Innovation, Authenticity, Mission, Growth:

VITAMINS, SUPPLEMENTS & HERBALS

INDUSTRY OVERVIEW

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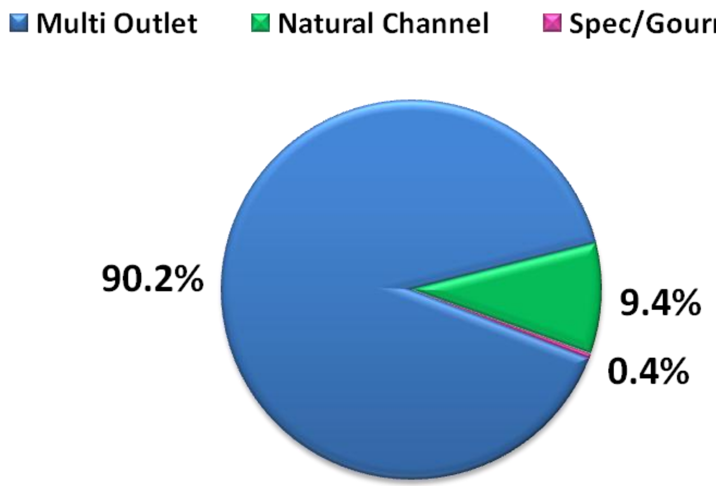
VITAMINS, SUPPLEMENTS & HERBALS TRENDS

Vitamins, Supplements & Herbals sales have reached nearly $12.4 billion and have grown 9.6% since 2011 in SPINS-measured channels.

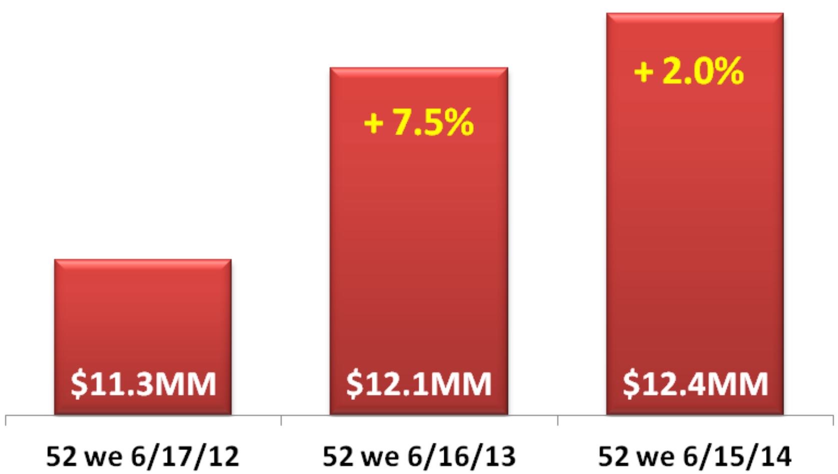
Vitamins, Supplements & Herbals

Share of Sales by Channel



Vitamins, Supplements & Herbals

Cross Channel Sales & Growth



Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional (powered by IRI), 52 weeks ending 6/15/2014.
Growth based on dollar volume for the current period versus year ago and is based on currently coded items.
Data derived only from SPINS channels

