

## Ocado at a glance

Established in 2000 and listed on the London Stock Exchange in July 2010, Ocado is the UK's, and the world's, largest dedicated online grocery retailer providing and delivering quality groceries and other products directly to customers' homes. Our objective is to be more than a supermarket, improving the experience for our customers allowing them to "feel good shopping", while building a business that will deliver attractive financial returns.

### WE ARE

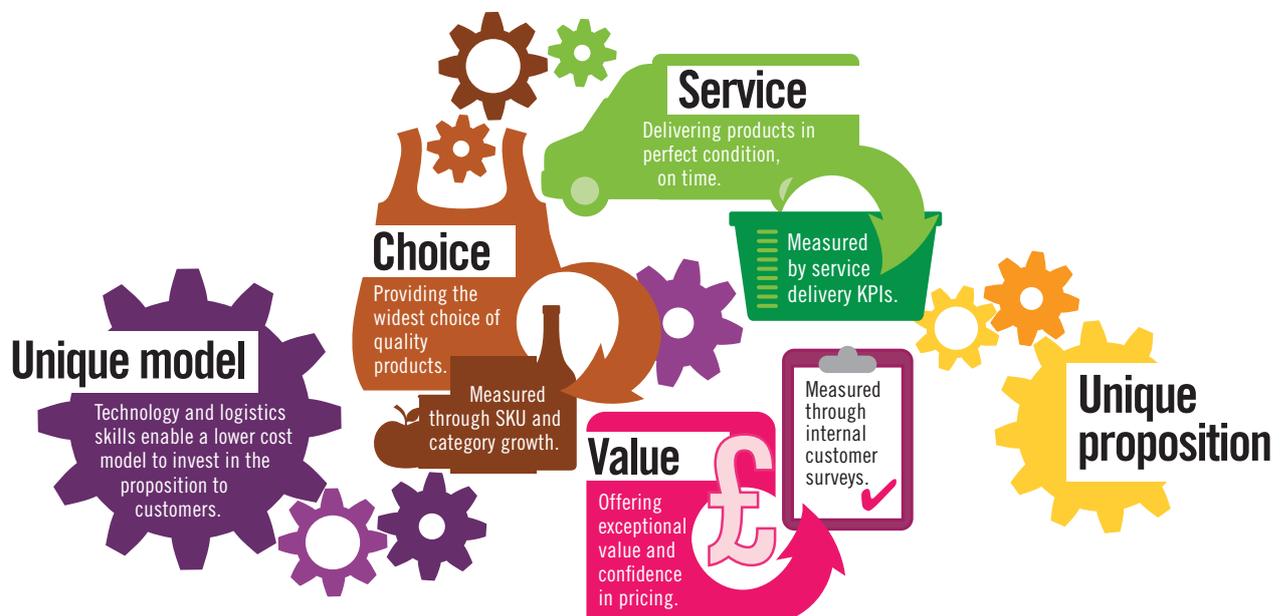
- › The world's leading online only grocery retailer
- › Cash generative
- › Investing for future growth
- › Challenging the traditional retail business model
- › Cashflow covers interest and replacement capex
- › Carefully investing to secure our future growth and investor returns

### WE HAVE

- › A significant market opportunity
- › A unique business model with specific structural advantages
- › A superior offer to customers which drives online adoption
- › Proprietary intellectual property ("IP") creating a "best in class" operation
- › A completely scalable business with considerable inherent operational leverage
- › Huge grocery market and rapidly growing shift into online grocery shopping
- › Centralised stock picking model driven by technology
- › Wider range, competitive prices and superior service
- › Our own software and know-how powers our operation and sets us apart from our competition
- › Operational leverage converts into margin as we scale the business

### WE PLAN TO

- › Create a virtuous cycle of sustainable growth and profitability
- › Further enhance our offer to customers to drive growth
- › Leverage our technological know-how
- › Deliver additional value from our IP
- › Increasing scale drives growth and returns, which can be reinvested to continue fuelling growth and improving profits
- › Drive the "feel good shopping" experience for customers
- › Utilise technology to improve the customer experience, growth, profitability and develop the business
- › Monetise our proprietary IP platform to enhance investor returns



## MARKETPLACE AND BUSINESS MODEL

Ocado operates in a very large, but competitive, UK marketplace. According to IGD over £163 billion was spent in the UK grocery market in 2012, with food and grocery representing 54p in every £1 of retail spending. The financial pressures on consumers has increased the importance of creating a differentiated offer which is understood and is attractive to customers.

We are an online only grocery retailer. While customers have been slower to adopt online for their grocery requirements than in other general merchandise categories, online is increasingly important to grocery shoppers. Various market estimates suggest 4-5% of food and grocery sales are now made online. Faster broadband speeds, improved customer interfaces and better service provision has supported this growth.

Grocery retail is dominated by the large store formats (hypermarkets, supermarkets and superstores) which account for over 65% of sales. Common to all formats across the sector is physical store space, with increasing space driving growth historically.

We utilise a different business model, built on technology and logistics skills rather than real estate, to fulfil orders. We invest in this platform to deliver an ever more compelling proposition to a wider set of customers, and to drive growth through the creation of a virtuous cycle of investment, customer demand and financial return. We take significant costs out of the traditional grocery retail business model. This allows us to invest in a market leading fulfilment and delivery service for our customers, and build a sustainable, profitable business for our investors.

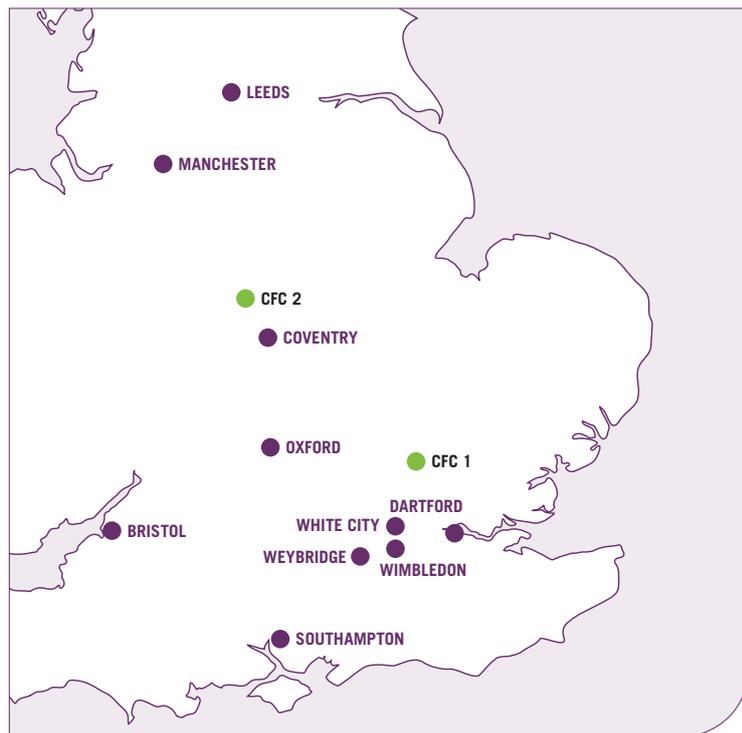


## WHERE WE OPERATE

### Ocado marketplace

Our reach and delivery area now covers over 70% of the UK population. We fulfil orders from our centralised Customer Fulfilment Centres in Hatfield (“CFC1”) and Dordon, Warwickshire (“CFC2”). From these CFCs we directly deliver orders to local catchment customers, with the remainder of orders being “shipped” to spoke sites, from where local delivery takes place.

- Key**
- CFC
  - Spoke



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