

Whole Foods Market, Inc.
Consolidated Statements of Cash Flows
September 25, 2005
(In thousands)

| | 1st Qtr 2005 | 2nd Qtr 2005 | 3rd Qtr 2005 | 4th Qtr 2005 2005 | Year-to_Date 2005 |
|---|-------------------|-------------------|-------------------|----------------------|----------------------|
| Cash flows from operating activities: | | | | | |
| Net income | \$ 46,170 | 40,734 | 40,387 | \$ 9,060 | \$ 136,351 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | |
| Depreciation and amortization | 39,667 | 30,782 | 30,560 | 32,750 | 133,759 |
| Loss on disposal of fixed assets | 515 | 792 | 3,537 | 11,042 | 15,886 |
| Share-based compensation | - | - | 1,742 | 17,393 | 19,135 |
| Deferred income tax expense | (1,943) | - | - | (25,930) | (27,873) |
| Tax benefit related to exercise of employee stock options | 9,199 | 18,486 | 14,673 | 20,285 | 62,643 |
| Interest accretion on long-term debt | 2,269 | 922 | 786 | 143 | 4,120 |
| Deferred rent | 3,481 | 5,307 | 7,126 | 166 | 16,080 |
| Other | 1,800 | 750 | 2,647 | (3,880) | 1,317 |
| Net change in current assets and liabilities: | | | | | |
| Trade accounts receivable | 2,775 | 933 | (2,538) | (3,197) | (2,027) |
| Merchandise inventories | (13,297) | 6,753 | (14,110) | (832) | (21,486) |
| Prepaid expenses and other current assets | 1,082 | (6,360) | 1,282 | (155) | (4,151) |
| Trade accounts payable | 4,309 | 6,652 | 1,062 | 574 | 12,597 |
| Accrued payroll, bonus and employee benefits | 13,109 | 3,082 | 8,264 | 1,990 | 26,445 |
| Other accrued expenses | 12,452 | 16,815 | (8,773) | 17,529 | 38,023 |
| Net cash provided by operating activities | 121,588 | 125,648 | 86,645 | 76,938 | 410,819 |
| Cash flows from investing activities: | | | | | |
| Development costs of new store locations | (55,663) | (48,503) | (48,628) | (54,998) | (207,792) |
| Other property, plant and equipment expenditures | (29,403) | (22,988) | (29,768) | (34,159) | (116,318) |
| Acquisition of intangible assets | - | - | - | (1,500) | (1,500) |
| Notes receivable | - | - | 13,500 | - | 13,500 |
| Restricted cash | (10,052) | (186) | 314 | (208) | (10,132) |
| Payment for purchase of acquired entities, net of cash acquired | - | - | - | - | - |
| Other investing activities | - | - | - | - | - |
| Net cash used in investing activities | (95,118) | (71,677) | (64,582) | (90,865) | (322,242) |
| Cash flows from financing activities: | | | | | |
| Net proceeds from long-term borrowings | - | - | - | - | - |
| Dividends paid | (9,416) | (12,088) | (16,346) | (16,833) | (54,683) |
| Payments on long-term debt and capital lease obligations | (84) | (21) | (5,767) | (61) | (5,933) |
| Issuance of common stock | 12,765 | 27,939 | 30,181 | 14,931 | 85,816 |
| Net cash used in financing activities | 3,265 | 15,830 | 8,068 | (1,963) | 25,200 |
| Cash flows from discontinued operations: | | | | | |
| Net cash provided by discontinued operations | - | - | - | - | - |
| Net increase in cash and cash equivalents | 29,735 | 69,801 | 30,131 | (15,890) | 113,777 |
| Cash and cash equivalents at beginning of year | 194,747 | 224,482 | 294,283 | 324,414 | 194,747 |
| Cash and cash equivalents at end of year | \$ 224,482 | \$ 294,283 | \$ 324,414 | \$ 308,524 | \$ 308,524 |
| Supplemental disclosure of cash flow information | | | | | |
| Interest paid | \$ 364 | \$ 270 | \$ 276 | \$ 153 | \$ 1,063 |
| Federal and state income taxes paid | \$ 13,070 | \$ 876 | \$ 34,485 | \$ 26,275 | \$ 74,706 |
| Non-cash transactions: | | | | | |
| Common stock issued in connection with acquisition | \$ - | \$ - | \$ - | \$ - | \$ - |
| Conversion of convertible debentures into common stock | \$ 70,502 | \$ 11,546 | \$ 65,254 | \$ 492 | \$ 147,794 |

The notes in the company's Form 10K for fiscal 2005, to be filed before December 9, 2005, are an integral part of these condensed consolidated financial statements.