

24 November 2009

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir,

COLES INVESTOR SITE TOUR PRESENTATIONS, MELBOURNE

The following presentations are to be given at a Coles investor site tour in Melbourne on 24 November 2009.

Yours faithfully,



L J KENYON
COMPANY SECRETARY

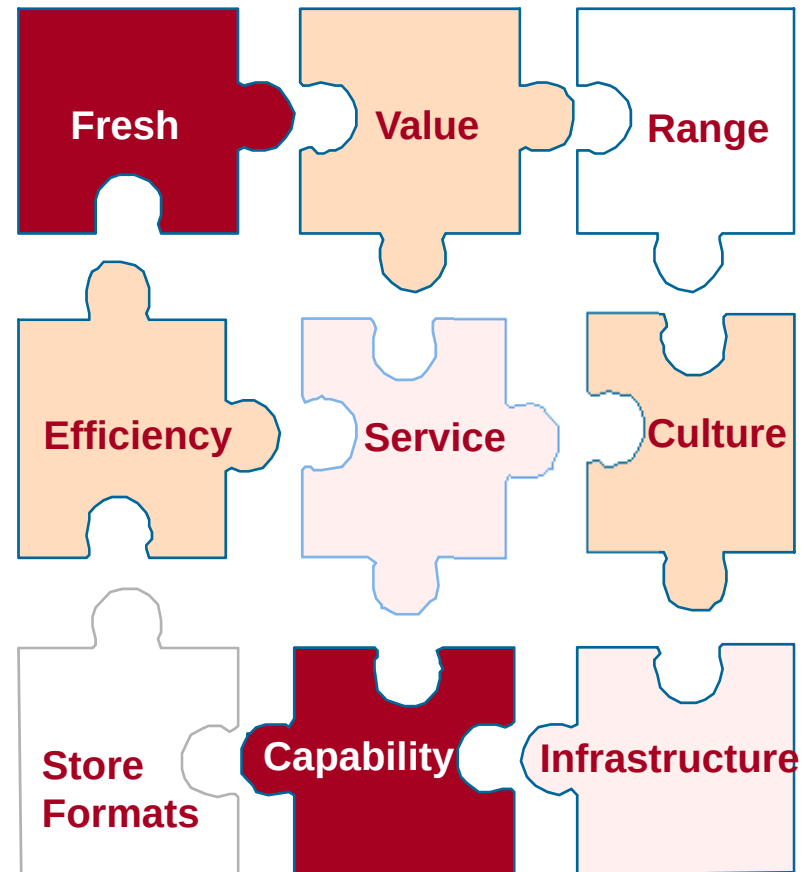
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Site tour overview

Ian McLeod
24 November 2009

Building a solid foundation...

- Many complex issues to fix
- Reversal of sustained under investment
- Creation of a dynamic forward thinking business culture
- Multi-faceted recovery plan required
- Recovery to take 5 years, with several phases of activity



Our focus today...