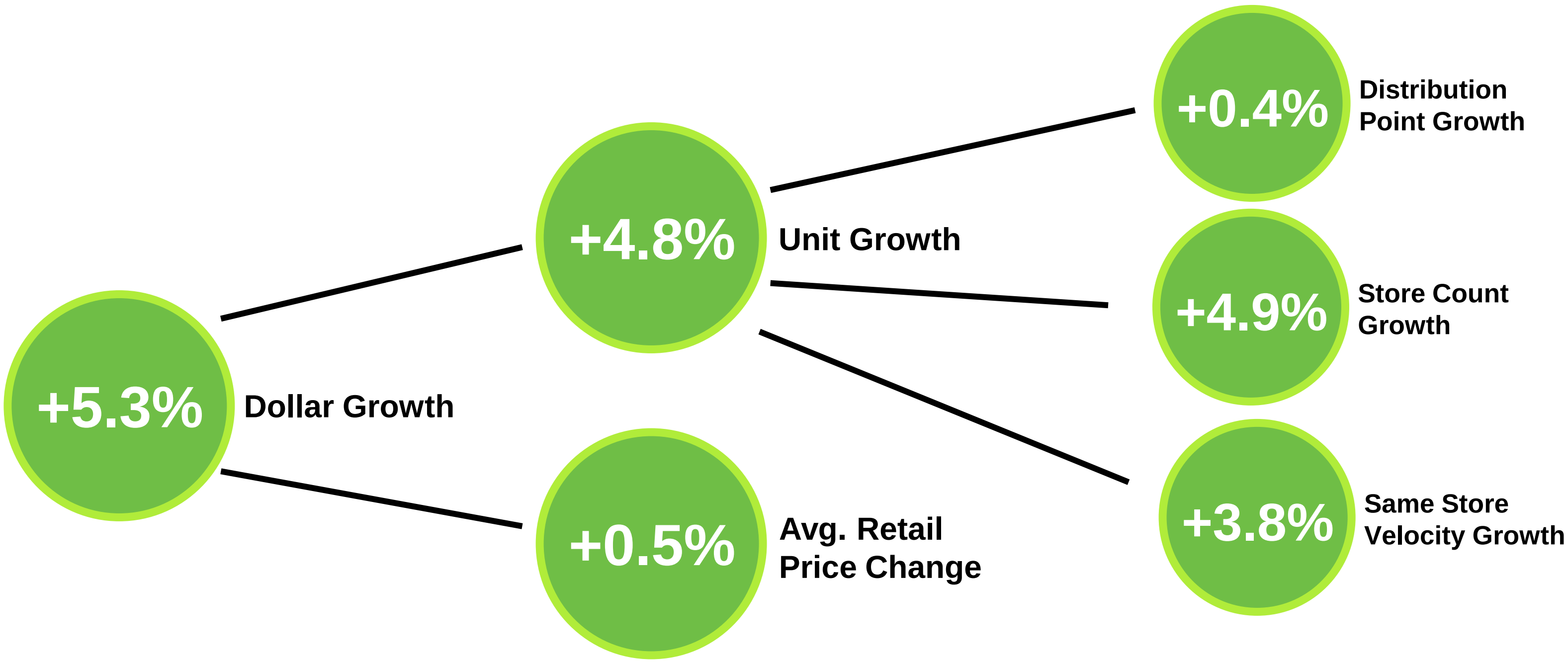
Vitamins, Supplements & Herbals performance is channel driven with Natural Supermarkets posting the strongest growth rates

SPINS Channel	Total Channel		Vitamins & Supplements		Herbs & Homeopathics	
	12 Week	52 Week	12 Week	52 Week	12 Week	52 Week
Natural Supermarkets	9.6%	11.9%	1.5%	5.1%	5.0%	6.2%
Specialty Gourmet Supermarkets	3.4%	3.4%	(1.4%)	3.5%	5.3%	2.3%
Conventional Supermarkets (Food)	0.8%	1.2%	1.4%	2.5%	3.0%	1.2%
Conventional Multi Outlet	0.6%	1.3%	(0.5%)	1.6%	0.2%	2.2%

Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional (powered by IRI), 52 weeks ending 6/15/2014.
Growth based on dollar volume for the current period versus year ago and is based on currently coded items.
Multi Outlet includes Grocery, Drug, Mass, Walmart, Dollar, Military, BJs, Sam's Club

What is driving Vitamins, Supplements & Herbals growth in *Natural Supermarkets*?

