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File Number: VID974/2024
File Title: AUSTRALIAN COMPETITION AND CONSUMER COMMISSION v
WOOLWORTHS GROUP LIMITED (ACN 000 014 675)
Registry: VICTORIA REGISTRY - FEDERAL COURT OF AUSTRALIA

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.

Form 59
Rule 29.02(1)

Affidavit

No VID 974 of 2024

Federal Court of Australia
District Registry: Victoria
Division: General

Australian Competition and Consumer Commission
Applicant

Woolworths Group Limited (ACN 000 014 675)
Respondent

Affidavit of: **Cormac Peter Deery**
Address: 1 Woolworths Way Bella Vista NSW 2153
Occupation: Commercial Director – Grocery (Non-Food)
Date: 15 December 2025

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Signed

Taken by:

Filed on behalf of Woolworths Group Limited, the Respondent

Prepared by Peta Stevenson
Law firm **KING & WOOD MALLESONS**
Tel +61 2 9296 2492
Email peta.stevenson@au.kwm.com

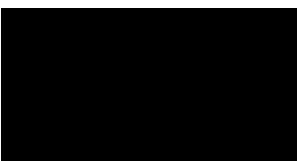
Address for service

Level 61, Governor Phillip Tower
1 Farrer Place, Sydney NSW 2000, Australia
Ref: P Stevenson:602-0051665

I, CORMAC PETER DEERY, of 1 Woolworths Way, Bella Vista NSW 2153, Commercial Director – Grocery (Non-Food) at Woolworths Group Limited (**Woolworths**), say on oath:

- 1 I was first employed by Woolworths, the Respondent in this proceeding, in around late June 2017 as a Merchandise Manager.
- 2 Between late June 2017 and late April 2018, I was the Merchandise Manager for Breakfast and Beverages.
- 3 Between late April 2018 and late May 2019, I was the Merchandise Manager for Health Beauty & Baby.
- 4 Between late May 2019 and late August 2022, I was the Merchandise Manager for Impulse, Beverage & Tobacco.
- 5 Between late August 2022 and mid-September 2023, I was the General Manager for Buying, Fruit & Vegetables.
- 6 Between mid-September 2023 and early November 2025, I was the General Manager for Vegetables.
- 7 In early November 2025, I began my current role as the Commercial Director for Grocery (Non-Food).
- 8 In this affidavit, I address events that occurred between September 2021 and August 2022, when I was in the role of Merchandise Manager for Impulse, Beverage & Tobacco, in relation to the following two products that were sold in Woolworths Supermarkets and Woolworths Online during this period:
 - (a) Arnott's Tiny Teddy Variety 15pk 375g (641537-EA) (**Tiny Teddy 15pk Sample Product**); and
 - (b) Sakata Rice Cracker Plain 100g (41814-EA) (**Sakata Sample Product**).
- 9 In preparing this affidavit, I have been provided with a copy of the Affected Product Pricing and Sales Data at Annexure C of the Statement of Agreed Facts filed on 13 June 2025 (**Annexure C**), and the Agreed Sample List (filed 13 June 2025).
- 10 Based on my review of the Agreed Sample List, I have identified that:
 - (a) the Tiny Teddy 15pk Sample Product is referred to at item 2 of the Agreed Sample List; and

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- (b) the Sakata Sample Product is referred to at item 11 of the Agreed Sample List.
- 11 Based on my review of Annexure C, I believe the Tiny Teddy 15pk Sample Product is listed at row 11 and the Sakata Sample Product is listed at row 209 of Annexure C.
- 12 Unless otherwise stated, this affidavit is based on my own knowledge.
- 13 Shown to me at the time of swearing this affidavit is an electronic bundle of documents marked '**Confidential Exhibit CPD-1**'. The documents are sourced from Woolworths' books and records. References to document identifier numbers in this affidavit are references to documents by that number in 'Confidential Exhibit CPD-1'.

Role as Merchandise Manager for Impulse, Beverage & Tobacco

- 14 As the Merchandise Manager for Impulse, Beverage & Tobacco, I was responsible for overseeing the management of the Biscuits Category, which included the Tiny Teddy 15pk Sample Product and the Sakata Sample Product.
- 15 My day-to-day duties as Merchandise Manager for Impulse, Beverage & Tobacco included managing the Category Managers for each of the categories within my portfolio. When a Category Manager received a cost price increase (**CPI**) from a supplier, it was part of my role to provide Category Managers with guidance and advice about the approach to responding to the CPI request. Between September 2021 and August 2022, the Category Manager of the Biscuits Category was Zoe Pipan.

Tiny Teddy 15pk Sample Product Cost Price and Retail Price Journey

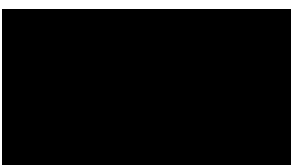
Prices Dropped Program Placement

- 16 From my review of Annexure C, I understand that from at least September 2021 until 10 May 2022, the Tiny Teddy 15pk Sample Product was sold in Woolworths Supermarkets as part of the Prices Dropped program, and that during this time, the Tiny Teddy 15pk Sample Product was offered to customers using a Prices Dropped ticket with a Prices Dropped Price of \$5.

CPI Request Notification and Negotiations

- 17 The Tiny Teddy 15pk Sample Product was supplied by the Arnott's Group (**Arnott's**). Because Arnott's was a key supplier in the Biscuits Category, I exercised increased oversight over Zoe Pipan's management of the Arnott's products in the Biscuits

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(d) a [REDACTED] % increase in Customer Margin, which Arnott's' presentation described as a [REDACTED] % improvement to Woolworths' Margin.

21 Because the Arnott's CPI request could potentially have a significant cost impact, I forwarded Clare Darroch's email dated 14 January 2022 to Ewan Shearer, the Commercial Director for Grocery. A copy of this email is at [MPL.0002.0025.9615] of **Confidential Exhibit CPD-1**. In that email I stated:

"Just FYI, Dont need you to do anything yet as i need the deal sheets etc to see exactly what they are looking to do as there is are 11 slides of waffle until we get to slide 12 which has some of the key details

approx [REDACTED] % list increase, [REDACTED] % increase in deal spend (concerning) but need to see detail and our margin wait for it.... moves [REDACTED] %"

22 As I read Arnott's presentation, Arnott's was proposing to increase List Price by [REDACTED] % but then increase deal spend (supplier funding for promotional programs) by [REDACTED] %. I was concerned that this might mean that Arnott's was proposing an inflated CPI request to fund (or offset) the cost of increased promotional activity. That is what I meant by the word "concerning" in my email to Ewan. I was also concerned that the foreshadowed margin increase for Woolworths was just [REDACTED] %, as I was conscious at the time that the high inflation environment meant that Woolworths' own cost of doing business was going up.

23 I raised these concerns with Arnott's in my response to Clare Darroch on 15 January 2022, a copy of which is at [MPL.0003.0025.7447] of **Confidential Exhibit CPD-1**. I stated in that email:

"As to the very high level overview and thank you for sharing, 2 things of note - [REDACTED] % increase in deal spend - that starts to make the retailer think about how much of the CPI component is related to a creation of trade spend bucket and second [REDACTED] % margin , as I have said we 're not immune to the pressures of cost, as a result of this outcome we would need to see a bigger step up in margin but that will be a function of what we end up buying the product for , so we really need to see the deal sheets to understand what your initial thinking is for the portfolios so we can then work it with you."

