

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

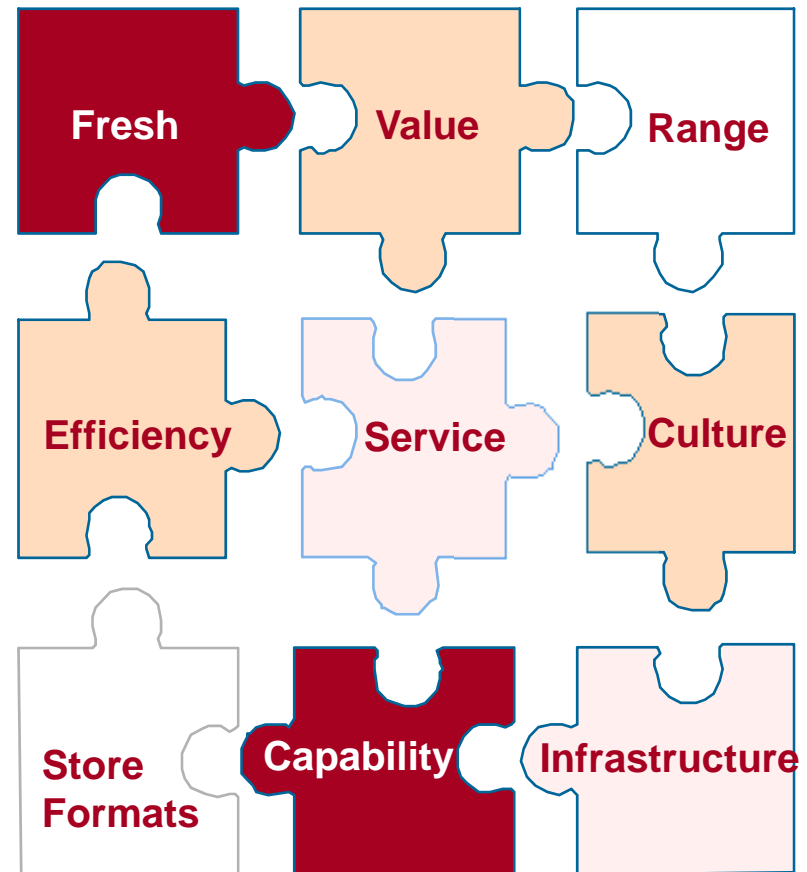
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Site tour overview