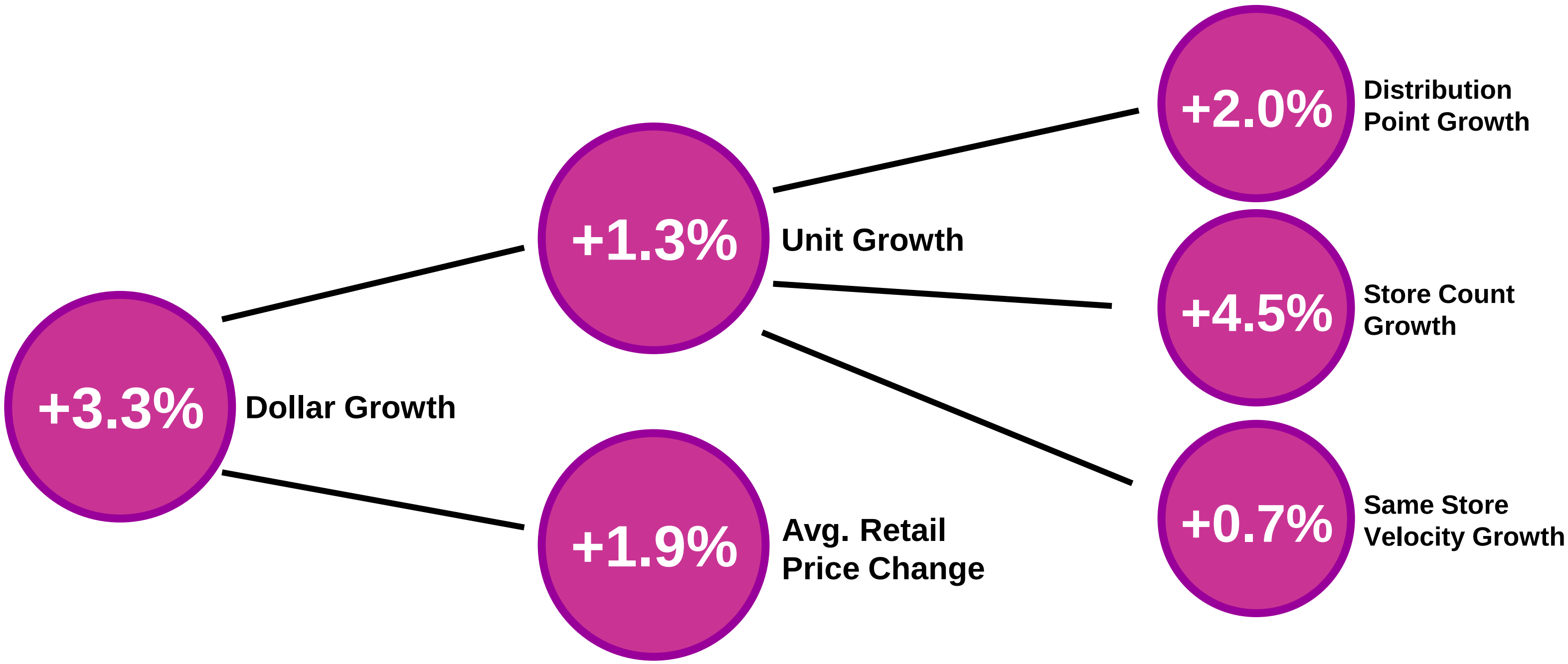
Sales growth in Natural Supermarkets can be attributed primarily to store count growth, same store velocity growth and promoted units.



Source: SPINSscan Natural , 52 weeks ending 6/15/2014.
Growth based on dollar volume for the current period versus year ago and is based on currently coded items.

What is driving Vitamins, Supplements & Herbals growth in *Specialty Gourmet Supermarkets*?

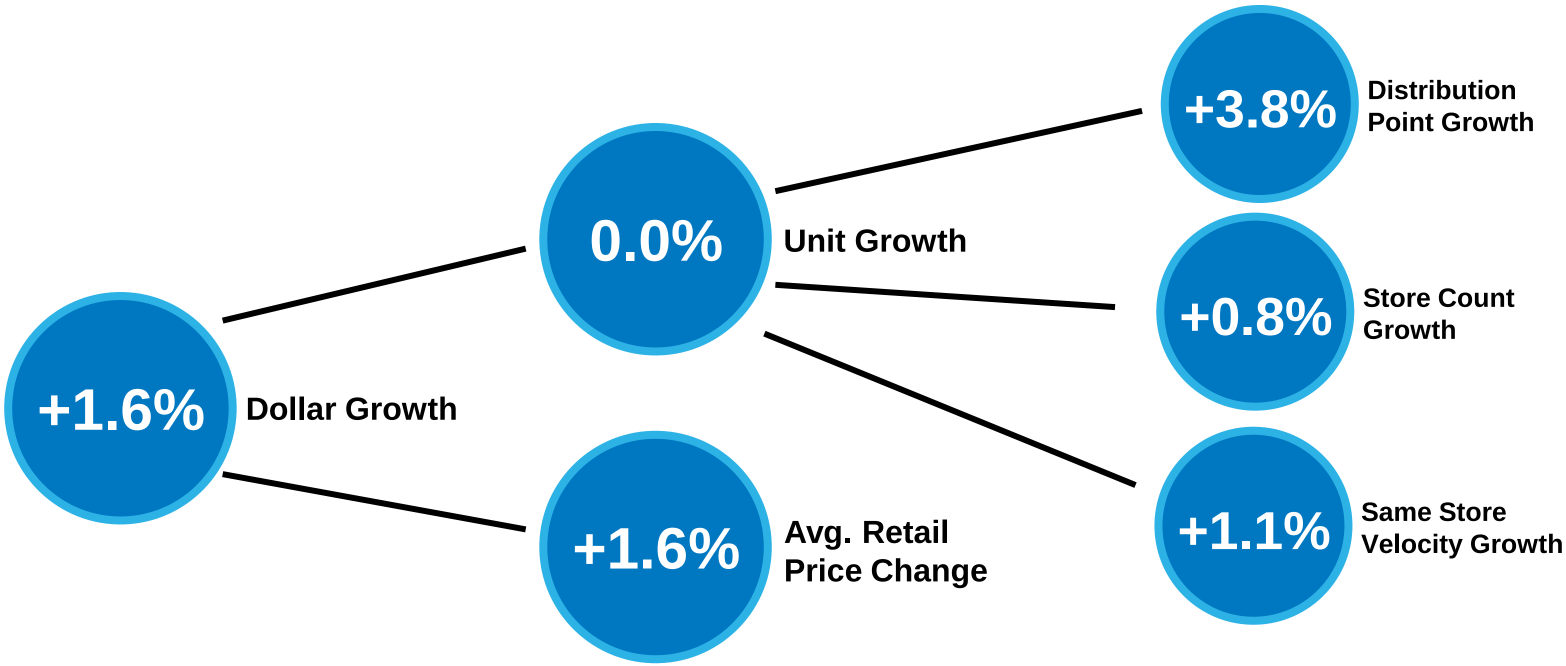
Sales growth in Specialty Gourmet Supermarkets can be attributed to both distribution and store count, as well as an increase in promoted units.