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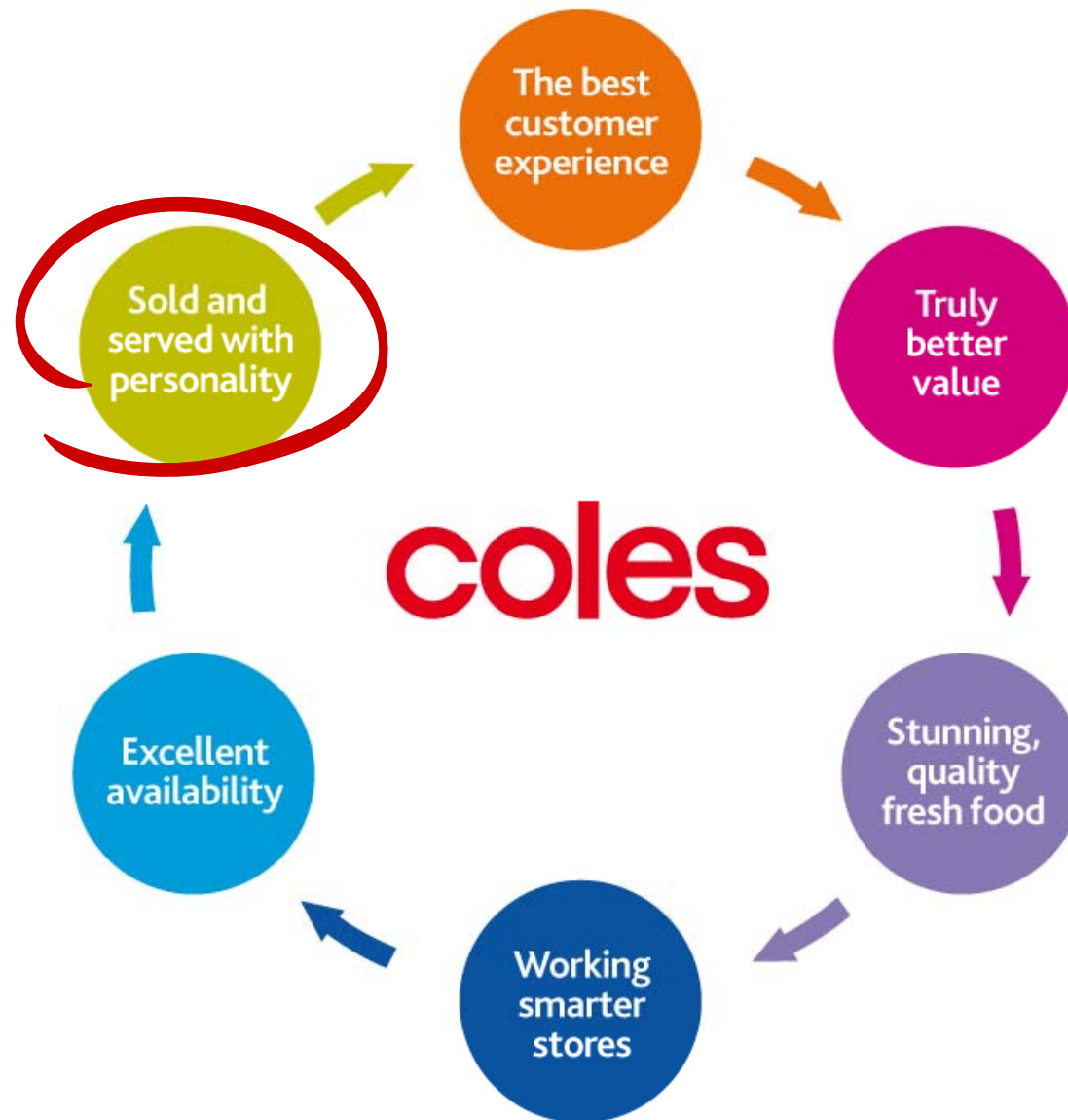
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People & Culture

Amber McDougall
24 November 2009

People and Capability Focus



Strategic Priorities

Capability

Right People
Right Skills

- Recruiting
- Performance related pay
- Training and Development
- Talent Mapping

