

## NOTICE OF FILING

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COLES SUPERMARKETS AUSTRALIA PTY LTD (ACN 004 189 708)  
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*Sia Lagos*

Registrar

### Important Information

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Form 59

Rule 29.02(1)

## Affidavit

No. VID 973 of 2024

Federal Court of Australia

District Registry: Victoria

Division: General

Commercial and Corporations National Practice Area (Regulator and Consumer Protection)

### Australian Competition and Consumer Commission

Applicant

**Coles Supermarkets Australia Pty Ltd (ACN 004 189 708)**

Respondent

Affidavit of: Rebecca Thompson

Address: 800 Toorak Road, Hawthorn East, Victoria

Occupation: Head of Transformation and Delivery (Health and Home Unit) at Coles

Date: 24 November 2025

### Contents

Document number	Details	Paragraph	Page
1	Affidavit of Rebecca Thompson affirmed on 24 November 2025	[1]–[48]	2–10
2	Exhibit "RT-1", being a bundle of documents relating to the Arnott's Shapes Multipack Variety 15 Pack (375g) Product	[25]–[48]	6–10

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[Version 3 form approved 02/05/2019]

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I, Rebecca Thompson of 800 Toorak Road, Hawthorn East, Victoria, Head of Transformation and Delivery (Health and Home Unit), affirm:

- 1 I am the Head of Transformation and Delivery (Health and Home Unit) at Coles Supermarkets Australia Pty Ltd (ACN 004 189 708) (Coles).
- 2 Shown to me at the time of affirming this affidavit and exhibited to this affidavit and marked **Exhibit RT-1** is a consolidated set of documents. In this affidavit, I refer to each document by reference to the relevant tab number in Exhibit RT-1 and where convenient by the document's identification number, stamped on the top right-hand corner of the first page. Where documents in Exhibit RT-1 have attachments, the host document is numbered, for example, tab 1, with each of the attachments numbered tab 1.1 and tab 1.2 accordingly.

#### **A. EMPLOYMENT HISTORY**

- 3 I have been employed by Coles since January 2022 in the following roles:
  - (a) Senior Category Manager of the Biscuits and Cookies category from 18 January 2022 to 6 August 2023;
  - (b) Head of Strategy (Health and Home Unit) from 7 August 2023 to 28 October 2024; and
  - (c) Head of Transformation and Delivery (Health and Home Unit) since 28 October 2024. This role is essentially the same as my previous role as Head of Strategy (Health and Home Unit). The name of the role changed due to an internal restructure.
- 4 I am due to end my employment with Coles on 2 January 2026.
- 5 Prior to commencing at Coles, I was employed by Big W for 8 years, including 4 years as a Senior Category Manager.
- 6 Unless stated otherwise, the matters to which I refer in this affidavit concern the period when I was Senior Category Manager of the Biscuits and Cookies category.

#### **B. THE BISCUITS AND COOKIES CATEGORY**

- 7 The Biscuits and Cookies category comprised six sub-categories: chocolate biscuits, crackers/crispbreads, cream/plain biscuits, flavoured snacks, multipacks and rice. The category sits within Coles' Impulse business category and the broader Grocery business unit.
- 8 As Senior Category Manager for the Biscuits and Cookies category, I reported to the Business Category Manager (**BCM**) of Impulse, Via Lavdas. The persons who reported to me at various times during my role were:
  - (a) Connie Brooker (Business Category Coordinator (**BCC**)), whose role was to provide administrative support for the category;
  - (b) Amelia Egan (Assistant Category Manager (**ACM**)), whose role was to assist with planning and building promotional programs, including attending meetings with suppliers and conducting market analysis (e.g. identifying competitors' prices); and
  - (c) Alanna Biordi, who replaced Amelia Egan as ACM.
- 9 My main responsibilities were:
  - (a) developing and implementing a category plan;

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- (b) determining the Biscuits and Cookies category products that Coles ranged during range reviews and the retail prices and promotional programs for those products. This included reviewing sales and financial reports, assessing the outcomes of decisions from a ranging perspective and considering how different pricing strategies impacted sales performance and customer preferences;
  - (c) building and maintaining relationships with suppliers – depending on the supplier this included joint business planning as well as negotiating and agreeing to promotional plans and terms on which Coles acquired products from the supplier in accordance with the Food and Grocery Code;
  - (d) seeking to achieve profit and loss targets in the category budget; and
  - (e) providing leadership and development for the persons who directly reported to me and the wider Impulse team.
- 10 Category plans were documents that set out the strategy and priorities for the category. They included sales and profit targets for the category as a whole (there were no sales or profit targets for individual products). The category plan informed category budgets which were generally prepared by the General Managers and BCMs.