24 On 18 January 2022, Clare Darroch responded to my email referred to above at paragraph 23, advising that Arnott's would provide details of the CPI shortly and that its proposal would include recommendations for promotional plans across all impacted

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[REDACTED]

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[REDACTED]

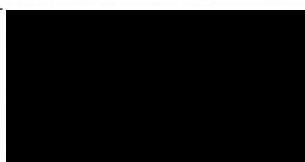
products. This response is at **[MPL.0042.0012.6391] of Confidential Exhibit CPD-1**. The email further disclosed high-level details of Arnott's position regarding margin increases and proposed category growth. On 19 January 2022, I responded to Clare Darroch and said that "*[o]ur cost pressures arent going away either, quite the inverse at the moment*". This email is at **[MPL.0042.0010.8343] of Confidential Exhibit CPD-1**. Again, this response reflected the fact that I was mindful that Woolworths' cost of doing business was increasing as a result of inflation.

25 On 1 February 2022, I attended a quarterly check-in meeting between Arnott's and Woolworths, at which there was some discussion of the impact of inflationary pressures Arnott's was experiencing on forward-looking promotional plans. Clare Darroch also attended this meeting and subsequently circulated minutes of the meeting to attendees, a copy of which is at **[MPL.0002.0002.6736] of Confidential Exhibit CPD-1**. Further to the items detailed in those minutes, I recall that at this meeting, Clare told me that Arnott's was in the process of finalising the deal sheets that would record Arnott's formal CPI request.

26 Later that day, Clare sent me an email attaching another PowerPoint presentation titled "Cost Recovery Program Detail", which included some general information about Arnott's recommended retail price (RRP) adjustments. A copy of this email is at **[MPL.0002.0002.6415] of Confidential Exhibit CPD-1**, and a copy of the attachments are at **[MPL.0002.0002.6416]** and **[MPL.0002.0002.6417] of Confidential Exhibit CPD-1**. The Tiny Teddy 15pk Sample Product is not specifically featured in the 'Cost Recovery Program Detail' presentation but falls within the "AU Sweet MP VAR" (or "Sweet MP Variety") bundle of products. I would not have expected the Tiny Teddy 15pk Sample Product to be specifically featured, as it was not a significant product in the Arnott's range. Slide 9 of the presentation detailed Arnott's "Renewed Promotional Program", including for the AU Sweet MP VAR bundle of products, a Shelf RRP proposal of \$5.50 for 52 weeks. Clare's email also attached another PowerPoint presentation titled "Sweet Relaunch: CONFIDENTIAL", which contained proposals for a specific subset of Arnott's products and did not concern the Tiny Teddy 15pk Sample Product, nor the AU Sweet MP VAR bundle of products.

27 On 2 February 2022, Arnott's emailed me and Zoe Pipan copies of Woolworths' deal sheet spreadsheet template containing Arnott's formal CPI request for both its 'Sweet' and 'Savoury' products in the Biscuits Category. The Tiny Teddy 15pk Sample Product was included in the deal sheet for Arnott's Sweet products on the "Multipacks" worksheet. A copy of the email from Arnott's is at **[MPL.0002.0002.6771] of**

Signed:



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Confidential Exhibit CPD-1, a copy of the deal sheet attachment for Arnott's Sweet products is at **[MPL.0002.0002.6772]** of **Confidential Exhibit CPD-1** and a copy of the deal sheet attachment for Arnott's Savoury products is at **[MPL.0002.0002.6773]** of **Confidential Exhibit CPD-1**. In relation to the Tiny Teddy 15pk Sample Product, the deal sheet for the Sweet products proposed:

- (a) an increase to the:
 - (i) First Cost per unit from \$ [REDACTED] to \$ [REDACTED] and
 - (ii) Net Cost per unit from \$ [REDACTED] to \$ [REDACTED]
- (b) a decrease to the Deferred Deal from [REDACTED] % to [REDACTED] %, and otherwise retaining the existing deal structure for any discounts, rebates, offsets, allowances and adjustments that might be agreed between Woolworths and Arnott's, including elements that are fixed under the agreed trading terms and which would not typically be negotiated as part of a CPI (such as, the Volume Spend rebate which was set at [REDACTED] %); and
- (c) the following retail pricing proposals:
 - (i) a Shelf RRP of \$6.50 for 0 weeks with no forecasted unit sales; and
 - (ii) a Promotion Level 1 price of \$5.50 for 52 weeks.

28 I interpreted the proposal of 0 weeks' duration at the Shelf RRP as indicating that Arnott's was proposing that the Tiny Teddy 15pk Sample Product be sold as part of Woolworths' everyday low price (**EDLP**) program (which at this time was referred to as "Low Price" or "Low Price Always") at an EDLP price of \$5.50 and would not be sold in Woolworths Supermarkets at Arnott's proposed Shelf RRP of \$6.50 at any point. This was because I was aware that Woolworths required its products to be sold at a Shelf Price for a minimum period of time (referred to as the **Price Establishment Period**) before it could be placed on Special or the Prices Dropped program. By comparison, Woolworths' EDLP program did not require a price establishment period as no claim was made about past prices on an EDLP ticket and products on the EDLP program typically were not placed on Special.

29 On 6 February 2022, I emailed Clare Darroch my initial views and queries on the deal sheet proposals. This email is at **[MPL.0002.0002.6732]** of **Confidential Exhibit CPD-1**. In respect of multipacks, including the Tiny Teddy 15pk Sample Product, I asked

Signed:

[REDACTED]

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[REDACTED]

Clare Darroch for confirmation that Arnott's was "looking to come off Dropped and move to essentially Low Price Always at \$5.50?".

- 30 On 8 February 2022, Clare Darroch responded to my email dated 6 February 2022 and clarified that Arnott's preference was that the Tiny Teddy 15pk Sample Product would be sold on a Prices Dropped ticket of \$5.50. A copy of Clare's email is at **[MPL.0002.0002.6726] of Confidential Exhibit CPD-1.**
- 31 On 9 February 2022, I sent an email to Clare Darroch which stated that there was an option to sell multipacks (which included the Tiny Teddy 15pk Sample Product) on a Prices Dropped ticket, but that there would be an approximately 4 week window to "establish price", linked to the inter-purchase interval (IPI) of the product, before that could occur. By this I meant that if Arnott's was proposing that the Shelf RRP would be reduced to the Promotion Level 1 price as part of the Prices Dropped program, the product would need to first be sold at the Shelf RRP for a minimum period of 4 weeks before that price reduction could take effect. A copy of this email is at **[MPL.0002.0002.6717] of Confidential Exhibit CPD-1.** The IPI is a metric reflecting how frequently products were bought by customers.
- 32 I have been shown an email dated 14 February 2022 from Sophie Scott (Arnott's) to Zoe Pipan attaching an updated deal sheet. A copy of this email is at **[MPL.0002.0002.6308] of Confidential Exhibit CPD-1** and a copy of the attached deal sheet is at **[MPL.0002.0002.6310] of Confidential Exhibit CPD-1.** Sophie states in her email:

"Please see updated forms with tweaks we discussed:

- *Combined MP's to Sweet + Savoury*
- *Multipacks now reflected on SWEET file, and removed from Savoury file*
- *Reflected a 4 week price establishment on Multipacks 12/15 and reflected [REDACTED] % def deal*

- 33 The revised deal sheet attached to Sophie's email at paragraph 32 above includes the following changes to Arnott's proposal of 2 February 2022 for the Tiny Teddy 15pk Sample Pack (at paragraph 27 above):

- (a) the existing Deferred Deal of [REDACTED] % was retained;

Signed:

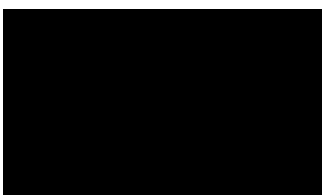
[REDACTED]

