Exhibit 19 to Plaintiff's
Memorandum of Points and Authorities
in Support of Its Motion for Temporary
Restraining Order and Preliminary
Injunction
(PX01332)
Part 12 of 12

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# Wild Oats Brand Vision

***"Become the leading national brand for natural and organic products"***



WO-VS-9-000194

PX01332-100

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# Wild Oats Brand Positioning

## *Wild Oats Brand Positioning*

***For people who desire the best tasting natural and organic products, Wild Oats is the brand of choice. We offer natural and organic products that meet the highest standards in the industry, and provide the most information to support healthy lifestyles and wellness.***



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# Established Presence and Brand

- 1 of 2 National Natural & Organic Chains
  - Wild Oats and Whole Foods brands dominate the Natural & Organic channel
  - Wild Oats established it's brand position via an extensive and authentic "all-natural" and "organic" offering targeting a broadening health/well-being consumer segment
- Established Brand with brand awareness of more than [redacted] in existing markets
- In depth knowledge of category, products and supply chain
- Credibility with consumer
  - Authentic ("as it should be"...pure, organic, highest standards)
  - Driving Dynamic is the health and wellness consumer
- Commitment to innovation and product development

Redacted



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# High Upside Potential

- High brand development and extension potential
- High DMA growth potential
  - Currently in 29 out of 210 DMA's

[redacted]

- Excellent market dynamics
  - High N&O category growth rate
  - Accelerating consumer health and wellness trend
  - Informed, high income customer base
  - Opportunity to expand beyond core customer

[redacted]



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# Brand Extension Capability

- No N&O brand has yet to achieve success over a broad range of categories
- [redacted]
- Brand has been very successful in extending across numerous categories
- [redacted]
- [redacted] selling N&O Brand on Peapod site
- Brand is highly sought after by numerous retailers



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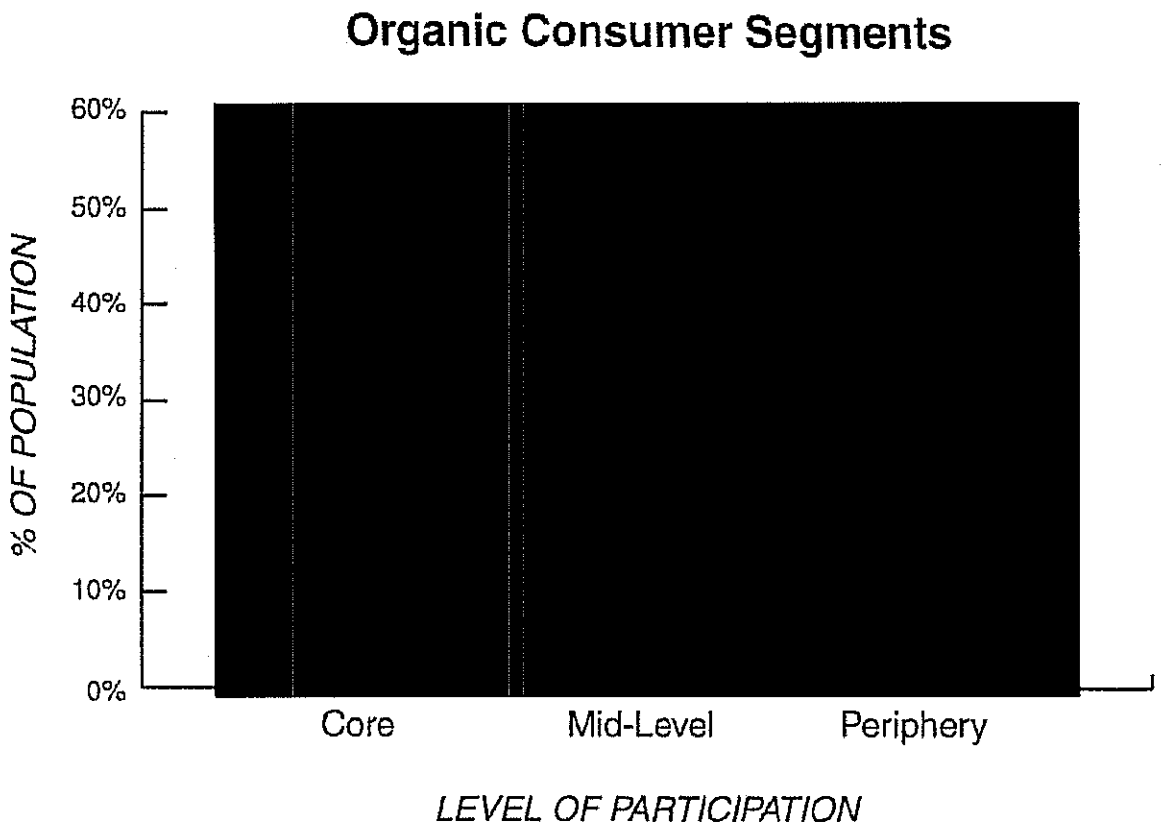
# Consumer Segments




Source: Hartman Group



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# Top Motivators for Natural/Organic Food Purchases

[redacted]

Redacted



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# Top Barriers to Natural/Organic Food Purchases

[redacted]



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# High CDI Market Development Potential

