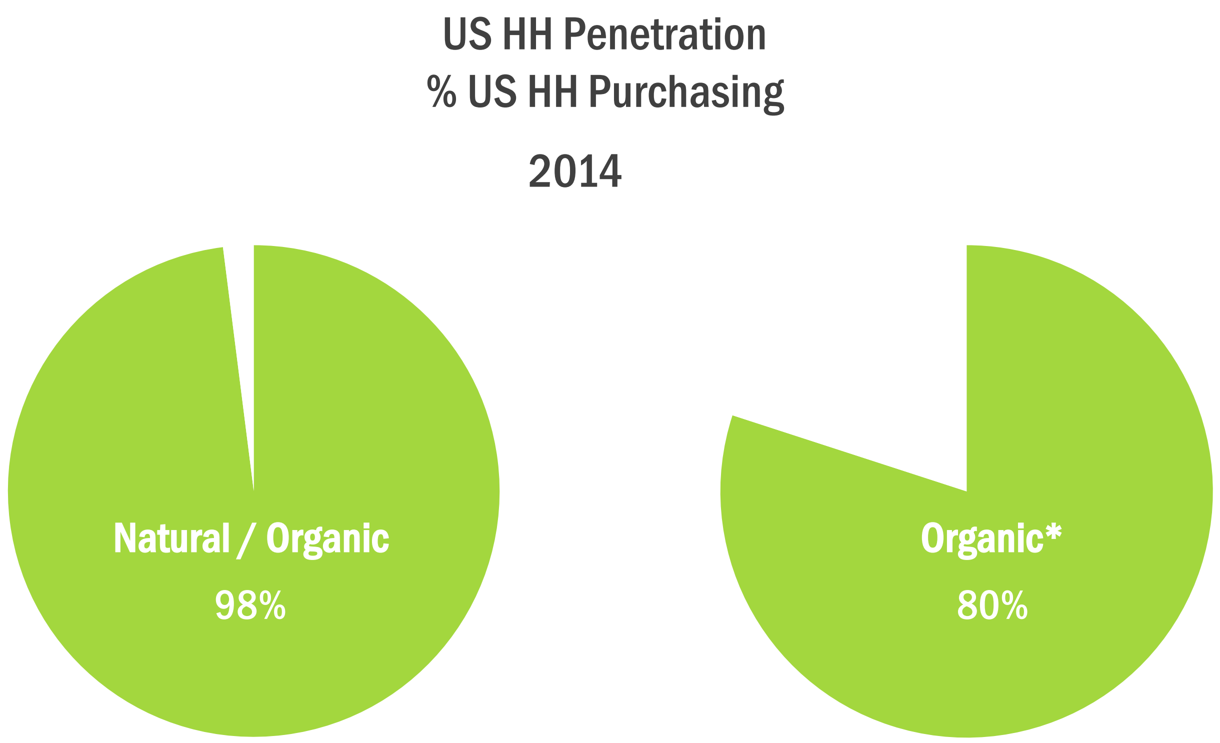
IRI and SPINS partnered to create a truly unique segmentation of the Total U.S. population, not just users of Natural/Organic/Eco-Friendly products

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

Source: SPINS NaturaLink powered by IRI shopper panel. December 2014 update.

WHO BUYS NATURAL & ORGANIC?