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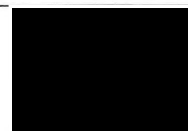
[REDACTED]

- (b) for the Shelf RRP of \$6.50, Arnott's amended the duration to 4 weeks with forecasted unit sales of 30,000 per week; and
- (c) for the Promotion Level 1 price of \$5.50, Arnott's amended the duration to 48 weeks with forecasted unit sales of 63,000 per week.
- 34 I have been shown an email dated 21 February 2022 from Sophie Scott (Arnott's) to Zoe Pipan attaching revised deal sheets. A copy of this email is at **[MPL.0002.0002.6316] of Confidential Exhibit CPD-1** and copies of the attached deal sheets are at **[MPL.0002.0002.6317]** and **[MPL.0002.0002.6318] of Confidential Exhibit CPD-1** (. The revised deal sheet attached to Sophie's email was unchanged from Arnott's proposal of 14 February 2022 in respect of the Tiny Teddy 15pk Sample Product.
- 35 On 21 February 2022, I received an email from Richard Lowe, a Senior Pricing Manager from Woolworths' Pricing Team, which provided some guidance for returning a product to Prices Dropped (a copy of this email is at **[MPL.0002.0005.1890] of Confidential Exhibit CPD-1**). The email set out two requirements:
- (a) first, *"the new, higher sell price should be established for between 3-6 weeks based on the IPI"*; and
- (b) second, *"the new, higher sell price should be "defendable", ie. based on the current price + the cost increase we've incurred or the previous 'was price' + cost increase incurred."*
- 36 The IPI for products within the Impulse, Beverage & Tobacco Category, including in the Biscuits Category, were relatively short. I would expect the price establishment period for the Tiny Teddy 15pk Sample Product to be around 3 weeks.
- 37 On 16 March 2022, I emailed Michelle Foley and Clare Darroch my feedback on Arnott's CPI request, concentrating specifically on Arnott's Shapes, which was an important product in the Arnott's range. This email is at **[MPL.0002.0002.6338] of Confidential Exhibit CPD-1**. I later forwarded this email to other Merchandise Managers in the Long Life Food section of the business, although I can no longer recall precisely why I sent this email (a copy of the email I forwarded is at **[MPL.0002.0005.2891] of Confidential Exhibit CPD-1**).
- 38 On 17 March 2022, I sent an email to Arnott's with Zoe Pipan blind copied, which included Woolworths' proposal in response to Arnott's CPI request (a copy of which is at **[MPL.0002.0002.6337] of Confidential Exhibit CPD-1**). Woolworths' response with

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respect to the Tiny Teddy 15pk Sample Product (shown under “Arnott’s Multipacks 12/15 Pack” in my email) was as follows:

- (a) a Standard Shelf Sell price of \$6.50 for 0 weeks with an Absolute Net Cost of \$[REDACTED] with estimated unit sales per week of 30,000; and
- (b) a Promotion Level 1 Sell Price of \$5.50 for 52 weeks with estimated unit sales of 63,0000 per week and an Absolute Net Cost of \$[REDACTED]

39 I do not know why this proposal indicated that the Tiny Teddy 15pk Sample Product would be sold at the Standard Shelf price for a duration of zero weeks. As I set out at paragraphs 28 and 35 to 36 above, my understanding at the time was that, before the Tiny Teddy 15pk Sample Product could be placed on a Prices Dropped ticket, it would need to be sold at the Shelf Price for a period of time, determined in part by the product’s IPI, to establish the price. I had communicated that requirement to Arnott’s on 14 February 2022, and that requirement did not change. It may be that the zero weeks entry was simply an error. I note that this same issue appears to have still been present on 27 April 2022, as set out in paragraph 44 below, but was corrected by 4 May 2022, as shown in paragraph 48 below.

40 Throughout the remainder of March and April 2022, I continued to be involved in the negotiation of Arnott’s CPI, but these negotiations did not concern the specific CPI proposal for the Tiny Teddy 15pk Sample Product. Copies of the emails I exchanged with Arnott’s and Zoe Pipan about those negotiations are at **[MPL.0002.0025.2917]**, **[MPL.0002.0025.2915]**, **[MPL.0002.0002.6492]**, **[MPL.0002.0002.6890]**, **[MPL.0002.0002.6885]**, **[MPL.0002.0025.2798]**, **[MPL.0003.0029.7464]**, **[MPL.0002.0002.5445]** and **[MPL.0002.0002.6133]** of **Confidential Exhibit CPD-1**. These negotiations primarily concerned the combined impact of Arnott’s CPI across its product range and the Tiny Teddy 15pk Sample Product was a relatively insignificant component of the overall pack group and proposed cost increase.

41 While the Tiny Teddy 15pk Sample Product was not a key component of these negotiations, it was included in a Google Sheet spreadsheet that Zoe Pipan shared with me on 27 April 2022, which contained updated modelling on the overall impact of Arnott’s CPI proposal. A copy of the email in which Zoe shared this Google Sheet spreadsheet with me is at **[MPL.0003.0029.6435]** of **Confidential Exhibit CPD-1**. This spreadsheet was a standard tool known as a ‘**Simulator**’ that Woolworths’ Pricing Team would prepare to assist Category Managers in assessing the impact of CPI proposals

Signed:

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submitted by suppliers, and which both the Category Managers and the Pricing Team would update from time to time.

42 I have been shown a copy of a Simulator spreadsheet, which I am informed by Jordan Sidhom (a Senior Specialist in Woolworths' eDiscovery Team) at Woolworths, and believe is, a copy of the Arnott's Simulator that was extracted from the version history of the document linked in Zoe Pipan's email that was captured by Woolworths' Google-based document system on 27 April 2022. A copy of the spreadsheet is at **[MPL.0094.0001.0002] of Confidential Exhibit CPD-1.**

43 This version of the Arnott's Simulator sets out the following in relation to the cost structure of the Tiny Teddy 15pk Sample Product (in the "Plans - sims" worksheet):

	B	C	D	E	F	G	H	I
957			Supplier initial ask		Supplier counter proposal		Woolworths counter proposal / final outcome	
	Product Cost	Current Cost	Variance	Proposed Cost	Variance	Proposed Cost	Variance	Proposed Cost
958	First cost /unit							
959	Allowances %							
960	Off invoice deal %							
961	Off invoice deal /unit							
962	CDS fee (if applicable)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
963	Invoice cost /unit							
964	Volume spend %							
965	Deferred deal %							
966	Deferred deal /unit							
967	CDS fee (if applicable)	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
968	On Cost (Landed Costs)	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
969	Net cost /unit							
970	Absolute Net Cost per unit							
971	GST applicable	YES						
972								

Signed:

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44 In relation to the retail pricing proposal for the Tiny Teddy 15pk Sample Product, the Arnott's Simulator captured on 27 April 2022 details the following:

