



MEDIA RELEASE

24 August 2021

SWEET SUCCESS – TWO BELOVED BAKING BRANDS COMBINE TO BUILD A BETTER BUSINESS

The group that recently purchased the fast-growing Original Foods Baking Co. has announced today it has agreed to acquire iconic desserts and baked goods brand Sara Lee from McCain Foods in Australia and New Zealand, as part of a partial management buyout with Sara Lee's existing Managing Director.

This announcement from New Zealand's South Island Office investor group will create and grow the region's leading frozen bakery goods company, as it brings together two great baking companies that specialise in using locally sourced ingredients to bring delicious treats to families in Australia, New Zealand and internationally.

The acquisition creates a strong partnership as both Sara Lee and the Original Foods Baking Co. have a long tradition of supplying Australasia with indulgent baked goods and desserts. The combined product ranges and distribution channels are highly complementary.

As part of its strategy to grow the Sara Lee business, McCain appointed Mark Mackaness as a dedicated General Manager in 2019 to build standalone business capability, operating independently from McCain and allowing for a relatively seamless transition of the business.

As part of this acquisition, Mr Mackaness has invested in the business and will be an equity partner and Group CEO, further demonstrating the confidence Sara Lee's leadership has in the future for the two businesses. Sara Lee's leadership team will be staying with the business, allowing for continuity for teams, customers and suppliers.

Mr Mackaness said that beyond the certainty and continuity this arrangement provides for stakeholders, the strategy is designed for growth for the two companies.

"Sara Lee is almost entirely complementary to Original Foods Baking Co.," Mr Mackaness said. "Original Foods Baking Co. is already branching out to Australia and beyond with its range of brownies, slices, bites and more. At Sara Lee, we have built an iconic Australian bakery brand, and our quality ice cream, cheesecakes, apple pies, danishes and puddings have been a household favourite in Australia and New Zealand for 50 years.

"This partnership allows both businesses to gain exposure to new channels and markets as we have different strengths in retail and foodservice in Australia and New Zealand.

"Sara Lee marked our 50th birthday in June, and Original Foods Baking Co. celebrated its 30 years in the same month, so it seems we have been aligned in our love of baking for many years. Our teams are a natural fit.

"Since 2013, McCain has invested more than \$AUD40 million in Sara Lee's product innovation and infrastructure to create a successful, well-run business that is prepared for growth and future, so we will look to continue to innovate and maintain our growth journey from day one.

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“I am excited and confident about the future of Sara Lee with Original Foods Baking Co. We will continue to run independently, employing locally and offering customers the same quality range. As such, while we’re not looking for immediate ‘synergies’ - our businesses complement each other perfectly, so we’ll be looking for opportunities to partner for ongoing growth,” Mr Mackaness said.

Mr Mackaness said the Sara Lee plant in Lisarow, New South Wales was built in 1971 beside orchards, where it used to source oranges for the famous Sara Lee Orange cake. Today, Sara Lee still sources 90 per cent of its ingredients locally, while also employing 220 people from the region.

“Similar to Sara Lee, Original Foods Baking Co.’s delicious range is made from quality ingredients, with no additives or preservatives and a whole lot of love. Where possible, fresh, local ingredients including 100 per cent New Zealand butter, cream, milk, eggs, cream cheese, chocolate and freshly grated carrot are used,” Mr Mackaness said.

“We are excited to see how the longstanding reputation of each company for passion and commitment to quality baking can unite us for even greater success and growth, together.”

Mr Mackaness said that under the terms of the sale, all current Lisarow-based Sara Lee employees’ jobs are protected and they can all participate in the next exciting phase of the Sara Lee story.

“Our customers will experience seamless service throughout this acquisition process, as McCain will continue to provide business process and services support to Sara Lee for a period following the sale, allowing us to plan for the future without disruption for customers and suppliers,” Mr Mackaness said.

“The future is bright for Sara Lee. Uniting two great baking businesses that will work together to grow into Australia and New Zealand’s premier frozen baked goods supplier is genuinely exciting. We will be investing back behind the Sara Lee brand to continue to give Aussie and Kiwi consumers the great classics they love, with a lot of new products to come as well. Importantly, Sara Lee has been very much a sweet part of the Central Coast food manufacturing landscape for 50 years at the Lisarow Bakery, and we look forward to this continuing well into the future.”

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