### C. RETAIL PRICES AND PROMOTIONS

- 11 As Senior Category Manager I had primary responsibility for setting the prices for products in my category, having regard to Coles' overall pricing and value strategy and Coles' promotional 'guardrails' (both of which I discuss in more detail at paragraph 14 below). I sometimes sought input from my ACM and Coles' Pricing and Value team (which developed Coles' overall pricing and value strategy and monitored competitors' prices).
- 12 Coles had several types of prices that it used. 'White ticket' prices were non-promotional prices (and named after the white shelf edge paper tickets displayed below the products in store). The other types of prices that Coles used were often referred to as pricing 'mechanics', which included:
- (a) promotional prices, which were discounted prices and included Specials (short-term discounts that typically lasted for a week), Down Down (longer term discounts) and Multi-buy (discounts where customers bought more than one item). They had a shelf edge ticket that included red or yellow colour depending on the type of promotion; and
  - (b) 'Everyday Value' prices, which were prices that remained stable for at least six months.
- 13 I regularly monitored competitors' prices and promotions. If and when there were market movements, I considered whether Coles' prices for comparable products remained competitive and made changes where I considered it necessary to do so having regard to Coles' pricing and value strategy (including by reference to the pricing indices outlined in paragraph 14(b) below) and any applicable promotional guardrails. If a change required adjustments to a white ticket price or a promotional plan, I worked with the relevant supplier to agree on the necessary amendments.
- 14 I considered Coles' pricing and value strategy in the context of the whole Biscuits and Cookies category. In setting or altering prices for particular products, I usually had regard to:
- (a) the supplier's recommended retail price (RRP) or recommended promotional price;
  - (b) the price Coles' competitors charged for the product (in the Biscuits and Cookies category that was, primarily, Woolworths, Aldi and IGA) by reference to Coles' pricing indices. For

example, where applicable, I reviewed the Woolworths and/or Aldi Pricing Index (which compared the non-promotional price of certain products at Coles with those sold at Woolworths/Aldi) or the Woolworths and/or Aldi Value Index (which compared the promotional price of certain products at Coles with those sold on promotion at Woolworths or the non-promotional price at Aldi (noting that Aldi does not generally offer promotional pricing));

- (c) the financial performance of the category. While my primary concern was the financial performance of the category as a whole, this required consideration of the margins, sales targets, and volume forecasts of individual products. For example, I may have accepted a lower margin for a product if I considered that it was a key value item to customers (i.e. a weekly purchased product, or a product in high demand) and there was an overall benefit to the category as a whole due to increased sales volume of that product;
- (d) the product's position in Coles' existing range and the category's pricing hierarchy. Coles had a 'good, better, best' pricing hierarchy to distinguish between premium products (with higher priced or added 'benefit' ingredients (e.g. protein)) and more value-based products. In my category, Own Brand products (i.e. products Coles sold under its own brand or label) were generally in the 'good' tier, while branded products like Arnott's and Mondelez generally sat in the 'better' tier. Healthier snacking products (such as Snack Right) and premium chocolate biscuits (such as Locker) generally sat in the 'best' tier;
- (e) my understanding of customers' perception of value for the product (e.g. price, quality, pack size, newness and product innovation, options and convenience), which was based on my experience in the role and understanding of the category, customers and market;
- (f) for promotional prices, the 'funding' provided by the supplier (as described at paragraph 16 below) and, if relevant, a comparison of the promotional depth of the product (i.e. percentage or dollar-amount difference between the white ticket price and promotional price) to the depth achieved on the previous promotional mechanic. When setting or altering a promotional price, one of my aims was to ensure that value was delivered to the customer. In doing so, I sought to ensure that the supplier provided appropriate funding support so that Coles' margin could be maintained;
- (g) whether the price was a 'round' figure (e.g. I preferred to charge \$4.50 for a product rather than \$4.53); and
- (h) Coles' promotional guardrails which were business rules concerning the circumstances in which promotions could occur.