	B	C	D	E	F	G	H	I	J	K
	Current Plan	Sell Price (inc GST)	Promo Frequency	Sales Quantity per Week	Total Sales Quantity	Scan Deal per Unit	Total Sales (exc GST)	Absolute Net Cost per Unit	Trading GP	Trading GP %
974										
975	Standard Shelf	\$5.00	52	73,139	3,803,228	\$0.00	\$17,287,400			
976	Promotion Level 1				0		\$0			
977	Promotion Level 2				0		\$0			
978	Promotion Level 3				0		\$0			
979	Promotion Level 4				0		\$0			
980	Totals/Averages	\$5.00	52	73,139	3,803,228	\$0.00	\$17,287,400			
981					3,803,228					
	Supplier Proposed Plan	Sell Price (inc GST)	Promo Frequency	Sales Quantity per Week	Total Sales Quantity	Scan Deal per Unit	Total Sales (exc GST)	Absolute Net Cost per Unit	Trading GP	Trading GP %
982										
983	Standard Shelf	\$6.50	4	30,000	120,000		\$709,091			
984	Promotion Level 1	\$5.50	48	63,000	3,024,000		\$15,120,000			
985	Promotion Level 2				0		\$0			
986	Promotion Level 3				0		\$0			
987	Promotion Level 4				0		\$0			
988	Totals/Averages	\$5.54	52	60,462	3,144,000		\$15,829,091			
989								10.02%		
	Woolworths Proposed Plan	Sell Price (inc GST)	Promo Frequency	Sales Quantity per Week	Total Sales Quantity	Scan Deal per Unit	Total Sales (exc GST)	Absolute Net Cost per Unit	Trading GP	Trading GP %
990										
991	Standard Shelf	\$6.50	0	30,000	0		\$0			
992	Promotion Level 1	\$5.50	52	63,000	3,276,000		\$16,380,000			
993	Promotion Level 2				0		\$0			
994	Promotion Level 3				0		\$0			
995	Promotion Level 4				0		\$0			
996	Totals/Averages	\$5.50	52	63,000	3,276,000		\$16,380,000			
997								7.68%		

45 As stated in paragraph 39 above, I do not know why this Simulator indicates that the Tiny Teddy 15pk Sample Product would be sold at the Standard Shelf price for a duration of zero weeks as this was contrary to my understanding, at the time, of the requirement that a product needed to be sold at a Shelf Price for a period of time, determined in part by the product's IPI, to establish the price before it could be placed on the Prices Dropped program.

46 I have also been shown two subsequent copies of an Arnott's Simulator. I am informed by Jordan Sidhom and believe that these were extracted from the version history of the document linked in Zoe Pipan's email at paragraph 41 above and were captured by Woolworths' document system on 4 May 2022 and 17 July 2023 respectively. A copy of the Arnott's Simulator captured on 4 May 2022 is at [MPL.0094.0001.0003] of **Confidential Exhibit CPD-1** and a copy of the Arnott's Simulator captured on 17 July 2023 is at [MPL.0094.0001.0001] of **Confidential Exhibit CPD-1**. I do not recall either of these versions of the Arnott's Simulator being shared with me at the time.

Signed:

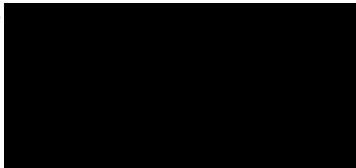
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47 In the version of the Arnott's Simulator captured on 4 May 2022, the cost price structure detailed in the "Plans - sims" worksheet in respect of the Tiny Teddy 15pk Sample Product is as follows:

	B	C	D	E	F	G	H	I
957			Supplier initial ask		Supplier counter proposal		Woolworths counter proposal / final outcome	
	Product Cost	Current Cost	Variance	Proposed Cost	Variance	Proposed Cost	Variance	Proposed Cost
958	First cost /unit							
959	Allowances %							
960	Off invoice deal %							
961	Off invoice deal /unit							
962	CDS fee (if applicable)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
963	Invoice cost /unit							
964	Volume spend %							
965	Deferred deal %							
966	Deferred deal /unit							
967	CDS fee (if applicable)	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
968	On Cost (Landed Costs)	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
969	Net cost /unit							
970	Absolute Net Cost per unit							
971	GST applicable	YES						
972								

48 In relation to the proposed promotional plan for the Tiny Teddy 15pk Sample Product, the version the Arnott's Simulator captured on 4 May 2022 details the following:

	B	C	D	E	F	G	H	I	J	K
974	Current Plan	Sell Price (inc GST)	Promo Frequency	Sales Quantity per Week	Total Sales Quantity	Scan Deal per Unit	Total Sales (exc GST)	Absolute Net Cost per Unit	Trading GP	Trading GP %
975	Standard Shelf	\$5.00	52	73,139	3,803,228	\$0.00	\$17,287,400			
976	Promotion Level 1				0		\$0			
977	Promotion Level 2				0		\$0			
978	Promotion Level 3				0		\$0			
979	Promotion Level 4				0		\$0			
980	Totals/Averages	\$5.00	52	73,139	3,803,228	\$0.00	\$17,287,400			
981					3,803,228					
982	Supplier Proposed Plan	Sell Price (inc GST)	Promo Frequency	Sales Quantity per Week	Total Sales Quantity	Scan Deal per Unit	Total Sales (exc GST)	Absolute Net Cost per Unit	Trading GP	Trading GP %
983	Standard Shelf	\$6.50	4	30,000	120,000		\$709,091			
984	Promotion Level 1	\$5.50	48	63,000	3,024,000		\$15,120,000			
985	Promotion Level 2				0		\$0			
986	Promotion Level 3				0		\$0			
987	Promotion Level 4				0		\$0			
988	Totals/Averages	\$5.54	52	60,462	3,144,000		\$15,829,091			
989								10.02%		
990	Woolworths Proposed Plan	Sell Price (inc GST)	Promo Frequency	Sales Quantity per Week	Total Sales Quantity	Scan Deal per Unit	Total Sales (exc GST)	Absolute Net Cost per Unit	Trading GP	Trading GP %
991	Standard Shelf	\$6.50	4	30,000	120,000		\$709,091			
992	Promotion Level 1	\$5.50	48	63,000	3,024,000		\$15,120,000			
993	Promotion Level 2				0		\$0			
994	Promotion Level 3				0		\$0			
995	Promotion Level 4				0		\$0			
996	Totals/Averages	\$5.54	52	60,462	3,144,000		\$15,829,091			
997								10.02%		

Signed: 

Taken by: 

49 From my review, the cost price structure and promotional plan for the Tiny Teddy 15pk Sample Product set out at paragraphs 47 to 48 above is the same as detailed in the Arnott's Simulator dated 17 July 2023, except for in relation to the:

- (a) Deferred Deal percentage proposed by Arnott's, which is listed as [REDACTED]% (instead of [REDACTED]% as set out in the Arnott's Simulator dated 4 May 2022);
- (b) Net Cost and Absolute Net Cost proposed by Arnott's, both of which are listed as being \$ [REDACTED] per unit (instead of \$ [REDACTED] as set out in the Arnott's Simulator dated 4 May 2022); and
- (c) Trading Gross Profit percentage of Arnott's promotional plan proposal, which is listed as being:
 - (i) for Arnott's Standard Shelf RRP, [REDACTED]% (instead of [REDACTED]% as set out in the Arnott's Simulator dated 4 May 2022);
 - (ii) for Arnott's Promotion Level 1 price, [REDACTED]% (instead of [REDACTED]% as set out in the Arnott's Simulator dated 4 May 2022); and
 - (iii) for Arnott's overall promotional plan proposal, [REDACTED]% (instead of [REDACTED]% as set out in the Arnott's Simulator dated 4 May 2022).

50 Further, I have been shown a comment that appears over the text "Arnott's Multipacks 12/15 Pack" at B955 of the Arnott's Simulator dated 17 July 2023 which states:

"@[REDACTED]@woolworths.com.au Deets for last CPI on the Arnotts Value Packs - refer to supplier plan_Assigned to [REDACTED]@woolworths.com.au_ -Michelle Nevoaok

so looks like an error in deal sheet from them but I will ask lol you never know :P it is like \$ [REDACTED] per annum of that is actually missing. thank you for your help! - Karolina Trofiniak"

51 I note that in both versions of the Arnott's Simulator dated 4 May 2022 and 17 July 2023, Woolworths' Shelf Price proposal lists a duration of four weeks, which is consistent with my understanding at the time of the need for a price establishment period.

