

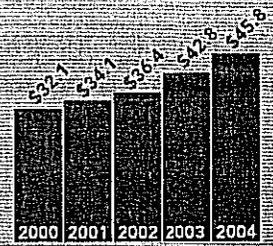
Exhibit 56 to Plaintiff's  
Memorandum of Points and Authorities  
in Support of Its Motion for Temporary  
Restraining Order and Preliminary Injunction  
(PX00601)  
Part 2 of 3

With store closures and relocations somewhat offsetting new openings and expansions in 2006, we continue to strive to achieve at least 10% square footage growth annually to outpace the growth in our burgeoning industry. However, we anticipate we may not get there without accelerating our growth plans. We are always on the lookout for opportunities to grow faster, but will balance that desire with the discipline of responsible, profitable expansion that meets our return criteria.

We were able to leverage higher sales against controlled expenses in 2005 and reported gross profit of \$327.6 million, a 10.3% increase over 2004. Our gross margin improved by 80 basis points to 29.1% in 2005. This dramatic increase in gross margin was achieved through our ability to strike a balance between sales and promotional activity, as well as our successful implementation of new merchandising initiatives in 2005. Our direct store expenses declined 90 basis points to \$242.8 million or 21.6% of sales. And, as a result of higher sales, improved gross margins and better direct store expense leverage, our store contribution increased 37.9% in 2005 to \$84.7 million, or 7.5% of sales.

Most notable were our improved bottom-line results. All the work we have undertaken the last five years to build an infrastructure for this Company is beginning to pay off. Our investments in information technology, our strengthened distribution systems, and centralized marketing and buying functions allowed us to reap several benefits last year. Our Adjusted EBITDA increased 89.8% in 2005 to \$41.0 million. And, we returned to profitability, with net income of \$3.2 million, or \$0.11 per share, compared with a net loss of \$40.0 million or \$1.37 per share in 2004 (please refer to financial charts, page v).

With a solid year of progress behind us, we look forward to achieving our growth prospects in 2006 and beyond. We are focused on building a stronger national brand that will lead the natural and organic products industry. The re-launch of our private label products has been a huge step in this direction. In 2005, sales of these products were up 35% over 2004 (on top of an increase of 50% over 2003).



GROWTH IN  
NATURAL PRODUCTS  
(\$ billions)

Natural products industry sales,  
The Natural Foods Merchandiser



From imported Italian sodas, frozen pizzas and tamari almonds, to French organic chocolate truffles, whole grain breads and soy milk, we now have 1,100 products in our portfolio and will add at least 300 more items in 2006.

We've taken our branded products outside of our four walls and continue to work on new alliances to sell our products in other retail environments that attract like-minded consumers. In addition to building our brands through private label expansion, we are honing in on the attributes that make our brands

special to our customers and engender their loyalty. These include emotional bonds like trust, authenticity, knowledge, wellness authority, sense of community, and environmental and social responsibility. These are the attributes that draw an impassioned workforce to Wild Oats, Henry's, Sun Harvest and Capers stores, and they are the reasons why customers choose our stores over others.

Our people represent our brand in every interaction with our customers. They share their deep knowledge and passion about wellness and great food with consumers, the media and at industry gatherings. We sincerely appreciate their commitment and dedication, and as I said at the start of this letter, we couldn't have done it without them. We also thank our vendor partners and our Board of Directors for their support and guidance over the last year.

