

Trading Statement

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Ocado Group PLC
10 January 2011

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Ocado Group plc Q4 2010 and Christmas Trading Update 'Ocado ends year with high growth'

Financial Highlights

- FY 2010
 - o Gross sales increased 29.0% to £551.1m for the 52 weeks to 28 November 2010 (2009: £427.3m)
- Q4 2010
 - o Gross sales increased 27.4% to £178.9m for the 16 weeks to 28 November 2010 (2009: £140.5m)
 - o Average orders per week for the 16 weeks to 28 November 2010 increased by 28.0% to 99,741 from 77,914 in equivalent period in 2009
 - o Average order size for the 16 weeks to 28 November 2010 was £112.12 (£112.67 in equivalent period in 2009)
- Christmas Trading
 - o In Christmas week gross sales were £12.3m, up 43.5% from 2009
 - o In the four trading weeks to 26 December 2010 gross sales were £50.9m, up 26.7% from 2009

Operational Update

- Ocado finished the financial year with continued high growth rates. Gross sales for the full year were up 29.0% to £551.1m, with growth in both the number of customers and the spend-per-customer. The growth rate in Q4 reflected the expected impact of the full year anniversary of the re-introduction of Sunday deliveries. The basket size was broadly flat in Q4. This was an expected improvement on previous periods (Q3 -1.0% and H1 -2.8%) as the impact of the delivery pass on basket size reduced.
- The gross sales growth rate in the four weeks to 26 December was 26.7%. Customer demand was substantially higher during this period, but we reduced the number of delivery slots available to focus on the maintenance of high customer service in the bad weather. In the three weather comparable weeks, orders were up over 30%. Despite the snow Ocado delivered over 98% of customer orders in the 4 week period to 26 December.
- The customer offering was improved over the period by our continuing focus on range, pricing and service. A significant addition to the product range was the launch of the Ocado range in September; this range is highly complementary to the Waitrose range and is already being found in the majority of customer baskets. The Ocado range now consists of 250 items.

- Agreement was reached to purchase the site for CFC2 in October and ground works are significantly advanced. The timetable and budget for CFC2 are on track. The main contractor has been appointed.

Tim Steiner, Chief Executive Officer of Ocado, said:

"We are delighted to see the continued growth in demand for Ocado, a record number of customers shopped with us in this period. This would not have been possible without the heroic efforts of our staff rising to the challenge of delivering a record number of orders in sometimes challenging conditions. Our plan for dealing with extreme weather conditions enabled us to make over 98% of deliveries in the affected period."

Andrew Bracey, Chief Financial Officer of Ocado, said:

"Ocado had a very strong end to the year, with gross sales increasing by 27.4% in the final quarter. Both sales and EBITDA growth have continued the trend observed in the first three quarters, with gross margins remaining stable and EBITDA in line with company's expectations. We are delighted that sales growth has continued at 29.0% for the whole year, in line with expectations at the time of the IPO."

The Preliminary Results Announcement will be made on 1 February 2011.

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Notes

1. All figures are unaudited.

This information is provided by RNS
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