



20 September 2019

Dear Shareholder

DIVIDEND REINVESTMENT PLAN

Coles Group Limited (ASX: COL) ("Coles") is pleased to confirm that it has introduced a Dividend Reinvestment Plan ("DRP"). It is anticipated that the DRP will operate for dividends paid subsequent to the dividend to be paid on 26 September 2019.

If you elect to participate in the DRP, you will be able to reinvest either all or part of your dividend payments into additional fully paid Coles shares in an easy and cost-effective way. No brokerage, commission or other transaction costs will be payable by you on shares acquired under the DRP.

Those shareholders who became Coles shareholders via the demerger from Wesfarmers did not have their DRP elections carried across, and will, therefore, need to make a new DRP election for their Coles shares.

You can read the full terms and conditions set out in the rules of the DRP and a set of frequently asked questions about participation in the DRP at www.colesgroup.com.au/investors. If you wish to participate you must elect to do so, and we encourage eligible shareholders who wish to participate in the DRP to make their election online at www.computershare.com.au/investor.

Some features of the DRP include:

- **Increase your shareholding** – DRP participation is a simple and cost effective way to increase your shareholding.
- **No additional costs** – Shares allocated under the DRP are free of brokerage, commission, or other transaction costs.
- **Optional and flexible participation** – Participation in the DRP, which may be on a full or partial basis, is optional and available to shareholders with registered addresses in Australia and New Zealand. Participation may be varied or terminated at any time in accordance with the rules of the DRP.
- **Dividend statement** – If you participate in the DRP, for each dividend you will be provided with a statement setting out the details of any shares allocated to you under the DRP relevant to that particular dividend.

Those interested shareholders are strongly encouraged to read the full terms and conditions set out in the rules of the DRP and seek financial advice before electing to participate. The rules of the DRP are found at www.colesgroup.com.au/investors.

For each dividend, Coles will publish on its website relevant information in relation to the DRP, including the DRP election date and information on the allocation price when available.

If you have any questions, please contact Computershare Investor Services on 1300 171 785 (within Australia) or +61 3 9415 4078 (outside Australia) or at www.investorcentre.com/col.

Yours sincerely

Daniella Pereira
Company Secretary
Coles Group Limited