

Offer Price Announcement

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Ocado Group PLC
21 July 2010

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This announcement is an advertisement and not a prospectus and investors should not subscribe for or purchase any shares referred to in this announcement except on the basis of information in the prospectus published by Ocado Group plc (the "Company" or "Ocado") on 6 July 2010 (the "Prospectus") and the supplementary prospectus published on 20 July 2010 (the "Supplementary Prospectus") in connection with the admission of its Ordinary Shares to the premium listing segment of the Official List of the UK Listing Authority ("Official List") and to trading on the main market for listed securities of the London Stock Exchange. For the duration of the Offers the Prospectus and the Supplementary Prospectus will be available from the registered office of the Company and in electronic form at www.ocado.com, subject to certain access restrictions applicable to persons resident outside the UK.

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**FOR IMMEDIATE
RELEASE
2010**

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Offer Price Announcement

Ocado Group plc

Ocado announces today the Offer Price of 180 pence per Share in respect of its initial public offering of its Ordinary Shares to institutional

investors and Eligible Customers and Eligible Employees and its application for Admission.

Highlights of the Offers

- The final Offer Price and the other statistics relevant to the Offers are as follows:

Offer Price	180 pence
Number of Ordinary Shares and Preference Shares in issue at the date of the Prospectus (excluding the 32,476,700 Ordinary Shares held by the EBT Trustee) ⁽¹⁾	401,069,120
Total number of Ordinary Shares which are comprised in the Offers ^{(1), (2)}	204,975,942
Number of Existing Shares comprised in the Offers which are being sold by Major Selling Shareholders ^{(1), (2)}	79,527,000
Number of Existing Shares comprised in the Offers which are being sold by Minor Selling Shareholders ⁽¹⁾	5,922,493
Number of New Ordinary Shares comprised in the Offers which are being sold by Selling Optionholders ⁽¹⁾	558,224
Number of New Ordinary Shares comprised in the Offers to be issued and sold by the Company	118,968,225
Number of Ordinary Shares in issue on Admission (excluding the 32,476,700 Ordinary Shares held by the EBT Trustee) ^{(1), (3)}	520,707,914
Ordinary Shares comprised in the Offers as a percentage of the Ordinary Shares in issue on Admission (excluding the 32,476,700 Ordinary Shares held by the EBT Trustee) ^{(1), (2)}	39%
Number of Ordinary Shares subject to the Over-allotment Arrangements ⁽¹⁾	18,131,750
Expected market capitalisation on Admission at the Offer Price (excluding the 32,476,700 Ordinary Shares held by the EBT Trustee) ⁽⁴⁾	£937m
Proceeds receivable by the Company after expenses ⁽⁵⁾	£200m

(1) All Preference Shares in existence will convert into Ordinary Shares on a one for one basis immediately before Admission.

(2) Assumes that no Over-allotment Shares are sold pursuant to the Over-allotment Arrangements.

(3) This number includes 670,569 Ordinary Shares issued pursuant to certain options prior to Admission (some of which are being sold by the Selling Optionholders). It does not include the Ordinary Shares currently held under various options which are capable of being exercised at the date of Admission and for which a block listing application will be made as soon as possible following Admission.

(4) The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will be equal to or exceed the Offer Price.

(5) The net proceeds receivable by the Company are stated after the deduction of underwriting commissions and other estimated fees and expenses incurred in connection with the Offers of approximately £15 million (excluding any amounts in respect of VAT) and includes cash of £0.6 million receivable pursuant to the exercise of certain options prior to Admission.

- As stabilising manager, Goldman Sachs International has been granted an Over-allotment Option by UBS Cayman Holdings Limited over up to approximately 18.1 million Ordinary Shares, representing 9 per cent. of the Ordinary Shares comprised in the Offers (assuming no exercise of the Over-allotment Option). The Over-allotment Option is exercisable for a period of 30 calendar days from today.
- Conditional dealings are expected to commence on the London Stock Exchange at 8.00 am today under the ticker symbol OCDO. Admission to the premium listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange and the commencement of unconditional dealings are expected to take place at 8.00 am on 26 July 2010.
- Immediately following Admission, Directors and persons connected with them will own approximately 20 per cent. of the Company's issued share capital (calculated including the 32,476,700 Ordinary Shares held by the EBT Trustee pursuant to the JSOS), excluding interests in Ordinary Shares held under option or pursuant to the JSOS.
- Immediately following Admission the Directors will have the following direct and indirect interests in the issued share capital of the Company (including interests in the issued share capital of the Company held in discretionary trusts and Ordinary Shares in which the Directors have only certain beneficial interests):

<u>Director</u>	Number of Ordinary Shares in which he/she will be interested immediately following Admission⁽¹⁾	Percentage of issued share capital immediately following Admission⁽²⁾
Michael Grade ⁽³⁾	189,110	0.03
David Grigson	-	-
Tim Steiner ⁽⁴⁾	29,687,600	5.37
Neill Abrams	1,610,500	0.29
Andrew Bracey ⁽⁵⁾	805,555	0.15

Jason Gissing	17,316,900	3.13
Ruth Anderson ⁽⁶⁾	6,666	0.0
Robert Gorrie	627,900	0.11
Jörn Rausing ⁽⁷⁾	61,302,322	11.08
David Young	-	-
Patrick Lewis	-	-
Michael Robarts ⁽⁸⁾	-	-

(1) Excluding any interests held under option or pursuant to the JSOS as described below.