Signed:

[REDACTED]

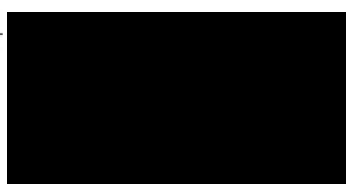
Taken by:

[REDACTED]

Price Establishment Period and Prices Dropped Placement

- 52 On 13 May 2022, I received an email from the Pricing Operations Team which contained the "Price Dashboard - WE 15th May (FY22 - W46)". A copy of this email is at **[MPL.0002.0027.5080] of Confidential Exhibit CPD-1**. This was an internal weekly pricing report that was circulated by the Pricing Operations Team to update the business on Woolworths and our competitors' recent retail pricing changes and detail Woolworths' competitive position in the market from a retail pricing point of view. In this email, the Pricing Operations Team noted that "*[t]he most notable increase this week was across the Arnotts range with both WW and Coles moving up in price following a cost increase*". This email also contained a link to a "Weekly Price Position" report which provided further detail on the specific products that had been subject to a retail price change. A copy of this report is at **[MPL.0094.0001.0006] of Confidential Exhibit CPD-1**. Page 8 of that report specifies that the price of "ArntsVartySnckPacks12 15pk240 375g" (which included the Tiny Teddy 15pk Sample Product) had moved from a Prices Dropped Price of \$5.00 in the prior week to a Shelf Price of \$6.50.
- 53 I believe this was the price change that followed approval of Arnott's CPI request, including for the Tiny Teddy 15pk Sample Product.
- 54 I have been shown an email exchange between Zoe Pipan and Sophie Scott (Arnott's) between 16 and 18 May 2022 in which Zoe asks Sophie to confirm that she was aligned on a 2 week price establishment period before the Tiny Teddy 15pk Sample Product could be placed on the Prices Dropped program, because the IPI of the product was 1.76 weeks. A copy of this email exchange is at **[MPL.0002.0015.1119] of Confidential Exhibit CPD-1**.
- 55 I do not recall any conversations with Zoe in relation to this exchange with Sophie Scott or any changes to the guidelines that Richard Lowe circulated on 21 February 2022 which required that products needed to be price established for a period of 3 to 6 weeks, determined by reference to the product's IPI. I do not know and cannot explain why Zoe informed Sophie Scott that the Tiny Teddy 15pk Sample Product only required a 2 week price establishment period.
- 56 From my review of Annexure C, I understand that on 2 June 2022, the Tiny Teddy 15pk Sample Product was placed on the Prices Dropped program and a red Prices Dropped ticket with a Prices Dropped Price of \$5.50.

Signed:



Taken by:



Sakata Sample Product Cost Price and Retail Price Journey

57 The Sakata Sample Product was supplied by Sakata Rice Snacks Australia (a subsidiary of Smith's, which was part of the PepsiCo Group (**Smith's**)). I was not as closely involved with the CPI request in respect of the Sakata Sample Product as I was with the CPI request in respect of the Tiny Teddy 15pk Sample Product, due to the smaller scale and materiality of the product.

58 The CPI request in respect of the Sakata Sample Product was principally handled by Zoe Pipan. As described below, I consulted with Zoe at times in relation to that request, but was not directly involved in negotiations with Smith's.

Prices Dropped Program Placement before CPI request

59 From my review of Annexure C, I understand that from at least September 2021 until 27 July 2022, the Sakata Sample Product was sold in Woolworths Supermarkets as part of the Prices Dropped program, and was offered to customers using a Prices Dropped ticket with a Prices Dropped Price of \$2.

CPI Request Notification and Negotiations

60 On 2 May 2022, Zoe Pipan forwarded me an email she had received from Ian Davies (Smith's), which attached a letter formally notifying Woolworths of a CPI impacting a broad range of Smith's products, including products in the Biscuits Category, with effect from 1 August 2022. A copy of this email is at **[MPL.0003.0029.9146] of Confidential Exhibit CPD-1** and a copy of the attached letter is at **[MPL.0003.0029.9147] of Confidential Exhibit CPD-1**.

61 In the letter, Smith's advised that the CPI was a result of "*difficult commodity and operating inflationary conditions which impact the cost of manufacturing and supplying products in Australia*". Appendix 1 to the letter also contained details of the proposed list price increases, including the following in respect of the Sakata Sample Product:

- (a) increase from the Current List Price of \$ [REDACTED] to a New List Price of \$ [REDACTED] (being a [REDACTED] % increase); and
- (b) a proposed RRP of \$2.75.

Signed:

Taken by:

62 I have been shown an email dated 6 May 2022 from Ian Davies (Smith's) to Zoe Pipan attaching a copy of a deal sheet setting out Smith's' CPI request and a further spreadsheet containing details of Smith's' RRP and promotional plan proposals. A copy of this email is at [MPL.0002.0002.6124] of Confidential Exhibit CPD-1, a copy of the deal sheet attachment is at [MPL.0002.0002.6125] of Confidential Exhibit CPD-1 and a copy of the RRP & Promotional Plan spreadsheet is at [MPL.0002.0002.6126] of Confidential Exhibit CPD-1.

63 The attachments to Ian Davies' email dated 6 May 2022, proposed the following in respect of the Sakata Sample Product:

(a) in relation to the proposed Cost Price structure:

- (i) First Cost per unit of \$ [REDACTED]
- (ii) Deferred deal of [REDACTED]%; and
- (iii) Net Cost per unit of \$ [REDACTED]

(b) in relation to the promotional plan:

- (i) an increase to Smith's' current Shelf RRP of \$2.00 to \$2.30 for 46 weeks; and
- (ii) a Promotion Level 1 Price of \$ [REDACTED] for 6 weeks (supported by Scan Deal funding of \$ [REDACTED] per unit sold during the course of the promotional window) compared to the current promotional plan of a Promotion Level 1 Price of \$1.50 for 5 weeks (supported by Scan Deal funding of \$ [REDACTED] per promotional unit sold) and a Promotion Level 2 Price of \$1.00 for 5 weeks (supported by Scan Deal funding of \$ [REDACTED] per promotional unit sold).

64 From my review of the promotional plan, it is not clear to me that, at this stage, Smith's was proposing that the Sakata Sample Product be placed on the Prices Dropped program. However, it is clear that Smith's could not have been proposing an EDLP plan because pulsing on short-term Specials was not permitted on the EDLP program (as I detail at paragraph 28 above). I note that the Shelf RRP is lower than that notified by Smith's on 2 May 2022 but suppliers occasionally proposed a lower RRP for Woolworths than their standard RRP in the market.

