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Sunflower Farmers Markets Secures \$30 Million in Funding for Rapid Growth

PCG Capital Partners Leads Funding as Company Looks to Increase Numbers of New Stores

Boulder, CO [December 17, 2007] -- Sunflower Farmers Markets, a Boulder, Colorado-based grocery chain founded and led by Wild Oats founder Mike Gilliland, announced today it has raised \$30 million in equity financing from PCG Capital Partners, a private equity firm based in La Jolla, CA.

The funding comes in advance of a major expansion of the Company's retail locations in both existing and new geographic markets. Plans include doubling the number of stores by the end of 2009. **Sunflower will launch new locations at a rate of up to eight stores per year, creating a company portfolio of 50 stores throughout the west within five years.**

Sunflower, founded in 2002, currently operates 13 stores in Colorado, Arizona, New Mexico, and Nevada. The Company's increasingly popular format offers consumers a full-service farmers' market-style grocery store featuring the highest quality natural and organic products at the lowest possible prices.

Mike Gilliland, Sunflower's Founder and CEO, said, "Our value driven approach to the natural foods retailing sector has clearly resonated with consumers. There is tremendous demand for an alternative to the high price format that has predominated in natural foods for so many years. Sunflower, offering 'Serious Food at Silly Prices,' fills a genuine need in the marketplace. PCG Capital Partners' investment will enable us to make this differentiated retailing approach available to millions of consumers throughout the Western United States, including new markets in Utah and Texas."

Tim Kelleher, Managing Director of PCG Capital Partners, said, "We are excited to partner with a proven entrepreneur like Mike Gilliland. We believe that Mike and his team have built a model that uniquely combines value with quality in the natural and organic foods segment. The concept has proven itself over 13 stores in four states. We anticipate our capital will enable Sunflower to capitalize on its success by replicating the model across many additional markets."

Agility Partners, LLC, a Sacramento-based investment advisory group specializing in food and consumer products, advised Sunflower Farmers Markets on the transaction and was instrumental in structuring a transaction that served the needs of all parties.

INTERVIEW OPPORTUNITIES:

- **Mike Gilliland – CEO, Sunflower Farmer's Market**
- **Timothy Kelleher – Managing Director PCG Capital Partners**

PHOTO/VIDEO OPPORTUNITIES:

- **On property/In-store**
- **Photos or Video provided by Sunflower Farmers Market**

About Sunflower Farmers Markets

Sunflower Farmers Markets (www.sfmmarkets.com) is a rapidly growing chain of full-service grocery stores offering consumers the highest quality natural and organic products at the lowest possible price. The Company, founded in 2002, is a pioneer in developing and exploiting the emerging *value* segment of the natural and organic foods retailing industry. The Company has 13 retail stores located in Denver, Fort Collins, Phoenix, Tempe, Scottsdale, Tucson, Las Vegas and Albuquerque and has expansion plans for Texas and Utah.

About PCG Capital Partners

PCG Capital Partners is a La Jolla, CA-based private equity firm that manages several institutionally funded investment vehicles and has over \$1 billion under management. The firm's investment strategy centers around providing structured, non-control growth equity capital to leading public and private companies to finance growth initiatives.

About Agility Partners

Agility Partners (www.Agility-Partners.com) provides investment banking services to small and middle market companies serving the consumer products industry. Agility's focus includes both retailers and product manufacturers, with a particular emphasis on the "healthy lifestyle" market segment. Agility Partners provides capital raising, M&A advisory and merchant banking services and offers a proven record of success through intelligent, aggressive deal-making that respects the priorities and needs of its clients.