

7.12.92



**TREASURER**



NO. 189

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**EMBARGO IMMEDIATE RELEASE**

**FOREIGN INVESTMENT PROPOSAL  
CAMPBELL SOUP COMPANY'S PROPOSED ACQUISITION OF ARNOTTS LIMITED**

I have decided to approve (subject to conditions) the proposal by Campbell Soup Company (Campbells) to acquire Arnotts Limited (Arnotts), subject to the following conditions:

- Arnotts will continue to be an Australian listed company;
- the majority of members of the Arnotts' Board will be Australian citizens; and
- Arnotts headquarters and manufacturing operations will continue to be based in Australia.

These conditions are designed to ensure that Arnotts' activities remain centred in Australia as it undertakes its proposed export drive into Asia. Under amendments made in 1989, these conditions are enforceable under the Foreign Acquisitions and Takeovers Act 1975.

Arnotts, as a listed Australian company with active involvement by Australian shareholders, will provide opportunities for Australians to participate in Arnotts' activities both here and abroad.

Campbells' experience in the food industry and financial strength should assist Arnotts in a strategy to pursue exports in Asia. A strong asset backing will be important for Arnotts in meeting the international competition for this market and making the necessary efforts to entrench brands.

In reaching this decision, I have taken into account the advice of the Foreign Investment Review Board (FIRB).

The conditions attached to my approval represent commitments that were volunteered by Campbells in discussions with the FIRB. This type of consultation is an important part of the administration of the Government's foreign investment policy. Foreign investors are encouraged to discuss their proposals with the FIRB at an early stage so that any issues of concern can be identified and remedied prior to submission to the Government.

My decision is in relation to the Government's foreign investment policy. It is for Arnotts' shareholders to decide whether to accept Campbells' offer to buy their shares. Similarly, it is for Campbells and Arnotts to resolve their dispute regarding the 1985 Heads of Agreement between the two companies.

7 December 1992

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