Efficiency

Right Time
Right Place

- Better customer service
- Improving productivity
- Simpler for stores

Culture

Right Attitude
Right Engagement

- Changing Behaviours
- Driving engagement

Capability

Right People, Right Skills

Recruiting

- Broaden depth of Senior Management

Performance related pay

- Extending incentives down into stores

Training & development

- Store skills and service
- Graduate program
- Retail Leaders

Talent Mapping

- Monthly store reviews



Ben Avery – Retail Leader Level 1 Penrith

Efficiency

Right Time, Right Place

Better customer service

- Align rosters to meet customer demand
- Changing labour mix

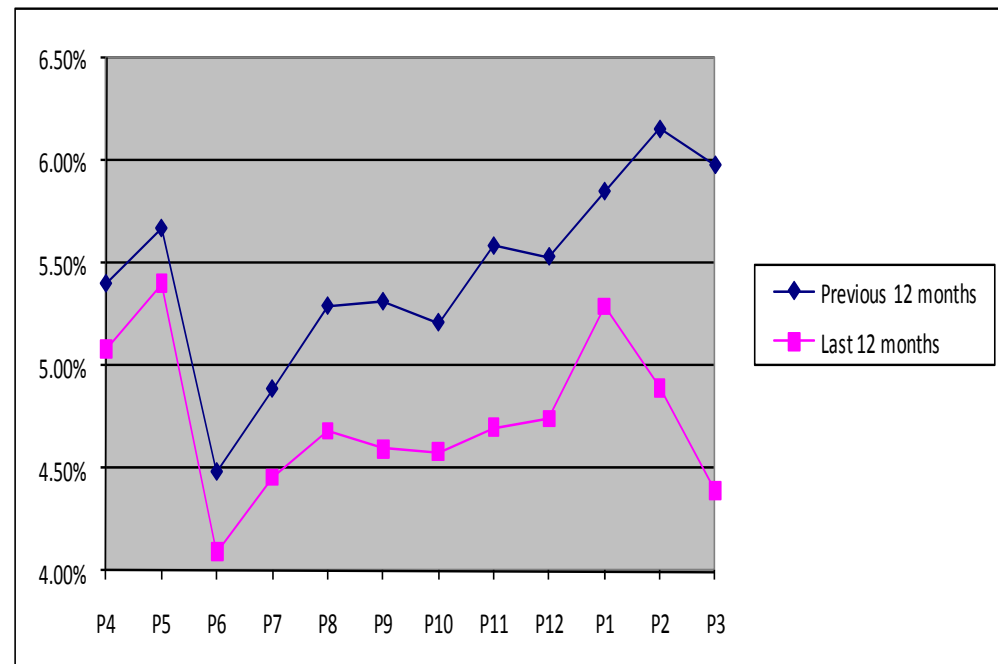
Improving productivity

- Greater workforce stability
- Enhanced training & development

Simpler for Stores

- Focus on time on shop floor
- Reducing bureaucracy

Unplanned Absenteeism %



Culture

Right Attitude Right Engagement

Changing behaviours

- Customer focus
- Store focus on listening & acting
- Becoming Store Centric at Tooronga

Driving engagement

- Improved management communication
- Targeted and regular store team surveys

We are listening

National Survey results September 2009

What team members are telling us

60%
Participation
Over 8,000
responses across
68 stores

To celebrate

- 1 Overall, I am satisfied with Coles as a place to work
- 2 I have all the information I need to perform my role effectively
- 3 Our Senior Leadership team provides effective leadership to Coles
- 4 Coles delivers truly better value