15 I had primary responsibility for overseeing the planning and implementation of promotions for products in the Biscuits and Cookies category with the assistance of my team. This process typically started six to 12 months before the start of the proposed promotions and involved:

- (a) my ACM asking suppliers to provide a promotional plan proposal with the supplier's proposed promotional mechanics which included promotional prices, funding, and volume and sales forecasts for the period the subject of the plan. That period depended on Coles' relationship with the supplier. For example, work on promotional plans with larger suppliers or strategic suppliers with Joint Business Plans (being plans where Coles and the supplier set strategic goals jointly, including sales and profit targets, for agreed initiatives for the coming year) were often planned further in advance and/or covered longer periods than the promotional plans provided by other suppliers;

- (b) negotiating and agreeing on a promotional plan with the supplier. When conducting negotiations with one supplier, it was important to consider the promotional plans being negotiated, or which had been agreed, with other suppliers as well, to limit situations where there was an imbalance of promotions across the category as a whole (by which I mean simultaneous promotions, or no promotions, for similar products in the category);
  - (c) considering the promotional plan proposal against Coles' promotional guardrails;
  - (d) once the promotional plan was agreed, ensuring that the supplier completed a Promotional Advice Form (PAF) (a document that recorded details of promotions) and then entering details of the promotion into Coles' systems (which was usually actioned by my BCC);
  - (e) preparing a promotional planning grid setting out the promotions to occur over a particular period for that supplier; and
  - (f) as I describe in section D below, completing out-of-cycle adjustments of promotional plans in response to 'Cost Price Increase' (CPI) requests.
- 16 The expression 'funding' was used by Coles and its suppliers to describe bearing the 'cost' of a promotional discount (i.e. the difference between the product's white ticket price and its promotional price). Coles provided funding by accepting a reduced margin on a product by offering it at a promotional price to customers either with support from the supplier (i.e. where Coles and suppliers jointly funded promotions) or, from time to time, without a supplier's financial support (i.e. where Coles funded promotions itself). Suppliers usually provided funding by way of 'scan deals', which involved the supplier making a payment to Coles in respect of the units of the product that Coles sold.
- 17 Promotional funding was agreed with suppliers in advance of a promotion, for a fixed period of time, to cover the term of the planned promotion. These agreements with suppliers were recorded in PAFs. If a supplier withdrew its promotional funding for a product at the end of the term, then unless a new promotional plan was agreed, including new promotional funding, the price of the product typically returned to the white ticket price. Coles could, and sometimes did, keep selling the product at a promotional price if a new promotional funding agreement was not reached (having regard to the strategy and the financial performance of the category as a whole) but that was uncommon.
- D. LIST PRICES AND COST PRICE INCREASES**
- 18 Suppliers agreed with Coles a 'list price' (i.e. the price that the supplier charged to Coles before any discounts, rebates, offsets or other adjustments) when introducing new products to the range.
- 19 When suppliers' costs increased, they could seek to increase their list prices by completing and submitting to Coles a 'Cost Price Adjustment' (CPA) request, pursuant to Coles' CPA policy. I generally referred to CPA requests as 'CPI requests'. When I joined Coles in January 2022, there was a high volume of CPI requests from suppliers. Some suppliers submitted multiple requests in 2022 alone.
- 20 I managed the CPI requests in the Biscuits and Cookies category including communicating with suppliers about the reasons for the requests and deciding whether to accept, partially accept or reject the CPI. My ACM assisted with managing CPI requests made by smaller suppliers.
- 21 Coles' Vendor Management Office (VMO) assisted with the assessment of CPI requests. The VMO assessed whether the supplier's input costs had increased by the amount the supplier claimed using publicly available information (such as commodity price movements) and any

information the supplier provided in support of the CPI request. This was referred to within Coles as 'validating' a CPI request. The VMO validated CPI requests using two methodologies:

- (a) 'Average Movement' analysis which measured the average daily commodity price movements since the last list price change – this was Coles' preferred methodology because it ensured that both commodity increases and decreases were considered; and
- (b) 'Point-to-Point' (**P2P**) analysis which measured the commodity price movements between two points in time.