Signed:

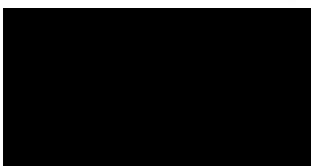
[REDACTED]

Taken by:

[REDACTED]

- 65 Upon receipt of a CPI request, it was standard practice for Category Managers in my portfolio to send those requests to Woolworths' Pricing Team for preliminary analysis, including preparation of a Simulator spreadsheet to model the CPI request as I described at paragraph 41 above. I have been shown an email dated 7 May 2022 in which, consistent with this practice, Zoe Pipan forwarded the documents attached to Ian Davies' email on 6 May 2022 to Jay Matutina and Stephen Townsend in Woolworths' Pricing Team. A copy of this email is at **[MPL.0002.0002.6124] of Confidential Exhibit CPD-1.**
- 66 I have been shown an email from Ian Davies to Zoe Pipan containing details of the commodity price increases that Smith's was experiencing and observe that the increase in the cost of international freight was particularly relevant to the Sakata Sample Product. A copy of this email is at **[MPL.0002.0002.5996] of Confidential Exhibit CPD-1.**
- 67 I have been shown an email from Ian Davies to Zoe Pipan dated 1 June 2022 in which Ian Davies circulated an updated version of the deal sheets which separated out the proposal for the Sakata Sample Product from the proposal for Wholegrain Sakata Cracker products. A copy of this email is at **[MPL.0002.0002.6095] of Confidential Exhibit CPD-1** and a copy of this attachment is at **[MPL.0002.0002.6096] of Confidential Exhibit CPD-1.** The proposed cost price and retail price structure for the Sakata Sample Product remained as set out in paragraph 63, however, the forecast unit sales were amended to reflect the removal of any sales attributed to the Wholegrain Sakata Cracker products.
- 68 On 21 June 2022, Zoe Pipan shared with me a link to a Google Sheet titled 'Sakata Rice Snacks Cost Assessment – 01/08/2022'. I have been shown a copy of a Simulator spreadsheet which details CPI proposals in respect of a range of Smith's products, including the Sakata Sample Product. I am informed by Jordan Sidhom that this spreadsheet was extracted from the version history of the document linked in Zoe's email that was captured on 22 June 2022. A copy of the email is at **[MPL.0003.0028.9256] of Confidential Exhibit CPD-1** and a copy of the Smith's Simulator spreadsheet is at **[MPL.0094.0001.0004] of Confidential Exhibit CPD-1.**

Signed:



Taken by:



69 In the Smith's Simulator captured on 22 June 2022, the cost structure of the Sakata Sample Product detailed in the 'Plans – sims' worksheet is as follows:

	B	C	D	E	F	G	H	I
115	Article	199639	Supplier initial ask		Supplier counter proposal		Woolworths counter proposal / final outcome	
	Product Cost	Current Cost	Variance vs. Current	Proposed Cost	Variance vs. Current	Proposed Cost	Variance vs. Current	Proposed Cost
116	First cost \$/unit							
117	Allowances %							
118	Off invoice deal %							
119	Off invoice deal \$/unit							
120	CDS fee (if applicable)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
121	Invoice cost \$/unit							
122	Volume spend %							
123	Deferred deal %							
124	Deferred deal \$/unit							
125	CDS fee (if applicable)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
126	On Cost (Landed Costs)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
127	Net cost \$/unit							
128	Absolute Net Cost per unit							
129	GST applicable	Yes						

70 In relation to the promotional plan for the Sakata Sample Product, the 'Plans – sims' worksheet of the Smith's Simulator captured on 22 June 2022 details the following:

	B	C	D	E	F	G	H	I	J	K
132	Current Plan	Sell Price (inc GST)	Promo Frequency	Sales Quantity per Week	Total Sales Quantity	Scan Deal per Unit	Total Sales \$ (exc GST)	Absolute Net Cost per Unit	Trading GP \$	Trading GP %
133	Standard Shelf	\$2.00	43	148,272	6,375,717		\$11,592,212			
134	Promotion Level 1	\$1.50	4	255,133	1,020,532		\$1,391,634			
135	Promotion Level 2	\$1.00	5	477,516	2,387,578		\$2,170,525			
136	Promotion Level 3				0		\$0			
137	Promotion Level 4				0		\$0			
138	Promotion Level 5				0		\$0			
139	Totals/Averages	\$1.70	52	188,151	9,783,826		\$15,154,371			
140					9,783,826		Total Sales Quantity in Current Plan aligned to baseline data!			
141	Supplier Proposed Plan	Sell Price (inc GST)	Promo Frequency	Sales Quantity per Week	Total Sales Quantity	Scan Deal per Unit	Total Sales \$ (exc GST)	Absolute Net Cost per Unit	Trading GP \$	Trading GP %
142	Standard Shelf	\$2.30	46	152,062	6,994,852		\$14,625,600			
143	Promotion Level 1	\$1.15	6	509,317	3,055,902		\$3,194,807			
144	Promotion Level 2				0		\$0			
145	Promotion Level 3				0		\$0			
146	Promotion Level 4				0		\$0			
147	Promotion Level 5				0		\$0			
148	Totals/Averages	\$1.95	52	193,284	10,050,754		\$17,820,406			
149										
150	Woolworths Proposed Plan	Sell Price (inc GST)	Promo Frequency	Sales Quantity per Week	Total Sales Quantity	Scan Deal per Unit	Total Sales \$ (exc GST)	Absolute Net Cost per Unit	Trading GP \$	Trading GP %
151	Standard Shelf	\$2.30	44	156,500	6,886,000		\$14,398,000			
152	Promotion Level 1	\$1.15	8	504,100	4,032,800		\$4,216,109			
153	Promotion Level 2	\$0.00	0	-	0		\$0			
154	Promotion Level 3	\$0.00	0	-	0		\$0			
155	Promotion Level 4	\$0.00	0	-	0		\$0			
156	Promotion Level 5				0		\$0			
157	Totals/Averages	\$1.88	52	209,977	10,918,800		\$18,614,109			

Signed:

Taken by:

71 Later that same day, I responded to Zoe Pipan's email at paragraph 68 above with the following comments in respect of the Sakata Sample Product (a copy of my email is at **[MPL.0003.0028.9256] of Confidential Exhibit CPD-1**):

"Sakata - how does this leave them with Peckish?"

- i dont see how base lines volume increase.....

If we are making more % margin on Peckish then we should not look to make less % margin on Sakata... wouldnt make sense"

72 On 22 June 2022, Zoe Pipan responded to my email at paragraph 71 above, stating the following in relation to the Sakata Sample Product (a copy of my email is at **[MPL.0003.0028.9182] of Confidential Exhibit CPD-1**):

"We'd need to get a cost decrease to achieve the same blended margin, ██████%. Increase the requested DD from \$█████ to \$█████. We could put it into the scan deal, but given we want to relaunch onto Red I'd prefer it as a DD."

73 Although I can no longer recall the specific details of this discussion, I interpret the reference to "Red" in Zoe Pipan's email at paragraph 72 above as most likely referring to placing the Sakata Sample Product on the Prices Dropped program. Again, this is because products on the EDLP program cannot be pulsed on short-term Specials (as I state at paragraphs 28 and 64 above).

74 I have been shown an email from Zoe Pipan to Ian Davies dated 23 June 2022 attaching Woolworths' revised deal sheets for Smith's' CPI request insofar as it concerned the Sakata Sample Product and some other products. A copy of this email is at **[MPL.0002.0015.1539] of Confidential Exhibit CPD-1** and a copy of the attachment is at **[MPL.0002.0015.1540] of Confidential Exhibit CPD-1**. In respect of the Sakata Sample Product, Woolworths proposed:

- (a) in relation to the Cost Price structure:
- (i) the same proposed First Cost of \$█████;
 - (ii) a deferred deal of ██████% (as compared with Smith's' proposal of 6 May 2022, which was ██████%); and
 - (iii) a Net Cost of \$█████ (as compared with Smith's' proposal of 6 May 2022, which was \$█████); and

Signed:

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- (b) in relation to the promotional plan:
- (i) a Shelf Price of \$2.50 for 0 weeks;
 - (ii) a Promotion Level 1 Price of \$2.30 for 44 weeks; and
 - (iii) a Promotion Level 2 Price of \$1.15 for 8 weeks (supported by scan funding of \$[REDACTED] per promotional unit).