To action



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Renewal Formats

Gavin Parker

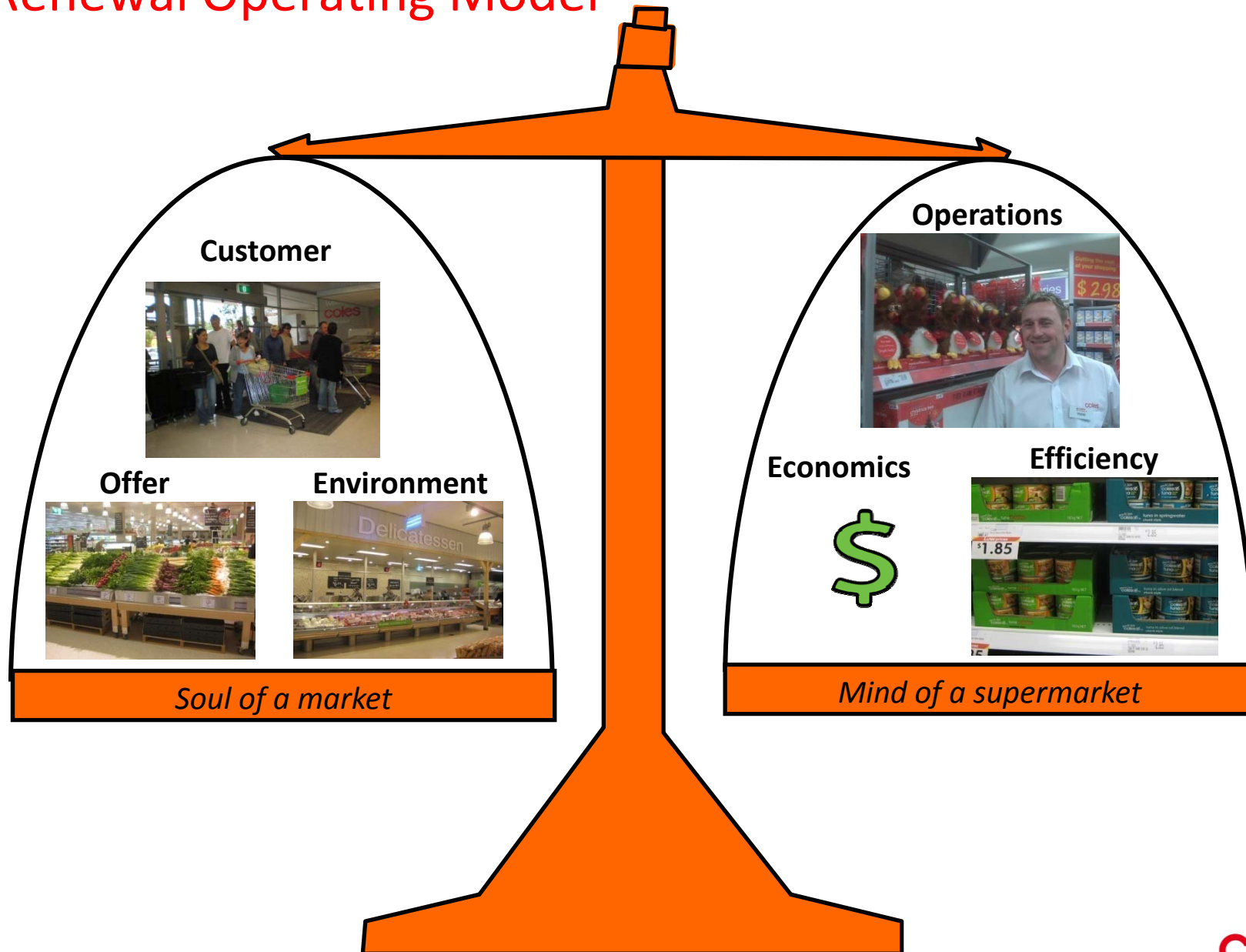
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Our Circle for Success