- 22 The main reasons given by suppliers for the CPI requests in the Biscuits and Cookies category were increases in commodity costs and shipping due to inflation and the war in Ukraine. The type of commodity increases cited by suppliers varied between products. For example, for biscuits, suppliers informed me that the price of flour, grains, sugar, eggs and dairy had increased.
- 23 Typically, when suppliers submitted CPI requests, they also submitted revised promotional plan proposals (either on their own initiative or at my request). The revised promotional plan proposal was typically negotiated and agreed at around the same time as the CPI request. This was important because list prices were inputs into various aspects of promotional plans. For example, they informed suppliers' RRP's, proposed promotional prices, and suppliers' forecasts of sales, volume and Coles' margin. Consequently, if a list price of a product changed, the promotional plan for the product often had to change as well.
- 24 When proposed promotional plans were more complex, I sought input and feedback on them from the Merchandise Strategy & Transformation team (e.g. with respect to volume forecasts and analysis of the financial impact of a supplier's promotional plan proposal on the category's financial performance). This was particularly important with big suppliers like Arnott's which supplied a wide range of products to Coles and, at a portfolio level, had products on promotion at Coles every week of the year. The Merchandise Strategy & Transformation team sat within the Pricing and Value team.

## **E. CPI REQUEST FROM ARNOTT'S**

- 25 On 17 February 2022, I received a CPI request from Ryan Bowman, Customer Director at Arnott's, for 77 Arnott's products including Arnott's Shapes Multipack Variety 15 Pack (375g) (**Arnott's Shapes Multipack**). A copy of the CPI request notification email (COL.500.029.8000) and its attachments (COL.500.029.8001 and COL.500.029.8002) are at **tabs 1-1.2 of Exhibit RT-1**, with the Arnott's Shapes Multipack appearing in the second last row of the Savoury Multipacks bundle table on the last page of **tab 1.2** (COL.500.029.8002 (at .8005)). The proposed new recommended retail price for the Arnott's Shapes Multipack, as identified in the CPI request, was \$6.50.
- 26 The 77 Arnott's products comprised a number of 'bundles' of related products. For example, the Arnott's Shapes Multipack was part of the Savoury Multipacks bundle which also included products like Shapes Original BBQ and Shapes Original Pizza. Correspondence between Arnott's and Coles often referred to the CPI request by reference to bundles rather than individual products.
- 27 The amount of the requested CPI varied from one product to the next. Arnott's requested a 10.02% CPI for the Arnott's Shapes Multipack.
- 28 On 4 March 2022, I received the VMO's initial analysis of the CPI request. The VMO estimated that, if Coles agreed to the CPI request in full (for all 77 Arnott's products), Coles' costs would

