



THE MARKET

Biscuits are one of life's little pleasures. They are served during family celebrations. They help you relax during a hectic day and they are the perfect treat for children.

Arnett's biscuits have been there for Australians for well over a century and will continue to be enjoyed by generations to come.

As the leader in the Australian biscuit market, Arnett's has spearheaded market growth through product innovation and marketing. For example, in recent years, Australians' tastes have become more sophisticated and diverse, giving rise to a rapidly growing gourmet biscuit market. People are also searching for healthier treats and Arnett's offers a range of delicious alternatives. These developments have helped the biscuit market to continue to grow strongly.

ACHIEVEMENTS

Arnett's can truly be described as an Australian icon. The company's famous parrot trademark has a place in 97 per cent of Australian households, and four in every 10 trolleys wheeled through the nation's supermarket checkouts contain an Arnett's product. Every second, 28 Arnett's packs are sold - and its leading chocolate biscuit, the Tim Tam, is a particular favourite, with some 30 million packs bought each year.

Since migrant Scottish baker William Arnett began serving his pies to the gold-miners around Bathurst, New South Wales, all those years ago, Arnett's has grown steadily and today employs a workforce of more than 2500 in its Australian operations, investing more than \$100 million per year in locally produced ingredients.

With additional bakeries at Lae and Port Moresby in Papua New Guinea, and in the Indonesian capital, Jakarta, Arnett's ranks among the world's largest biscuit companies.



HISTORY

William Arnett opened his first biscuit factory in Melvell Street, Newcastle, in 1865. Within three years 'William Arnett's Steam Biscuit Factory' employed fifty people and produced 1.5 tonnes of biscuits daily.

By the following decade Arnett's had expanded into Sydney and mounted its first major promotional campaign, inviting parents to submit photographs of plump, healthy children fed on Arnett's biscuits. The campaign, 'Living Pictures', ran for more than 60 years.

Demand for Arnett's biscuits grew rapidly, and in 1908 the company opened a new factory on a two-hectare site at Homebush, then west of Sydney. Critics dubbed the bakery 'Arnett's Folly', believing its location to be too remote from the growing city. Today, the Homebush plant is at the geographic centre of Sydney.

Two of Arnett's perennial favourites, the SAO cracker and the Iced Vo-Vo, were introduced during the 1900s, and by the time the company motorised its delivery fleet, during the 1920s with 19 bright red Albion trucks, it was producing some 150 varieties of biscuit.

During World War II, Arnett's helped to feed the

armed forces of both Australia and the United States, producing a range of sweet, energy-giving biscuits for the army, and for the navy thick, dry biscuits that would keep for months at sea. Production of biscuits for civilian consumption was severely restricted, and just 19 varieties were offered.

Successive waves of post-war migrants ensured continued growth, and Arnett's was listed on the stock exchange in 1970. While consolidating its national operation and beginning to supply overseas markets, the company also began to diversify, buying companies that supplied biscuit-making essentials such as flourmills, a packaging manufacturer, the Illawarra Jam Company and Kingaroy Toasted Peanuts.

In 1992 the American food company, Campbell's Soup, launched a takeover bid for Arnett's, and in 1997 took control, acquiring one of the world's most innovative and successful biscuit companies.

THE PRODUCT

Today Arnett's offers consumers greater choice than ever before, with a range of more than 120 varieties of sweet and savoury biscuits and crackers.

Its products are sold in more than a dozen countries, and a special page of the Arnett's website, www.arnotts.com.au, enables homesick Australians to find supplies of Arnett's favourites in their local country.

At home, Arnett's is synonymous with quality biscuits. Its best-selling chocolate varieties, the Tim Tam and Mint Slice, are market-leaders in the luxury sector of the market, while the Scotch Finger, Jatz Cracker and many others remain firm family favourites.

Through its diversification program of the 1970s, Arnett's became largely self-reliant in key materials, and now makes its own chocolate at its Adelaide factory, enabling the company to fine-tune its





recipes to different biscuits and for changing tastes.

Arnott's products are made using the finest Australian ingredients. Wherever possible they support local growers, buying honey from the Mallee region, ginger from Queensland and wheat from northern New South Wales. Arnott's is the largest user of 'soft' flour in Australia and has supported the wheat industry by assisting to develop strains of wheat which produce high yields and are resistant to drought and disease.



RECENT DEVELOPMENTS

As the Australian palate grows in sophistication, so Arnott's product range changes. Over recent years, the original Tim Tam has been joined by five additional varieties: Chewy Caramel, Mocha, Double Coat and Classic Dark Chocolate.

Another important recent innovation, Arnott's Emporio Café Selection range reflects Australia's increasing enthusiasm for the flavours and aromas of the European café, and hints at a new diversity in Arnott's products as the company enters its third century of biscuit making.

Arnott's has also launched a range of snacks which appeal to people looking for a healthy alternative to traditional snacks. Rix Rice Chips have 80

percent less fat than potato chips, while Rice Shapes offer a lower fat alternative to Australia's favourite savoury snack.

As people's lives become busier, the need for food in more convenient formats is increasingly important. Arnott's has responded to this demand with new products that can be eaten anywhere, anytime. Tim Tam Fingers, a new take on an icon, can be enjoyed while on the run, while Tiny Teddy Dippers are the perfect treat for kids' lunchboxes.

PROMOTION

Few companies can create a market specifically for their own brand packaging, but Arnott's has done exactly that each Christmas for the past 100 years by releasing a range of special commemorative biscuit tins. The company's instantly identifiable parrot logo and characteristic bright red colouring lift brand recall and its elegant packaging adds weight to the company's famous motto, "There is No Substitute for Quality".

The company's largest advertising platforms are its trucks. Each is finished in Arnott's distinctive bright red livery and between them each year they cover the equivalent of 3000 trips from Melbourne to Sydney.

The mobile Arnott's Biscuit Bakery is a promotional vehicle with a difference. It's a fully functioning five-metre-long bakery installed in a semi-trailer which tours regional and metropolitan Australia. Visitors to the bakery can watch Tiny Teddy biscuits

made through every stage of production, from mixing the dough to shaping, cutting and baking.

Arnott's also continues to invest in advertising to promote its products, both in the press and on television, as the company has done since the advent of the small screen in Australia during the 1950s.

BRAND VALUES

Arnott's continues to live by the motto introduced by William Arnott in 1906, "There is No Substitute for Quality". The biscuits are made from high quality ingredients and Arnott's employs some of the best bakers and food experts in the country. Arnott's offers its people the



opportunity to work in a company that is vibrant, exciting and committed to continued growth in Australia and overseas.

But most of all, Arnott's is committed to continuing to provide Australians with delicious food that will be enjoyed every day.

THINGS YOU DIDN'T KNOW ABOUT ARNOTT'S

- Arnott's famous Milk Arrowroot was first made in 1888.
- In the Australian War Memorial, Canberra, there is an Arnott's biscuit tin on which is a handwritten message from a World War I soldier to his loved ones.
- How did the SAO get its name? Some believe it's the name of a ship that sailed into Newcastle, others that it stands for 'Salvation Army Officer' - a reference to William Arnott's son, Arthur, who was a committed Salvo.
- Each of the company's new B Double trucks holds 27 tonnes of biscuits - about half a million packets (or approximately 5.5 million individual Tim Tams).