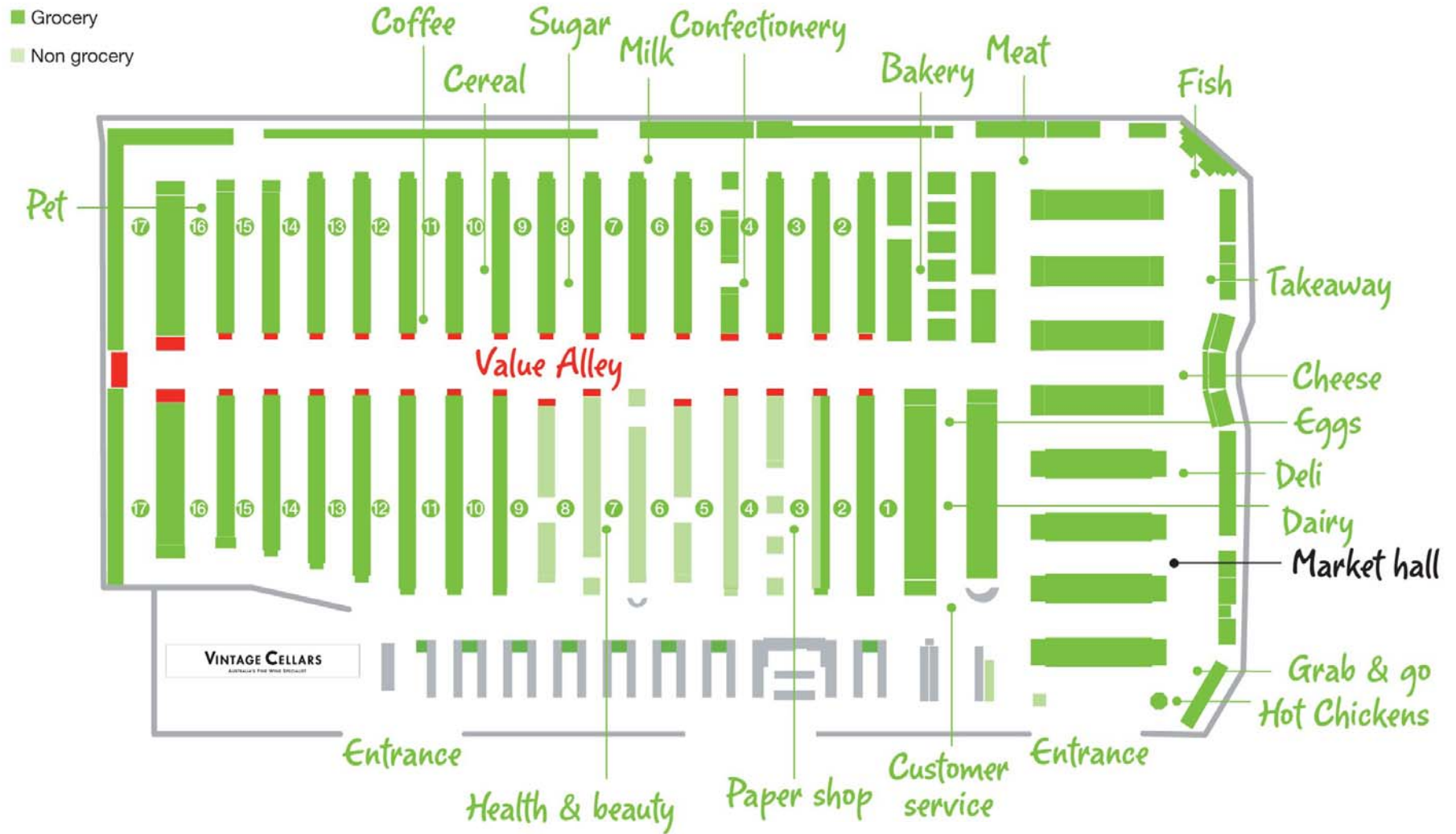


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Renewal Operating Model



Renewal Layout



Exterior Renewal



Before



After

Entrance Area Renewal



Before



After

Fresh Produce Renewal



Before



After

Deli Renewal



Before



After

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Meat Renewal



Before



After

Bakery Renewal



Before



After

Grocery Renewal



Before



After

Health, Beauty & Baby Renewal



Before



After

Checkout Area Renewal



Before



After

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How are customers reacting to renewal stores?

A big improvement to shoppers

- Wider aisles and more open layout
- Open service had a noticeable impact

Most impacted by changes in fresh

- Fresh produce a big improvement
- In-store butcher a welcome addition, increasing quality perception in meat
- Seafood/fishmonger section seen as a 'wow' factor which drives increased fresh perception across the store

A noticeable impact on shopper behavior

- Customers claim to be shopping more often because of store changes, this is verified by customer sales data
- Significant increase in participation of fresh departments at Coles



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Where we are now



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Summary

- 30+ stores now trading
- 50 planned by financial year end
- All states & demographics now covered
- Store insights into sales, customers and economics
- Plug and play model identified
- Broader rollout planned for FY11

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Our Supply Chain

Jim Redfern
24 November 2009

Our Circle for Success...



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Leveraging our supply chain...

- A new supply chain network
 - Reduce from over 40 sites to 23
 - DC transformation completed
 - Over last three years
 - 10 new sites opened
 - 20 closures
 - Only invest for future growth
 - Focus now on optimisation
 - Fresher for Customers
 - Simpler for Stores
- Our ultimate objective is to deliver the right product on time
- Our priorities are:
 - Improve chilled flow
 - Reduce stock holding
 - Increase inbound service levels