Source: SPINSscan Specialty Gourmet, 52 weeks ending 6/15/2014.
Growth based on dollar volume for the current period versus year ago and is based on currently coded items.

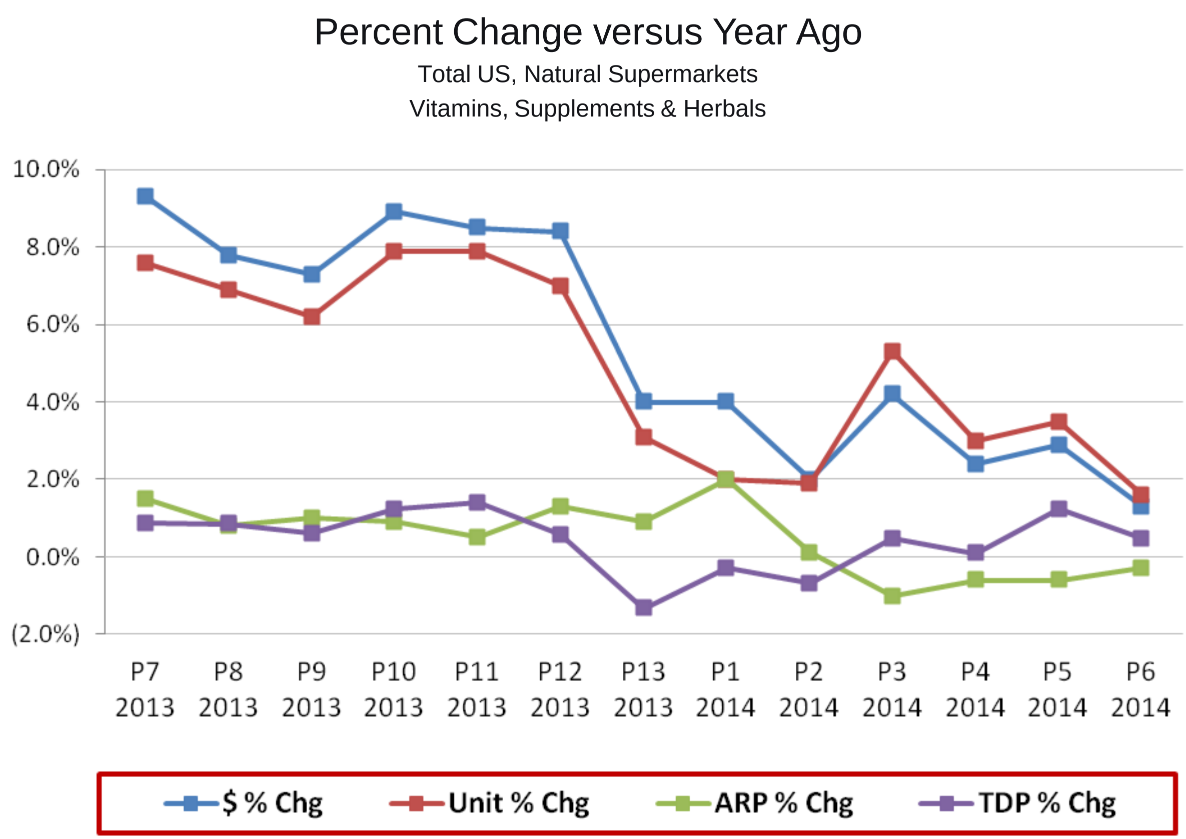
What is driving Vitamins, Supplements & Herbals growth in the *Conventional Multi Outlet Channel*?

