coles

MEDIA RELEASE

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COLES CUTS FREE RANGE EGG PRICES TO HELP CUSTOMERS SWITCH FROM CAGED EGGS

95% OF CUSTOMERS SAY PRICE IS KEY

Coles is cutting the price of its free range eggs in a bid to help more customers afford the switch away from caged eggs.

Prices on Coles Brand free range eggs will fall in all States from today with cuts of at least 18%. Coles also announced that it will phase out Coles Brand caged eggs by 2013.

The move follows a clear message from customers that they want to buy free range eggs instead of caged eggs but are prevented from doing so because of the cost. Latest research shows that 95% of Coles customers would switch to free range if the price was lower.

Coles believes that the new lower prices could significantly grow sales of free range eggs as customers switch, providing significant opportunities for Australian egg producers to expand this area of their business.

Coles Merchandise Director, John Durkan, said: "Customers have clearly told us that they would prefer to buy free range rather than caged eggs but for many the higher price has been too big a barrier. We've listened to that feedback and invested in cutting the price of free range eggs so that more customers' can now make the switch. Having made free range a more affordable option we will then go further and work with our suppliers to phase out Coles Brand caged eggs by 2013.

"This is part of our ongoing campaign to offer all customers quality fresh food, ethically produced and at affordable prices.

"As we head in to Christmas, which is the single biggest baking event of the year and also an expensive time for customers I hope our price cut will be welcome news for Australian shoppers."

Notes for Editors:

1. All States on the East Coast will move to the same low prices for Coles Brand free range eggs. For example 12 Coles Brand free range eggs (700g) will now cost just $4.00 in New South Wales, Queensland and Victoria. Other Coles Brand free range egg pack sizes will also be reduced in price accordingly.

2. Research conducted with the Coles Mums Panel which is an online survey of 2500 Coles customers.

3. The retail egg market in Australia is worth $1.5 billion with more than 345 million dozen eggs produced last year by more than 300 egg farms. Free range eggs currently account for just over a quarter of all eggs produced in Australia.*

*Figures from Australian Egg Corporation Ltd industry overview 2010