Media Release

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COLES PARTNERS WITH OPTUS BUSINESS TO DRIVE STORE EFFICIENCIES AND INNOVATION

Strategic partnership includes an improved customer offer in store plus
Optus becomes the latest partner to join flybuys

- Optus to deliver high-speed network to 2400+ Coles stores, supply chain and corporate sites using fibre technology
 - Enables productivity improvements, innovation and better customer service
 - Optus to provide corporate mobile telephony network
 - flybuys partnership provides customers with more ways to earn points
- Improved range of Optus-powered products to be available in store for Coles customers

Coles has signed a multi-year partnership with Optus Business for digital network and telecommunications services delivering a range of benefits to improve the shopping experience and help make life easier for our customers and team members.

The strategic alliance delivers high capacity fibre services across Coles' retail, distribution and support centres nationally, improving performance and unlocking new opportunities to introduce innovative business solutions and technologies. Coles customers will also see new Optus-powered products in store and online, and flybuys members will have great new ways to earn points with Optus offers.

Utilising the capabilities of the new network infrastructure, Optus will deliver high-speed data services that will enable Coles to implement future digital strategies and improve service levels for our customers.

"The increased speeds and capacity of this new network give us the flexibility to rapidly increase the speed at which our stores can access and transfer data," Coles Chief Information and Digital Officer Roger Sniezek said.

"We are delighted to be partnering with Optus to leverage the speed, flexibility and agility of the new network, implement new digital initiatives, and ensure we are well-placed to take advantage of emerging technologies in coming years."

The Optus network will make life easier for team members in store by reducing the time taken to complete regular processes, improving productivity and allowing more time to focus on customer service.

As part of the rollout of the new infrastructure, Optus will work directly with Coles' own digital and technology teams to provide them with the skills to fully utilise the capabilities of the network and drive innovation and productivity across the business.

Optus will also provide corporate mobile telephony services for Coles across Australia for voice and data.

"Optus is pleased to be partnering with Coles to provide an enterprise-grade network and a range of information and communication technology services that will accelerate the digitalisation of the Coles store network and enable an even better shopping experience for customers," Optus Business Managing Director John Paitaridis said.

"Both Coles and Optus Business share a passion for customer service, which is at the heart of our strategic partnership. Our collaboration will help make the lives of more than 115,000 Coles team members easier and we look forward to working with Coles on future initiatives."

Optus will partner with NBN Co to deploy fibre connections to Coles supermarkets, liquor stores, Coles Express convenience stores, distribution centres and store support centres.

"We look forward to working with Optus on a network solution that will help enable digital innovation for years to come," NBN Co Chief Customer Officer for Business Paul Tyler said.

The strategic relationship will also see Coles and Optus work together to bring an enhanced range of competitive mobile and internet products to Coles customers in store and online.

As the newest partner of the flybuys program, Optus will provide great offers to flybuys members on a range of Optus mobile, broadband and wearable products.

Optus joins existing flybuys partners such as Coles, Coles Express, Liquorland, First Choice, eBay, Velocity Frequent Flyer, Medibank, Citi, AGL, eBay, NAB, Kmart, Target, Budget Car and Truck Rental, AGL and Adidas.

"flybuys is excited to welcome Optus as a strategic partner to Australia's most popular loyalty program," flybuys CEO John Merakovsky said.

"Optus joins our coalition of services, retail, and travel partners providing great value to members and new ways to earn points."

For further information, please contact:

Coles Media Relations on 03 9829 5250 or media.relations@coles.com.au
Sally Oelerich, Optus Corporate Affairs on 02 8082 7850 or media@optus.com.au
Fiona Lund, flybuys on 0417 588 314 or fiona.lund@flybuys.com.au

BUILDING TECHNOLOGY AND DIGITAL CAPABILITY

Recent announcements from Coles:

Oct 5, 2018: <u>Two new ambient automated distribution centres</u> to be built over five years as part of the modernisation of Coles' supply chain.

Feb 12, 2019: <u>Coles implementing SAP systems</u> to transform store support functions in the areas of HR, indirect procurement and financial reporting.