

EMBARGOED UNTIL: 00:01 THURSDAY 25<sup>TH</sup> JANUARY 2012

## **COLES TO KEEP MILK PRICES DOWN FOR AUSSIE FAMILIES**

**-\$175 million back in customers pockets thanks to 2011 price cut**

Coles today marked the first anniversary of its 'Down Down' milk price cut by committing to keep the price down for customers.

Shoppers have already saved \$175 million\* thanks to Coles decision to lower the price of its fresh milk last Australia Day and now those savings are set to continue as prices stay down.

Coles Merchandise Director, John Durkan said: "Last Australia Day we cut the price of Coles fresh milk in a move which has saved customers across the country millions of dollars. In fact it is roughly the equivalent of every milk-buying customer at Coles receiving a free litre of milk each month throughout the year. I am delighted this Australia Day to confirm that the price of Coles fresh milk will stay down so that our customers can continue to save."

By focusing on the products customers buy most the Down Down price campaign saved customers more than \$500 million off their grocery bills last year. In a further boost to household budgets Coles also announced today that other Down Down prices will stay down including on staples such as Smart Buy Bread and Quilton toilet paper.

Mr Durkan confirmed that Coles continues to fund the milk price cut: "Following our announcement last year there was a great deal of debate about how Australian dairy farmers would be affected, including a Senate Inquiry. That Inquiry concluded in November that the price cuts led by Coles were 'pro-competitive' and 'beneficial to consumers'. Coles fully funded the lower price for our customers and farmers were not impacted as a result. Some farmers actually received a higher price for their milk as a result of contract reviews and overall milk consumption is up which is good news for the Australian dairy industry."

Last week Coles also announced a new five year contract with the Warrnambool Cheese and Butter Company (WCB) to provide an exclusive range of new premium cheese and milk products. This partnership will see WCB source an extra 50 million litres of milk a year from Australian dairy farmers and is further evidence of Coles' commitment to support local Australian dairy processors while also bringing quality and value to our customers.

Coles has also agreed new dairy contracts with Harvey Fresh, Mundella Foods and Brownes in Western Australia which increased the amount of milk sourced from WA dairy farmers by 7.5 million litres.

ENDS

\*\$175 million saving is based on savings made by Coles customers following the lower milk price together with the estimated savings made by Woolworths and Aldi customers as a result of these retailers following the Coles price cut.

**For further information please contact Jon Church on 03 9829 4008.**

