

# Final Results

RNS Number : 8422D  
Ocado Group PLC  
03 February 2015

## OCADO GROUP PLC

### Preliminary results for the 52 weeks ended 30 November 2014

3 February 2015

#### Key financial and statutory highlights

	FY 2014 £m	FY 2013 £m	Change vs 2013 %
Gross sales <sup>1</sup> (Retail)	972.4	843.0	15.3
Revenue <sup>2</sup>	948.9	792.1	19.8
EBITDA <sup>3</sup>	71.6	45.8	56.3
Adjusted profit/(loss) <sup>4</sup>	10.1	(3.8)	
Statutory profit/(loss) before tax	7.2	(12.5)	
Cash and cash equivalents	76.3	110.5	
Net debt	(99.4)	(50.9)	

#### Continued delivery of our strategic objectives

##### Constantly improve the proposition to customers

- Voted Best Online Grocer by Which? Magazine in its members' Annual Satisfaction Survey for the fifth successive year
- Industry leading service levels for on time delivery and in full orders improved further with on time deliveries increased to 95.3% (2013: 95.2%) and order accuracy 99.3% (2013: 99.0%)
- Range at Ocado.com now over 43,000 SKUs (2013: 34,000 SKUs)
- Launch of a second non-food destination site, Sizzle, our dedicated Kitchen and Dining shop with now over 12,000 SKUs complementing Fetch, our pet store which now offers over 8,000 SKUs
- Ongoing price initiatives, with a lower cost of discounts from our Low Price Promise basket matching scheme demonstrating improved price competitiveness

##### Strengthen consumer brands

- Active customers increased to 453,000 (2013: 385,000), with lower growth in overall marketing spend
- Average basket in period at £112.25 (2013: £113.53), with modest downward impact by standalone orders for Fetch and Sizzle

**Develop ever more capital and operationally efficient infrastructure solutions**

- Efficiency in both Hatfield and Dordon CFCs improved. Combined CFC UPH 145<sup>5</sup> (2013 CFC1 only: 135 UPH)
- Dordon CFC over 150 UPH by the end of the period
- Delivery performance improved to 163 DPV (2013: 160 DPV)
- Completion of major Phase 2 expansion works in Dordon CFC
- Plans announced for CFC3 and CFC4, with building work commenced at CFC3
- Significant development of our next generation fulfilment solution, to be first installed into CFC3
- Four additional spokes opened in the period increasing our delivery capacity, with more to follow in 2015

**Enhance end-to-end technology systems**

- Web of IP protection continued to build with filing of more patents
- IT systems replatforming progressing well and remains on track

**Enable Morrisons and future partners' online businesses**

- Morrisons.com successfully launched on 10 January 2014 and ramping up smoothly
- Development of Ocado Smart Platform single service solution to target international online retail business opportunities
- Continued discussions with multiple potential international partners.

**Tim Steiner, Chief Executive Officer of Ocado, said:**

"Channel shift towards online grocery shopping continued during the period. While the broader grocery market was characterised by intense competition with minimal growth in the segment, declining supermarket store sales, competitive price activity and cautious consumer spending, we continued to grow ahead of the online grocery market and significantly ahead of the market overall.

"At the same time, we invested for further growth in UK grocery, non-food and platform opportunities given the attraction of our model in a growing online grocery market.

"Our specialist online pet store, Fetch, is growing at a significant pace, and was joined during the period by Sizzle, our kitchen and dining store. Mobile-enabled shopping continued to grow reflecting the use of smart phones and tablets in daily life, and we expect this to continue supported by our recent launch of a new mobile website.

"We announced plans for our next two CFCs, in Andover and Erith, to add significant capacity to support our future growth. Both of these CFCs will use our new proprietary fulfilment solution, and we expect them to be more efficient than our existing CFCs.

"The successful launch and smooth ramp up of Morrisons.com was particularly encouraging and paves the way for future agreements to commercialise the value of our intellectual property. The development of Ocado Smart Platform, enabled by our IT replatforming and fulfilment solutions projects, positions us well to

take advantage of future opportunities as the demand for online grocery shopping increases internationally.

"Overall, we are well equipped to continue to lead the online grocery revolution, in the UK and overseas, as increasing numbers of customers shift away from traditional forms of retailing. We are confident that we have significant opportunities for growth in sales and shareholder value."

#### **Video interview**

A video interview with Tim Steiner, Chief Executive Officer, will be available online at [www.ocadogroup.com](http://www.ocadogroup.com)

#### **Results presentation**

A results presentation will be held for investors and analysts at 9.30am today at the offices of Goldman Sachs, Peterborough Court, 133 Fleet Street, London EC4A 2BE. Presentation material will be available online at [www.ocadogroup.com](http://www.ocadogroup.com).

#### **Contacts**

Tim Steiner, Chief Executive Officer on 020 7353 4200 today or 01707 228 000

Duncan Tatton-Brown, Chief Financial Officer on 020 7353 4200 today or 01707 228 000

David Hardiman-Evans, Head - IR & Corporate Finance on 020 7353 4200 today or 01707 228 000

Andrew Grant, David Shriver, Michelle Clarke at Tulchan Communications on 020 7353 4200

#### **Notes**

1. Gross sales include revenue plus VAT and marketing vouchers
2. Revenue is online sales (net of returns) including charges for delivery but excluding relevant vouchers/offers and value added tax. The recharge of costs to Morrisons and fees charged to Morrisons are also included in Revenue
3. EBITDA is a non-GAAP measure which we define as earnings before net finance cost, taxation, depreciation, amortisation, impairment and exceptional items
4. Adjusted profit is profit before impairments, exceptional items and tax
5. Mature CFC operations. A CFC is considered mature if it has been open 12 months by the start of the half year reporting period

#### **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 expressed 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.*

#### **Chief Executive Officer's review**

Over the last 12 months we have seen continued pressure in the grocery market with supermarket store volumes declining and ongoing competitive pricing activity. At the same time, the number of customers choosing to shop for their groceries online has grown as the channel shift to online progresses. Against this

backdrop, we have continued to make progress in each of our strategic objectives of driving growth, maximising our efficiency, and utilising our knowledge. In particular, we delivered sales growth ahead of the broader online grocery market, successfully launched our first platform customer, Morrisons.com, and made significant progress in our plans for the next generation CFC assets.

