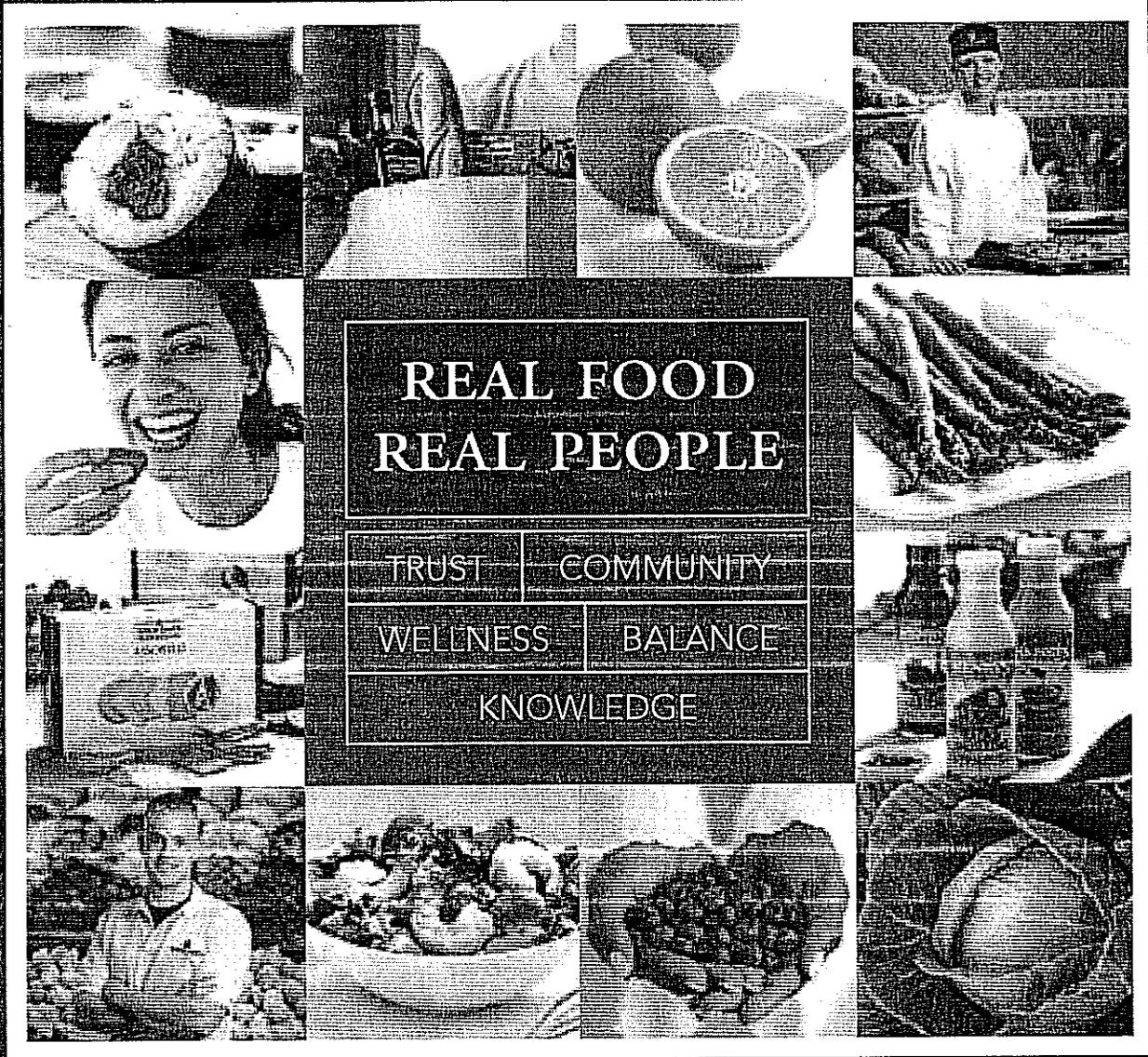
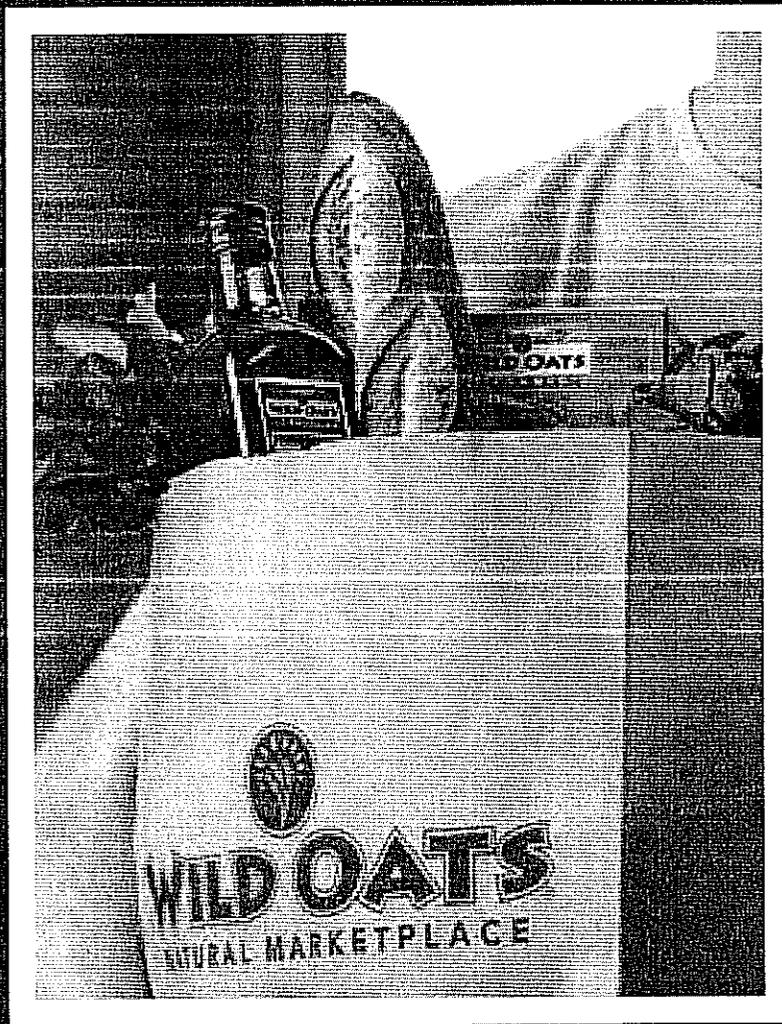