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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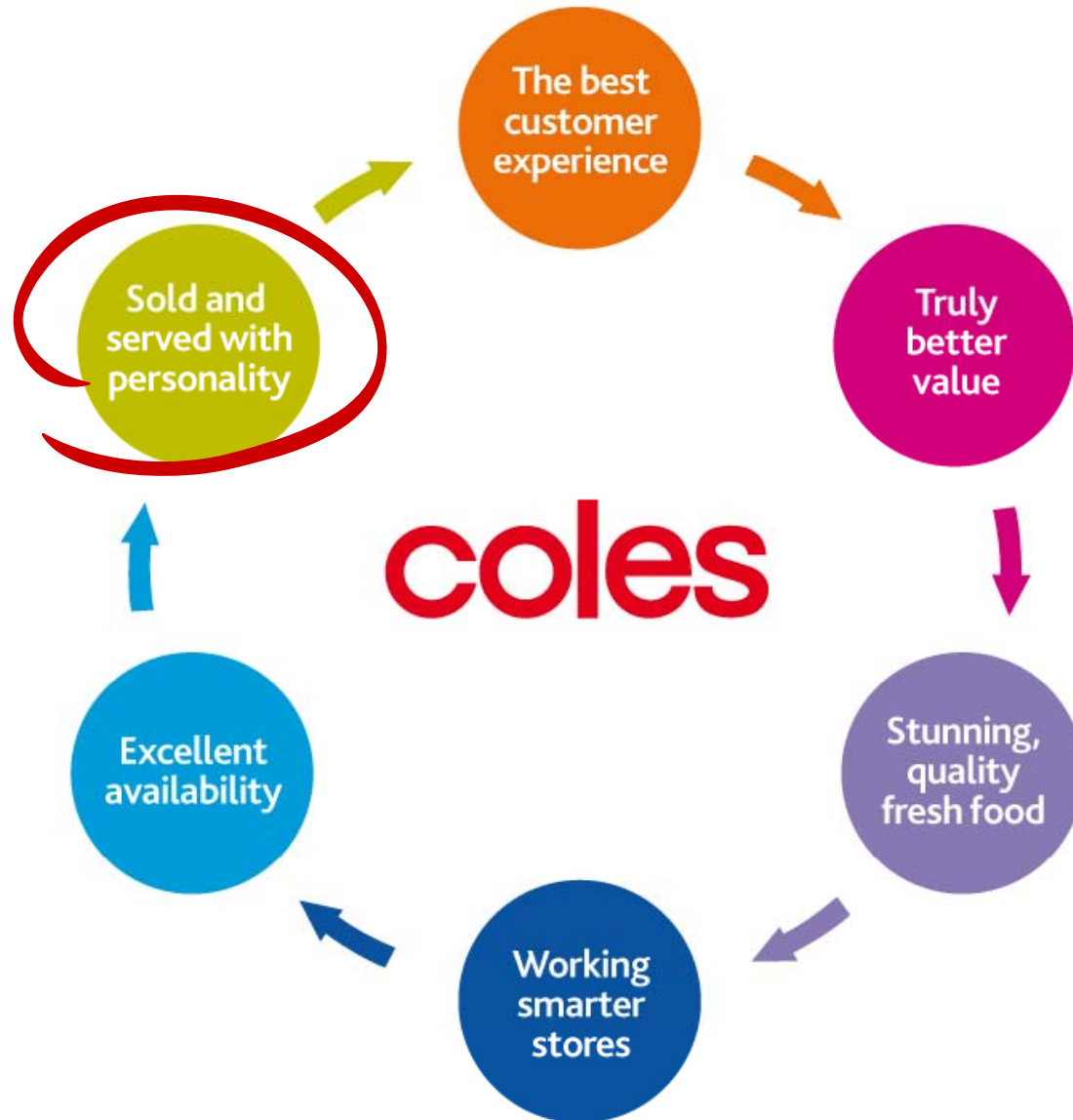
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People & Culture