### **Strategic objectives supported by our actions**

Our strategic objectives apply to both our own retail business and our current and potential platform operations. We support our objectives through a framework of actions intended to deliver long term shareholder value.

The key actions within our framework are to:

- Constantly improve our proposition to customers;
- Strengthen our consumer brands;
- Develop ever more capital and operationally efficient infrastructure solutions;
- Enhance our end-to-end technology systems; and
- Enable Morrisons' and future partners' online businesses.

### **Constantly improve the proposition to customers**

Central to driving the growth of our retail business are our efforts to constantly improve the proposition we offer to customers - our high quality service, the broad selection of products available, and consumers' confidence in our prices. We have continued to make progress in improving each of these key aspects.

Voted the Best Online Grocer 2014 by Which? Magazine in its members' Annual Satisfaction Survey for the fifth successive year, we have continued to win awards for our service and the food that we sell. We believe this reflects our ongoing progress and the strengthening recognition of our brand.

We recognise the importance of the shopping experience, and believe that increasingly consumers will try online for their grocery shop if they consider it more attractive than current store based shopping. We have continued to focus on improving elements and features of the customer interface to enhance the speed, convenience and usability of our service. Features such as Import Your Favourites, shortened registration processes and the introduction of payment by PayPal are proving to be particularly useful in encouraging customers to shop for the first time and on subsequent occasions, with customer retention rates from first to fifth shop modestly improving over the period. This is important in building a base of frequent, loyal customers.

Smart Pass, our bundled customer benefit membership scheme, continued to be popular, further driving customer loyalty, shopping frequency and total spend per customer. Customers shopping using mobile devices have remained strong. For the period, over 48% of all orders delivered were checked out over a mobile device, with mobile apps accounting for over 37% of all checkouts. In January 2015 we launched our new mobile website to complement our mobile apps, which we anticipate may be particularly attractive to new customers.

A high quality and reliable delivery service is critical to our customers. We believe our customer delivery service continues to be market leading in order accuracy and on time performance. Orders delivered on time or early improved to 95.3% (2013: 95.2%) and order accuracy also improved to 99.3% (2013: 99.0%) during the period.

Our range at Ocado.com is now over 43,000 products including everyday items, our own brand, more non-food and additional specialist ranges. These include new ranges such as a Malaysian food selection and extensions to our Kosher and Halal shops.

Our non-food sales and range continued to grow during the period, with sales growing over 50% and by the end of the period more than a third of baskets contained at least one non-food item, reflecting the increased popularity of shopping from a broader general merchandise product range while customers make their regular grocery shop.

In 2H 2014 we launched our second destination site, Sizzle. This is a specialist kitchen and dining shop and complements Fetch, our pet store. Fetch now has over 8,000 SKUs, and Sizzle over 12,000 SKUs, both complementing our Ocado.com range.

One of our subsidiary companies, Speciality Stores Ltd, has entered into an agreement with Marie Claire UK to launch a new business in the beauty and wellbeing segment. This business will be a separately incorporated company and will operate using the Marie Claire brand. It will be based in the Marie Claire office in central London and be led by Amanda Scott, currently Head of Buying for Beauty and Accessories at John Lewis. Start-up costs are estimated at between £2 - £3 million in 2015. We believe that the high quality of service delivered by our technology and logistics platform combined with the awareness and relevance of the Marie Claire brand will make this an attractive shopping destination for customers.

Amidst the current price competitive market environment, our Low Price Promise basket matching scheme continues to resonate well with our customers, reflecting the competitiveness of our prices and adding transparency to our pricing strategy. By the end of the period, when checking for LPP, over three quarters of our customers' baskets were already cheaper at Ocado. The cost of LPP in the form of vouchers used during the period was lower than the same period last year, despite the increased price reductions in the market, reflecting our competitiveness in prices and sustained promotional activity.

### **Strengthen consumer brands**

We have continued to develop the awareness and strength of Ocado's stable of brands, and reinforce their values.

We have concentrated our modest above the line marketing spend on initiatives to build broader brand awareness, focused around food, such as the sponsorship of Channel 4's Daily Brunch, supporting the launch of 'Britain's Next Top Supplier' competition, an Ocado initiative to support and nurture small British suppliers, and supplying food to the BBC Good Food Shows at Olympia and the NEC. Overall marketing costs, including voucher spend, has fallen as a percentage of sales, reflecting a fall in retention vouchering and a similar growth rate of new customer acquisitions.

The Ocado own-label reinforces brand recognition and continues to grow in popularity with sales up over 40% against the equivalent period last year, and the average basket now containing almost five Ocado own-label products.

The growth in our customer numbers reflects the strengthening position of our brand. Our active customers at the end of the period stood at 453,000 (2013: 385,000).

Our customers' average baskets stood at £112.25 (2013: £113.53) by the period end, including the impact of standalone destination site orders from Fetch and Sizzle.

Fetch has grown strongly in its first year, gaining in brand awareness despite limited marketing support during the period. Increasingly customers recognise the convenience of buying their pet requirements online and having them delivered together with their Ocado grocery shop, rather than requiring a visit to the pet shop or veterinary clinic. We anticipate customer awareness of the Sizzle brand will build as shoppers discover the benefits and range available to them in this category.

