

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

	1st Qtr January 15, 2006	2nd Qtr April 09, 2006	3rd Qtr July 02, 2006	4th Qtr September 24, 2006	YTD September 24, 2006
Cash flows from operating activities					
Net income	\$ 58,318	\$ 51,811	\$ 53,898	\$ 39,801	\$ 203,828
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	46,399	34,909	37,340	37,575	156,223
Loss (gain) on disposition of assets	494	(1,737)	242	7,292	6,291
Share-based compensation	1,131	1,943	1,309	5,049	9,432
Excess tax benefit related to exercise of employee stock options	(31,411)	(11,652)	(12,431)	3,486	(52,008)
Deferred income tax expense (benefit)	(6,656)	939	(13,356)	3,552	(15,521)
Deferred rent	3,101	3,227	7,219	13,060	26,607
Interest accretion on long-term debt	167	100	100	93	460
Other	(5)	2,292	(1,857)	263	693
Net change in current assets and liabilities:					
Trade accounts receivable	(8,232)	1,170	2,709	(13,367)	(17,720)
Merchandise inventories	(22,921)	(2,432)	(12,829)	5,982	(32,200)
Prepaid expense and other current assets	(3,352)	(4,745)	2,348	(2,100)	(7,849)
Trade accounts payable	4,869	8,295	4,198	1,147	18,509
Accrued payroll, bonus and other benefits due team members	13,471	2,562	7,604	2,396	26,033
Other accrued expenses	32,871	41,694	45,596	9,725	129,886
Net cash provided by operating activities	88,244	128,376	122,090	113,954	452,664
Cash flows from investing activities					
Development costs of new store locations	(35,330)	(31,130)	(45,022)	(97,106)	(208,588)
Other property, plant and equipment expenditures	(33,737)	(23,298)	(29,300)	(45,279)	(131,614)
Proceeds from hurricane insurance	-	-	3,308	-	3,308
Acquisition of intangible assets	(884)	(3,484)	(11,836)	(128)	(16,332)
Purchase of available-for-sale securities	-	-	(497,071)	(58,024)	(555,095)
Sale of available-for-sale securities	-	-	209,110	153,099	362,209
Restricted cash	(12,111)	(13,289)	2,951	(694)	(23,143)
Net cash used in investing activities	(82,062)	(71,201)	(367,860)	(48,132)	(569,255)
Cash flows from financing activities					
Dividends paid	(17,063)	(298,822)	(21,004)	(21,186)	(358,075)
Issuance of common stock	129,556	38,567	40,518	13,389	222,030
Purchase of treasury stock	-	-	-	(99,964)	(99,964)
Excess tax benefit related to exercise of employee stock options	31,411	11,652	12,431	(3,486)	52,008
Payments on long-term debt and capital lease obligations	(56)	(18)	(5,538)	(68)	(5,680)
Net cash provided by financing activities	143,848	(248,621)	26,407	(111,315)	(189,681)
Net increase in cash and cash equivalents	150,030	(191,446)	(219,363)	(45,493)	(306,272)
Cash and cash equivalents at beginning of period	308,524	458,554	267,108	47,745	308,524
Cash and cash equivalents at end of period	\$ 458,554	\$ 267,108	\$ 47,745	\$ 2,252	\$ 2,252

Supplemental disclosure of cash flow information:

Interest paid	\$ 248	\$ 155	\$ 128	\$ 76	\$ 607
Federal and state income taxes paid	\$ 5,262	\$ 5,836	\$ 7,580	\$ 51,542	\$ 70,220
Non-cash transactions:					
Conversion of convertible debentures into common stock	\$ 3,656	\$ 123	\$ 1,131	\$ 12	\$ 4,922

The notes in the company's Form 10K for fiscal year 2005 are an integral part of these condensed consolidated financial statements.