Sales growth in the Conventional Multi Outlet stores can be attributed primarily to distribution and an increase in APR.



Source: SPINSscan Conventional (powered by IRI), 52 weeks ending 6/15/2014.
Growth based on dollar volume for the current period versus year ago and is based on currently coded items.

Macro Trends in the Natural Channel



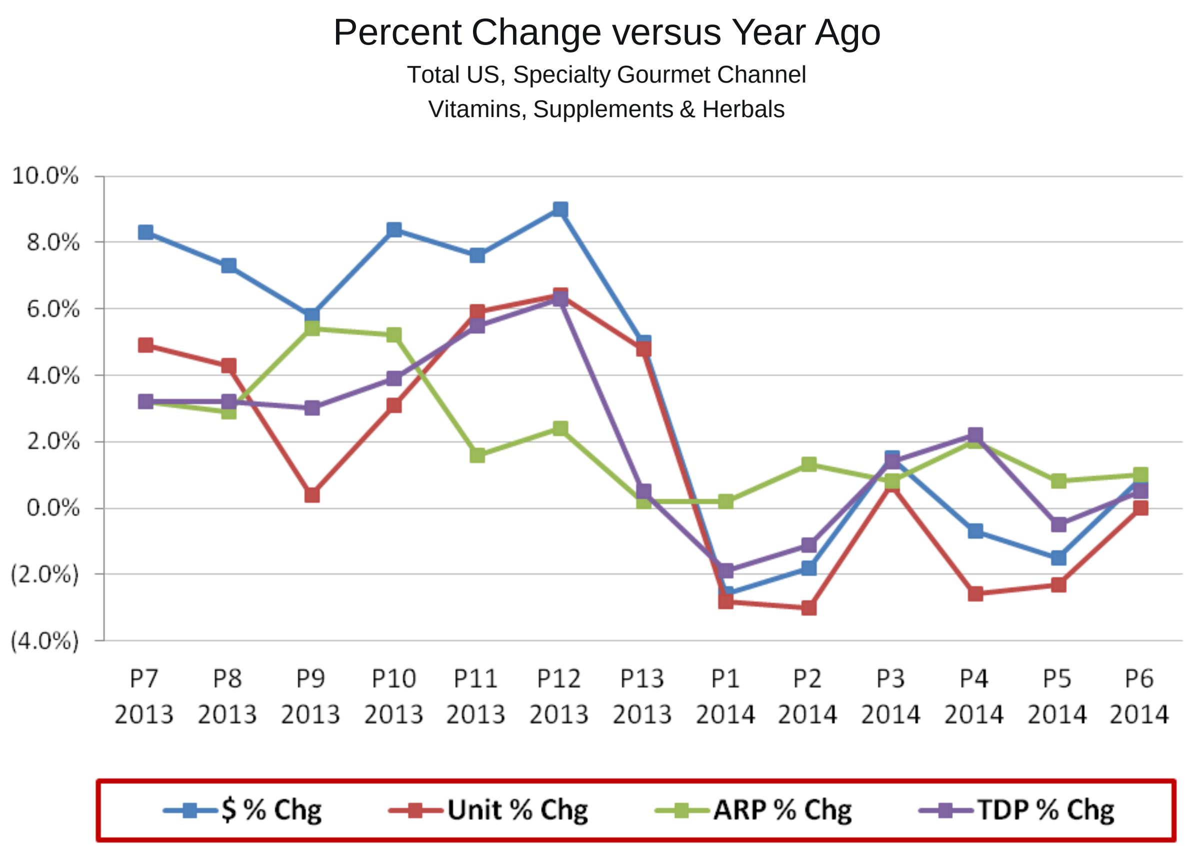
Strong growth rates in dollars and units at the last half of 2013 are down as the channel moves into 2014

Average prices are also down, moving into negative territory in February 2014

Following a strong dip in the last month of 2013, distribution levels have been on the rise

Source: SPINSscan Natural , 52 weeks ending 6/15/2014.
Growth based on dollar volume for the current period versus year ago and is based on currently coded items.