### **Develop ever more capital and operationally efficient infrastructure solutions**

Our capabilities are being significantly enhanced and broadened with the ongoing development of our new modular, scalable physical fulfilment solution. This system has benefited from our extensive design and engineering experience which has enabled us to develop a proprietary solution with many beneficial attributes when compared to existing infrastructure assets or any commercially available alternatives. Successful development of this infrastructure solution will vertically integrate our platform of software, electronic and mechanical systems required to operate online retail operations efficiently, enabling a compelling proposition to the consumer and our partners.

Our solution combines extremely dense storage, rapid retrieval and fast picking of single items. We believe it is the most capital efficient solution available that is capable of fulfilling this purpose, and should significantly exceed the operating efficiency we have achieved in our existing CFCs.

The new product storage and retrieval system incorporates a number of technological advances including a highly sophisticated proprietary communications technology capable of interacting inside a building with thousands of devices multiple times per second, significantly in excess of any technology currently available commercially.

The constituent elements of this infrastructure solution are currently undergoing significant testing and we are confident in their key performance capabilities. We have filed for patents across our innovations, driven by the desire to protect the IP intrinsic to our infrastructure solution. As more patents are filed we are building a web of protection for our valuable IP in the future.

Both our Hatfield Customer Fulfilment Centre ("CFC1") and our Dordon Customer Fulfilment Centre ("CFC2") continued to operate to a high level of accuracy and with improved efficiency. Using the units per hour efficiency measure ("UPH"), the average productivity for the period in our mature CFC operations was 145 UPH (2013: CFC1 135 UPH), where we consider a CFC to be mature if it had been open for 12 months by the start of the half year reporting period. By the end of the period, operational efficiency in CFC2 was over 150 UPH.

Ocado order volumes have grown to an average of over 167,000 orders per week ("OPW") (2013: 143,000 OPW) with the highest number of orders delivered in a week exceeding 196,000 during the period. At the

end of the period, approximately 60% of orders were fulfilled from CFC1 with the balance from CFC2, in line with our expectations.

We continue to introduce new developments to our CFCs to improve efficiency further in a cost effective manner. Three additional purpose designed and patent pending bagging machines commenced operations in CFC1 during the course of 2H 2014, and we expect to invest in further bagging machines in both CFC1 and CFC2 in future years.

The major phase 2 development works for CFC2 are now complete, and we believe this has increased capacity to approximately 180,000 OPW.

During the year we announced our plans for CFC3 in an existing building in Andover, Hampshire, where works commenced in 2H 2014. We plan to open the site at the end of 2015, following significant building redevelopment and extension work and extensive testing of our new more modular and scalable fulfilment solution. CFC3 will add 65,000 OPW capacity to our operation at a capital cost of £45 million for the MHE.

We have also exchanged contracts for a 30 year lease for a new build site in Erith in southeast London for CFC4, subject to planning consent. The developer is expected to commence work on the site in the first half of 2015, with our works starting in 2016 and with a plan to commence operations during 2017. The MHE solution in CFC4 will ultimately cost £135 million and will add over 200,000 OPW. As with CFC3, this CFC will use our proprietary modular, scalable fulfilment solution and so the investment will be phased over a number of years in line with our capacity requirements. It will also make this the most capital efficient CFC to be built to date.

There will be a further £50 million of building work on items such as fridge plants, mezzanine floors and additional dock doors to take the developer's shell up to the level of building required. Ocado has an option from the developer exercisable by April 2015, to use the site also for Morrisons.com on improved rental terms. In this event, the ramp up of capacity will be completed sooner, and the costs and capacity of the CFC will be shared with Morrisons.

Despite worsening road traffic speeds, our delivery performance continued to improve, benefiting from increased customer density, with deliveries per van per week ("DPV") of 163 (2013: 160 DPV).

We have expanded our delivery capacity with the opening in the period of additional spokes in Ruislip, Enfield, Sheffield and Knowsley, and with a further spoke in Dagenham opening post the period end. Another spoke in Park Royal is set to open in February 2015 to replace our smaller White City location. The delivery capacity for some of these spokes is shared with Morrisons, resulting in improved cost and capital efficiencies during the ramp up phase.

We anticipate that capital expenditure in 2015 will be approximately £150 million, including the expenditure for CFC3 and increased costs for further development for our infrastructure and technology solutions.

### **Enhance our end-to-end technology systems**

Since inception we have utilised proprietary IP, knowledge and technology as the foundation of our business. Maintaining and enhancing technology leadership in systems, processes and equipment supports our market-leading proposition to customers and drives operating excellence.

Over time we have developed a proprietary end-to-end solution for operating grocery online, from the point of contact with the customer, through the extensive fulfilment operations, to the delivery of the basket of products to the customer's kitchen. Each stage of the operation is optimised using our software and algorithms. Our technology systems form a key part of this solution.

We are progressing with the replatforming of our IT systems, investing significantly in the use of cloud-based infrastructure, to enable faster replication and roll out of our technology internationally, and remain on track with our plans.

We continue to expand our technology team, and at the end of 2014 employed over 550 developers and IT professionals. We plan to increase this team to 700 people during 2015. Our technology team's primary focus is on improving customer interfaces to support our businesses and those of our partners, replatforming to improve speed of systems development and to enable international expansion, and other projects to drive efficiency in our operations.

### **Enable Morrisons' and future partners' online businesses**

Our leadership in IP and technology affords us opportunities to generate significant value for Ocado through the commercialisation of our IP.

The first commercialisation of this IP was our agreement with Morrisons which was completed in July 2013 and we were pleased that Morrisons.com was launched as planned with the first orders delivered on 10 January 2014. Morrisons.com uses our existing CFC technology and solutions and has continued to ramp up well in line with our and Morrisons' expectations.