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- increase by 10.7%. However, the VMO had only validated an overall 3.8% cost increase using Average Movement analysis and a 9.9% cost increase using P2P analysis.
- 29 In relation to the Arnott's Shapes Multipack, the Average Movement analysis validated a 7.8% cost increase and the P2P analysis validated a 10.02% cost increase (i.e. the amount of the requested increase in the list price of the product).
- 30 The VMO's email containing the Average Movement analysis (COL.500.029.8094) and its attachment (COL.500.029.8096) are at **tabs 2-2.1 of Exhibit RT-1**, with the Arnott's Shapes Multipack appearing at row 11 of **tab 2.1**. The VMO's email containing the P2P analysis (COL.500.029.8149) and its attachment (COL.500.029.8150) are at **tabs 3-3.1 of Exhibit RT-1**, with the Arnott's Shapes Multipack appearing at row 11 of **tab 3.1**.
- 31 Arnott's' products were frequently promoted at Coles at the time and a promotional plan was already in place for the products which were the subject of the CPI request. It was important to me to assess the CPI request together with Arnott's' revised promotional plan proposal for the products, for the reasons referred to in paragraph 23. That is, list prices affected aspects of promotional plans including RRP's, proposed promotional prices and Coles' margins.
- 32 On 9 March 2022, I received a revised promotional plan proposal from Arnott's. A copy of the email from Arnott's (COL.500.029.7989) is at **tab 4 of Exhibit RT-1** and its attachment (COL.500.029.7992) is at **confidential tab 4.1 of Exhibit RT-1**. In respect of the Arnott's Savoury Multipack Variety bundle, which included the Arnott's Shapes Multipack, the plan initially included:
- (a) a **RE** % increase in promotional funding (see cell U18 of the 'Summary 1' excel tab and cell V250 of the 'CPI Promo Tactics' excel tab of **confidential tab 4.1**);
  - (b) a forecasted 10% decrease in volume (see cell Q18 of the 'Summary 1' excel tab and cell V251 of the 'CPI Promo Tactics' excel tab of **confidential tab 4.1**);
  - (c) a 'current baseline' recommended price of \$5.00 (see cell V18 of the 'Summary 1' excel tab and cell B245 of the 'CPI Promo Tactics' excel tab of **confidential tab 4.1**). I understood this price to refer to the Down Down price at the time, given the promotional plan proposal also identified a 'frequency' of that price of 52 weeks and promotional funding of **\$RE** (see cells B246 and B248 of the 'CPI Promo Tactics' excel tab of **confidential tab 4.1**); and
  - (d) a recommended promotional price of \$5.50 (see cell W18 of the 'Summary 1' excel tab and cell I245 of the 'CPI Promo Tactics' excel tab of **confidential tab 4.1**).
- 33 In the period from 9 March 2022 to about 6 May 2022, I engaged in discussions and negotiations with Mr Bowman regarding the CPI request and the revised promotional plan proposal particularly regarding promotional funding and a promotional strategy to drive volume. I also received assistance from the VMO and the Merchandise Strategy & Transformation teams.
- 34 I sought to be fair and reasonable in the negotiations with Arnott's, particularly given the cost pressures in the market (i.e. inflation). I sought to do this by having the CPI request validated in full (if possible), and balancing the validation (whether full or partial) with a strong promotional plan and promotional funding to ensure there was a strong customer value offer and that Coles' prices were competitive, and supported Coles' financial performance in the category. Written communications that I sent or received include those at **tabs 5-7, 13, 15 and 22 (including any attachments, some of which are confidential) and confidential tabs 8-12, 14, 16-21 and 23 (including any attachments) of Exhibit RT-1**.

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- 35 Ultimately, the VMO validated the CPI request in full (that is the 10.7% overall requested increase) using P2P analysis, but not Average Movement analysis. The final revised promotional plan (which appears at **confidential tab 23.1 of Exhibit RT-1**) also:
- (a) provided for increased promotional funding by Arnott's (including a **RED**% funding increase for the Arnott's Savoury Multipack Variety bundle (see cell U18 of the 'Summary 1' excel tab and cell V250 of the 'CPI Promo Tactics' excel tab of **confidential tab 23.1**) and only a 1% forecasted volume decrease for the Arnott's Savoury Multipack Variety bundle (see cell Q18 of the 'Summary 1' excel tab and cell V251 of the 'CPI Promo Tactics' excel tab of **confidential tab 23.1**)); and
  - (b) clarified that the 'current baseline' RRP (of \$5.00) for the Arnott's Savoury Multipack Variety bundle (as included in the initial revised promotional plan proposal referred to at paragraph 32(c) above) was a reference to the existing recommended promotional price of the bundle on a Down Down mechanic. This was done by including the words 'Down Down' alongside the words 'current baseline' (see cell B243 in the 'CPI Promo Tactics' excel tab of **confidential tab 23.1**). The proposed new promotional price for the bundle was included as the 'new baseline (Down Down)' (of \$5.50) (see cell I245 in the 'CPI Promo Tactics' excel tab of **confidential tab 23.1**).
- 36 I was content with this revised promotional plan. I considered that it provided an appropriate commercial outcome that provided value to customers. Details of the Arnott's Savoury Multipack Variety bundle appear at row 18 of the 'Summary 1' and 'Summary 2' excel tabs and rows 241 to 254 of the 'CPI Promo Tactics' excel tab of **confidential tab 23.1**.
- 37 On that basis and having assessed the CPI request and revised promotional plan holistically with regard to the matters at paragraphs 35 to 36 above, I agreed to the CPI request (including the 10.02% list price increase for the Arnott's Shapes Multipack). On 6 May 2022, I sent an email to Mr Bowman notifying him of my decision. A copy of my email to Mr Bowman (COL.501.023.4073) is at **confidential tab 24 of Exhibit RT-1**.
- 38 The CPI took effect on 18 May 2022.