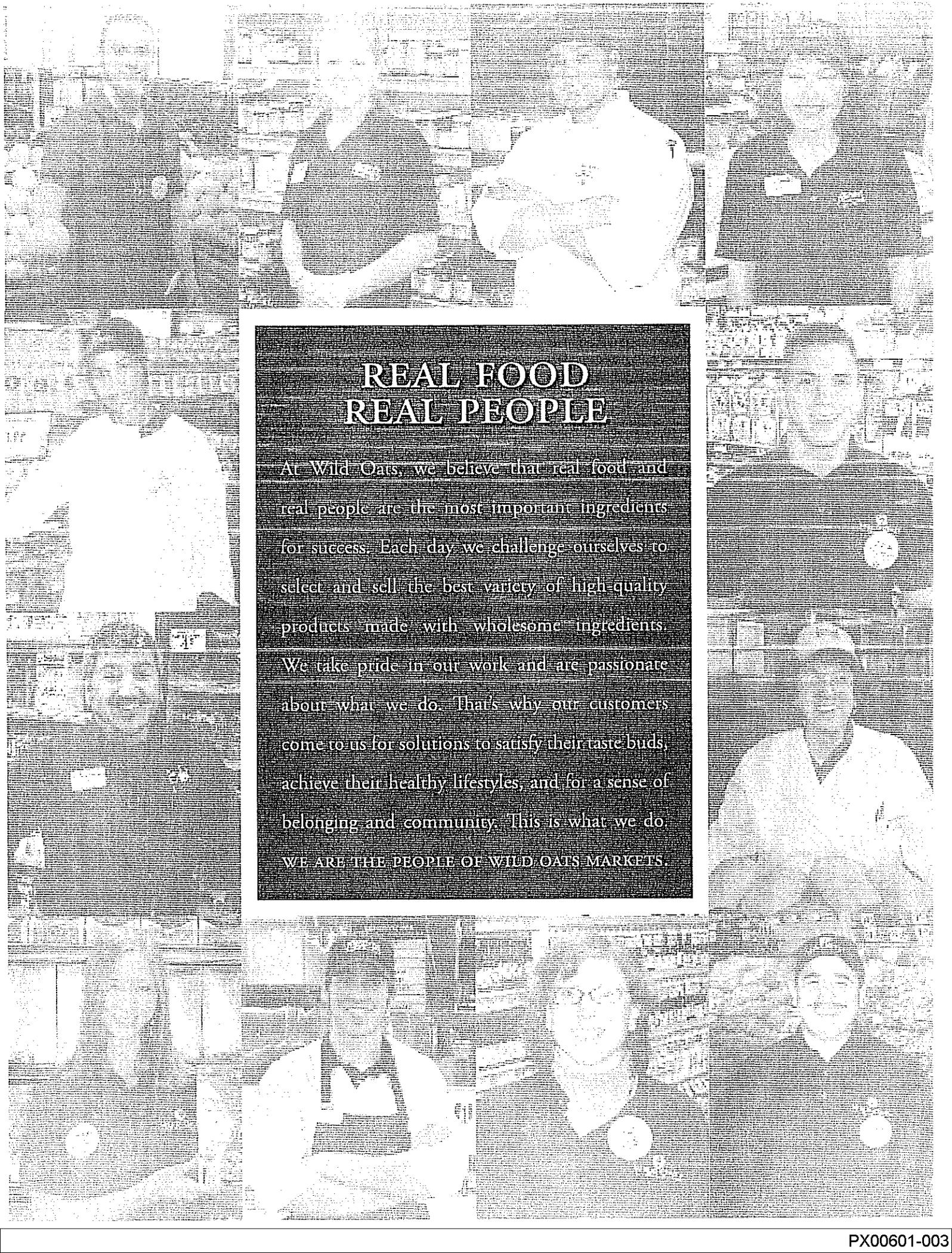
Exhibit 56 to Plaintiff's  
Memorandum of Points and Authorities  
in Support of Its Motion for Temporary  
Restraining Order and Preliminary Injunction  
(PX00601)  
Part 1 of 3