We continue to receive interest from a broad group of potential international partners to discuss how we might assist them in introducing or improving online business in their own markets. We have now combined our end-to-end technology platform with our modular infrastructure solution to form "Ocado Smart Platform" as a single service offering. We will make this available to potential partners to power their online grocery retail businesses.

During the period, we started to engage in more detailed discussions with several parties with a view to utilising Ocado Smart Platform to drive the launch or growth of their online businesses. We expect to incur up to £5 million in 2015 in additional administrative costs to enable us to develop the Ocado Smart Platform capability further and negotiate platform service agreements. We are targeting to sign the first such agreement during 2015 although there is no guarantee we can meet this timeline.

### **Market backdrop**

Despite the more positive outlook for broader economic growth in the UK, we believe the grocery market remains subdued.

Moreover, during the period there has been more emphasis placed on price initiatives in the market by the major supermarket groups, particularly to counter the growing threat from discount operators which is exacerbating the decline in supermarket store sales. We have seen prices of certain key value items, primarily in fresh private label categories, impacted by these initiatives, and we will continue to assess price developments in the market carefully.

Notwithstanding this broader market activity, online grocery shopping continues to expand faster than the total market, although more recently some of our competitors' growth appears to have slowed, evidenced by the online growth figures reported across the industry. All the major UK supermarket groups continue to invest to satisfy this growing online demand with a general acceptance that online continues to become a more mainstream channel for grocery shopping.

Overseas there continues to be more interest and investment in online services in many markets as major incumbent grocery retailers seek to address this channel shift, and by online retailers such as Amazon Fresh helping to drive both consumer interest, and corporate focus, in online grocery shopping.

### **People, recognition and awards**

By the end of the period, we employed over 8,500 people, having created over 1,800 jobs during the year, supporting the growth of our Ocado retail businesses, our Morrisons platform business and the development of Ocado Smart Platform. We anticipate this number rising by around 2,500 people during 2015.

The energy and commitment of our people remains central to our success and I want to acknowledge their tremendous efforts throughout this very busy period. Our customers regularly comment on the outstanding service provided by our Customer Service Team Members.

We are delighted that the efforts of our people were recognised with a number of awards during 2014, including the Best Online Grocer by Which? Magazine (Members' Annual Satisfaction Survey), Best Online Retailer (Gold) and Supermarket of the Year (Silver) in the Loved by Parents Awards, and Best Organic Supermarket in the Soil Association Organic Awards. We also received recognition of our extensive offering in our 'free from' range with Best Large Online Supermarket 2014.

We also won a number of awards for our Ocado own-label products. These included the Loved by Parents Best Grocery Product for our Ocado own-label organic juicing boxes, fruit boxes and vegetable and salad boxes, as well as for a range of our fresh fish by Quality Food Awards.

In September, to coincide with the new academic year, we launched 'Code for Life', an Ocado Technology CR initiative to encourage and support primary school teachers to deliver the new Computer Science curriculum. The initiative has been supported by BCS Academy of Computing, Computing at School, the teaching community and education specialists, and has already had several hundred schools sign up. We are thrilled with how this has been received and look forward to supporting this important initiative in the future.

We received recognition of our continuing efforts in CR winning the PRCA Award for CSR Campaign of the Year 2014 with our "Britain's Next Top Supplier" initiative.

### **Board update**

Jason Gissing, a co-founder of Ocado, took the decision to retire from the Board at our annual general meeting on 10 May 2014. I would like to thank Jason for his valuable contribution over many years, and wish him well for the future.

### Reporting, current trading and outlook

We finished the period with gross sales (retail) growth of 15.3%. We expect to continue growing slightly ahead of the online grocery market.

### Chief Financial Officer's review

For the period to 30 November 2014 Ocado delivered robust growth driven by an increase in the number of new customer acquisitions, improvements to the proposition to customers and an increase in the frequency of shops from existing customers. This was complemented by additional revenues from our first platform arrangement with Morrisons. Operating profitability continued to strengthen in the period from better operational efficiency and the benefits of the Morrisons agreement. This was offset by the annualised impact from the depreciation and amortisation arising from CFC2 and additional costs from strategic initiatives to support future growth in the business.

	FY 2014 £m	FY 2013 £m	Variance
Revenue <sup>1</sup>	948.9	792.1	19.8%
Gross profit	312.9	247.5	26.4%
<b>EBITDA<sup>2</sup></b>	<b>71.6</b>	<b>45.8</b>	<b>56.3%</b>
Operating profit before share of result from JV and exceptional items	14.2	1.0	
Share of result from JV	2.4	0.9	
Profit/(loss) before tax before exceptional items	7.5	(5.1)	247.1%
Exceptional items <sup>3</sup>	(0.3)	(7.4)	(95.9)%
<b>Profit/(loss) before tax</b>	<b>7.2</b>	<b>(12.5)</b>	<b>157.6%</b>

1. Revenue is online sales (net of returns) including charges for delivery but excluding relevant vouchers/offers and value added tax. The recharge of costs to

Morrisons and fees charged to Morrisons are also included in Revenue

2. Excluding exceptional items and share based management incentive payments EBITDA was £76.6 million (2013: £48.3 million)

3. FY 2013 exceptional items include exceptional finance costs

### Revenue

	FY 2014 £m	FY 2013 £m	Variance
Retail	903.8	784.2	15.3%
Morrisons recharges <sup>1</sup>	27.8	2.4	1058.3%
Morrisons fees <sup>2</sup>	17.3	5.5	214.5%
<b>Total revenue</b>	<b>948.9</b>	<b>792.1</b>	<b>19.8%</b>

1. Morrisons recharge income is derived from the charging of distribution costs and administrative expenses

2. Morrisons fees related to annual licence fees, technology support, research and development and management fees

Revenue increased by 19.8% to £948.9 million for the period. Revenue from retail related activities was £903.8 million, an increase of 15.3%, which we believe to be ahead of the online grocery market. Revenue growth was driven by an increase in average orders per week to 167,000, up from 143,000 in 2013, offset by a modest reduction in average order size, down from £113.53 in 2013 to £112.25 in 2014.