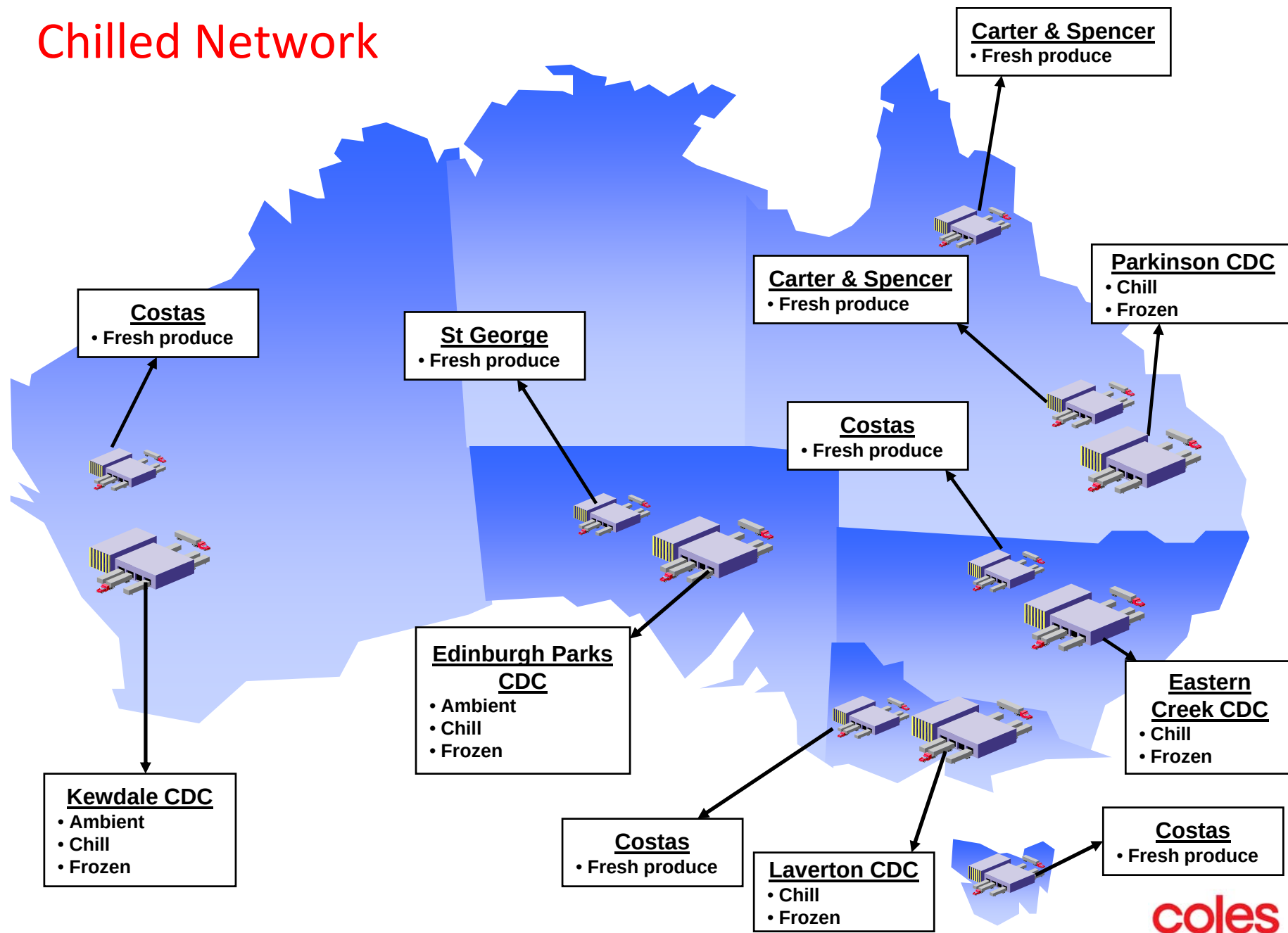


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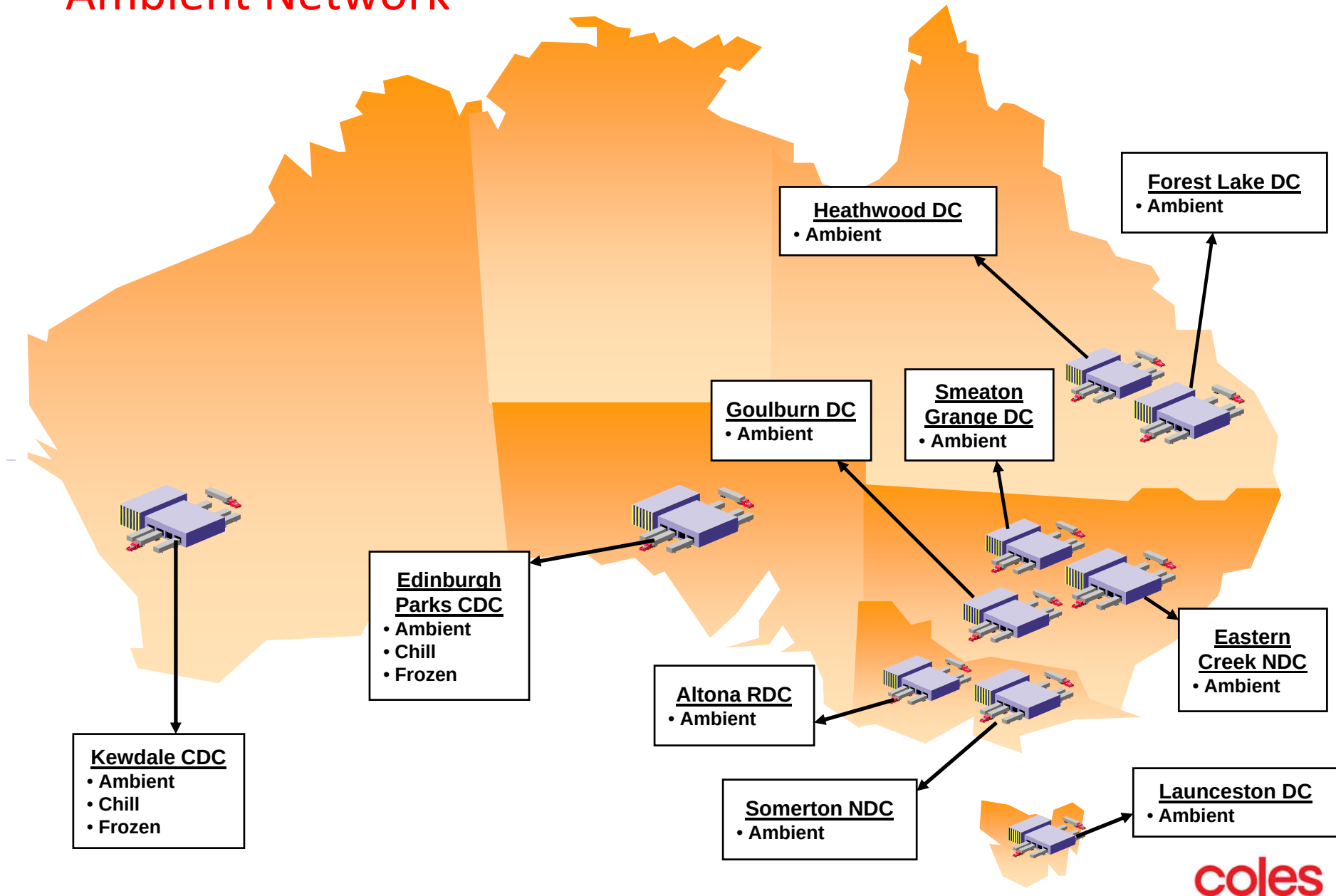
Key facts about logistics

Number of Sites	23
Coles Operated Sites	10
Third Party Sites	13
Coles Team Members	~3,350
Inbound pallets weekly	~150,000
Cartons despatched weekly	>11,000,000
Loads to Stores weekly	>17,000
Container movements	~10,000 TEU's per year

Chilled Network



Ambient Network



Key facts about Somerton

- One of Two NDC's
- Operated by Toll In2Store
- Services
 - Victoria - GR/GM/LQ
 - Tasmania - GM
 - South Aust - GR/GM
 - West Aust - GM
- Circa 13K Sku's
- Volume circa 1M ctns/wk
- Capable for +2M ctns/wk



"Somerton NDC is an outstanding example of leading edge, paperless technology covering 72,000 square metres under one roof," Paul Little, Managing Director, Toll.

2010
Fresher for Customers
Simpler for Stores