

Media Information





Who are we?

Ocado is a unique and completely independent online grocer wholly focussed on the home delivery of high-quality food, drink and household goods.

The company is leading the industry in customer service thanks to its pioneering approach to overcoming the particular challenges of online grocery shopping.

From a standing start in single rented room in London in January 2000, Ocado has become the first new grocery retailing brand in the UK for a generation and has created a blueprint for the future of sustainable grocery shopping.

Born from a vision shared by its three founders to change the way people shop for groceries every week, Ocado offers an alternative to going to the supermarket that is simple, fast, fun, greener and more accurate.

At a glance.

- The Grocer Magazine 2007 Best Online Retailer
- Over 3,000 jobs created
- An average 12,000 orders delivered every day
- Servicing around 60% of British households
- Almost 16,000 lines
- Over £1bn total sales and annualised sales of £350m
- More than eight million orders delivered since launch in 2002
- Over one million registered users and 150,000 active users

The Market.

Ocado operates in a fast-growing market which offers vast potential for future expansion.

The first supermarket appeared in the USA in the 1950s. Today, 90% of food consumed in developed countries reaches the consumer via supermarkets. The Ocado model is the next evolutionary step in supermarket shopping, appealing to the maturing Facebook generation whose preference for online shopping, coupled with their growing passion for sustainability, will ensure that Ocado capitalises on the size of the opportunity presented in the market.

In the UK, grocery shopping represents 50% of total retail spending. Online grocery enjoys a £2.4bn share of the total grocery market. It is predicted that the UK online grocery market will more than double over the next five years to reach £5bn in 2012.

Online grocery sales grew by nearly one third in 2007 over the previous year. Nearly one in 10 consumers say they won't visit a supermarket in five to 10 years time, doing all of their grocery shopping online.

The online grocery market is still only 2% of the total market, but is growing over six times as fast.

First Movers.

Ocado has pioneered numerous innovations including:

- One hour delivery slots
- Delivery into the kitchen
- Satellite navigation as standard
- Green deliveries which enable customers to select vans already in their area
- Bio-diesel powered delivery vehicles
- Colour-coded grocery bags
- Hand-held computers to speed up doorstep transactions
- Closed loop grocery bag recycling
- SMS alerts on delivery day
- Driver boot mitts
- Money-saving, pre-pay delivery scheme – 'Ocado On Demand'
- Comprehensive and accurate back of pack information

What makes us unique?

A) The business model

There are certain things about Ocado that set it apart from the competition:

Known in the industry as a 'centralised distribution' or 'warehouse-based' business model, Ocado receives 100% of its orders via the website www.ocado.com.

The company - the only one of its kind in the UK - is not reliant upon a network of stores. One of Ocado's founding principles is to avoid the 'bricks and mortar' approach because it generates much higher food waste, significantly increased emissions and congestion whilst using precious land in or near towns and city centres.

Instead, Ocado handles customers' orders at a 23-acre, 1.2m sq. ft. dedicated fulfilment centre, the largest of its kind in the world, based in Hatfield, Hertfordshire. This Customer Fulfilment Centre, or 'CFC', is capable of handling the same order volume as 25 supermarkets.

The £80m, four floor CFC covers the equivalent space of eight football pitches and is operated using smart software and proprietary technology that Ocado's team has designed from scratch. It houses the world's largest order storage and retrieval system. Combined, its conveyor belts extend over 10 miles. In the absence of a similar system anywhere in the world, Ocado has made a significant investment in this innovative approach.

Supporting the CFC is a network of five regional distribution centres, or 'spokes', and a 70-strong fleet of single and double decker LGVs. Across the five spokes, Ocado operates a fleet of over 500 specially-designed Mercedes delivery vans. Combined, this infrastructure enables Ocado to reach 60% of the UK.



What makes us unique?

B) Our customer service

Ocado's pioneering approach enables the company to make shopping online a truly viable alternative to going to the supermarket. Here's how:

- The company's rate of substitutions or missing items is far superior to those of the competition and, on average, the company achieves 99.9% accurate fulfilment. In other words, virtually every single order is perfect. Ocado is the only online grocer that can offer customers such reliability.
- It is widely acknowledged that unwanted substitutions undermine the time and convenience benefits gained by shopping online. At Ocado.com, customers see real-time stock levels, viewing what's actually available from the CFC for delivery in their chosen timeslot. Customers can then select their own substitutions, just as if they were in a store. In store-based models, a customer's delivery is dependent on what's on the shelves at any one time – something their websites can't predict – and that means leaving important choices in the hands of supermarket staff.
- Offering reliable one-hour, next day timeslots in an industry where two hour timeslots prevail is made possible thanks, again, to the centralised model and world-class internal systems and controls.
- The Ocado website is designed to be simple to use and intuitive. Smart lists personalised to each customer offer prompts and ideas so that the absence of any in-store inspiration becomes irrelevant. For a pre-registered customer, a weekly shop can be completed in under five minutes. The site also has an extensive range of recipes including some as video and ideas such as craft activities and lunchbox fillers.
- Ocado makes a conscious effort to recruit people with customer service skills and then train them as drivers rather than vice versa. Drivers, known as Customer Service Team Members, are paid well above the industry norm and are trusted to process refunds and deal with customer concerns on the doorstep.