Macro Trends in the Specialty Gourmet Channel



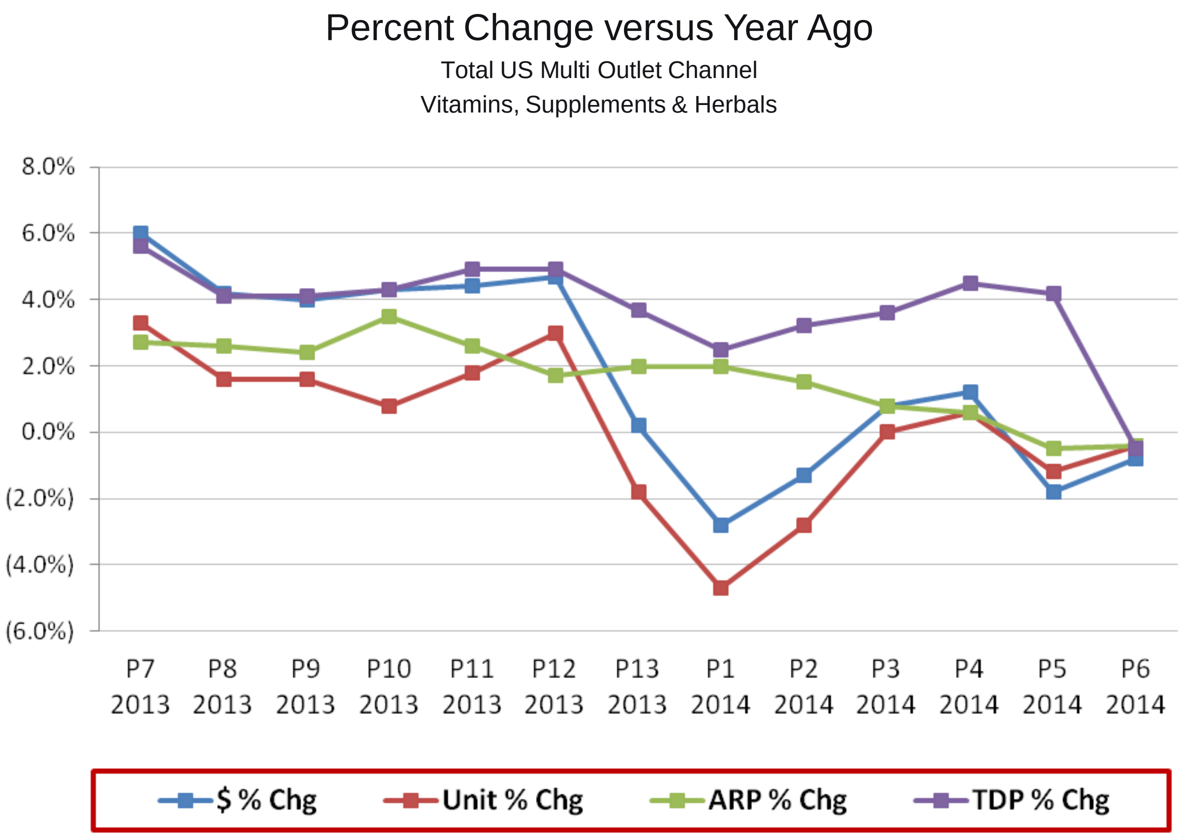
Macro trends in the Specialty Gourmet Channel declined more sharply into 2014

Rebounding is evident as we enter the second half of 2014, but not to growth levels seen in 2013

Average prices have been increasing steadily over the past 52 weeks, although less

Source: SPINSscan Specialty Gourmet , 52 weeks ending 6/15/2014.
Growth based on dollar volume for the current period versus year ago and is based on currently coded items.

Macro Trends in the Conventional Multi Outlet Channel



Distribution has been the strongest performing measure in the Multi Outlet Channel, although there has been a movement towards slower growth in recent periods

Following a steep growth pull back at the end of 2013, dollar and unit growth is rebounding, but remains in negative territory

Average prices posted flat to declining growth over the past three periods following 10 periods of steady increases

Source: SPINSscan Conventional, 52 weeks ending 6/15/2014.
Growth based on dollar volume for the current period versus year ago and is based on currently coded items.

