

Mr Goldsmith takes Paris by storm

Mr Jimmy Goldsmith's Cavenham group is buying its way into a major French combine. Maurice Corina, Industrial Editor, describes a meteoric career

The normally nimble Mr Jimmy Goldsmith, the Eton-educated food financier, was yesterday caught on the wrong foot when the news of his latest coup leaked out prematurely. His moves to take over one of France's largest food companies, GASA, caused immediate confusion in Paris financial circles. Mr Goldsmith kept away from the telephone when he met his advisers in the Champs Elysées offices from which he operates the Société Générale Occidentale, in partnership with Baron Alexis de Gunzburg.

Occidentale is the investment banking business which has assisted Mr Goldsmith to pull off a series of spectacular deals—deals that have already stood the British food industry on its head and left the City breathless by their speed and complexity.

At the heart of the 38-year-old entrepreneur's activities is the British group, Cavenham, less than six years old. Now, with a 40 per cent stake held by Occidentale, Cavenham commands a turnover of over £400m and runs one of the biggest chains of food stores in British high streets.

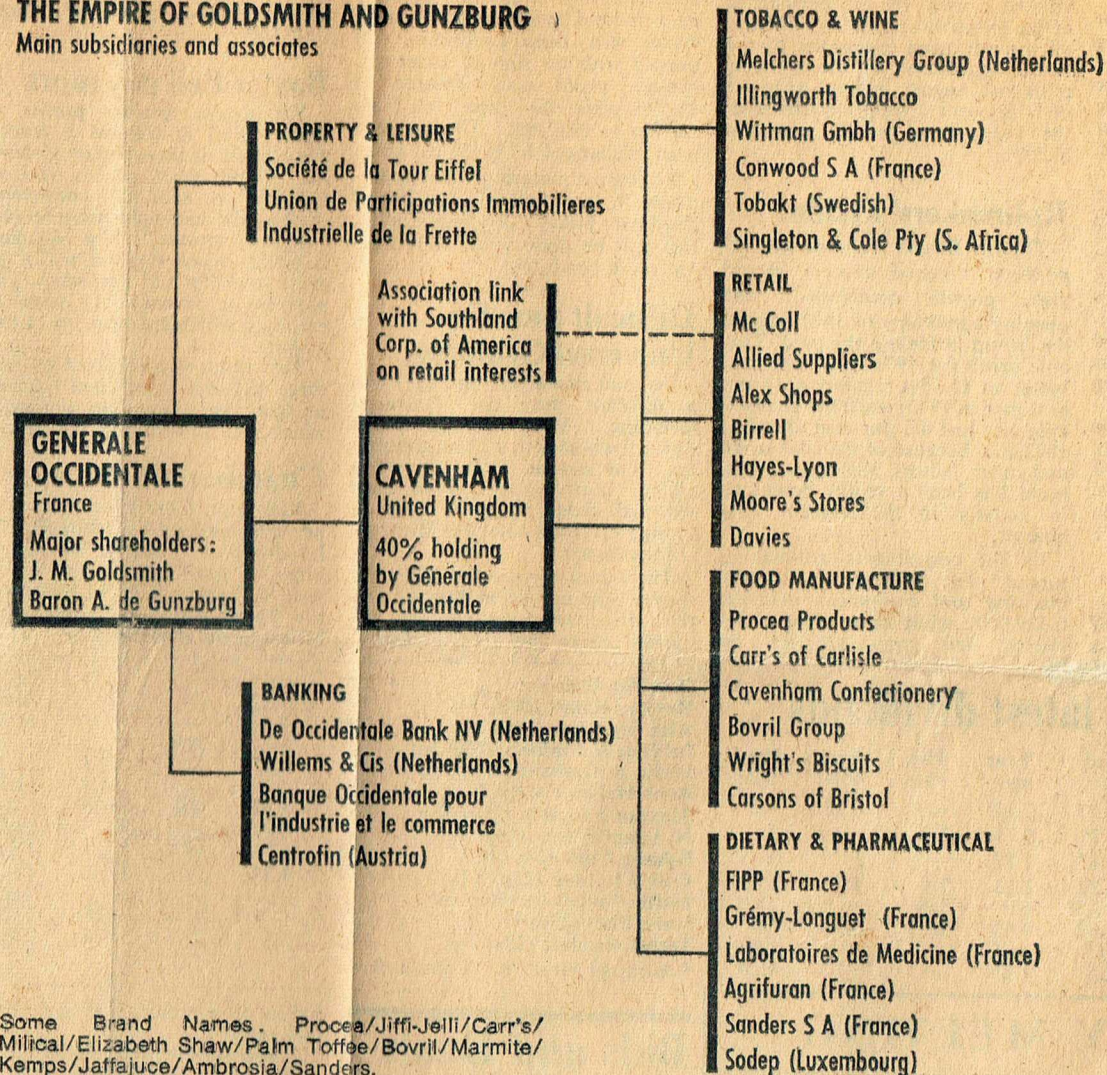
With paper and hard cash, backed by an astonishing self assurance and personal involvement in the detail of his deals, Mr Goldsmith is well on his way to realizing his dream of running a great European food and allied products combine.

