

THE HEALTH FOOD COMPANY



THE MARKET

Since commencing business in 1898, **Sanitarium Health Food Company** has been at the forefront of encouraging healthy eating and producing foods that “not only taste good but are good for you”. Sanitarium’s desire is to help people ‘learn to stay well’ – the meaning of the word ‘Sanitarium’. The Company advocated vegetarianism before it became trendy and was the first to introduce the concept of health food shops. It took the vision and courage of Sanitarium’s founders to promote, produce and sell health foods during an era when Australians consumed foods low in nutritional value.

Today, **Sanitarium** is credited with changing the way Australians eat, particularly at breakfast and through its promotion of healthy eating and a vegetarian diet. Its philosophy to produce healthy foods low in fat, salt and sugar while maintaining the highest level of value and appeal establishes a benchmark within the Australian food industry.

ACHIEVEMENTS

The most recognised brand in the **Sanitarium** stable is undoubtedly **Weet-Bix**[®], which has remained Australia’s most popular breakfast cereal for over 35 years, in a market category worth more than A\$857 million per annum.

In 1999, the Company led the way in the breakfast food category with the introduction of **Up & Go**[®] a “liquid breakfast”. It was developed to meet the demands of consumers with a busy lifestyle who might regularly skip breakfast. **Up & Go** has the goodness of two **Weet-Bix** and milk.

In 1986, **Sanitarium** launched **So Good** and two years later it received world recognition at the International Food Exposition in Paris with the Sial D’or award for the most innovative beverage. **So Good** has held the position of Australia’s leading soymilk since its launch. The **So Good** range now includes eight variants that are available in chilled or convenient UHT format and a range of low-fat soy ice-creams.

Since launching **So Good** in 1999 to the Canadian market, **So Good** quickly became the country’s leading soymilk. **So Good** is also fast becoming a successful brand in the UK.

Sanitarium Development and Innovation, located at Cooranbong (NSW), is a renowned food research and development facility in the Asia Pacific region.

The **Sanitarium Nutrition Service** has a team of qualified nutritionists and dieticians who provide free advice to Australia’s health professionals and consumers on healthy eating choices and promote a diet high in fruit, vegetables, legumes, nuts and wholegrain foods. A range of leading Sanitarium vegetarian products supports this healthy living philosophy.

HISTORY

In the early 1800s a small group of Seventh-day Adventist immigrants began importing products from the then famous Battle Creek Sanitarium in Michigan, USA where Dr John Harvey Kellogg produced a range of health foods including cereals. As the popularity of these types of products grew, it was decided to establish the **Sanitarium Health Food Company**. In 1898, Edward Halsey was commissioned as Sanitarium’s first baker, and from a rented bakery in Melbourne he commenced making the Company’s first peanut butter which sold initially in tins and was originally marketed as ‘Betta’ Peanut Butter.

A range of ready-to-eat breakfast cereals was quick to follow and included Granose (an unsweetened forerunner to **Weet-Bix**) and Granola (a cereal made from wheat, oats, maize and rye) which were unlike anything previously available to the consumer.

Sanitarium Health Food Company was officially registered on April 27, 1898.



Later that year, with demand increasing rapidly, the fledgling company relocated to larger premises at Cooranbong, a rural area south of Newcastle in New South Wales. Edward Halsey installed the baking equipment in a large disused sawmill. The stage was set for the Company to expand.



In the following year, Edward Halsey was transferred to New Zealand where he began making the first batches of Granola, Caramel Cereal (a coffee substitute) and bread in a small wooden shed in the Christchurch suburb of Papanui.

In the 1920s, **Sanitarium** faced a challenge to Granose from a new sweetened flake biscuit called **Weet-Bix**, introduced by a company called Grain Products. In October 1928, the two companies decided to call a truce and Sanitarium acquired Grain Products, and made the **Weet-Bix** brand its own.

During the 1920s, **Sanitarium** was the first to introduce Australians to a savoury yeast spread called **Marmite**. Originally imported from the United Kingdom, it has been manufactured by Sanitarium since it secured the secret formula from the English,



just before World War II.

Since those days the Company has grown until, today, it has 12 manufacturing and distribution sites throughout Australia and New Zealand making over 100 products and employing approximately 1700 people.

THE PRODUCT

Sanitarium offers a substantial range of health foods to the discerning, health-conscious consumer. Its range of breakfast cereals includes

Weet-Bix (of course), **Weet-Bix Crunch** launched in 2004, **Fruity Bix**, **Skippy Cornflakes**, **Light 'n' Tasty**, **Honey Weets** and **Ricies**.

So Good represents a range of soymilk products including **So Good Ice-Cream**. The Sanitarium range also includes **Marmite** and **Peanut Butter**, a range of prepared vegetarian foods and various speciality products.