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

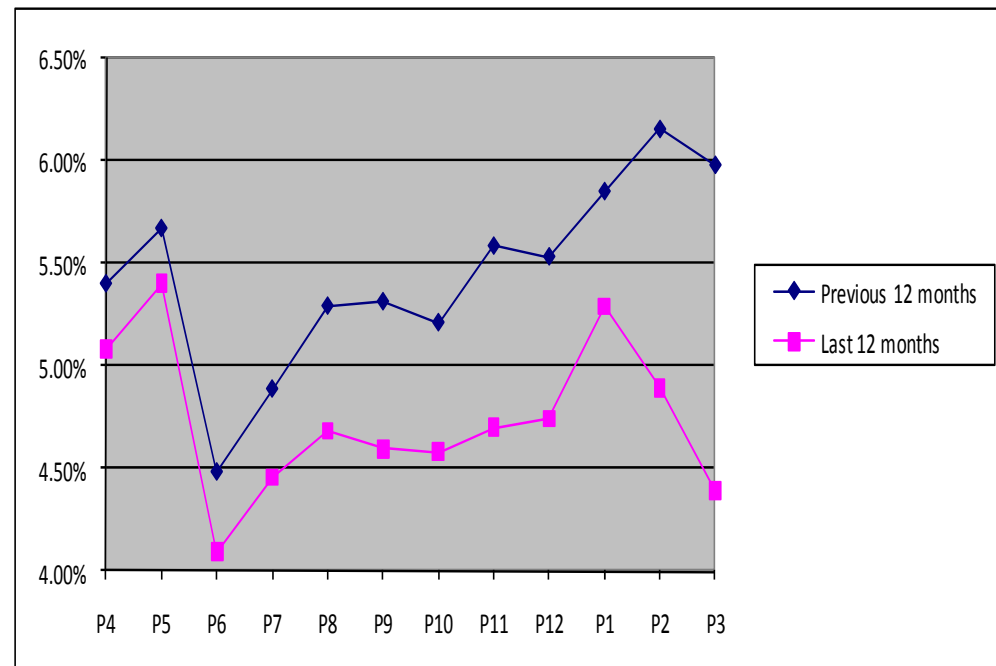
Improving productivity

- 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

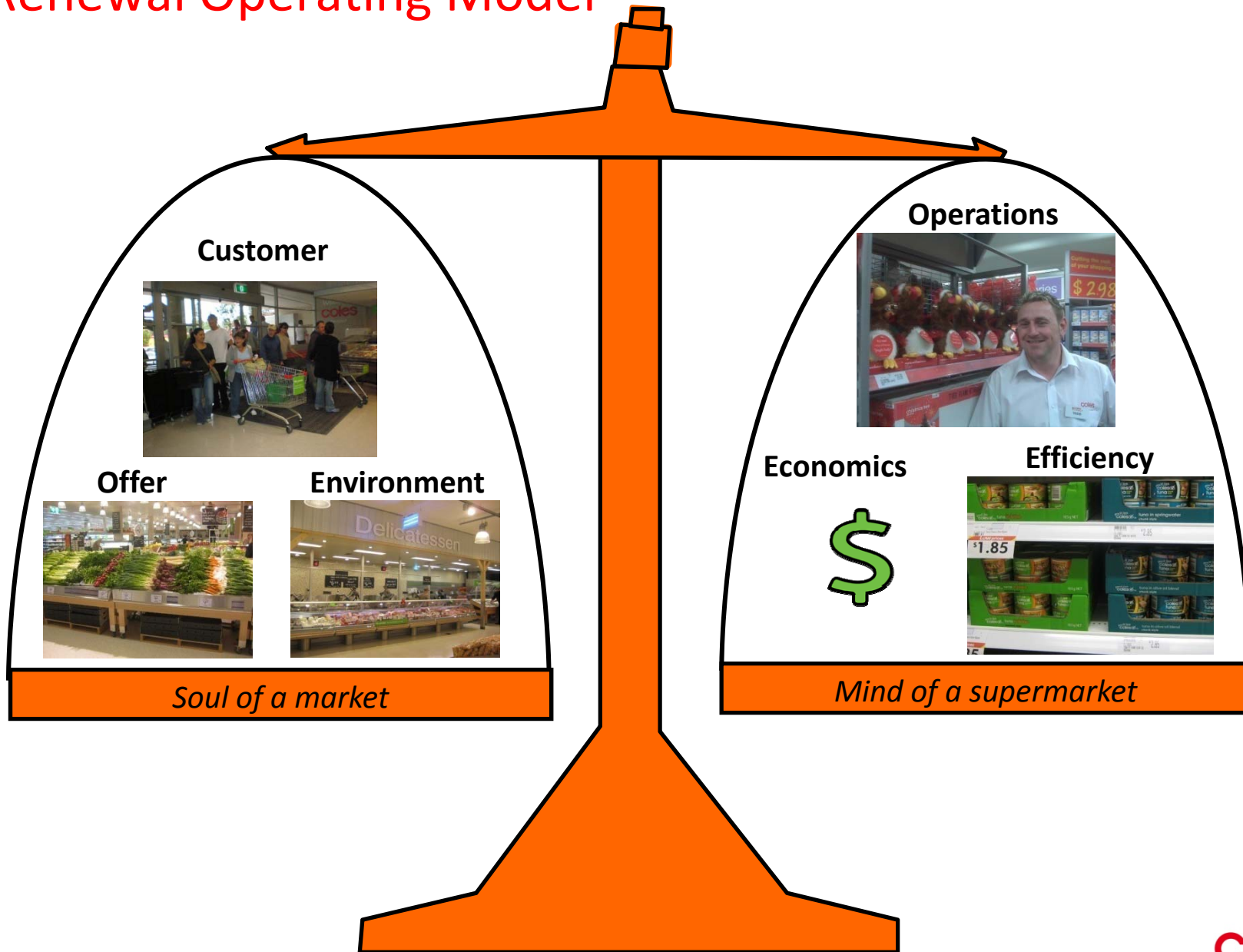
Gavin Parker

24 November 2009

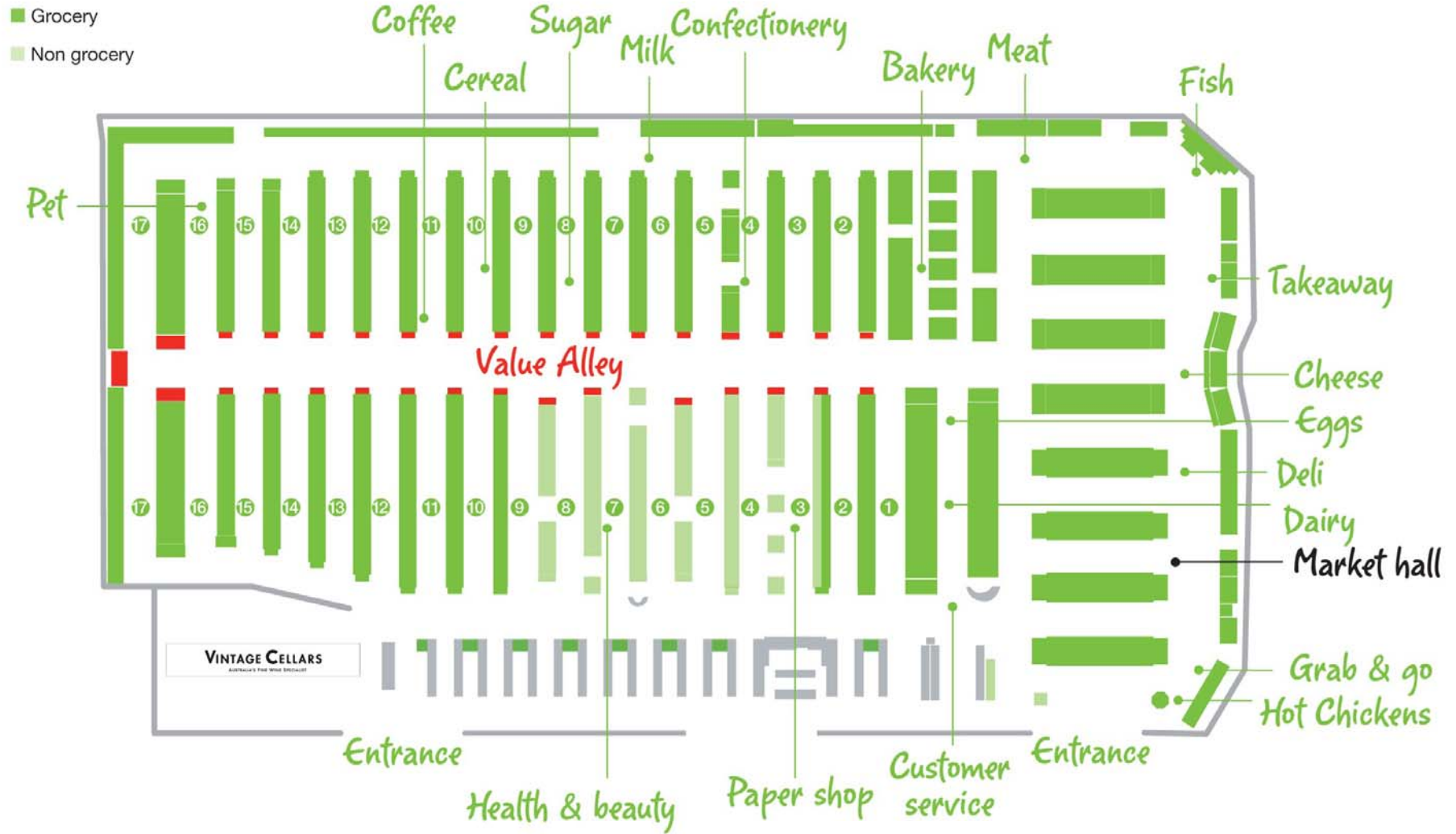
Our Circle for Success



Renewal Operating Model



Renewal Layout



Exterior Renewal



Before



After

Entrance Area Renewal



Before



After

Fresh Produce Renewal



Before



After

Deli Renewal



Before



After

coles

Meat Renewal



Before



After

Bakery Renewal



Before



After

Grocery Renewal



Before



After

Health, Beauty & Baby Renewal



Before



After

Checkout Area Renewal



Before



After

How are customers reacting to renewal stores?