He seems to have an intuitive grasp of European tax regulations, an eye for City openings and seemingly no lack of resources. Cavenham, which was built out of a rag bag of loss making and near loss making companies—and in the teeth of hostility from the established food trade—is the linch-pin of his empire.

First, the mighty Bovril group, meat and processed foods manufacturers, fell to Cavenham; and only this January did he pull off a coup of coups in the food trade by acquiring control of the Allied Suppliers' retail chain, consisting of Home and Colonial, Maypole and Lipton stores. All this was achieved in less than a year; and he also attained control of Wright's Biscuits and Moores Stores—giving

THE EMPIRE OF GOLDSMITH AND GUNZBURG

Main subsidiaries and associates



Some Brand Names. Procea/Jiffi-Jelli/Carr's/Milical/Elizabeth Shaw/Palm Toffee/Bovril/Marmite/Kemps/Jaffajuice/Ambrosia/Sanders.

Carrs of Carlisle. It took him less than a year to acquire the business and sell it for a profit. He bought businesses and sold them for a profit. He bought businesses and sold them for a profit. He bought businesses and sold them for a profit.

tionery, grocery, processed meats, snuffs, tobacco, pharmaceuticals and wines and spirits. As if this is not enough, there are currently rumours that he is stalking another major British food company, apart from handling the complexities of the GASA deal which is now stunning Paris financial circles.

When Mr Goldsmith's related activities in the master Occidentale company are considered—there are interests in mining, banking, property, and leisure—it is difficult for even the most persistent researcher to keep up with this man in such a hurry. He has a knack of being generally available when things are quiet; but he keeps well away from detailed press questioning when news of his latest deal breaks.

Two men whose advice he has known to value have been Roland Franklin, managing director of merchant bankers Keyser Ullmann, and his own managing director at Cavenham, Mr Jack Greenhalgh. This is not to say that he has not been an astute publicist, using Shareholder Relations, a partnership of ex-financial Fleet Street journalists to good effect to build up his City "image".

Mr Burton Tigaret, a top adviser to Dr Armand Hammer's successful Occidental Oil group, who knows Goldsmith well, has said: "Jimmy Goldsmith has one of the best financial minds in Europe".

Others say Mr Goldsmith is a born salesman as well as financier. It might be said that he could sell someone the Eiffel Tower: the parent French investment group happens to own Société de la Tour Eiffel among other things.

The man does not lack critics, especially among competitors in the food industry who seem generally concerned at the rapidity and complexity of the deals that have put him an overnight force in the industry. Their detailed criticisms usually stem from the turbulence of turning ailing pre-Cavenham concerns into profit makers, or relate to the temporary suspension of Cavenham share dealings on the Stock Exchange in 1970 (because of City bewilderment over an astonishing rise from 6s to 15s 3d in the

