Exhibit 36 to Plaintiff's
Memorandum of Points and Authorities
in Support of Its Motion for Temporary
Restraining Order and Preliminary
Injunction
(PX00458)
Part 2 of 2

Circular Communication Strategy

WILD OATS MARKETS, INC.

- Position the circular as an *ambassador* of the products we carry --both entertain customers and help them discover and understand what we have to offer
- Emphasize communication of product and brand **attributes**
- Support [redacted] Wild Oats' inherent position as expert in and purveyor of interesting, unique products
- Communicate the brand position (the Wild Oats DNA) -food, health/wellness and social-environmental conscience
- Focus messaging on the growth opportunity – [redacted] customer who is interested in natural/organic, [redacted]
- Improve value perception

Redacted

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Henry's San Diego

- 2007 Budget: $[redacted]K
- 16 Stores
  - [redacted]
  - Total Distribution – [redacted]
  - Avg Distribution – [redacted]
  - High – OCN – [redacted]
  - Low – SNT [redacted]

Redacted

OAT-0031284
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PX00458-024

Henry's Orange County

WILD OATS MARKETS, INC.

- 2007 Budget: $[redacted]K
- 12 Stores
  - [redacted]
  - Total Distribution – [redacted]
  - Avg Distribution – [redacted]
  - High, LGN – [redacted]
  - Low, FUL – [redacted]

Redacted

OAT-0031285
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PX00458-025

Sun Harvest

- 2007 Budget: $[redacted]K

- Stores
  - [redacted]
  - Total distribution – [redacted]
  - Avg. distribution – [redacted]
  - High, CAL – [redacted]
  - Low, ELP – [redacted]

*MCA is not flyer. Newspaper ROP only. To be moving to insert Q1 2007

Redacted

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PX00458-026

2007 Plan
Competitive Intrusion

WILD OATS MARKETS, INC.

$000's

STORE	2006 Ave Wkly Sales	2006 Cash Flow	Competitor	Date Open	Distance	2007 Budget Impact %	2007 Budget Ave Wkly Sales	2007 Budget Wkly $ Impact	07 Budget Comp %	2006 Actual Impact %	2006 Actual Wkly $ Impact
2006 Competitive Intrusion											
Indianapolis, IN	[redacted]		Sunflower	Mar06	3 miles	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
San Mateo, Albuquerque, NM			Trader Joe's	Mar06	4 miles						
N Stephanie, Henderson, NV			Whole Foods	Apr06	3 miles						
Broadway, Saugus, MA			Whole Foods	May06	5 miles						
W Lane Ave, Upper Arlington, OH			Sunflower	Sep06	4 miles						
Bridgeport Rd, Tualatin, OR			Whole Foods	Nov06	Across Street						
Hillsdale, Portland, OR			Whole Foods	Nov06	6 miles						

Sub Total 2006 Competitive Intrusion YTY Sales [redacted]

Redacted

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2007 Plan
Competitive Intrusion

WILD OATS MARKETS, INC.

$000's

STORE	2006 Ave Wkly Sales	2006 Cash Flow	Competitor	Date Open	Distance	2007 Budget Impact %	2007 Budget Ave Wkly Sales	2007 Budget Wkly $ Impact	07 Budget Comp %
2007 Competitive Intrusion									
Marginal Way, Portland, ME	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Point Loma, SanDiego, CA									
S Dixie Hwy, Pinecrest, FL									
Rancho Santa Fe, Carlsbad, CA									
Chagrin Blvd, Cleveland, OH									
Bend, OR									
Robson, Vancouver, BC									
Reno, NV									
Hillsboro Pike, Nashville, TN									
S Lake, Pasadena, CA									
Raintree, Scottsdale, AZ									
Broadway, Saugus, MA									
Sub Total 2007 Competitive Intrusion YTY Sales									[redacted]

[1] RNO opening date budgeted in the same month Whole Foods opens, assumed impact % of 26-30% vs MEA pre competitive intrusion sales

Redacted

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PX00458-028

2007 Plan
Cannibalization

WILD OATS MARKETS, INC.

