



NEWS RELEASE

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Banana-gate: Aussies switch to grapes and apples as banana sales slide in the face of escalating prices

- ***Post Cyclone Larry just two in 10 households buying bananas compared to seven in 10 a year ago***
- ***Average per kilo spend on bananas up 140 percent***
- ***Grape and apple growers benefit as Aussies switch from bananas post cyclone***

Sydney, 31 July 2006: When Larry devastated the vast majority of Australia's banana plantations in March this year, the price of the much-loved fruit escalated from as low as \$2.00 per kilo to anywhere up to \$14.00 per kilo, but have Aussies been prepared to shell out for their favourite fruit? Apparently not.

Latest research released this morning by consumer market research specialists ACNielsen reveals that purchasing of bananas has plummeted by more than 50 percentage points, from an average of 71 percent of households in June 2005 to just 21 percent of households in June 2006.

Of the two in 10 households stoically maintaining their banana consumption, the average spent per kilo is up by 140 percent versus the same time last year (\$11.15 per kilo compared to just \$4.63 in June 2005), helping to soften the overall dollar impact on the category from those consumers who have opted to switch to alternative fruits or dropped out of the segment altogether.

Of those consumers switching their fruit selections, the most popular three fruits to replace bananas were grapes, apples and pears, securing 31 percent, 20 percent and 11 percent respectively of consumers switching from bananas to alternative fruits. Other fruits to benefit from the drop in banana sales were citrus, tropical fruits and melons.

“In a country where bananas are one of the most popular items on supermarket shelves, the impact of Cyclone Larry has had a long and far-reaching effect,” observes Mel Mackie, Senior Manager, Retail Queensland, ACNielsen.

“Many consumers have replaced their banana consumption with other fruits in recent months,” says Mackie. “And as new crops become available in the months ahead, an emphasis on quality coupled with a re-iteration of the health and nutritional value of bananas will be critical to winning back lost consumers and getting sales back to pre-cyclone levels.”

About ACNielsen

ACNielsen, a VNU business, is the world's leading marketing information provider. Offering services in more than 100 countries, the unit provides measurement and analysis of marketplace dynamics and consumer attitudes and behaviour. Clients rely on ACNielsen's market research, proprietary products, analytical tools and professional service to understand competitive performance, to uncover new opportunities and to raise the profitability of their marketing and sales campaigns.

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