A big improvement to shoppers

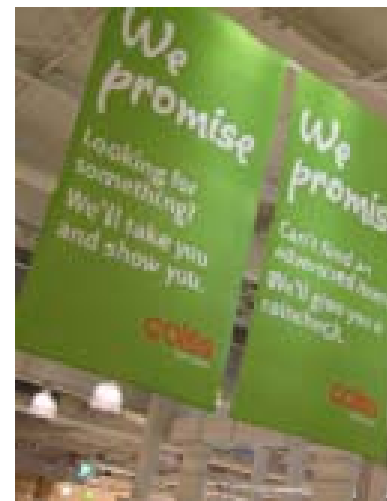
- Wider aisles and more open layout
- Open service had a noticeable impact

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



Where we are now



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...



Leveraging our supply chain...

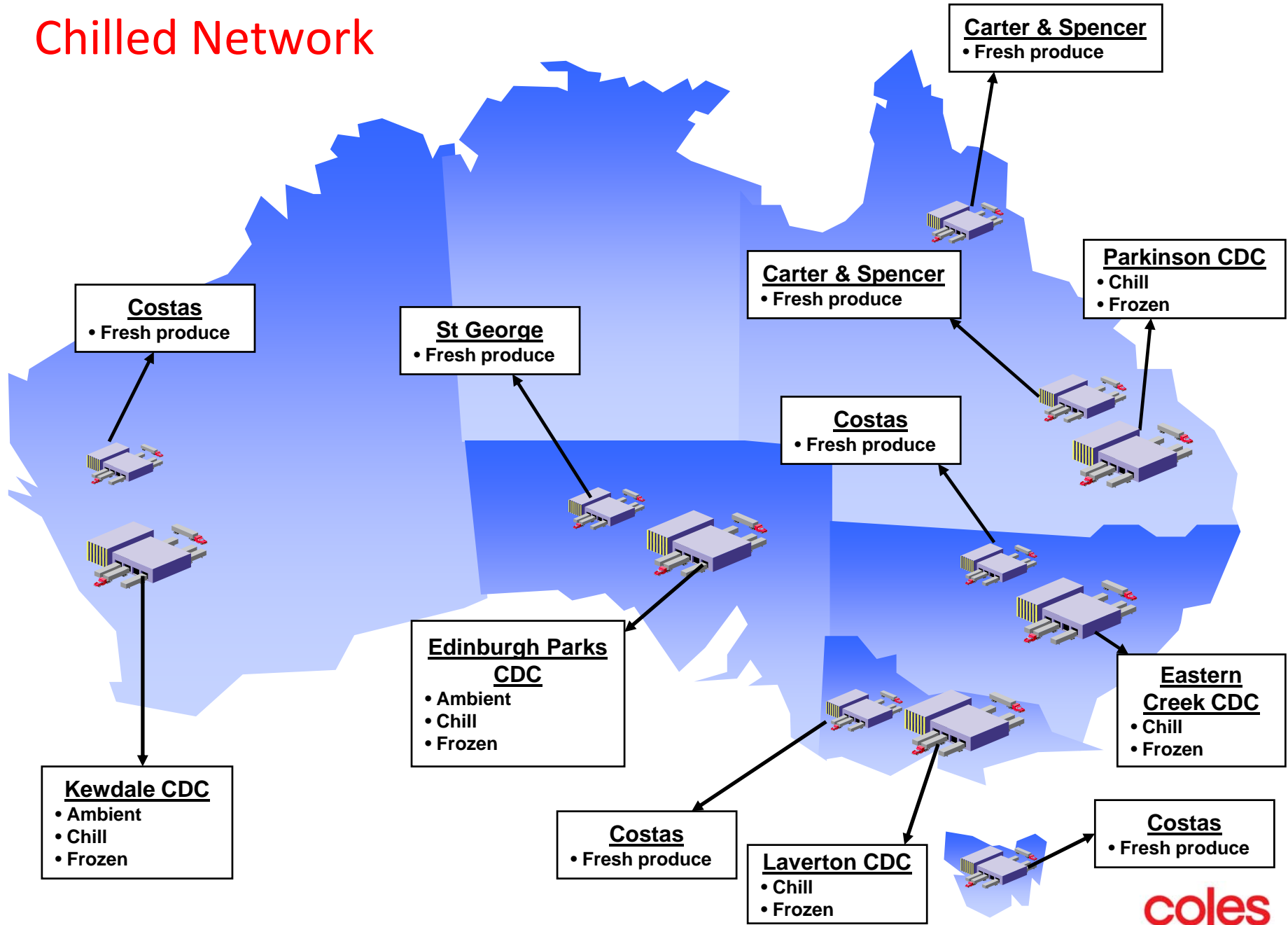
- A new supply chain network
 - Reduce from over 40 sites to 23
 - DC transformation completed
 - Over last three years
 - 10 new sites opened
 - 20 closures
 - Only invest for future growth
 - Focus now on optimisation
 - Fresher for Customers
 - Simpler for Stores
- Our ultimate objective is to deliver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