$000's

STORE	2006 Ave Wkly Sales	2006 Cash Flow	Wild Oats Store	Date Open	Distance	2007 Budget Impact %	2007 Budget Ave Wkly Sales	2007 Budget Wkly $ Impact	2007 Budget Comp %	2006 Actual Impact %	2006 Actual Wkly $ Impact
2006 Cannibalization											
Encinitas, CA	[redacted]	[redacted]	Rancho Santa Fe, Carlsbad, CA	Mar06	3 mile	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Escondido, CA			Rancho Santa Fe, Carlsbad, CA	Mar06	14 miles						
Kitsilano, Vancouver, BC			Cambie, Vancouver, BC	Jul06	3 miles						
Poway, CA			Bernardo Heights, San Diego, CA	Nov06	5 miles						
2007 Cannibalization											
Broadway, Boulder, CO			29th Street, Boulder, CO	Mar07	1 mile						
Baseline, Boulder, CO			29th Street, Boulder, CO	Mar07	1 mile						
Alpine, Boulder, CO			29th Street, Boulder, CO	Mar07	2 miles						
Superior, CO			29th Street, Boulder, CO	Mar07	8 miles						
Temecula, CA			Rancho Temecula, Temecula, CA	Sep07	7 miles						
					Sub Total 2006 & 2007 Cannibalization YTY Sales				-$2,535		

Redacted

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PX00458-029

2007 Plan
New Stores 2006

WILD OATS MARKETS, INC.

$000's

STORE	DATE OPENED	Ave Wkly Sales	Non Comp YTY Sales
Rancho Santa Fe, Carlsbad, CA	Mar06	$ [redacted]	$ [redacted]
Tampa, FL	Apr06		
Cambie, Vancouver, BC	Jul06		
Oceanside, CA	Oct06		
La Quinta, CA	Nov06		
Bernardo Heights, San Diego, CA	Nov06		
San Pedro, CA	Dec06		
		Sub Total	$ [redacted]

Redacted

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PX00458-030

2007 Plan

WILD OATS MARKETS, INC.

$000's

NEW STORES

Opening Date	Banner	Location	State	Ave Weekly Sales	FY Sales
1/24/07	Wild Oats	Naples	FL	$[redacted]	$[redacted]
3/28/07	Wild Oats	29th Street Boulder	CO		
9/26/07	Henry	Rancho Temecula	CA		
10/3/07	Wild Oats	Milford	CT		
					$[redacted]

RELOCATION STORES

Opening Date	Banner	Location	State	Ave Weekly Sales $'s Pre Relocation	Ave Weekly Sales $'s Post Relocation	Ave Weekly Sales Lift %	YTY Sales $000's
7/11/07	Wild Oats	Little Rock	AR	$[redacted]	$[redacted]	[redacted]%	$[redacted] [1]
10/24/07	Henry	Escondido	CA			[redacted]%	[redacted]
9/12/07	Wild Oats	Reno	NV			[redacted]%	[redacted] [2]
							$[redacted]

[1] Pre Relocation store impacted by construction and parking limitations

[2] Whole Foods opens Sep07 less than 1 mile from store

Redacted

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PX00458-031

2007 Plan
Closed Stores

WILD OATS MARKETS, INC.

$000's

	STORE	DATE CLOSED	Non Comp YTY Sales
1	Division, Portland, OR	Feb06	[redacted]
2	Ft Lauderdale, FL	Feb06	
3	Aurora, CO	Jul06	
4	West Jordan, UT	Dec06	
5	Dodge St, Omaha, NE	Dec06	
6	Peoria, AZ	Dec06	
7	Tatum, Phoenix, AZ	Dec06	
8	Desert Glen, Glendale, AZ	Dec06	
9	Gilbert Commons, AZ	Dec06	
10	Mirador Square, Gilbert, AZ	Dec06	
11	Ft Collins, CO	Dec06	
		Sub Total Closed Stores 2006	-$42,626
	Pacific Beach, San Diego, CA	Fire / Remodel 06	[redacted]
	North Park, San Diego, CA	Remodel 06	
	El Paso, TX	Flood / Remodel 06	
	Princeton, NJ	Closure 07	
		Sub Total	-$897
		Sub Total Closed Stores	-$43,524

Redacted

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2007 Plan
Margin Initiatives

WILD OATS MARKETS, INC.

