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**NPE West 2006 – Booth # 4050**

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## **CHARTER BAKING COMPANY CELEBRATES ITS POST-CONSOLIDATION FIRST QUARTER WITH BOOMING SALES**

*The Recent Merger of Three Premier Industry Brands, Rudi's Organic, Vermont Bread and The Baker into Charter Baking Company Shows Signs of Success*

**ANAHEIM, Calif. (March 23, 2006)** – Charter Baking Company (“Charter Baking”), a portfolio company of Charterhouse Group, Inc., completed the merger of Rudi’s Organic Bakery (“Rudi’s”) with the operations of The Vermont Bread Company and the Adams Baking Corporation in August 2005. With the combination of three like-minded, bread-making visionary companies, Charter Baking is positioned as North America’s leading organic and natural baking company with premier industry brands and a national presence. Following the merger, Charter Baking’s sales increased 20.6% by the end of 2005, proving its national presence and brand synergism.

In early 2005, Charterhouse Group, the New York-based private equity firm, established Charter Baking Company and commenced its build-up within the natural and organic baked goods sector with the acquisition of The Vermont Bread Company (“VBC”). Based in Brattleboro, Vt., VBC is one of the northeastern region’s largest producers and distributors of natural and organic breads and muffins. Founded in 1978 by entrepreneur and continuing shareholder Lisa Lorimer, VBC today sells its products to natural/organic supermarkets, independent natural food stores, traditional supermarkets and mass retailers throughout the northeastern corridor.

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Charter Baking Company completed its second acquisition, Adams Baking Corporation (“Adams”), in June 2005. Adams, another premier maker of specialty natural, made-with-organic and ‘better-for-you’ breads, cereals and other baked goods, sells most of its products under *The Baker*<sup>™</sup> brand. Additionally, Adams produces the award-winning line of granola, ranked number one by *Body and Soul Magazine* (June 2005). Founded in 1979 and based in Milford, NJ, Adams prides itself on healthful ingredients and unique product creations. Adams breads, known for their freshness, are made with organic whole wheat that is milled on-site with the dough allowed to rise naturally, without artificial enhancers.

The complete merger came to fruition in August 2005 when Rudi’s Organic Bakery joined Charter Baking Company. Headquartered in Boulder, Colo., and celebrating its 30<sup>th</sup> anniversary this year, Rudi’s Organic is the nation’s leading producer and distributor of USDA certified organic sandwich breads, artisan breads, hamburger buns, hot dog rolls, tortillas and spelt baked goods. In 1976, the Company commenced operations as a small bakery shop and health-conscious consumers soon recognized the Rudi’s Organic brand for its nutritious preservative-free baked goods. A pioneer in the baking field, Rudi’s helped champion congressional passage of the Organic Foods Production Act of 1990, more than a decade before implementation of the official U.S. National Organic Standards. Today, the Company sells its organic bread across the nation to natural/organic supermarkets, independent natural food stores, traditional supermarkets and mass retailers.

The Charter Baking operating team is comprised of seasoned food and operating executives. Charterhouse Strategic Partner Paul Mullan is the Company’s Chairman. Mr. Mullan is an experienced food industry leader having served as CEO of Del Monte Foods and as CEO of Fleece, Inc., both former Charterhouse Group consumer products portfolio companies. John Foley remains the CEO of Charter Baking Company. Previously, he was a senior sales and marketing executive with Grupo Bimbo - Bimbo Bakeries USA, the world’s second largest baking company, and a former General Manager with Bestfoods Baking/Unilever. Victoria Hartman, a senior Rudi’s executive, assumed the role of Charter Baking’s Vice President – Sales and Marketing. Ms. Hartman brings sales experience from prior positions at Horizon Organic Dairy and Celestial Seasonings.

The triple-brand incorporation is proving to be a success. Since the consolidation in August 2005, all three brands increased sales by 29.3%, according to SPINScan 52 weeks ending December 31, 2005.

Victoria Hartman, Vice President of Sales and Marketing for Rudi's Organic, states, "This merger joined together three unique and pioneer brands, the resources of Charterhouse Group, and one common vision for growth within the natural and organic baked goods category." Ms. Hartman reports that the newly combined forces give more consumers the opportunity to purchase natural and organic breads across the U.S.

Joe Rhodes, a Partner at Charterhouse Group, says, "Charter Baking is clearly taking shape as the ideal national platform in the natural and organic baked goods sector. Our objective is to continue to develop our leading brands and address consumers' and retailers' needs for excellent products in various bakery categories. We look forward to taking this newly-shaped company into its next chapter of growth in similar fashion to successful investment build-ups that we have created in other industries."

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**Charterhouse Group, Inc.** is a private equity firm with three decades of experience in building leading middle-market companies. Established in 1973, Charterhouse currently manages an excess of \$1.7 billion in equity through several limited partnerships. Since its inception, Charterhouse Group has completed investments in over 90 platform companies with a focus in the Business Services, Healthcare Services and Consumer Products & Services sectors. For more information, please visit [www.charterhousegroup.com](http://www.charterhousegroup.com).

For more information on the Charter Baking Company entities, please visit [www.rudisorganicbakery.com](http://www.rudisorganicbakery.com) and [www.the-baker.com](http://www.the-baker.com).

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