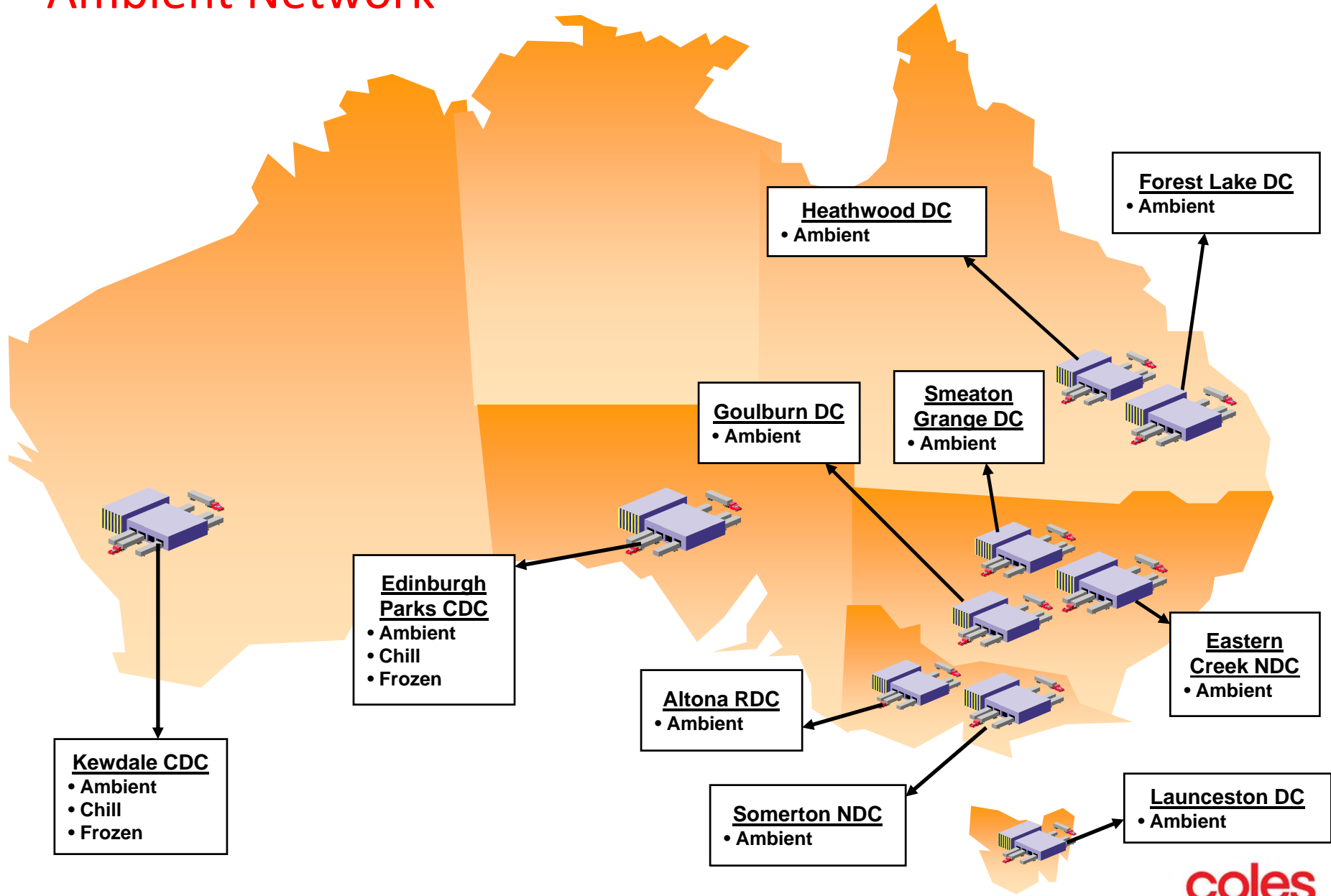
Key facts about logistics

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

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