$000's

Recoup Retail Price Reductions	$[redacted]	page 34
Increase Margin Rate by 40 BPs	[redacted]	page 35
	$[redacted]	

Redacted

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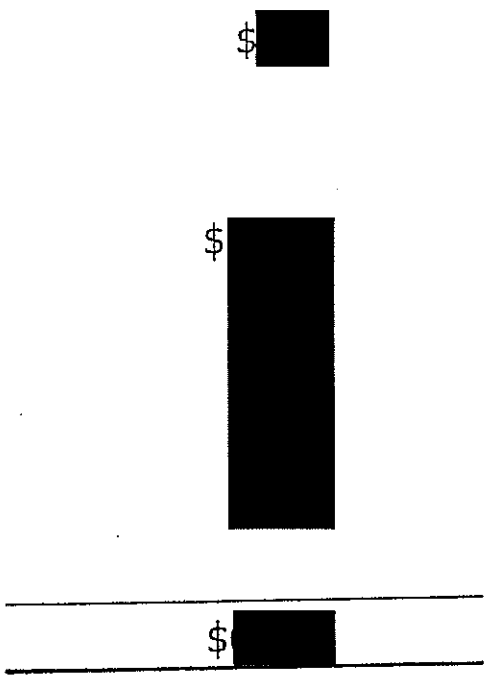
WILD OATS MARKETS, INC.

Gross Margin Initiatives to Offset Retail Reductions

Mix Changes by Category with Price Optimization Tool

Merchandising Initiatives

- Store Layout
- Cross Merchandising
- Densification
- Differentiation
- Customization



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WILD OATS MARKETS, INC.

GROSS MARGIN INITIATIVES

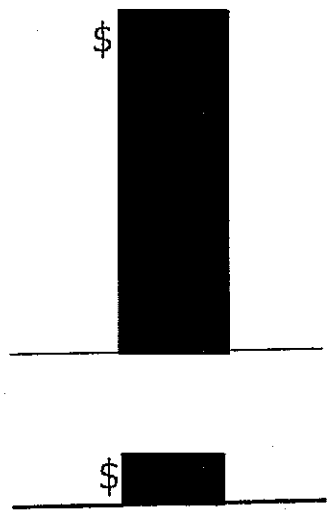
Category manager Direct Supplier Initiatives

UNFI Negotiations at VP Level

DPI Negotiations

Perishables Contract Buying

INTERSOURCE



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2007 Plan
Store Operational Initiatives & SGA

WILD OATS MARKETS, INC.

$000's

Operational Savings	$[redacted]	page 37
Operational Investment	[redacted]	page 38
SGA Savings	[redacted]	page 39
Total	$[redacted]	

Redacted

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PX00458-036

2007 Plan
Operational Initiative Savings – Detail

WILD OATS MARKETS, INC.

$000's

	Q1	Q2	Q3	Q4	FY
• Labor Savings from new Kronos Labor Scheduling	[redacted]	[redacted]	[redacted]	[redacted]	$[redacted]
– [redacted]					
• Perpetual Inventory System Savings	[redacted]	[redacted]	[redacted]	[redacted]	$[redacted]
– [redacted]					
• Riverside Efficiencies	[redacted]	[redacted]	[redacted]	[redacted]	$[redacted]
– [redacted]					
• Expense Leverage from 2.5% Comp Sales	[redacted]	[redacted]	[redacted]	[redacted]	$[redacted]
Sub Total	$[redacted]	$[redacted]	$[redacted]	$[redacted]	$[redacted]

Redacted

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PX00458-037

2007 Plan
Operational Initiative Investments – Detail

WILD OATS MARKETS, INC.

$000's

- **Annual merit pay rate increase –$[redacted]K**
- **Labor Impact of Perishable Sales Mix Change in New Prototype Stores -$[redacted]K**
  - Henry's stores –$[redacted]K, Wild Oats stores –$[redacted]K
- **Increased Labor Expense to Support the Perpetual Inventory System -$[redacted]K**
  - [redacted] hours of issue resolution/audits and [redacted] hours for vendor cost verification per week per store
- **Training Budget -$[redacted]K**
  - Product knowledge -$[redacted]K
  - Commissary to in-store preperation -$[redacted]
  - Kronos and Unicru -$[redacted]K
  - Back of house process -$[redacted]K
  - Computer assisted ordering -$[redacted]K
  - Management catch-up -$[redacted]K
  - -$[redacted] **Sub total new programs**
  - On-going standard -$[redacted]K
- **Other Cost Adjustments -$[redacted]K**
  - Adjustment for Receiver grade
  - Adjustment for pay range assessment
  - Adjustment for new minimum wage laws

Total -$[redacted]

Redacted

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2007 Plan
SGA Cost Initiatives

WILD OATS MARKETS, INC.