## *Top 15 Natural & Organic Markets*

1. New York
2. San Francisco/Oakland
3. Los Angeles, CA
4. Denver, CO
5. Seattle/Tacoma, WA
6. Baltimore/Washington
7. Boston, MA
8. Hartford/Springfield, CT
9. San Antonio/Corpus Christi
10. Miami/Ft. Lauderdale
11. Portland, OR
12. Philadelphia, PA
13. San Diego, CA
14. Houston, TX
15. Detroit, MI

Note: Current Wild Oats Markets in Blue

**Scource: IRI Supermarket Sales (Sept/2004)**



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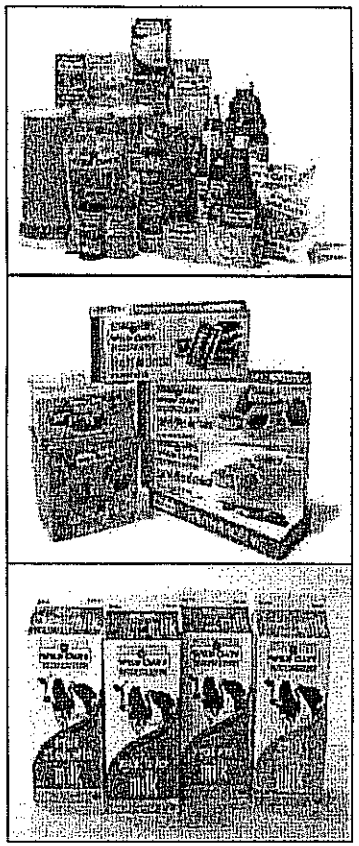
# Future Vision



- Focus on product innovation
- Expand positioning
- Reduce costs through manufacturing and sourcing opportunities
- Offer intrinsic values that go beyond price
- Ride the trends early – build on trends before consumers form real loyalty to national brands
- Be the leading natural and organic brand in all channels



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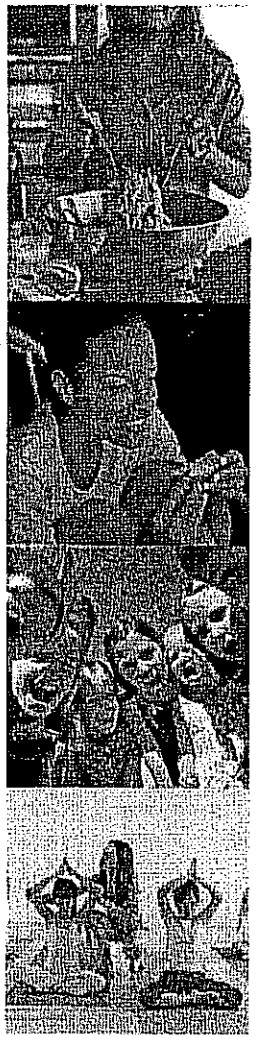
# On Line Retailing



**Phase 1: Online/Home Delivery Tests**

**Phase 2: Online Ordering/Express Pick-up**



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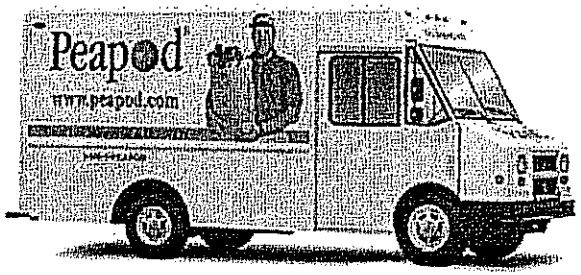
# Phase 1: Online/Home Delivery Tests

## Where we deliver:

Peapod
Chicagoland

Peapod by STOP&SHOP
Connecticut
Massachusetts
Rhode Island
New York
New Jersey

Peapod by GIANT
Washington, DC
Maryland
Virginia




**Key Performance Indicators (2005 YTD through February)**

- Average Weekly Sales - [redacted] over plan)
- Margin – [redacted] (on plan)
- Total Peapod N&O sales - +[redacted]%
- N&O Customer Count - +[redacted]%
- Average Basket Size - +[redacted]%



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# Phase 2: Online Ordering/Express Pick-up

Harris Teeter

Wild Oats

Benchmark Performance: [redacted]% of core grocery customers interested in online ordering and express pick-up (drive thru, time saving convenience)

On Line Sales: >$[redacted]k/month /store

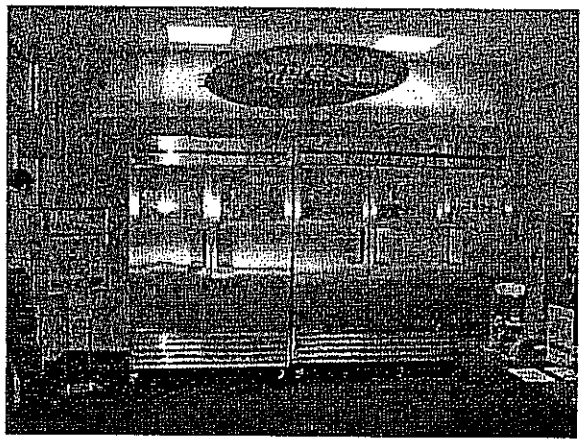
Average basket: $[redacted]

Trading Radius: [redacted] minute drive time vs. 15 minute drive time from store

Share Growth: [redacted]%-[redacted]% of customers using online ordering/express pick-up are new customers to store; yearly order growth >[redacted]%

Store Contribution: >[redacted]% of total sales from online orders (competitive advantage)

Customer Retention: Personal Shopping relationship increases frequency of purchase for a broader range of items (vs. mass market)





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# Discussion and Next steps



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