75 I do not know why Woolworths' deal sheet recorded a proposed Shelf Price for a period of "0 weeks". My view at the time was that there needed to be a price establishment period for a product before it could be placed on any yellow ticket Special or red Prices Dropped ticket. Based on the reference to "Red" in Zoe Pivan's email at paragraph 72 above and my review of Woolworths' deal sheet, I consider it likely that the Promotion Level 1 Price referred to a proposed Prices Dropped price and the Promotion Level 2 Price referred to proposed yellow ticket Specials activity.

76 I have been shown an email dated 30 June 2022 from Ian Davies (Smith's) to Zoe Pivan which purports to summarise a discussion between Ian Davies and Zoe earlier that day about Smith's' CPI. A copy of this email is at **[MPL.0002.0002.6663] of Confidential Exhibit CPD-1**. The email states with respect to Sakata products (among other matters):

" ...

- *EDLP/promo adjustments made to ensure compliant with ACCC guidelines re: "value" and "save" messages to customers.*
 - o *As per previous Cormac/Zoe feedback, Pepsico proposal has already removed shallow pulse frequency from plan (aligned).*
 - o *8 HPs in WW response (+2 vs Pepsico Proposal); Woolworths confirming this is the maximum pulse frequency permitted from an EDLP offer*
 - *WW flexible on number of HPs between 6-8; just setting maximum tolerance of 8.*

- ..."

Signed:

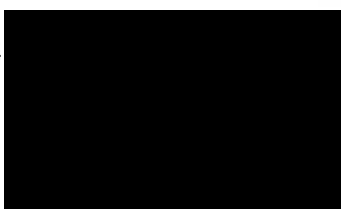
[REDACTED]

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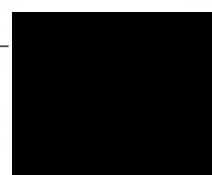
[REDACTED]

- 77 It was not uncommon for suppliers to refer to the Prices Dropped program as “EDLP”, but I consider it likely that in this email Ian Davies was referring to Price Dropped given the reference to pulsing. I also understand “HPs” in Ian’s email to mean “Half Price” promotions as “HPs” is a common abbreviation for such promotions.
- 78 I have been shown an email dated 1 July 2022 from Ian Davies to Zoe Pipan addressing some of the matters summarised as discussion points in his email dated 30 June 2022 referred to at paragraph 76 above. In that email, Ian Davies observed that the Smith’s Sakata product range (which includes the Sakata Sample Product) had not been subject to a CPI in the preceding 10 years and that Smith’s CPI therefore was “*in essence, a multi-year increase, given the commodity movement over the past decade that the assortment has absorbed*”. A copy of this email is at **[MPL.0002.0002.6048] of Confidential Exhibit CPD-1**.
- 79 I have been shown an email dated 6 July 2022 from Ian Davies to Zoe Pipan attaching Smith’s’ updated deal sheets. A copy of the email is at **[MPL.0002.0002.6000] of Confidential Exhibit CPD-1** and a copy of the attachment is at **[MPL.0002.0002.6001] of Confidential Exhibit CPD-1**. In relation to the Sakata Sample Product, Smith’s proposed the same structure as set out in the deal sheets attached to Ian Davies’ 6 May 2022 email referred to at paragraph 62 above, except in the following respects:
- (a) in relation to the proposed Shelf price of \$2.30, revised forecasted unit sales of 154,459 per week; and
 - (b) in relation to the proposed Promotion Level 1 price of \$1.15, revised forecasted unit sales of 505,240 per week.
- 80 On 7 July 2022, Zoe Pipan sent me an email containing a link to a Google Sheet spreadsheet titled “*Sakata Rice Snacks Cost Assessment - 01/08/2022 V2 06.07.2022*”. A copy of this email is at **[MPL.0003.0028.6930] of Confidential Exhibit CPD-1**. I have been shown a copy of a Simulator spreadsheet for the Smith’s CPI which I am informed by Jordan Sidhom was extracted from the version history of the document linked in Zoe’s email that Woolworths’ document system captured on 7 July 2022. A copy of this Simulator spreadsheet is at **[MPL.0094.0001.0005] of Confidential Exhibit CPD-1**.

Signed:



Taken by:



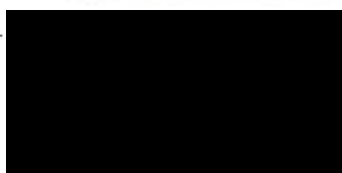
81 In the version of the Smith's Simulator shown to me, the cost price structure proposed for the Sakata Sample Product is as follows:

	B	C	D	E	F	G	H	I
115	Article	199639	Supplier initial ask		Supplier counter proposal		Woolworths counter proposal / final outcome	
	Product Cost	Current Cost	Variance vs. Current	Proposed Cost	Variance vs. Current	Proposed Cost	Variance vs. Current	Proposed Cost
117	First cost \$/unit							
118	Allowances %							
119	Off invoice deal %							
120	Off invoice deal \$/unit							
121	CDS fee (if applicable)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
122	Invoice cost \$/unit							
123	Volume spend %							
124	Deferred deal %							
125	Deferred deal \$/unit							
126	CDS fee (if applicable)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
127	On Cost (Landed Costs)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
128	Net cost \$/unit							
129	Absolute Net Cost per unit							
130	GST applicable	Yes						

82 In relation to the promotional plan for the Sakata Sample Product, the Smith's Simulator details the following:

	B	C	D	E	F	G	H	I	J	K
	Current Plan	Sell Price (inc GST)	Promo Frequency	Sales Quantity per Week	Total Sales Quantity	Scan Deal per Unit	Total Sales \$ (exc GST)	Absolute Net Cost per Unit	Trading GP \$	Trading GP %
132	Standard Shelf	\$2.00	43	148,272	6,375,717		\$11,592,212			
134	Promotion Level 1	\$1.50	4	255,133	1,020,532		\$1,391,634			
135	Promotion Level 2	\$1.00	5	477,516	2,387,578		\$2,170,525			
136	Promotion Level 3				0		\$0			
137	Promotion Level 4				0		\$0			
138	Promotion Level 5				0		\$0			
139	Totals/Averages	\$1.70	52	188,151	9,783,826		\$15,154,371			
140					9,783,826		Total Sales Quantity in Current Plan aligned to baseline data!			
	Supplier Proposed Plan	Sell Price (inc GST)	Promo Frequency	Sales Quantity per Week	Total Sales Quantity	Scan Deal per Unit	Total Sales \$ (exc GST)	Absolute Net Cost per Unit	Trading GP \$	Trading GP %
141	Standard Shelf	\$2.30	46	154,459	7,105,114		\$14,856,147			
142	Promotion Level 1	\$1.15	6	505,240	3,031,440		\$3,169,233			
143	Promotion Level 2				0		\$0			
144	Promotion Level 3				0		\$0			
145	Promotion Level 4				0		\$0			
146	Promotion Level 5				0		\$0			
147	Totals/Averages	\$1.96	52	194,934	10,136,554		\$18,025,380			
148										
149										
	Woolworths Proposed Plan	Sell Price (inc GST)	Promo Frequency	Sales Quantity per Week	Total Sales Quantity	Scan Deal per Unit	Total Sales \$ (exc GST)	Absolute Net Cost per Unit	Trading GP \$	Trading GP %
150	Standard Shelf	\$2.30	44	156,500	6,886,000		\$14,398,000			
151	Promotion Level 1	\$1.15	8	504,100	4,032,800		\$4,216,109			
152	Promotion Level 2				0		\$0			
153	Promotion Level 3				0		\$0			
154	Promotion Level 4				0		\$0			
155	Promotion Level 5				0		\$0			
156	Totals/Averages	\$1.88	52	209,977	10,918,800		\$18,614,109			
157										