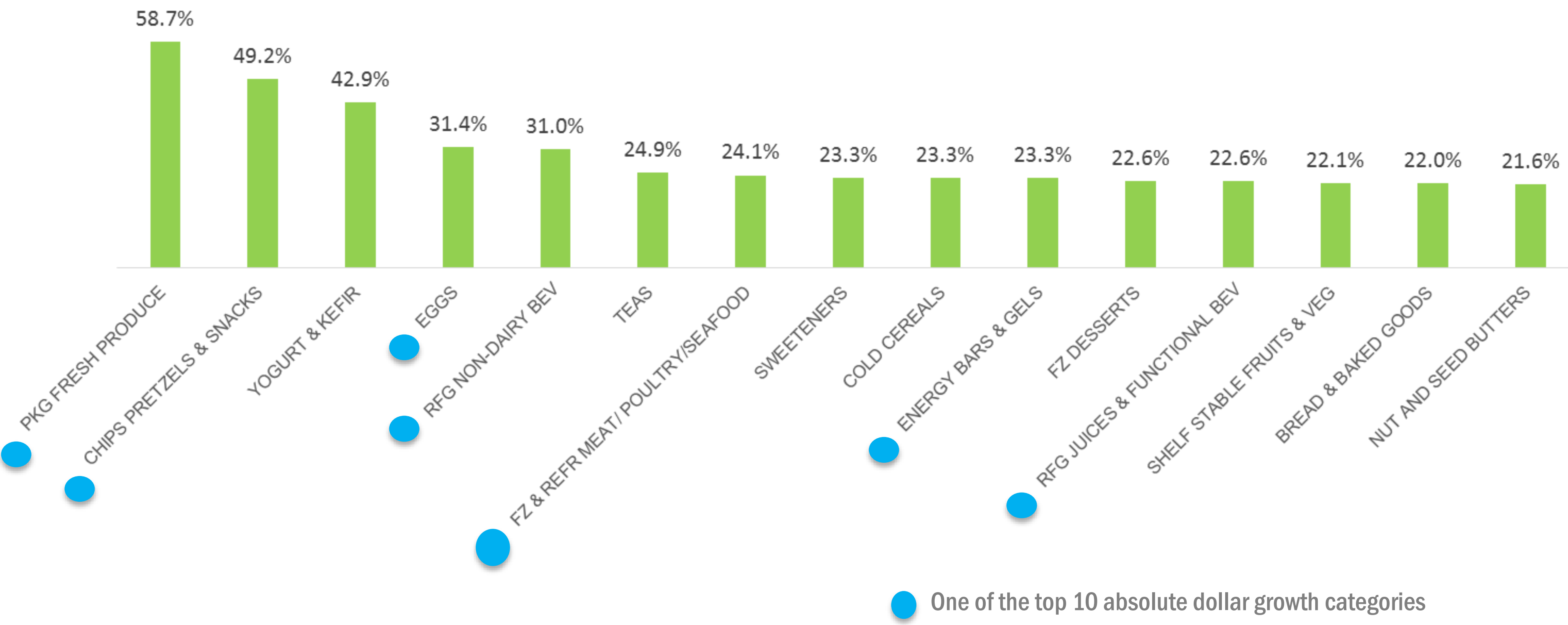


SPINS powered by IRI Shopper Network

WHAT ARE NATURAL CONSUMERS BUYING?

