



*****EMBARGOED UNTIL 0001 HRS, 8 DECEMBER 2020*****

The Arnett's Group announces major upgrade of Campbell's Soup plant in Victoria to bring more food manufacturing into Australia

Upgrade set to increase production capacity at Campbell's plant in Shepparton, drive export growth and deliver business, jobs and skills opportunities in regional Victoria

Shepparton, Australia – 8 December 2020

HIGHLIGHTS

- **An \$8 million upgrade of the Shepparton plant, as part of a planned infrastructure investment program across The Arnett's Group network over the next three years.**
- **Upgrade to enable a 30% increase in overall production volume at Campbell's Shepparton in the next 12 months and 400% increase in export volume.**
- **New volume is expected to create up to a dozen new jobs as production increases to support demand.**
- **Over half of the project spend will be on Australian services, equipment and labour, with the remainder used to import equipment.**
- **Indirect economic benefits due to \$10 million increase annually in use of more farm produce, new operational expenditure and new employment in regional Victoria.**

The Arnett's Group today announced it will be manufacturing an extra 16.5 million kilograms of Campbell's soups and stocks at its Shepparton plant in Victoria each year, thanks to a nearly \$8 million upgrade of the site.

The Arnett's Group owns the licencing rights to produce Campbell's products in Asia Pacific as part of its portfolio of consumer food brands, which includes Arnett's Biscuits.

While domestic demand for canned soup products has been largely flat (and declining for some categories) in Australia, the Shepparton plant has been under-utilised. But demand from Asian countries is strong and The Arnett's Group will make the most of export opportunities in key markets.

The announced upgrade will uplift production at the Shepparton plant by 30% and exports by 400%. The local team will take over preparation of Campbell's soups and stocks for export to new markets including Singapore, Philippines, Thailand, Korea, Taiwan, as well increase exports to existing markets in Hong Kong and Japan over the next 12 months. These products are currently manufactured overseas within The Arnett's Group's global sourcing network.

The three-phased project will help secure the financial future of the Shepparton plant and is expected to deliver up to 12 new full-time jobs as part of planned increase in production.

The upgrade will also have flow-on benefits to Australian suppliers and partners. The Shepparton plant has more than 100 Victorian-based suppliers, many based in the Goulburn Valley. Local suppliers provide not only the fresh produce that goes into our soups, but also the cans that deliver it to homes, and services required to keep the plant operating safely.

CEO COMMENTARY

The Arnett's Group CEO, George Zoghbi said, "For 60 years, we've been making soup here in Shepparton for Australian families.

“We have a rich history in Australian food-making, and this upgrade at Shepparton shows our commitment to making more delicious food right here.

“We are proud that this iconic plant in regional Victoria will drive more Australian exports to Asia. We plan to be a regional powerhouse of food brands based in Australia, and today, Shepparton brings us closer to that goal.”

“Declining domestic demand for soup products had meant our Shepparton plant was underutilised. This upgrade also secures the plant’s medium-term future.”

SUPPLIER COMMENTARY

Visy’s GM of Food Can business, Rohan Wiltshire said, “Visy is a proud supporter of both local and regional manufacturing and is pleased to support The Arnott’s Group in this expansion of their Campbell’s production capability in Shepparton.

“In support of Campbell’s growth in Shepparton, Visy has continued to invest at both our Coburg and Shepparton can plants in order to meet the growing needs of Campbell’s and the Arnott’s Group. This is an exciting project and one that Visy is proud to be part of.”

ABOUT THE PROJECT

The Shepparton upgrade will be delivered in three phases, with the first commercial production of new export volume having commenced on 1 December 2020.

This first phase will distribute soup made in Shepparton into Asian markets which was previously sourced out of Campbell’s US network and in Malaysia.

By June 2021, a \$3.9 million investment in new plant and machinery will enable Shepparton to produce larger soup can sizes in demand in a range of Asian markets, including a 1.4-kilogram can. The project involves converting and relocating an existing production line to fill, close and pack cans, and the purchase and installation of new machinery.

A further \$3.9 million is planned for the next financial year to upgrade plant infrastructure and equipment used to make non-canned products, such as stocks.

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About The Arnott’s Group

The Arnott’s Group portfolio of brands continues the 155 year legacy of the Arnott family, providing quality, great-tasting food *to create delicious moments* for consumers across the world. Employing over 2,900 people in markets across Asia Pacific, The Arnott’s Group is headquartered in Sydney, Australia with Arnott’s operations in Auckland, New Zealand and bakeries in Western Sydney, Brisbane, Adelaide and Indonesia. In addition, the portfolio includes Campbell’s products in Australia, Malaysia, Hong Kong and Japan, and operations in Shepparton, Australia and Malaysia.

About Campbell’s Shepparton

Campbell’s Australasia, part of The Arnott’s Group, has been a part of the Shepparton community for nearly 60 years, making high quality soups, stocks, broths and juices sourced from local and Australian food producers. The food produced in Shepparton includes the brands, Country Ladle, Chunky, Simply Soup, Campbell’s Condensed, Campbell’s Real Stock and V8 juices, all of which are made under licence from the Campbell Soup Company. The Shepparton plant produces 55 million kilograms of high-quality food and beverages annually.

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