We continued to expand our non-food offering in the period and revenue from it increased by 51.9% year-on-year.



The Morrisons agreement contributed £45.1 million of revenue in 2014 (2013: £7.9 million). This comprised annual licence fees for services, technology support, research and development, management fees and a recharge of relevant operational variable and fixed costs.

### Gross profit

	FY 2014 £m	FY 2013 £m	Variance
Retail	267.8	239.6	11.8%
Morrison recharges <sup>1</sup>	27.8	2.4	1058.3%
Morrisons fees <sup>2</sup>	17.3	5.5	214.5%
<b>Total gross profit</b>	<b>312.9</b>	<b>247.5</b>	<b>26.4%</b>

1. Morrisons recharge income is derived from the charging of distribution costs and administrative expenses

2. Morrisons fees related to annual licence fees, technology support, research and development and management fees

Gross profit rose by 26.4% year-on-year to £312.9 million (2013: £247.5 million). Gross margin was 33.0% of revenue (2013: 31.2%), ahead of 2013 due to additional gross profit attributable to the Morrisons arrangement in the period. Retail gross margin reduced by (1.0)% to 29.6% (2013: 30.6%) as a result of increased price competition, but offset by lower average product wastage. Average product wastage reduced to 0.8% of retail revenue (2013: 1.0%) mainly caused by improvements at CFC2 as volumes increased. Gross profit from our arrangement with Morrisons was £45.1 million, an increase from £7.9 million in 2013, driven by the growth in the Morrisons.com business and the full year effect from the Morrisons fees.

Other income increased to £39.4 million, a 70.6% increase on 2013 (2013: £23.1 million). Media income of £25.5 million was 2.8% of retail revenue (2013: 2.4%). Income from website related activities continued to grow ahead of the rate of increase in revenue because of increased demand from our suppliers, the benefits of scale and a wider product range. Other income also included £8.9 million (2013: £3.0 million) of income arising from the leasing arrangements with Morrisons for MHE assets and £2.5 million (2013: £0.9 million) of rental income relating to the lease of CFC2. This income, for the MHE assets, is generated from charging MHE lease costs to Morrisons and equates to the additional depreciation and lease interest costs that we incur for the share of the MHE assets effectively owned by Morrisons. Other income also included a payment of £1.2 million for the surrender of the lease at our existing White City spoke whose operations are being transferred to a new build site nearby at Park Royal.

### Operating profit

Operating profit before the share of the result from the joint venture and exceptional items for the period was £14.2 million, compared with £1.0 million in 2013.

Distribution costs and administrative expenses included costs for both the Ocado and Morrisons picking and delivery operations. The costs relating to the Morrisons operations are recharged and included in revenue. Total distribution costs and administrative expenses including costs recharged to Morrisons grew by 25.4% year-on-year. Excluding Morrisons, costs grew by 16.1%, in line with the growth in the retail average orders per week.

	FY 2014 £m	FY 2013 £m	Variance
Distribution costs <sup>1</sup>	193.2	168.6	14.6%
Administrative expenses <sup>1</sup>	62.1	54.7	13.5%
Costs recharged to Morrisons <sup>2</sup>	27.8	2.4	1058.3%
Depreciation and amortisation <sup>3</sup>	55.0	43.9	25.3%
<b>Total distribution costs and administrative expense</b>	<b>338.1</b>	<b>269.6</b>	<b>25.4%</b>

1. Excluding chargeable Morrisons costs, depreciation, amortisation and impairment charges

2. Morrisons costs include both distribution and administrative costs

3. Included within depreciation and amortisation is a £2.6 million impairment charge in the period

At £193.2 million, distribution costs increased by 14.6% compared to 2013, lower than the growth in retail sales of 15.3%. Operational efficiency improved at both CFC1 and CFC2. Overall mature CFC UPH in the second half was 147 in 2014 (for CFC1 and CFC2 combined) compared with 135 in 2013 (for CFC1 only). The improvement in mature CFC UPH was driven mainly by CFC2 productivity which was over 150 UPH by the end of the period. Deliveries per van per week have risen to 163 (2013: 160) as customer density improved as a result of the increase in orders with only a modest growth in geographic delivery areas, offset

by a reduction in road speeds due to increased congestion and an investment to improve on time delivery in a number of locations (deliveries on time or early improved from 95.2% in 2013 to 95.3% in 2014). During the period we opened a four new spokes in Ruislip, Enfield, Sheffield and Knowsley to increase our distribution capacity rather than to grow our geographic coverage. As a result, spoke fixed costs as a percentage of sales increased, but will reduce as our business scales and the capacity is more fully utilised.

	FY 2014 £m	FY 2013 £m	Variance
Central costs - other <sup>1</sup>	47.1	42.1	11.9%
Central costs - share based management incentives	5.0	2.5	98.1%
Marketing costs (excluding vouchers)	10.0	10.1	(1.0)%
<b>Total administrative expenses</b>	<b>62.1</b>	<b>54.7</b>	<b>13.5%</b>

1. Excluding chargeable Morrisons costs, depreciation, amortisation and impairment

Total administrative expenses excluding depreciation, amortisation and costs recharged to Morrisons increased to £62.1 million, a 13.5% increase from 2013 and 6.9% as a percentage of retail revenue (2013: 7.0%). Some of the cost increases are due to additional technology costs to operate the Morrisons services which are not recharged to Morrisons but for which the Group earns fees, additional payroll costs in technology and non-food and greater share based management incentive costs. Marketing costs excluding voucher spend were £10.0 million (2013: £10.1 million), 1.1% percent of revenue (2013: 1.3%). Despite lower marketing spend, there was an increase in new customer acquisitions.