U.S. Penetration of Natural Food & Beverage Categories, 2014

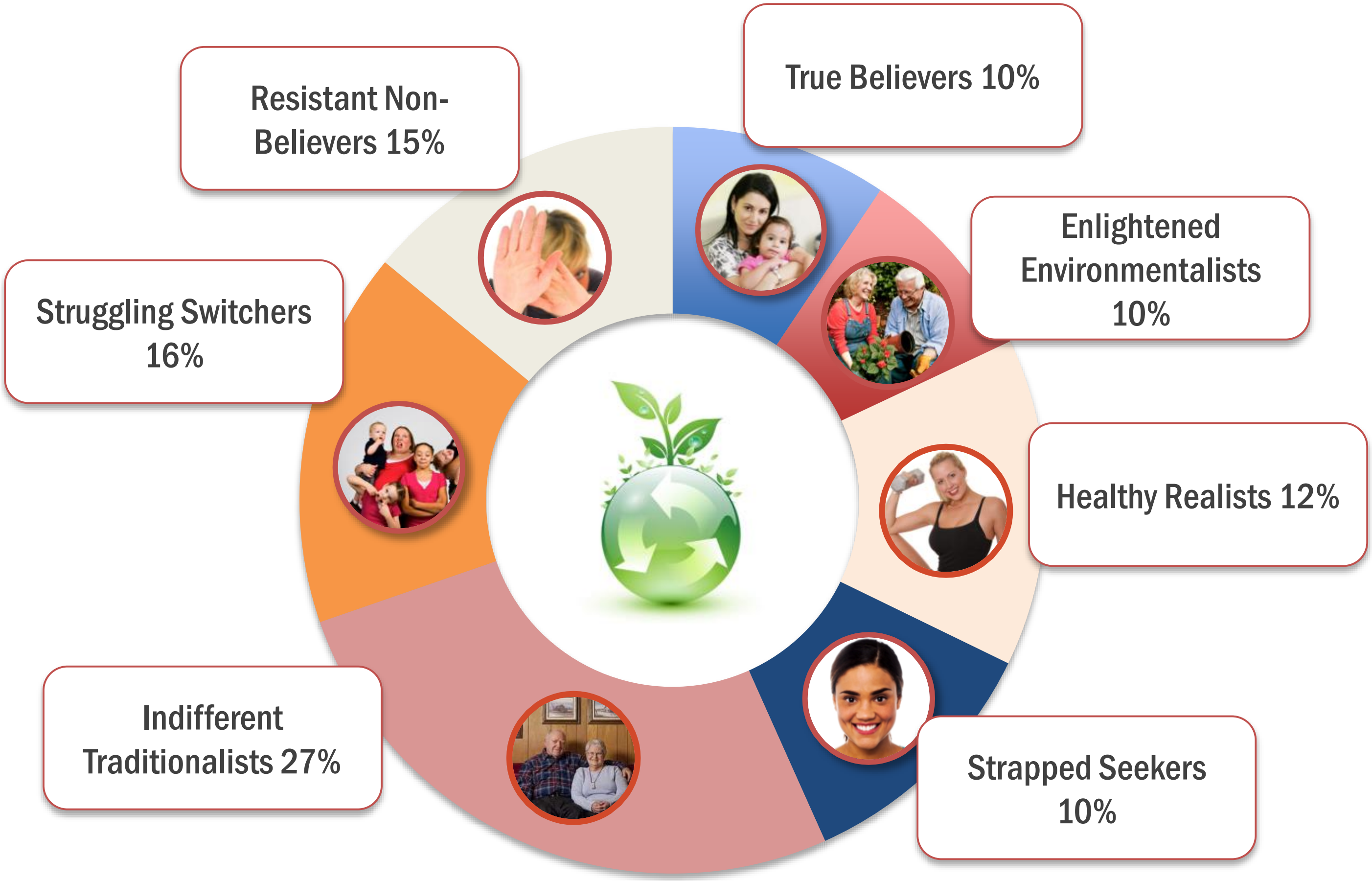
(Percent of U.S. Households buying the natural/organic category at least once in 2014)



SPINS powered by IRI Shopper Network

NATURALINK SEGMENTATION

Percent of U.S. Households



KEY TARGETS

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

True
Believers

Resistant
Non-Believers

Enlightened Environmentalists

Struggling
Switchers

Healthy
Realists

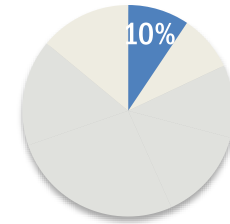
Indifferent
Traditionalists

Strapped
Seekers

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

MEET THE TRUE BELIEVERS

TARGET: Manufacturer & Retailer Innovation



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 knowledge-able 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

I ATTENDED ***College/Post Grad***

75% Caucasian

I LIVE ***West skew***

Source: SPINS NaturaLink

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

	Food & Beverage	Personal Care	Home Care
1	Made w/all natural ingredients	Free of chemicals	Most effective
2	Made w/organic ingredients	Made w/all natural ingredients	Eco-friendly
3	Best taste	Most effective ingredients	Made w/all natural ingredients

THESE THINGS ARE *Important and I'm Willing to Pay More*

Food & Beverage	Personal Care	Home Care
Organic	Organic	Eco-Friendly
Non-GMO	All Natural	All Natural
All Natural	Eco-Friendly	Organic
Eco-Friendly		
Fair Trade		

WHAT *Holds Me Back*

Expense of natural/organic products

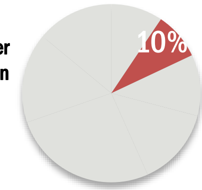
Availability of natural/organic options at local store

No all-natural/organic options available for products I like

HOW I GET *Information*

MEET THE ENLIGHTENED ENVIRONMENTALISTS

TARGET: Manufacturer & Retailer Innovation



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

I ATTENDED ***Post Grad***

77% Caucasian

I LIVE ***Skew NE, West***

Source: SPINS NaturaLink

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

	Food & Beverage	Personal Care	Home Care
1	Made w/all natural ingredients	Free of chemicals	Most effective
2	Best taste	Most effective ingredients	Eco-friendly
3	Made w/organic ingredients	Made w/all natural ingredients	Multi-purpose