$000's	2007 Budget	Explanation
Q1 Efficiencies	$[redacted]	Organizational structure rationalization
Q2 Efficiencies	[redacted]	
Intesource	[redacted]	
Discontinued Contracts	[redacted]	[redacted]
Salary Increases	[redacted]	$[redacted]K 2006 midyear hires/openings, $[redacted]K merit increase, $[redacted]K salary adjustments, $[redacted]K 2007 hires
Benefits / Payroll Taxes	[redacted]	[redacted]% increase in salaries and $[redacted]K higher option expense, offset by lower rate for health insurance
Office Building	[redacted]	
New Licenses System Maintenance	[redacted]	
Total SGA Cost Initiatives	$[redacted]	

Redacted

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2007 Plan
CapEx Summary

(000's)	2006 Actuals CapEx	2006 Actuals # Stores	2007 Budget CapEx	2007 Budget # Stores	
New Stores (Stores opening in budget year)	$ [redacted]	[redacted]	$ [redacted]	[redacted]	Pg 30
Average cost per store					
New Stores (Stores Opening in future years)	[redacted]		[redacted]		Pg 31
Average cost per store					
New Stores (Stores Opened in prior year)	[redacted]		[redacted]		
Average cost per store					
Total New Store CapEx	[redacted]		[redacted]		
Remodels (Stores completed in budget year)	[redacted]	[redacted]	[redacted]	[redacted]	
Average cost per store					
Remodels (Stores with future year completion)	[redacted]		[redacted]		
Average cost per store					
Remodels (Prior year remodel cost carryover)	[redacted]		[redacted]		
Average cost per store					
Total Remodel CapEx	[redacted]		[redacted]		
New Home Office	[redacted]		[redacted]		
Canadian Commissary & RIV					
Prototype Development					
Total Support Facilities CapEx					
Operations Maint and Emergency CapEx	[redacted]		[redacted]		
Merchandising Initiatives CapEx					
IT Project CapEx					
Contingency					
Total Cash CapEx	[redacted]		[redacted]		
Landlord Contributions					
Net Cash CapEx Less Landlord Contributions	$ [redacted]		$ [redacted]		

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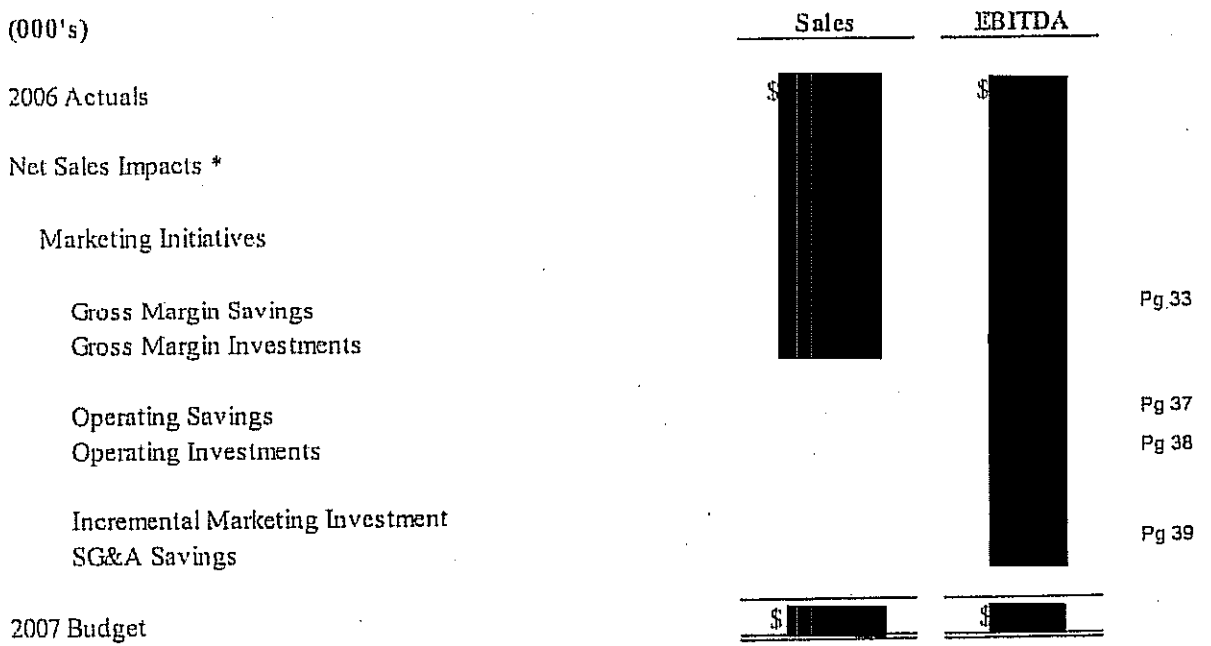
PX00458-040