(2) These percentages are calculated including the 32,476,700 Ordinary Shares held by the EBT Trustee pursuant to the JSOS.

(3) As described in the Prospectus, Michael Grade is entitled to a single bonus of £100,000 payable on Admission which he has elected to receive in Ordinary Shares. In addition he has acquired £100,000 of Ordinary Shares in the Offers.

(4) None of the Ordinary Shares in which Tim Steiner is directly or indirectly interested will be sold pursuant to the Offers.

(5) Andrew Bracey has acquired £100,000 of Ordinary Shares in the Offers.

(6) Ruth Anderson has acquired £12,000 of Ordinary Shares in the Offers.

(7) Tetral SA, a company to which Jörn Rausing is connected, acquired £4,000,000 of Ordinary Shares in the Offers.

(8) Michael Robarts has resigned from the Board with effect from Admission.

Immediately following Admission, the direct and indirect interests of the Major Shareholders in the issued share capital of the Company (including interests in the issued share capital of the Company held in discretionary trusts and Ordinary Shares in which the relevant shareholder has only certain beneficial interests) will be as follows:

<u>Shareholder</u>	<u>Number of Ordinary Shares in which he/she/it will be interested immediately following Admission⁽¹⁾</u>	<u>Percentage of issued share capital immediately following Admission⁽²⁾</u>
The Apple Trust ⁽³⁾	61,302,322	11.08

John Lewis Pension Fund	57,321,150	10.36
S. N. Roditi and associated holdings ⁽⁴⁾	51,230,900	9.26
Appleby Trust (Jersey) Limited (as trustee of the employee benefit trust established for the purposes of the JSOS)	32,476,700	5.87
Tim Steiner and the Steiner 2008 Millennium Trust	29,687,600	5.37
Kira Faiman and Jonathan Faiman	25,287,400	4.57
UBS Holdings Cayman Limited and UBS AG ⁽⁵⁾	21,111,850	3.82
Jason Gissing and The Jason Gissing Life Settlement II	17,316,900	3.13

(1) Excluding any interests held under option or pursuant to the JSOS as described above.

(2) These percentages are calculated including the 32,476,700 Ordinary Shares held by the EBT Trustee pursuant to the JSOS.

(3) Tetral SA, a company to which Jörn Rausing is connected, acquired £4,000,000 of Ordinary Shares in the Offers.

(4) S. N. Roditi and associated holdings acquired 6,000,000 Ordinary Shares in the Offers.

(5) UBS Cayman Holdings Limited may sell up to a further 18,131,750 Ordinary Shares pursuant to the Over-allotment Arrangements. This would result in UBS Cayman Holdings Limited holding no Ordinary Shares, UBS AG continuing to hold 2,980,100 Ordinary Shares.

- It is expected that Ocado Share Account Statements will be made available online on 4 August 2010.

A pricing statement relating to the Offers will be submitted to the UK Listing Authority. For the duration of the Offers, copies of the Pricing Statement are available free of charge during normal business hours from the registered office of the Company at Titan Court, 3 Bishops Square, Hatfield Business Park, Hatfield, Hertfordshire AL10 9NE, the offices of Goldman Sachs International, J. P. Morgan Securities Ltd. and UBS Limited and in electronic form at www.ocado.com (subject to certain access restrictions applicable to persons resident outside the UK).

Goldman Sachs International, J. P. Morgan Cazenove and UBS Limited are acting as Joint Sponsors, Joint Global Co-ordinators and Joint Bookrunners. Barclays Capital and HSBC Bank plc are acting as Co-Bookrunners and Jefferies International Limited, Lloyds TSB Corporate Markets and Numis Securities Limited are acting as Co-Lead Managers.

Commenting on today's announcement, Tim Steiner, CEO of Ocado said:

"We are delighted with today's news. We have had extremely positive reactions from investors in the UK, Continental Europe and the US and the fact that our IPO completed successfully in very difficult markets is an endorsement of the long-term growth potential offered by Ocado.

"I am looking forward to entering the next phase of growth at Ocado and creating more new jobs and opportunities for Ocado people.

"I am delighted to welcome a range of blue chip investors to our register, joining many of our existing shareholders who have chosen to remain with us. Our customers and employees have been an essential part of the Ocado story to date, and I want to take this opportunity to thank them."

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Capitalised terms used in this announcement have the meanings given to them in the Prospectus.