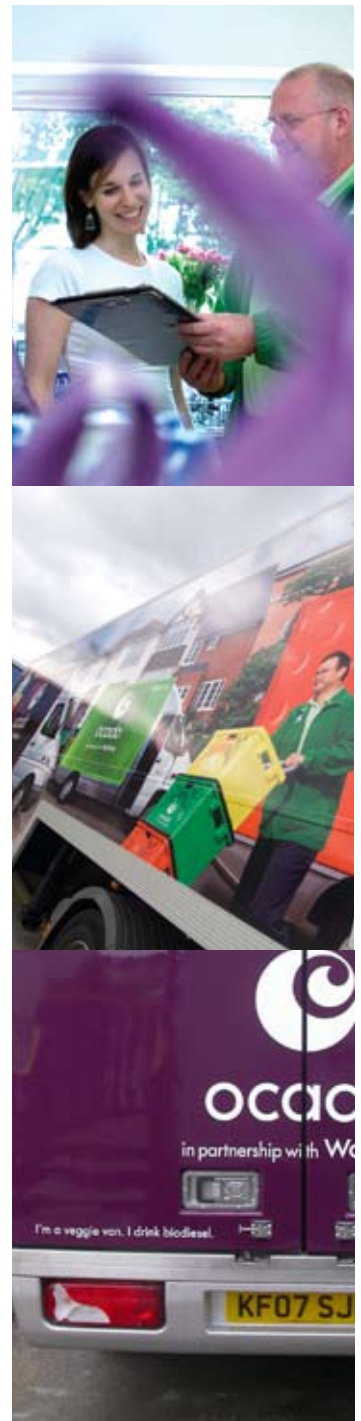


What makes us unique?

C) Being environmentally responsible

Offering a greener, more sustainable way to do the weekly shop is another of Ocado's founding principles. Indeed, it is now greener to order from Ocado than walk to the supermarket. The centralised model, and the shorter supply chain that results, enables Ocado to be greener in numerous ways. For instance:

- The absence of a network of stores to fulfil customers' orders means less food waste, fewer emissions and reduced congestion.
- Ocado can very closely manage stock and that helps the company to have the lowest waste levels in the food industry anywhere in the world.
- In every single bio-diesel fuelled Ocado delivery van, there's space for up to 20 families' groceries. Each van does two runs a day which means up to 40 cars can remain parked at home instead of being driven to the supermarket.
- Ocado delivery vans have lower carbon emissions than many family saloon cars.
- A unique electric van is currently being trialled by Ocado and, as well as producing zero emissions, it has the capacity to carry 50% more groceries making each time we use the road much more worthwhile.
- Customers get the chance to select 'green' deliveries from vans already scheduled to be in their area, enabling Ocado to fill vans to capacity and making each journey more worthwhile.
- Ocado is the first in the industry to close the loop on grocery bag recycling. This means that drivers can collect used bags from customers and return them to the CFC be made into new bags. No other retailer in the UK does this (because other retailers do not know exactly where its bags have gone).
- Ocado grocery bags are designed to degrade within a year of disposal. Receipts are printed on 100% recycled paper.
- Ocado is committed to sustainable and ethical sourcing and has proportionately more organic and Fairtrade lines than any other online supermarket. 56% of Ocado customers include at least one Fairtrade item in their basket.



Having it all.

Shopping with Ocado means there are no compromises.

Ocado believes that it is possible for customers to have the best of everything – superior and convenient service, premium quality, accuracy that rivals shopping in a store and really competitive prices.

On March 12th 2008, Ocado announced that it was to guarantee to match prices for branded goods with those of Tesco's cheapest pricing format. This move ensured that price-sensitive consumers didn't have to miss out on all of the benefits that Ocado offers and opened up the company's service to millions more people.

The company is also the only online grocery business to offer customers a range of free delivery timeslots as standard (i.e. they are not dependent upon vouchers or promotions). Customers ordering at peak times can save over £300 a year on delivery by buying into the 'Ocado On Demand' scheme which provides unlimited deliveries for a year.

When Ocado launched, its founders decided to partner with a respected grocery name in order to provide customers with a range of products and food that meets Ocado's rigorous standards of quality, sustainability, safety and taste. This partner is Waitrose.

Selling Waitrose own-brand goods alongside thousands of famous name brands provides Ocado customers with a huge choice of premium groceries as well as household staples. Ocado's unique management systems mean that customers always get the freshest available produce.

Ocado is the only online grocer to offer comprehensive and accurate back of pack information. By providing customers with important ingredient, allergen and nutritional details, Ocado has made another step towards making shopping online much closer to an in-store experience.



Our People.

The Board

Michael Grade, Non-Executive Chairman

Michael joined the Board of Ocado in September 2006. He has a long and distinguished career in broadcasting.

Tim Steiner, Chief Executive Officer

Tim is a founding director of Ocado and leads the business, overseeing the operation's expansion and determining its future strategy.

Jonathan Faiman, Chief Operating Officer

Jonathan is a founding director of Ocado and is responsible for Ocado's day-to-day operation and development of its infrastructure.

Jason Gissing, Chief Financial & Marketing Officer

Jason is a founding director of Ocado and responsible for overseeing external funding and internal financial controls. He also has board level responsibility for marketing and communications.

Neill Abrams, Chief Legal Officer

Neill has been a director of the company since launch and was formerly a barrister. He advised Ocado during its start-up, including the transactions with John Lewis and Waitrose.

The Team

Ocado employs 3,000 people in a range of roles. Around one third of them are Customer Service Team Members who deliver to customers and another third work in the CFC.

Over one hundred people work in the IT team and the remainder are Office and Support Team Members.





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