**WILD OATS**  
MARKETS, INC.

ANNUAL REPORT 2005





## REAL FOOD REAL PEOPLE

At Wild Oats, we believe that real food and real people are the most important ingredients for success. Each day we challenge ourselves to select and sell the best variety of high-quality products made with wholesome ingredients. We take pride in our work and are passionate about what we do. That's why our customers come to us for solutions to satisfy their taste buds, achieve their healthy lifestyles, and for a sense of belonging and community. This is what we do.

WE ARE THE PEOPLE OF WILD OATS MARKETS



## DEAR THE FLOW OF SHAREHOLDERS,

At Wild Oats Markets we believe our most important assets get into their cars, take the bus, ride their bikes and walk home every night. They are our people, and we are honoring their achievements by featuring them throughout this report. If it wasn't for the commitment, passion and dedication of our 8,600 employees across the U.S. and in Canada, Wild Oats Markets would not have posted the year of significant progress reported in 2005.

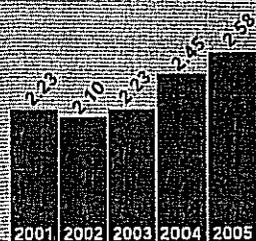


Our 113 stores across the U.S. and in British Columbia generated a 7.2% net sales increase over 2004 sales to \$1.12 billion. If we compare organic apples to organic apples, and exclude the 53rd week in 2004, sales last year were up a robust 9.1%. This sales growth was driven by the addition of three new Wild Oats Natural Marketplace stores and five new Henry's Farmers Market stores in 2005, as well as a solid 3.8% growth in same-store sales.



The natural products industry continues to grow at a rapid clip – 6.9% to be exact – and, in 2004 reached \$45.8 billion in annual sales, according to *The Natural Foods Merchandiser* (please refer to chart, page ii). As more and more consumers seek high-quality natural and organic foods, Wild Oats will be there with compelling stores, friendly and knowledgeable service, and a true sense of community.

In 2005 we met growing consumer demand by adding stores to our portfolio, by upgrading our existing store base and by providing training opportunities for our staff. We opened eight new stores – two of which were relocations of smaller, older stores – and closed one small store in 2005. Our square footage grew 5.5% to 2.58 million square feet (please refer to chart, this page). We have further honed our real estate strategy and site selection process, and believe we are now picking sites and opening stores better than ever. In addition to relocating two stores and closing one, in order to upgrade our existing base of older stores, we completed the major remodeling of four stores in 2005.



SQUARE FOOTAGE (millions)