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This announcement, the Prospectus and the Supplementary Prospectus contain "forward-looking" statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond Ocado's control and all of which are based on the directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "projects", "anticipates", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the directors or Ocado with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Ocado group's business concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of Ocado and the industry in which it operates.

These forward-looking statements and other statements contained in this announcement regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing Ocado. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this document. The Ocado group disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Rules, the Listing Rules or the Disclosure and Transparency Rules of the Financial Services Authority.

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restriction may constitute a violation of United States, Australian, Canadian or Japanese securities laws. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. The securities referred to herein have not been registered under the applicable securities laws of the United States, Canada, Australia or Japan and, subject to certain exceptions, may not be offered or sold within the United States, Canada, Australia or Japan or to any national, resident or citizen of the United States, Canada, Australia or Japan.

In particular, this announcement and the information contained herein are not for distribution (directly or indirectly) in or into the United States of America (including its territories and possessions, any state of the United States of America and the District of Columbia) (the "United States") or other excluded territories. This document does not constitute, or form part of, an offer to sell, or a solicitation of an offer to purchase, any securities in the United States, Australia, Canada or Japan or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The securities of Ocado Group plc have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Subject to certain exceptions, the Ordinary Shares referred to herein may not be offered or sold in Australia, Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan.

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This announcement does not constitute a recommendation concerning the Offers. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the Offers cannot be relied upon as a guide to future performance. There is no guarantee that Admission will occur and you should not base your financial decisions on Ocado's intentions in relation to Admission at this stage.

Goldman Sachs International, J. P. Morgan Cazenove, Barclays Bank PLC, HSBC Bank plc, Jefferies International Limited, Lloyds TSB Bank plc and Numis Securities Limited are authorised and regulated in the United Kingdom by the Financial Services Authority and, together with UBS Limited (the "Banks"), are acting exclusively for Ocado and no-one else in connection with the Offers. They will not regard any other person as their respective client in relation to the Offers and will not be responsible to anyone other than Ocado for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offers, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offers, any of the Banks or any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of Ocado or related investments in connection with the

Offers or otherwise. Accordingly, references in the Prospectus to the Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, any of the Banks, or any of their respective affiliates acting as investors for their own accounts. None of the Banks intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Banks or any of their respective affiliates or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of, the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to Ocado, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

Certain of the Banks have the following interests in the Company and the Offers:

- Goldman Sachs International holds 870,300 Ordinary Shares and 3,333,300 Preference Shares which it is not selling pursuant to the Offers;*
- Michael Sherwood, who is Co-Chief Executive of Goldman Sachs International, holds 166,700 Preference Shares which he is not selling pursuant to the Offers;*
- UBS Holdings Cayman Limited, an affiliate of UBS Limited, holds 13,600 Ordinary Shares and 36,249,900 Preference Shares. UBS Holdings Cayman Limited is selling 18,131,750 Ordinary Shares pursuant to the Offers and up to a further 18,131,750 pursuant to the Over-allotment Option (it being the provider of the Over-allotment Option);*
- UBS AG, an affiliate of UBS Limited, holds 2,980,100 Preference Shares which it is not selling pursuant to the Offers;*
- Ranelagh Nominees Limited, an affiliate of Lloyds TSB Bank plc, holds warrants over 5,611,200 Ordinary Shares. Since the Offer Price is below £1.90, these warrants will lapse following Admission and the Company will pay Ranelagh Nominees Limited £150,000; and*
- Lloyds TSB Bank plc holds 17,800 Preference Shares which it is selling pursuant to the Offers.*

All Preference Shares in existence will convert into Ordinary Shares immediately before Admission on a one for one basis.

In connection with the Offers, the Stabilising Manager (or any of its agents), may (but will be under no obligation to), to the extent permitted by law and for stabilisation purposes, effect transactions (on any securities market, over-the-counter market, stock exchange or otherwise) with a view to supporting the market price of the Ordinary Shares at a level higher than that which might otherwise prevail in the open market.

The Stabilising Manager has entered into the Over-allotment Option with UBS Holdings Cayman Limited pursuant to which it may purchase or nominate purchasers for Ordinary Shares (the "Over-allotment Shares") at the Offer Price representing up to a maximum of approximately 18.1 million Ordinary Shares or 9 per cent. of the number of Ordinary Shares comprised in the Offers (assuming there is no exercise of the Over-allotment Option), for the purposes of redelivering equivalent securities under the Stock Lending Agreement, to the extent that it is unable to do so using Ordinary Shares acquired by it for the purposes of stabilisation. The Over-allotment Option may be exercised in whole or in part upon notice by the Stabilising Manager, at any time during the period beginning on the commencement of conditional dealings and ending 30 days thereafter. The Over-allotment Shares made available pursuant to the Over-allotment Option will be sold at the Offer Price on the same terms and conditions as, and will rank pari passu with, the Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and will form a single class for all purposes with the Ordinary Shares.

In no event will measures be taken to stabilise the market price of the Ordinary Shares above the Offer Price. Save as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments and/or stabilisation transactions under the Offers.

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