Total depreciation and amortisation costs were £55.0 million (2013: £43.9 million), an increase of 25.3% year-on-year. This increase includes an impairment charge of £2.6 million (2013: £1.3 million) and higher depreciation and amortisation arising from the increased investment required for the development of CFC1 and CFC2 and includes depreciation on assets effectively owned partially by Morrisons. The impairment charges are due to the write off of certain assets at the White City spoke which is being relocated to Park Royal and due to improvement projects at CFC1 and changes to systems or fulfilment assets to enable the Morrisons operations at CFC2 which result in impairment to existing assets.

#### Share of result from joint venture

MHE JVCo Limited ("MHE JV Co") was incorporated in 2013 on the completion of the Morrisons agreement, with Ocado owning a 50% equity interest in this entity. MHE JV Co holds CFC2 assets, which Ocado uses to service its and Morrisons' businesses. During the period the Group sold £23.4 million (2013: £129.2 million) of CFC2 related assets to MHE JV Co, £31.0 million (2013: £113.1 million) of assets were leased back to the Group under a finance transaction. The Group share of MHE JV Co profit after tax in the period amounted to £2.4 million (2013: £0.9 million).

#### Exceptional items

Exceptional items of £0.3 million (2013: £4.6 million) were incurred in relation to a group restructuring of corporate entities.

#### Net finance costs

Net finance costs were £9.1 million (2013: £7.0 million excluding exceptional finance costs of £2.8 million). This increase was attributable to £3.5 million of additional interest from the sale and leaseback arrangements with MHE JV Co, offset by a reduction of £1.9 million of interest costs in 2013 on loans in connection with the construction and fit out of CFC2, which were not incurred in 2014.

#### Profit before tax

Profit before tax and exceptional items for the period was £7.5 million (2013: loss of £(5.1) million). Profit before tax for the period was £7.2 million (2013: loss of £(12.5) million).

#### Taxation

Due to the availability of capital allowances and Group loss relief, the Group did not pay corporation tax during the year. In the period, the Group has made a claim for energy saving technologies within its existing CFCs under the enhanced capital allowances scheme, resulting in an amount due from HMRC of £0.1 million. No net deferred tax credit was recognised in the period. Ocado has approximately £285.3 million of unutilised carried forward tax losses at the end of the period. During 2014 Ocado paid £29.1 million in a range of taxes including fuel duty, PAYE and Employers' National Insurance, business rates and VAT.

#### Earnings/(loss) per share

Basic earnings per share was 1.24p and diluted earnings per share was 1.18p.

### Capital expenditure and cash flow

Capital expenditure for the period was £86.4 million (2013: £76.3 million) and comprised of the following:

	FY 2014 £m	FY 2013 £m
CFC1	9.2	5.9
CFC2	1.7	38.0
CFC3	16.5	-
Delivery	22.1	10.8
Technology	16.8	14.1
Other	20.1	7.5
<b>Total capital expenditure<sup>1,2</sup> (excluding share of MHE JV Co)</b>	<b>86.4</b>	<b>76.3</b>
<b>Total capital expenditure<sup>3</sup> (including share of MHE JV Co)</b>	<b>98.1</b>	<b>132.3</b>

1. Capital expenditure includes tangible and intangible assets

2. Capital expenditure excludes assets leased from MHE JV Co under finance lease arrangements

3. Capital expenditure includes Ocado share of the MHE JV Co capex in 2014 of £11.7 million and in 2013 of £56.0 million

Investment in CFC1 capital expenditure was £9.2 million on resiliency projects (e.g. additional cranes and refurbished zone pick aisles) and improvement projects (e.g. bagging machines). This is at a higher rate compared with 2013 as the switch of some volume to CFC2 during 2014 provided a temporary period of lower utilisation of the CFC1 which gave an opportunity to undertake these capital projects.

In the period a further £1.7 million capital expenditure was incurred for the completion of Phase 1 works and various minor projects in CFC2.

In July 2014, we announced plans for our next CFC located in Andover, Hampshire in the south of England. Andover CFC will be smaller than our existing CFCs (expected capacity of 65,000 OPW), and will include the first example of our proprietary picking system which is designed in the long term to be faster to install and more cost and capital efficient than the system at the current CFCs.

Investment in new vehicles, which are typically on five year financing contracts, was £12.5 million which is higher than the prior year (2013: £9.0 million) to support the business growth. Delivery capital expenditure also included investments for new spokes of £8.5 million, including the purchase of the freehold of a site in Dagenham which opened, after the period end, in January 2015.

Ocado continued to develop its own proprietary software and £14.1 million (2013: £10.4 million) of internal development costs were capitalised as intangible assets in the period, with a further £2.7 million (2013: £3.7 million) spent on computer hardware and software. Our technology headcount grew to 550 staff at the end of the period (2013: 400 staff) as increased investments were made to support our strategic initiatives, including the commencing of a major replatforming exercise of Ocado's technology and migration of most of its systems to run on a public or private cloud. This will allow Ocado to achieve greater technical agility and enable the technology to support possible international expansion opportunities. In addition, we have invested internal technology resources as part of developing the following capital projects: CFC2 Phase 2; next generation of fulfilment solutions; development of the Morrisons proposition; and launch of new destination websites.

Other capital expenditure includes £16.3 million of investment in developing our next generation fulfilment solution, £1.8 million for the second phase of the NFDC to provide further capacity to support our non-food business growth and a further investment of £1.3 million to support the growth of our non-food destination sites and webshop.