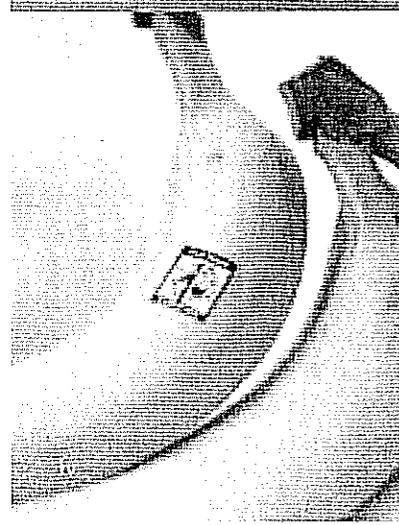
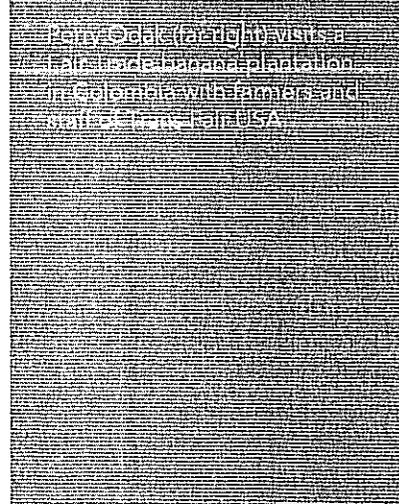
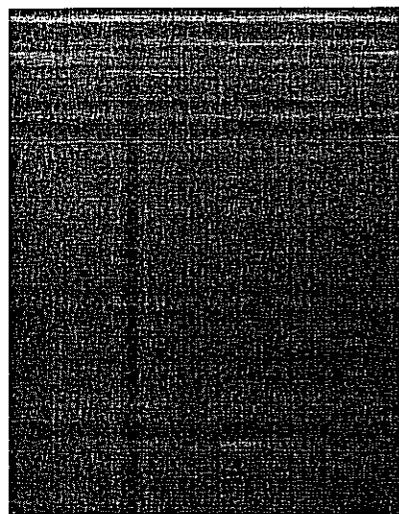
Real food and real people is what it's all about. We look forward to building upon a successful year in 2005 to deliver even greater value for our shareholders in the coming years.

Sincerely,



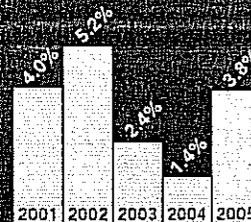
Perry D. Odak  
President and Chief Executive Officer

March 15, 2006



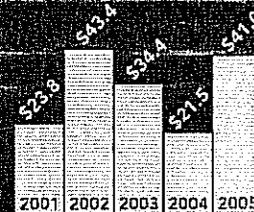
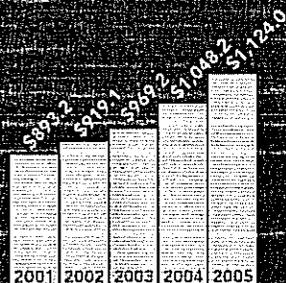
## 2005 FINANCIAL SNAPSHOT

- 8 new stores
- 4 major remodels
- 5.5% square footage growth
- 7.2% increase in sales
- 3.8% comparable store sales growth
- Adjusted EBITDA increased 89.8% to \$41 million
- Gross margin improved 80 basis points to 29.1%
- Store contribution increased 38% to \$84.7 million, or 7.5% of sales
- SG&A expenses declined to 5.9% of sales



### COMPARABLE STORE SALES

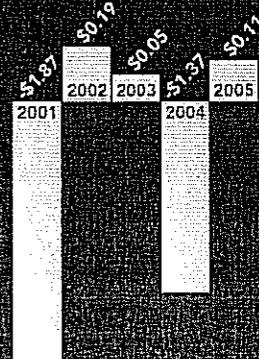
### SALES (\$ millions)



### ADJUSTED EBITDA (\$ millions)

Earnings before interest, taxes, depreciation, amortization & restructuring charges

### EARNINGS PER SHARE (diluted)



## WILD OATS VISION

Wild Oats is the leading retailer of organic and natural products and offers the ultimate experience in food and healthy living. We provide products and information that support the health and wellness of our customers and our employees. Wild Oats employees have financial and emotional ownership in the company, they live our mission and values, and are passionate, knowledgeable, and eager to engage and educate customers. Wild Oats supports its communities on a local and global scale, and is committed to socially and environmentally responsible initiatives. We will continue to grow in new markets to deliver the highest quality products and superb service to consumers.



## TRUST

## ORGANIC



## BETTER FOOD PURE & SIMPLE

Every product we sell undergoes a rigorous review process conducted by the Wild Oats Standards Department before gracing our shelves, freezers and fresh food cases. We look for quality and taste number one — and then ensure that the products meet our strict criteria for being all-natural.

Our Wild Oats branded products are made with the highest quality, premium ingredients. Like many of the products we source from outside manufacturers, they are free of artificial colors, flavorings and additives, as well as hydrogenated oils and high fructose corn syrup. To date, we've introduced 1,100 items to our private label line and sales of these products increased 35% in 2005. We expect to add another 300 new products to our brand in 2006, and will pursue opportunities to sell our private label products outside of our traditional retail channel to build a nationally recognized brand.