Signed:

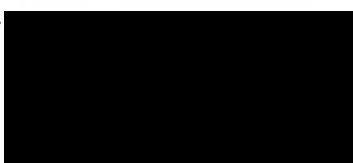


Taken by:



- 83 On the same day, I responded to Zoe Pipan's email which circulated the Smith's Simulator with an email that simply stated "14% Jeez". A copy of this email is at **[MPL.0003.0028.6860] of Confidential Exhibit CPD-1**. Although I cannot now recall precisely what I was referring to in this email, from my review of the Smith's Simulator, I believe my reaction concerned Smith's CPI proposal in relation to its Red Rock Deli product range and did not concern the Sakata Sample Product.
- 84 On 8 July 2022, Zoe Pipan and I continued to exchange emails in relation to the Smith's Simulator, however, I do not believe these exchanges concerned the CPI proposal in respect of the Sakata Sample Product. Copies of the emails I exchanged with Zoe are at **[MPL.0003.0028.6860], [MPL.0003.0028.6847] and [MPL.0003.0028.6844] of Confidential Exhibit CPD-1**.
- 85 Subsequently, on 13 July 2022, I sent Zoe Pipan a further email in relation to the Smith's Simulator and Zoe's proposed counterproposal. A copy of this email is at **[MPL.0003.0028.6310] of Confidential Exhibit CPD-1**. Relevantly, in that email, I stated:
- "All good with your counter to Smiths.*
- We can wait it out on this one.*
- Sakata they will probably get a bit emotional but we can just hold off running the promos at HP and leave baselines given we have peckish to trade in the short term."*
- 86 I recall that my comments in this email regarding the Sakata Sample Product were in relation to our inability to align with Smith's' proposed promotional plan. I instructed Zoe that Woolworths could accept Smith's' cost price increase without agreeing to the promotional plan. I did so to avoid a scenario in which Woolworths did not agree the amount of the CPI before the effective date notified by Smith's for the price increase (which was 1 August 2022). There was a risk that Smith's would decline to supply Woolworths with Sakata products if the CPI request was not resolved before that date.
- 87 I have been shown a further email dated 13 July 2022 from Zoe Pipan to Ian Davies stating that Woolworths could not accept Smith's' position under the revised proposal and circulated an updated deal sheet containing Woolworths' counterproposal. A copy of this email is at **[MPL.0002.0002.6608] of Confidential Exhibit CPD-1** and a copy of the

Signed:



Taken by:



attachment is at **[MPL.0002.0002.6609] of Confidential Exhibit CPD-1**. In relation to the Sakata Sample Product, Woolworths proposed the same structure as set out in the deal sheet attached to Zoe Pipan's 23 June 2022 email referred to at paragraph 74 above, except for in respect of the Promotion Level 2 price proposal which Woolworths amended as follows:

- (a) increased the Promotion Level 2 price from \$1.15 to \$1.38 for 8 weeks; and
- (b) decreased the extent of Scan Funding support for the Promotion Level 2 price from \$ [REDACTED] to \$ [REDACTED] per promotional unit.

88 On 14 July 2022, I was copied into an email from Daniel Crabtree (Smith's) to Zoe Pipan in which Daniel attached a further revised Smith's deal sheet and observed that it would provide "an incremental \$6M RSV and \$ [REDACTED] profit to Woolworths compared to the current plan". A copy of this email is at **[MPL.0002.0002.6575] of Confidential Exhibit CPD-1** and a copy of the attachment is at **[MPL.0002.0002.6576] of Confidential Exhibit CPD-1**. In relation to the Sakata Sample Product, this Deal Sheet set out the following proposal:

- (a) in relation to the Cost Price structure:
 - (i) the same proposed First Cost of \$ [REDACTED] originally sought by Smith's;
 - (ii) a slightly lower Deferred Deal of [REDACTED] %; and
 - (iii) a Net Cost per unit of \$ [REDACTED]
- (b) in relation to the promotional plan:
 - (i) a Shelf price of \$2.30 for 47 weeks;
 - (ii) a Promotion Level 1 RRP of \$1.38 for 5 weeks (supported by scan funding of \$ [REDACTED] per unit), resulting in unit sales of 504,100 per week.

89 Upon receipt of the email dated 14 July 2022 from Daniel Crabtree, I asked Zoe Pipan to provide me with an update on Smith's' CPI proposal and Zoe Pipan confirmed that she and Smith's were aligned. A copy of this email is at **[MPL.0002.0015.1571] of Confidential Exhibit CPD-1**.

Signed:

[REDACTED]

Taken by:

[REDACTED]

90 Later on 15 July 2022, I was copied into an email from Zoe Pivan to Daniel Crabtree which confirmed that Woolworths was aligned with Smith's' revised CPI proposal as set out in the Deal Sheet attached to Daniel Crabtree's email dated 14 July 2022 referred to above at paragraph 88. A copy of this email is at **[MPL.0002.0002.6571]** of **Confidential Exhibit CPD-1**.

91 I was on leave overseas from 15 July 2022 to 26 August 2022. During this time, I attended to a handful of work-related matters, including sending an email to Barry O'Leary on 18 July 2022 to "handover" to him a number of outstanding matters within the Merchandise Manager for Impulse, Beverage & Tobacco portfolio. A copy of this email is at **[MPL.0023.0006.5020]** of **Confidential Exhibit CPD-1**. However, I otherwise was not involved in overseeing Zoe Pivan's work as the Category Manager of the Biscuits Category while on leave. When I returned, I commenced a new role as General Manager of Fruit & Vegetables.

Retail Price Increase and Prices Dropped Placement

92 From my review of Annexure C, I am aware that:

- (a) on 28 July 2022, the Sakata Sample Product was removed from the Prices Dropped program, placed on a white ticket and the Shelf Price was increased to \$2.75; and
- (b) on 1 September 2022, a red Prices Dropped ticket was applied to the Sakata Sample Product and it began being sold at a Prices Dropped Price of \$2.30.

SWORN by the deponent
at Bella Vista
in New South Wales
on 15 December 2025
Before me:



.....
Signature of witness

SELI MA SHOR YAN TA

.....
Name of authorised witness (block letters)

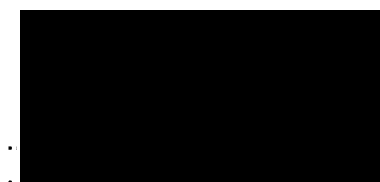
1 FARRER PLACE, SYDNEY NSW 2000

.....
Address of authorised witness

SOLICITOR

.....
Capacity (eg Justice of the Peace)

)
)
)
)
)



.....
Signature of deponent

No VID 974 of 2024

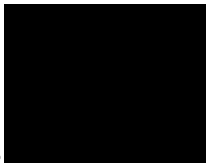
Federal Court of Australia
District Registry: Victoria
Division: General

Australian Competition and Consumer Commission
Applicant

Woolworths Group Limited (ACN 000 014 675)
Respondent

Certificate identifying Confidential Exhibit CPD-1

This is **Confidential Exhibit CPD-1** to the affidavit of **Cormac Peter Deery** sworn at 1 Woolworths Way, Bella Vista NSW 2153 on 15 December 2025 before me:



.....
Signature of witness

Australian Legal Practitioner

Filed on behalf of Woolworths Group Limited, the Respondent

Prepared by Peta Stevenson
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