At 30 November 2014, capital commitments contracted, but not provided for by the Group, amounted to £22.9 million (1 December 2013: £28.8 million). We expect capital expenditure in 2015 to be approximately £150.0 million, to be invested in the next generation of fulfilment solutions, roll out of our new CFCs and additional investment in new vehicles to support business growth and the replacement of vehicles coming to the end of their five year financing contracts.

During the year the Group generated improved operating cash flow after finance costs of £74.3 million, an increase of 23.0% year-on-year, up from £60.4 million in 2013, as detailed below:

	FY 2014 £m	FY 2013 £m
<b>EBITDA</b>	71.6	45.8
Working capital movement <sup>1</sup>	8.7	23.5
Exceptional items	(0.3)	(4.6)
Other non-cash items <sup>2</sup>	4.0	2.8
Finance costs paid <sup>1</sup>	(9.7)	(7.1)
<b>Operating cash flow</b>	<b>74.3</b>	<b>60.4</b>
Capital investment <sup>1</sup>	(78.8)	(77.5)
(Decrease)/Increase in debt/finance obligations <sup>3</sup>	(33.4)	34.2
Proceeds from share issues net of transaction costs	3.7	3.8
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(34.2)</b>	<b>20.9</b>

1. FY 2013 capital investment was adjusted for capitalised borrowing costs attributable to an adjustment in working capital and finance costs paid

2. Other non-cash items include movements in provisions, share of income from MHE JV Co and share based payment charges

3. FY 2013 includes sale and leaseback of MHE assets to MHE JV Co

The operating cash flow increased by £13.9 million during the year primarily as a result of an increase in EBITDA of £25.8 million. This was offset by a reduction in positive movement in working capital of £14.8 million driven by a reduction in trade and other payables due to timing of payments for capital projects and the amortisation of a one off payment received in 2013 as part of the Morrisons agreement. In addition trade and other receivables reduced by £6.5 million arising from a capital contribution into MHE JV Co to finance the acquisition of CFC2 fixed assets. Additional funds to finance these CFC MHE fixed assets is received from the payment by Ocado of finance lease obligations owing to MHE JV Co.

We continue to reinvest our cash for future growth and as a result the cash outflow due to capital investment increased to £78.8 million comprising investments in CFC3, development of our next generation fulfilment solution and spend on spoke sites.

In the period £33.4 million of cash was utilised for the repayment of debt and financing obligations. The prior year included the proceeds from the MHE sales and leaseback arrangement entered into as part of the Morrisons agreement.

### Balance sheet

The Group had cash and cash equivalents of £76.3 million at the period end (2013: £110.5 million) the decrease mainly owing to a net cash outflow from investing activities and repayments of finance leases in the period.

Gross debt at the period end was £175.7 million (2013: £161.4 million). Gross debt has increased by £14.3 million reflecting an increase in obligations payable to MHE JV Co of £18.1 million offset by a reduction of £3.8m in property mortgages and asset finance obligations.

External gross debt at the period end, excluding the finance leases payable to MHE JV Co, was £44.9 million (2013: £48.7 million).

### Increasing financing flexibility

In the period, we put in place a 3 year £100 million unsecured revolving credit facility. The participating banks are Barclays, HSBC, RBS and Santander. We believe this new facility enhances our flexibility to exploit the increasing growth opportunities open to us in the future. The facility remained undrawn throughout the period.

### Key performance indicators

The following table sets out a summary of selected unaudited operating information for 2014 and 2013:

	FY 2014 (unaudited)	FY 2013 (unaudited)	Variance %
Average orders per week	167,000	143,000	16.8%
Average order size (£) <sup>1</sup>	112.25	113.53	(1.1)%
Mature CFC efficiency (units per hour) <sup>2</sup>	145	135	7.4%
Average deliveries per van per week (DPV/week)	163	160	1.9%
Average product wastage (% of revenue) <sup>3</sup>	0.8	1.0	(0.2)%
Items delivered exactly as ordered (%) <sup>4</sup>	99.3	99.0	0.3%
Deliveries on time or early (%)	95.3	95.2	0.1%

Source: the information in the table above is derived from information extracted from internal financial and operating reporting systems and is unaudited.

1. Average retail value of goods a customer receives (including VAT and delivery charge and including standalone orders) per order

2. Measured as units dispatched from the CFC per variable hour worked by CFC1 and CFC2 operational personnel in 2014. We consider a CFC to be mature if it had been open 12 months by the start of the half year reporting period

3. Value of products purged for having passed Ocado's "use by" life guarantee divided by retail revenue

4. Percentage of all items delivered exactly as ordered, i.e. the percentage of items neither missing nor substituted

### Consolidated income statement

#### for the 52 weeks ended 30 November 2014

	Notes	52 weeks ended 30 November 2014 £m	52 weeks ended 1 December 2013 £m
<b>Revenue</b>	2.2	948.9	792.1
Cost of sales		(636.0)	(544.6)
<b>Gross profit</b>		312.9	247.5
Other income		39.4	23.1
Distribution costs		(253.1)	(200.0)
Administrative expenses		(85.0)	(69.6)
<b>Operating profit before result from joint venture and exceptional items</b>		14.2	1.0
Share of result from joint venture		2.4	0.9
Exceptional items	2.4	(0.3)	(4.6)
<b>Operating profit/(loss)</b>		16.3	(2.7)
Finance income	4.3	0.4	0.4
Finance costs	4.3	(9.5)	(7.4)
Exceptional finance costs	2.4	-	(2.8)
<b>Profit/(loss) before tax</b>		7.2	(12.5)
Taxation		0.1	-
<b>Profit/(loss) for the period</b>		<b>7.3</b>	<b>(12.5)</b>
<b>Profit/(loss) per share</b>		pence	pence
Basic profit/(loss) per share		1.24	(2.16)
Diluted profit/(loss) per share		1.18	(2.16)