RECENT DEVELOPMENTS

Sanitarium Health Food Company is unique among food manufacturers for its emphasis on nutrition and health education and its long-standing support for the well-being of Australian communities. The Company shares with its employees a commitment to retaining its original community support orientation.

Sanitarium, established by the Seventh-day Adventist Church in Australia distributes its profits to the church for charitable purposes. The church in Australia operates medical and educational facilities and assists with community development and crisis response through the Adventist Development and Relief Agency (ADRA) and ADRAcare. Other community projects include family counselling and support for families in crisis; services for the blind including Summer Camps for children; 'stop smoking' education, Aboriginal and Torres Strait Island community health support and education.



In addition, Sanitarium gives generous donations, in-kind product support and encourages its staff to get actively involved in support of community activities.

As part of its program to encourage a healthy community the Company conducts the **Sanitarium Weet-Bix Kids TRYathlon** series. The event is

was done together with retailers, and consisted of little more than dressing windows and putting goods on display.

The very first press advertisement for **Sanitarium** health foods appeared in Melbourne's 'The Bible Echo' but in October of 1922, the decision was made to begin placing 'fair-sized' advertisements in the leading newspapers in capital cities

and some larger towns. The first official campaign began later that year. By the mid-1920s, the **Sanitarium** name had become a well-recognised part of the commercial world.

A promotional practice, for which **Sanitarium** was to become famous, inserting collector cards in boxes of **Sanitarium Weet-Bix**, began in 1942 and continues today. The cards, which were issued progressively to form series, were designed with an educational focus.

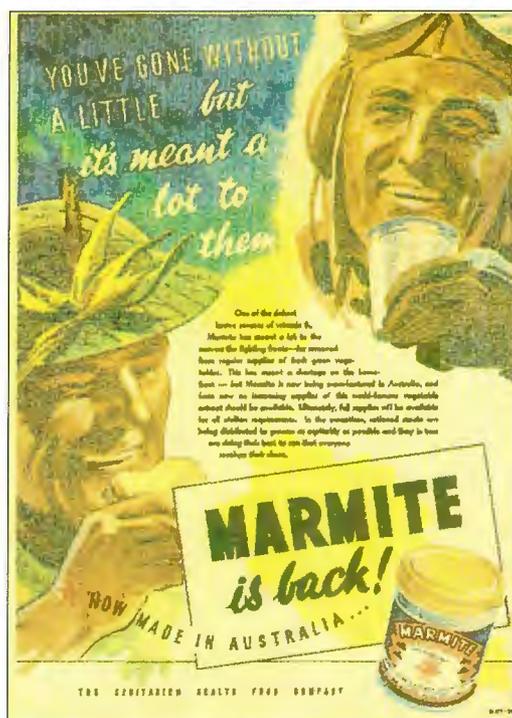
Television advertising for **Sanitarium** products began appearing in the early 1960s. Mrs Joan Bateman presented weekly TV segments called 'Taste for Food', demonstrating vegetarian cooking techniques using the Company's products.

Television remains a major part of today's promotional activities for **Sanitarium**, with campaigns involving the Australian Cricket Team.

BRAND VALUES

Sanitarium is more than just selling food and making a profit. Its core values are centred on encouraging people to enjoy happy, healthy lives. The Company remains true to the reason it was established more than a century ago by the Seventh-day Adventist Church.

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designed to provide a positive and fun sporting experience to encourage healthy living amongst kids. This family-orientated event attracts up to 10,000 participants and many more supporters around Australia and was established in 1999.

In 2004, the Australian Red Cross and **Sanitarium** announced a partnership to expand nationally the **Good Start Breakfast Club**, a community program conducted by the Australian Red Cross to provide a healthy breakfast each morning for kids in areas of most need.

PROMOTION

Since the very beginning, the **Sanitarium Health Food Company's** philosophy with advertising has been governed by the overriding principles of reliability, trustworthiness and good nutrition.

In the early days, the best forms of promotion were word-of-mouth recommendations as well as referrals from doctors and chemists, since the foods were sold on their health benefits.

Prior to 1920, most of Sanitarium's advertising

THINGS YOU DIDN'T KNOW ABOUT SANITARUM

- **Sanitarium** is 100 per cent Australian owned and its profits remain in Australia.
- The **Weet-Bix** made by Sanitarium's Cooranbong factory in a year would cover a football field to a depth of 3.4 metres.
- **Weet-Bix**, the most recognisable brand from Sanitarium, has remained the best-selling breakfast cereal in Australia for more than 35 years
- **Sanitarium** opened its first health food café in Pitt Street, Sydney in 1902.
- **Sanitarium** exports to 30 countries worldwide.
- **Weet-Bix**, **Skippy Cornflakes** and **Light 'n' Tasty** are among New Zealand's five top selling cereals.