coles

MEDIA RELEASE

Wednesday 26th January 2011

'BECAUSE WE ALL BUY MILK' COLES CUTS THE PRICE TO HELP SHOPPERS SAVE

The price of Coles Brand fresh milk is being cut by as much as 33%* from today as part of our ongoing 'Down Down' campaign to reduce the price of products our customers buy the most.

Customers in every State will continue to enjoy the same high quality milk they have come to expect from Coles but at a new regular low price of $2 for a two litre bottle of Coles Brand milk.

Significantly the price cut also includes Coles Brand lite milk which will be cut to the same low price of $2 for a two litre bottle, bringing it into line with full cream milk so customers will no longer have to pay a price premium for a lower fat milk option.

As consumers face higher household costs, Coles' commitment to lower prices on key grocery items such as milk will come as welcome relief for millions of Australians.

Coles Merchandise Director John Durkan said: "The New Year is always an expensive time for customers. With Christmas and summer holiday bills arriving in the mail box and the cost of getting the kids back to school just around the corner, household budgets are stretched more than at any other time of the year. And with other costs such as energy and interest rates going up for many, customers are looking for help to save money elsewhere.

"Since June last year Coles has cut prices on a range of products with a focus on what customers buy the most and we intend to keep investing in bringing our customers great value in 2011. Because we all buy milk, this price cut will offer significant savings for customers proving that quality food really does cost less at Coles. We are lowering the price of the family shopping basket because we know that is what our customers want the most.

“By offering the same low price on Coles Brand lite milk we are also enabling more customers to switch to the lower fat option at a price they can afford which is clearly a significant health benefit.”

Dr Lyn Roberts, CEO-National, Heart Foundation welcomed the announcement. She said: “The message from the Heart Foundation is clear - reduced, low or no fat milk is a healthy food and now thanks to Coles, it won’t cost you any more to buy healthier milk. This is a fabulous outcome for Aussies and we challenge the other major supermarkets to follow Coles examples and prioritise the health of Australians.”

Confirming that Coles is funding this price cut, Mr Durkan added: “In the same way that Coles is absorbing the higher costs of hormone growth promotant free beef, Coles is not reducing the price it pays to its milk processors either so this move will not impact them or the dairy farmers who supply them. In fact both farm gate milk prices and contract prices with processors recently increased. Coles is fully absorbing the price cut, bringing great value to customers whilst supporting Australian dairy farmers.”

As well as lowering prices on Coles Brand fresh milk, Coles is also phasing out its Smart Buy fresh milk in order to simplify the range for customers. Customers who currently choose Smart Buy milk will also save money** by switching to Coles Brand milk at the new low price of $2 for two litres.- the lowest price in store for any fresh milk.

*33% price cut based on Coles Brand 2 Litre Lite fresh milk moving from $2.99 to $2. This saving applies to East Coast States. The same product in WA, TAS and SA will move from a price of $2.49 to $2 a significant saving of 20%.

**Smart Buy 2 litre full cream fresh milk was priced at $2.09 in every State so customers switching from this product to 2 litre Coles Brand fresh milk (full cream or lite) at the new regular low price of $2 are saving 4%.

For further information please contact the Coles media relations team:
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