

Interim Management Statement

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Ocado Group PLC
19 September 2011

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Financial Highlights

- Gross sales increased 19.5% to £444.6m for the 36 weeks to 7 August 2011 (2010: £372.2m)
- Gross sales increased 16.9% to £147.9m for the 12 weeks to 7 August 2011 (2010: £126.5m)
- Average orders per week for the 12 weeks to 7 August 2011: 110,945 (92,834 in equivalent period in 2010)
- Average order size for the 12 weeks to 7 August 2011: £111.08 (£113.59 in equivalent period in 2010)
- At 7 August 2011 the Group had cash and cash equivalents, including monies on deposit, of £99.7m, borrowings of £89.3m and undrawn available facilities of £94.7m

Operational Update

- Ocado continues to show strong sales growth, with year-to-date sales up 19.5% on the equivalent period last year. Capacity constraints at our Hatfield customer fulfilment centre ("CFC1") continued in the third quarter.
- During the third quarter, work was undertaken to install material handling equipment and associated software to improve peak capacity. Work at CFC1 is continuing and the target for the end of the fourth quarter is to have a peak CFC1 capacity of c.140,000 orders per week.
- The build for Ocado's second CFC in Warwickshire continues to progress on-time and on-budget.
- High customer service differentiates Ocado from its competitors. During the third quarter, we invested in our customer service to ensure it returned towards previous high levels. As a result of this investment, service levels have improved since the first half and in period 10, items delivered as ordered were at 99.0% and deliveries on time or early were at 95.5%. This investment is likely to lead to a slightly lower than expected increase in full year margins.
- The Ocado Delivery Pass now accounts for over half of all orders placed with Ocado and its adoption by customers continues to grow. This represents a core

group of Ocado's customers receiving deliveries free of charge, in return for a subscription fee.

- Underlying order size remains largely stable, as the average order in the third quarter for non-Delivery Pass customers decreased by 0.1% and the average for Delivery Pass customers decreased by 0.2% when compared with the equivalent period last year.
- We are planning a number of customer initiatives during the fourth quarter, which will further differentiate Ocado from its competitors. Today we start to roll out the 'Ocado Saving Pass'. Customers who join the Ocado Saving Pass will be offered discounts of at least 10 per cent off standard Ocado retail prices across a range of over 500 leading consumer goods in return for a small annual fee.

Outlook

Year to date growth to the end of the third quarter has been 19.5%. Trading in period 10 was broadly in line with the third quarter. We are targeting higher growth rates in the remaining weeks of the year. This however is dependent on both continued capacity expansion at CFC1 and consumer confidence, which, as other retailers have already commented, remains fragile in the current economic environment.

Tim Steiner, Chief Executive Officer of Ocado, said:

"In spite of the tough economic environment, our sales are growing substantially and we remain focused on improving range, value and service for our customers. We are continuing to expand the capacity of our first fulfilment centre in Hatfield, with significant progress made over the summer months. While conducting these works, we have invested additional resources in improving our key customer performance metrics and we are pleased that these efforts are paying off."

Andrew Bracey, Chief Financial Officer of Ocado, said:

"At 19.5% our year to date sales growth has remained strong despite the deteriorating consumer climate in the UK. With the enhancements to CFC1 that are being introduced, we will target an increased rate of sales in the 4th quarter. This does require us to be resilient to any further slowdown in consumer spending, which may affect Ocado."

Notes

The previous period comparisons are made with the equivalent 12 week period and the 36 week period ending on 8 August 2010.

A copy of this interim management statement for the 12 weeks to 7 August 2011 is available on www.ocadogroup.com.

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Cautionary statement

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results express or implied in these forward-looking statements. Persons receiving this announcement should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, Ocado does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

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