

Whole Foods Market, Inc.
Consolidated Statements of Cash Flows
September 26, 2004
(In thousands)

2004

Cash flows from operating activities:

Net income	\$	129,512
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		115,157
Loss on disposal of fixed assets		5,769
Share-based compensation		-
Deferred income tax expense		(682)
Tax benefit related to exercise of employee stock options		35,583
Interest accretion on long-term debt		7,551
Deferred rent		11,109
Other		(1,133)
Net change in current assets and liabilities:		
Trade accounts receivable		(19,158)
Merchandise inventories		(27,868)
Prepaid expenses and other current assets		(2,940)
Trade accounts payable		12,515
Accrued payroll, bonus and employee benefits		29,646
Other accrued expenses		35,279
Net cash provided by operating activities		330,340

Cash flows from investing activities:

Development costs of new store locations	(156,728)
Other property, plant and equipment expenditures	(109,739)
Acquisition of intangible assets	(584)
Change in notes receivable	(13,500)
Increase in restricted cash	(26,790)
Payment for purchase of acquired entities, net of cash acquired	(18,873)
Other investing activities	1,916
Net cash used in investing activities	(324,298)

Cash flows from financing activities:

Net proceeds from long-term borrowings	-
Dividends paid	(27,728)
Payments on long-term debt and capital lease obligations	(8,864)
Issuance of common stock	59,518
Net cash provided by financing activities	22,926

Cash flows from discontinued operations:

Net cash provided by discontinued operations	-
Net increase in cash and cash equivalents	28,968
Cash and cash equivalents at beginning of year	165,779

Cash and cash equivalents at end of year \$ 194,747

Supplemental disclosure of cash flow information

Interest paid	\$ 2,127
Federal and state income taxes paid	\$ 60,372
Non-cash transactions:	
Common stock issued in connection with acquisition	\$ 16,375
Conversion of convertible debentures into common stock	\$ 293

Note: The notes in the company's Form 10K for fiscal 2004 are an integral part of these condensed consolidated financial statements.