

## **HOUSE OF BREAD BAKERY GOES ORGANIC**

SAN LUIS OBISPO, Calif., February 11, 2005 – House of Bread Franchising, a specialty bakery business headquartered on California’s central coast, is once again staying ahead of the healthy food curve by adding organic bread to its existing lineup of healthy, natural and tasty baked goods.

“We have just begun baking our franchise staple – honey whole wheat bread – in an organic version and we can’t keep it on the shelf,” noted House of Bread founder and CEO Sheila McCann. She added that the other 9 House of Bread locations around the country will follow suit in the coming weeks and months.

McCann explained that the decision to add organic products is both a sound business decision and a decision resulting from her firm belief in providing the healthiest and tastiest products that can be made.

Data from 2002 showed that already 39 percent of the U.S. population was using some form of organic products, according to the Natural Marketing Institute (NMI) and SPINS. Another study, by Datamonitor, showed that the U.S. organic market was projected to reach \$30.7 billion in sales by 2007.

“Yes, we want to give our customers the healthiest food we can. But it has reached a point where this is just plain good business,” McCann said. “Consumers in this country have woken up to the realization that health should be a number one concern. And when you can make a healthy product that tastes great, well, this is how to grow a successful business.”

Indeed, despite last year’s downturn in carbohydrate consumption led by dieters on the Atkins Diet and the South Beach Diet, House of Bread franchising saw a dramatic increase in business in 2004. Five additional locations were added in 2004 – Flagstaff, AZ; Roseville and Ventura, CA; Plymouth, MI; and Mill Creek, WA – and several more are getting ready to open this year.

“I’ve been looking at going organic with my products for quite awhile, but the wheat berry costs were too high for House of Bread to produce a product at a reasonable price point,” said McCann. “Now that interest in organic lifestyles is booming, more

organic growers are entering the marketplace, bringing down costs and making the switch financially possible for our organization.”

In addition to the new organic honey whole wheat, House of Bread is adding organic versions of two more bakery favorites: cinnamon raisin walnut and Dakota, a hearty seeded bread.

“Of course, others may follow. The fact is, I’ve been encouraged to go organic by the consumer demand for this. They have been asking for organic because it delivers both health benefits and superior flavor. As good as our bread tastes, the organic versions are even better. I feel good about providing a quality product that is good for both consumers and the environment.”

McCann, a former public defender who left the judicial system behind to enter the baking industry, commented, “Educating consumers about the health benefits of natural products – made without preservatives or additives -- has been our hallmark from day one. Now, we’re helping them maintain a healthy lifestyle even further by offering an organic product that fits in with their health beliefs and practices.”

### **About House of Bread**

Sheila McCann opened the first House of Bread in San Luis Obispo, Calif., in 1996. In 1999, she began a national franchise program that expanded into 11 states by the end of 2004. All House of Bread recipes rely on fresh, high-quality ingredients, such as the high-protein wheat berries from Montana that are ground into flour daily at each House of Bread location. For more information, go to [www.houseofbread.com](http://www.houseofbread.com). House of Bread locations can be found in Flagstaff, AZ; Fremont, Roseville, San Luis Obispo, and Ventura, CA; Plymouth, MI; Reno, NV; Salt Lake City, UT and Mill Creek, WA. Future locations include Arroyo Grande, Walnut Creek and Pleasant Hill, CA; New Orleans, LA and North Olmsted, OH.

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