#### F. PRICE CHANGES FOR ARNOTT'S SHAPES MULTIPACK

- 39 As noted above, before the CPI, Arnott's Shapes Multipack was promoted using the Down Down mechanic, at \$5.00, and the new promotional plan provided for it to be sold again on the Down Down mechanic following the CPI at \$5.50 (see cell I245 of the 'CPI Promo Tactics' excel tab of **confidential tab 23.1**).
- 40 At the time, Coles' promotional guardrails provided that if Coles was to increase the price of an item on Down Down due to a supplier cost increase, it had to increase the price and sell it on a white ticket for four weeks with no simple promotions.
- 41 Following the CPI, I set the new white ticket price for the Arnott's Shapes Multipack at \$6.50. That was the RRP for the product (see slide 23 (COL.500.029.7889 (at .7911)) of **confidential tab 7.1 of Exhibit RT-1**) and, in my experience, suppliers (particularly major suppliers like Arnott's, who had been in the industry for a long time) knew their categories and products well and usually provided appropriate RRP's. I also had regard to:
- (a) Coles' pricing architecture (i.e. the 'good, better and best' hierarchy) to ensure that the price aligned with that architecture. Because Arnott's Shapes Multipack was considered a mid-tier product (i.e. the 'better' tier), I assessed the RRP by reference to prices of comparable products in the lower and higher tiers;

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- (b) value to the customer. At the time, I considered the Arnott's Shapes Multipack to be an important product for many customers, particularly young families that may have included it in school lunchboxes, and I wanted to ensure that it was sold at a price they would consider represented good value;
- (c) the bundle and pack size of products. I wanted to achieve a consistent price for products within the same or similar bundles and with the same pack size (e.g. sweet and savoury multipacks subject to the Arnott's CPI request);
- (d) the financial performance of the category, including the profit and loss of the category as a whole;
- (e) the percentage change in the white ticket price of the product (subject to the rounding point at (f) below). This allowed me to sense check that the new white ticket price was appropriate by reference to the accepted CPI percentage change. For example, with respect to the Arnott's Shapes Multipack, the white ticket price increased from \$6.00 to \$6.50 (reflecting 8.33% increase). This was less than the percentage change in the CPI, which was 10.02% (i.e. from \$6.00 to \$6.61). The previous white ticket price is identified in the Arnott's Cost Recovery Program presentation (see slide 23 (COL.500.029.7889 (at .7911)) of **confidential tab 7.1 of Exhibit RT-1**); and
- (f) rounded price points. Coles prefers rounded price points for products, as the internal view is that rounded price points resonate better with customers. For example, with respect to the Arnott's Shapes Multipack, I decided to set the new white ticket price at \$6.50 instead of \$6.61 (i.e. the 10.02% CPI percentage change) or \$6.60 (being the closest rounded number to the 10.02% CPI percentage change) because I considered that the lower price point was more likely to resonate better with customers.