Sales and EBITDA Roll-forward



* Including new stores added in 2006 and 2007, Competitive Intrusions and Business Development, net of closed stores (Page 4)

Redacted

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Quarterly Earnings 2006 vs 2007 Plan

WILD OATS MARKETS, INC.

	A	B	C	D	E	F	G	H	I	J
	2007					2006				
	13 weeks ended				52 Weeks	13 weeks ended				52 Weeks
	Mar 31	June 30	Sept 29	Dec 29	Fiscal	April 1	July 1	Sept 30	Dec 30	Fiscal
Comparable Sales Percent	[redacted]					4.1%	1.3%	1.6%	0.9%	1.9%
Sales						298,357	296,561	291,804	296,300	1,183,022
Adjusted EBITDA (3)						13,580	13,507	11,881	14,096	53,064
(Loss) gain on asset disposals						(90)	(77)	(19)	(930)	(1,116)
Stock based Compensation						(778)	(511)	(760)	(718)	(2,767)
EBITDA before unusual items						12,712	12,919	11,102	12,448	49,181
Restructuring						(1,670)	(295)	(260)	(25,945)	(28,170)
(1) CEO seperation/new hire						-	-	-	(4,195)	(4,195)
(2) Operational closure costs						-	-	-	(2,100)	(2,100)
EBITDA						11,042	12,624	10,842	(19,792)	14,716
Less										
Depreciation & Amortization						(6,687)	(6,370)	(6,468)	(6,532)	(26,057)
EBIT						4,355	6,254	4,374	(26,324)	(11,341)
Less										
Interest, net						(1,265)	(1,137)	(1,198)	(1,140)	(4,740)
Pretax Income (Loss)						3,090	5,117	3,176	(27,464)	(16,081)
Tax						(205)	(247)	(68)	(137)	(657)
Net income (Loss)						2,885	4,870	3,108	(27,601)	(16,738)
Earnings (Loss) per share	$					$ 0.10	$ 0.16	$ 0.10	$ (0.93)	$ (0.57)
Earnings before restr. (1) & (2)	$					$ 4,555	$ 5,165	$ 3,368	$ 4,639	$ 17,727
Earnings per share before restr. (1) & (2)	$					$ 0.15	$ 0.17	$ 0.11	$ 0.16	$ 0.60

Redacted

OAT-0031302
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Free Cash Flow Roll-forward

WILD OATS MARKETS, INC.

	1Q 2007	2Q 2007	3Q 2007	4Q 2007	Full 2007
Available Cash - Beginning Balance	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]
Quarterly EBITDA	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
NI					
Interest, net					
Taxes					
Depreciation					
Restruc & Asset Impair					
G/L on asset disposal					
Other					
Less:					
Cash Taxes & Interest					
Cash Interest					
Operating cash loss on closed locations					
Cash on Closed Stores (existing)					
Cash on to-be-closed Stores					
Perry's Separation / Higher CEO pay					
CapEx					
Total CapEx for 2007, plus 2006 carryforward					
Change in WC (new stores, timing, CD)					
Plus:					
Landlord Reimbursements					
Reduction in WC from PHX / others closing					
Net Free Cash Flow					
Balance Sheet Cash					
Operational Cash Tied Up in Business					
Store Cash (expected)					
Credit Card cash receivable (1 day settlement)					
Available Cash - Ending Balance	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]

Redacted

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Walk from Original Budget – 10/06

(000's)	Sales	EBITDA
Original Budget - 10/06 Meeting	$[redacted]	$[redacted]
Impact of 12/06 Store Closures	[redacted]	
Original Budget, net of store closures		
Sales Comp decrease		
Margin Initiatives		
Savings		
Investment		
Reduction in margin rate - [redacted] bps		
Operating Initiatives ($[redacted]M savings and $[redacted]M investment)		
Savings		
Investment		
Incremental Marketing		
Other SG&A Savings		
Current Budget for 2007	$[redacted]	$[redacted]

Redacted

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