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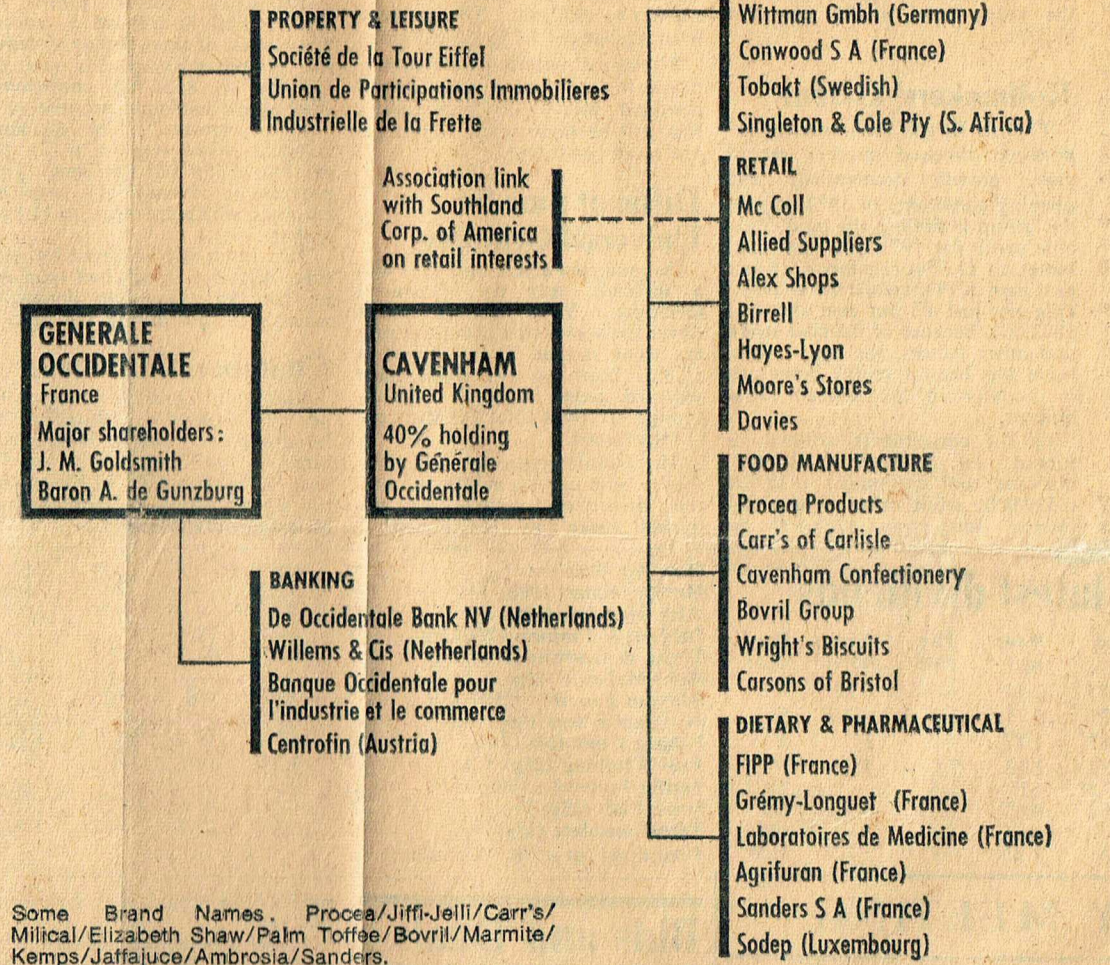
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A fluent French speaker, Mr Goldsmith began his business life in a small enough way. He ran in France a small dietary and rheumatism tablets business. Then he began a run of forays into Britain. He bought stakes into assorted confectionery firms, such as Carsons, Procea and, more important,

its way into a major French combine. Maurice Corina, Industrial Editor, describes a meteoric career

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Carrs of Carlisle. It took him less than two years to form a £27m group, moving into tobacco and confectionery wholesaling as well as sweets manufacture.

He was then to be thwarted by Nestlé in an ambitious plan to take over Libby. Undaunted he and his French partners carried on, setting up various continental takeover operations in related sectors.

He bought businesses and sold off parts to willing buyers; often he ignored criticism of his judgment of profits. Cavenham Foods, renamed Cavenham last year, was formed in 1965 on the base of the biscuit makers, Carrs of Carlisle.

The acquisition of good brand names, and entry of his products into grocers' stockrooms, gave Mr Goldsmith a degree of respectability

that was to stand him in good stead in opening new business opportunities. These included buying up such newspapers and confectionery chains as Hayes Lyon, Alex Stores, Birrel and McColl.

Cavenham now operates in Belgium, France, Ireland, South Africa, Germany, Holland, and North America. The group spans dietary foods, biscuits, confec-

tion and wines and spirits. As it is not enough, there are currently rumours that he is stalking another major British food company, apart from handling the complexities of the GASA deal which is now stunning Paris financial circles.

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The acquisition of solid and prestigious businesses and trade names have apparently more than justified the confidence of those early investors in his skill and adroitness, many of whom are still with him, marvelling at one of the fastest examples of corporate growth since the mid-Sixties.

Which way for the hovertrain?