- 42 Coles began selling the Arnott's Shapes Multipack at a white ticket price of \$6.50 on 18 May 2022. On the same day, Woolworths was also offering it for sale at \$6.50. A copy of an email from the Pricing and Value team regarding Coles' daily price changes against Woolworths for 18 May 2022 (COL.501.011.7096) and its attachment (COL.501.011.7097) are at **tabs 25-25.1 of Exhibit RT-1**, with the price for the Arnott's Shapes Multipack appearing in cell AH149 of **tab 25.1**.
- 43 Coles sold the Arnott's Shapes Multipack product at the white ticket price of \$6.50 for seven days (from 18 to 24 May 2022). It was then sold on a seven-day Special promotion at \$4.55 (from 25 May to 31 May 2022), before being sold on a white ticket price of \$6.50 for a further 14 days (from 1 to 14 June 2022).
- 44 The product was sold on Special at \$4.55 as part of a biannual event which involved offering a 30% discount on all Arnott's products which were sold on a white ticket. As the Arnott's Shapes Multipack, along with certain other Arnott's products the subject of the CPI request, had been sold on Down Down tickets when this promotion was initially arranged, those products were excluded from the promotion. However, once those products returned to a white ticket following the CPI process I discussed above, I was concerned that it was going to be confusing for customers if those products were not included in the promotion. I therefore sought to have the Arnott's Shapes Multipack included in the promotion. A copy of an email chain with Arnott's (COL.500.035.0015) is at **tab 26 of Exhibit RT-1** and its attachment (COL.500.035.0018) is at **confidential tab 26.1 of Exhibit RT-1**.
- 45 I asked Coles' Pricing and Value team whether the biannual event promotion affected the time at which the Arnott's Shapes Multipack could be sold on a Down Down promotion. A member of that team told me that the earliest date at which the Arnott's products could move to the new Down

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Down price was 15 June 2022, in light of Coles' promotional guardrails at the time. I followed that advice and instructed my team to offer the Arnott's Shapes Multipack for sale on Down Down promotion from 15 June 2022. I did not consider whether the advice was accurate at the time. Looking back on the correspondence, I think the Pricing and Value team misunderstood my initial email and made an error. A copy of my email exchange with the Pricing and Value team (COL.501.021.3136) is at **tab 27 of Exhibit RT-1**.

- 46 I set the new Down Down price of \$5.50 for the Arnott's Shapes Multipack, which was the recommended promotional price that Arnott's had identified in its promotional plan. I considered the price in the context of the overall promotional plan and was satisfied that it was appropriate. It involved a significant discount (of \$1.00) to the white ticket price (of \$6.50), and was supported by supplier funding (of \$RE). I was also satisfied with the forecast financial performance of the Arnott's Shapes Multipack at the new Down Down price. Arnott's forecasted substantial sales at that price (I generally found Arnott's forecasts to be reasonable) and I was satisfied with the margin that Coles was forecasted to generate (in the context of the promotional plan as a whole).
- 47 It was also important to me that the Down Down price was competitive. On 2 June 2022 (i.e. almost two weeks before the promotion started), I learned that Woolworths was selling the Arnott's Shapes Multipack for \$5.50. A copy of an email from the Pricing and Value team outlining Woolworths price changes for 2 June 2022 (COL.501.007.6714) and its attachment (COL.501.007.6715) are at **tabs 28-28.1 of Exhibit RT-1**, with the Arnott's Shapes Multipack appearing in cell AG33 of the 'Summary' excel tab of **tab 28.1**.
- 48 On 6 June 2022, Arnott's provided a completed PAF to Coles for certain Arnott's products to be placed on Down Down for the period 15 June 2022 to 13 December 2022, including the Arnott's Shapes Multipack with the promotional funding contribution I described at paragraph 46 above. A copy of the email from Arnott's (COL.500.035.0003) is at **tab 29 of Exhibit RT-1** and its attachment (COL.500.035.0005) is at **confidential tab 29.1 of Exhibit RT-1**, with details of the Arnott's Shapes Multipack appearing at row 27 of **confidential tab 29.1**.

Affirmed by the deponent  
at 101 Collins Street Melbourne  
in Victoria  
on 24 November 2025  
Before me:

) REDACTED - PII  
)  
) Signature of deponent  
)  
)

REDACTED - PII

Signature of witness

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within the meaning of the  
Legal Profession Uniform Law (Victoria)