THESE THINGS ARE *Important and I'm Willing to Pay More*

Food & Beverage	Personal Care	Home Care
Organic	Organic	Eco-Friendly
All Natural	All Natural	All Natural
Non-GMO	Eco-Friendly	Organic
Eco-Friendly		
Fair Trade		

WHAT *Holds Me Back*

Expense of natural/organic products

Availability of natural/organic options at local store

HOW I GET *Information*

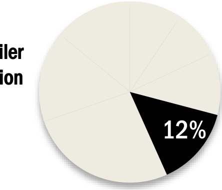
TV, celebrity chefs

Product certification labels

SPINS

MEET THE HEALTHY REALISTS

TARGET: Retailer Innovation



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.

MY MEDIAN INCOME IS ***$70K*** (SKEWS $100K+)

MY AVG. AGE ***39***

MY FAMILY

I ATTENDED ***College+***

75% Caucasian

I LIVE ***Throughout U.S.***

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

	Food & Beverage	Personal Care	Home Care
1	Best taste	Most effective ingredients	Most effective
2	Made w/all natural ingredients	Is on sale/coupon	Is on sale/coupon
3	Is on sale/coupon	Not tested on animals	Multi-purpose

THESE THINGS ARE *Important and I'm Willing to Pay More*

Food & Beverage	Personal Care	Home Care
All Natural		

WHAT *Holds Me Back*

Availability of natural/organic options at local store

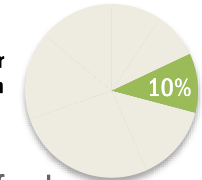
HOW I GET *Information*

Source: SPINS NaturaLink

SPINS

MEET THE STRAPPED SEEKERS

TARGET: Manufacturer & Retailer Innovation



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.

MY MEDIAN INCOME IS ***$45K***

MY AVG. AGE ***45***

MY FAMILY

I ATTENDED ***All Levels of School***

63% Caucasian

BUT I SKEW *Non-White*

I LIVE ***Skew South***

Source: SPINS NaturaLink

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

	Food & Beverage	Personal Care	Home Care
1	Best taste	Free of chemicals	Most effective
2	Made w/all natural ingredients	Most effective ingredients	Is on sale/coupon
3	Is on sale/coupon	Made w/all natural ingredients	Multi-purpose

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

THESE THINGS ARE *Important and I'm Willing to Pay More*

Food & Beverage	Personal Care	Home Care
All Natural	All Natural	Eco-Friendly
Organic	Eco-Friendly	All Natural
Eco-Friendly	Organic	Organic
Non-GMO		
Fair Trade		

HOW I GET *Information*

SPINS

SPINS 2015

TREND WATCH

TRENDWATCH: ANCIENT GRAINS

What are the leading subcategories featuring ancient grains?

(Ranked by Dollar Volume)

Natural Channel

- +5% Total Across All Subcategories
- +8% Bread Loaves
- +17% Adult & Family Cereals
- -10% Packaged Grains

Conventional Multi Outlet

- +38% Total Across All Subcategories
- +3% Packaged Grains
- +29% Bread Loaves
- +226% Adult & Family Cereals

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!

+67%

DOLLAR SALES GROWTH OF PALEO POSITIONED + GFCO CERTIFIED PRODUCTS

52 weeks ending 7/12/2015

TRENDWATCH: VEGAN

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	ProBar
Health Warrior	Go Macro
That's It	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 getter 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

TRENDWATCH: PERSONAL CARE

"On body, in body." Consumers are checking their labels to avoid harsh chemicals in their body care.

Body Care "Free of" Claims

+16%

Propylene Glycol

Can cause skin irritation, liver abnormalities and kidney damage with prolonged/excessive application.

+28%

Sodium Laurel Sulfate

Shown to be a skin irritant that can cause dryness, eczema, psoriasis and thinning hair after pro-longed use.

+21%

Parabens

Found in low concen- tration in breast cancer tumors and found to mimic estrogen over the past several years.

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

52 weeks ending 7/12/2015

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!

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