

DYNAMIC DUO

HEALTH IS WEALTH OWES ITS SUCCESS TO AN UNLIKELY PARTNERSHIP COMMITTED TO THE CREATION OF WHOLESOME, HEALTHFUL FOODS.

Question: What do you get when you cross a former Mr. Universe and a poultry processing veteran?

Answer: A food processing phenomenon that's committed to the creation of wholesome and healthful natural food products.

At least that's how the scenario played out in the creation of Health is Wealth Inc.

In 1977, Val Vasilef, a Mr. America and Mr. Universe titleholder and owner of a vitamin business, joined forces with Jerry Colt and his family poultry processing company to form the Williamstown, N.J.-based company. Health is Wealth launched with Vasilef as its president and Colt as its vice pres-



Val Vasilef, president (left), and Jerry Colt, vice president, of Health is Wealth.

ident — and a small line of products such as chicken and turkey sausages.

Interestingly, those original products are no longer part of stable of offerings.

“As the family business evolved into cooked products, so did the Health is Wealth product line,” explains Colt. “We began to produce a line of chicken nuggets and meatless chicken nugget products known today as ‘Chicken-Free Nuggets.’”

As the products caught on and Health is Wealth expanded, says Colt, manufacturing space grew tight. The duo then searched for other companies willing to partner with them to produce products it could no longer process within the poultry plant.

Today, the company boasts more than 35 frozen vegetarian, vegan or all-natural items. The current product lineup includes chicken nuggets, patties and tenders; meatless nuggets and patties; “Munchees” Asian appetizers such as egg rolls and spring rolls; pizzas and more.

Health is Wealth's frozen foods now are carried by natural food retailers and traditional supermarkets across the United States. In addition, says Colt, several products enjoy limited distribution on the foodservice side.

But Vasilef and Colt have no plans to slow down. Product development remains a focus within their operation.

In 2005, says Colt, Health is Wealth introduced a Cheddar Cheese Twice Baked Potato and a Sour Cream & Chive Twice Baked Potato. The 5-ounce potatoes are all-natural renditions of popular retail offerings and are individually



All-natural renditions of consumer favorites.

wrapped and packaged two to a box.

The potato products also became the first to flaunt modernized packaging, says Colt.

“Along with these two products, we revised our packaging design,” he says. “Currently we are converting our existing products to the new package design, which will begin to show up in stores over the course of 2006.”

The redesign marks the second packaging revamp in the company's almost 30-year history. The first redesign was pivotal in that it transformed the packaging from labeled trays to fully printed retail boxes, says Colt, giving Health is Wealth more credibility and opening more doors on the retailer side.

Besides the packaging switchover, the company plans to launch no fewer than eight new products in 2006. It also hopes to expand distribution of both existing and new products into additional retail chains.

But Colt realizes that Health is Wealth faces an uphill battle as it attempts to gain precious freezer shelf space.

“While we do have a line of pretty well known and accepted products, there is only so much room in any store freezer case,” he says.

Although larger natural stores are expanding to create enough space for growing frozen lines, mainstream super-

markets often still devote only a few freezer doors to natural and organic products. This reality, says Colt, limits the number of brands they can carry. In addition, it tends to discourage natural food consumers from shopping at traditional supermarkets.

Another major issue that most frozen food companies face is the demand for free goods and slotting to place products, Colt contends.

"It is an expensive proposition, so you need to be absolutely sure you have a winning product before you commit to larger retail customers," he says.

To increase its products' odds for success, Health is Wealth custom designs its promotional program for each retail customer, says Colt.

"It is a joint effort that should benefit Health is Wealth and the retail stores — and create a reasonable price point for the ultimate retail customer," he says.

In addition, the company recently

revised its sales force and brokerage network, notes Colt. The changes have enabled Health is Wealth to reach more contacts nationally and spend more time in each area of the United States. The development of some export business also is in the works.

When it comes to future growth, longevity, name and product distinctiveness will work in the company's favor, says Colt. Another potential growth driver is escalating consumer interest in natural and organic offerings.

"There is a new wave of growth currently going on," says Colt. "The consumer is realizing that good foods do make a difference in their health."

Consumers also have noticed that today's products taste a lot better than earlier incarnations, says Colt.

"Years ago, a lot of the natural foods had a bad rap because they were pretty bland tasting," he says. "Over the years, as more and more people and

companies evolved, we created better-tasting natural food products."

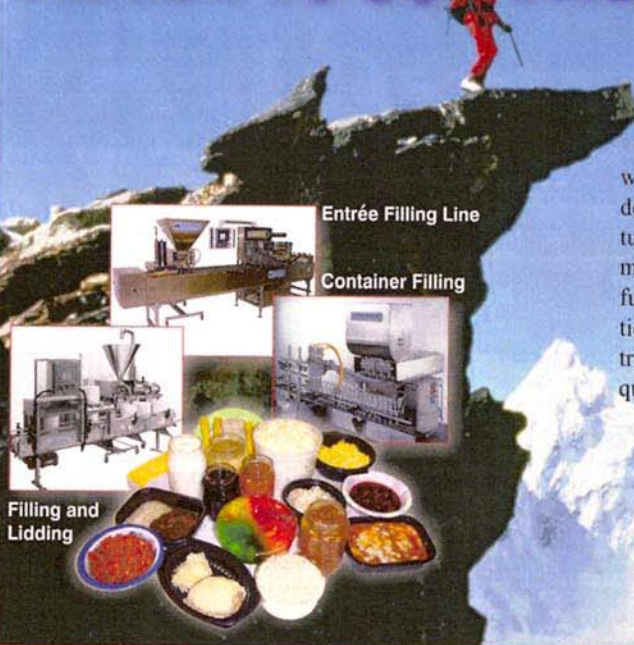
Colt credits specialty retailers such as Whole Foods and Wild Oats with giving consumers wider access to desirable natural products. He's hopeful that their influence will continue to help bring about even greater growth for natural foods — and Health is Wealth — within traditional supermarkets.

"There is a large enough selection in these stores to convince 'questionable' consumers that there actually are good natural foods available," he stresses.

"This has spurred [some] mainstream supermarkets to set up their own natural foods sections to service natural foods customers."

With healthful offerings that tie into other important consumer trends such as convenience and ethnic flavors, continued success seems like a given for Health is Wealth — and the dynamic duo behind it.

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