The Role of Age and Gender

Items targeted to Adults and Women outperform. Mature Adult is the top growth Age Group for Vitamins, Supplements & Herbals in the Natural Channel while these products decline in the Multi Outlet Channel, led by poorly performing Centrum and One-A-Day.

Channel	MATURE ADULT	ADULT	CHILDREN	MALE	FEMALE
NATURAL	+14.8%	+9.3%	+5.2%	+3.5%	+10.%
	Non Specific Grew +5.4%			Non Specific Grew +5.4%	
MULTI OUTLET	-3.8%	+12.4%	+1.0%	-3.6%	+2.8%
	Non Specific Grew +3.1%			Non Specific Grew +3.2%	

Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional (powered by IRI), 52 weeks ending 6/15/2014.
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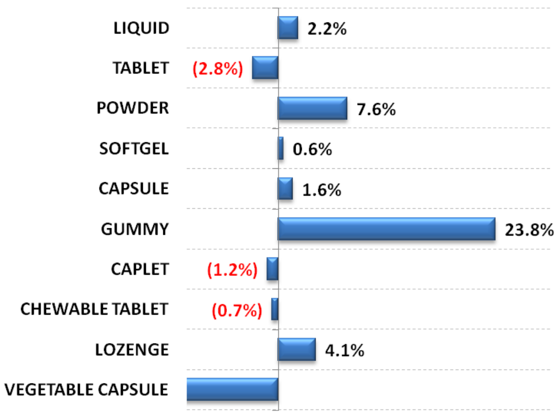
Form Growth Trends Across the Channels

Multi Outlet	Natural Supermarkets	Specialty Gourmet
• Liquids are by far the top selling Form in the channel, with over $2.5B in sales • Gummies are growing well when targeted to Bone Health, Digestive Health and Cold & Flu • Although Children are the second largest target segment for Gummies, these products are down -1.7%	• Top selling Powders are driven by Meal Replacements, Green Food Supplements • Capsules are the second largest Form in the channel, but the Vegetable Capsules are performing markedly better	• RTD Meal Replacements are driving the declines in the Liquid Form; Supplement Oils are also down in the channel • Gummies and Vegetable Capsules are the two fastest growing Forms in the Channel, generating $2.2MM and $1.9MM in sales, respecitively

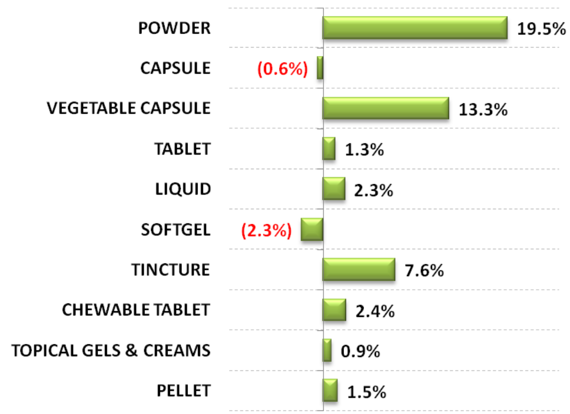
Form Sales % Growth

Multi Outlet Channel



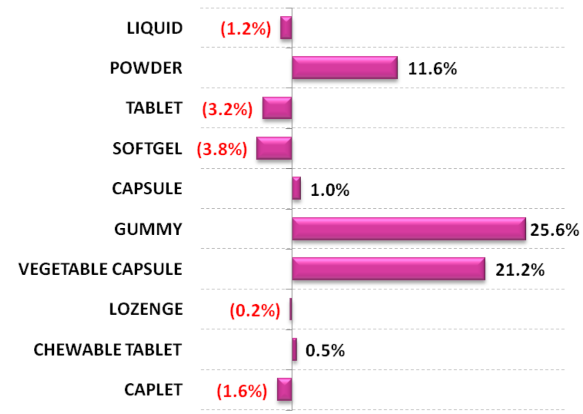
Form Sales % Growth

Natural Supermarket Channel



Form Sales % Growth

Specialty Gourmet Channel



Top 10 by Channel, ranked by dollar sales

Source: SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional (powered by IRI), 52 weeks ending 6/15/2014.
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