**Non-GAAP measure: Earnings before interest, taxation, depreciation, amortisation, impairment and exceptional items (EBITDA)**

	Notes	52 weeks ended 30 November 2014 £m	52 weeks ended 1 December 2013 £m
Operating profit/(loss)		16.3	(2.7)
Adjustments for:			
Depreciation of property, plant and equipment	3.2	40.0	33.1
Amortisation expense	3.1	12.4	9.5
Impairment of property, plant and equipment	3.2	1.1	0.5
Impairment of intangibles assets	3.1	1.5	0.8
Exceptional items <sup>1</sup>	2.4	0.3	4.6
<b>EBITDA</b>		<b>71.6</b>	<b>45.8</b>

<sup>1</sup> Included within Exceptional items in the 52 weeks ended 1 December 2013 is a £0.2 million impairment reversal (see Note 2.4).

#### Consolidated statement of comprehensive income for the 52 weeks ended 30 November 2014

	52 weeks ended 30 November 2014 £m	52 weeks ended 1 December 2013 £m
<b>Profit/(loss) for the period</b>	7.3	(12.5)
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Cash flow hedges		
- Gains arising on interest rate swaps	-	0.4
	-	0.4
Items that may be subsequently reclassified to profit or loss		
Cash flow hedges		
- (Losses)/gains arising on forward foreign exchange contracts	(0.4)	0.5
- Losses/(gains) transferred to property, plant and equipment	0.3	(0.3)
Translation of foreign subsidiary	(0.1)	-
	(0.2)	0.2
<b>Other comprehensive (expense)/income for the period, net of tax</b>	<b>(0.2)</b>	<b>0.6</b>
<b>Total comprehensive income/(expense) for the period</b>	<b>7.1</b>	<b>(11.9)</b>

#### Consolidated balance sheet as at 30 November 2014

	Notes	30 November 2014 £m	1 December 2013 £m
<b>Non-current assets</b>			
Intangible assets	3.1	38.4	27.0
Property, plant and equipment	3.2	275.2	224.3
Deferred tax asset		9.4	7.9

Available-for-sale financial asset		0.4	0.4
Investment in joint ventures		67.8	58.9
		391.2	318.5
<b>Current assets</b>			
Inventories		27.6	23.9
Trade and other receivables		43.1	45.2
Cash and cash equivalents		76.3	110.5
		147.0	179.6
<b>Total assets</b>		<b>538.2</b>	<b>498.1</b>
<b>Current liabilities</b>			
Trade and other payables		(136.5)	(130.0)
Borrowings	4.1	(4.4)	(3.3)
Obligations under finance leases	4.1	(26.5)	(25.0)
Derivative financial instruments		(0.2)	(0.2)
Provisions		(0.4)	(0.5)
		(168.0)	(159.0)
<b>Net current assets</b>		<b>(21.0)</b>	<b>20.6</b>
<b>Non-current liabilities</b>			
Borrowings	4.1	(2.3)	(6.2)
Obligations under finance leases	4.1	(142.5)	(126.9)
Provisions		(5.2)	(3.2)
Deferred tax liability		(2.0)	(0.4)
		(152.0)	(136.7)
<b>Net assets</b>		<b>218.2</b>	<b>202.4</b>
<b>Equity</b>			
Share capital	4.4	12.5	12.4
Share premium	4.4	255.1	251.5
Treasury shares reserve	4.4	(51.8)	(52.4)
Reverse acquisition reserve	4.4	(116.2)	(116.2)
Other reserves	4.4	(0.3)	(0.1)
Retained earnings		118.9	107.2
<b>Total equity</b>		<b>218.2</b>	<b>202.4</b>

### Consolidated statement of changes in equity

for the 52 weeks ended 30 November 2014

	Share capital	Share premium	Treasury shares reserve	Reverse acquisition reserve	Other reserves	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m	£m
<b>Balance at 2 December 2012</b>	12.3	247.8	(53.9)	(116.2)	(0.7)	116.4	205.7
Loss for the period	-	-	-	-	-	(12.5)	(12.5)
Other comprehensive income:							
Cash flow hedges							

- Gains arising on forward foreign exchange contracts	-	-	-	-	0.5	-	0.5
- Gains arising on interest rate swaps	-	-	-	-	0.4	-	0.4
- Gains transferred to property, plant and equipment	-	-	-	-	(0.3)	-	(0.3)
<b>Total comprehensive expense for the period ended 1 December 2013</b>	-	-	-	-	0.6	(12.5)	(11.9)
Transactions with owners:							
Issues of ordinary shares	0.1	3.7	-	-	-	-	3.8
Share-based payments charge	-	-	-	-	-	3.3	3.3
Disposal of treasury shares	-	-	1.5	-	-	-	1.5
<b>Total transactions with owners</b>	0.1	3.7	1.5	-	-	3.3	8.6
<b>Balance at 1 December 2013</b>	12.4	251.5	(52.4)	(116.2)	(0.1)	107.2	202.4
Profit for the period	-	-	-	-	-	7.3	7.3
Other comprehensive income:							
Cash flow hedges							
- Gains arising on forward foreign exchange contracts	-	-	-	-	(0.4)	-	(0.4)
- Gains arising on interest rate swaps	-	-	-	-	0.3	-	0.3
Translation of foreign subsidiary	-	-	-	-	(0.1)	-	(0.1)
<b>Total comprehensive income/(expense) for the period ended 30 November 2014</b>	-	-	-	-	(0.2)	7.3	7.1
Transactions with owners:							
Issues of ordinary shares	0.1	3.6	-	-	-	-	3.7
Share-based payments charge	-	-	-	-	-	4.4	4.4
Disposal of treasury shares	-	-	0.6	-	-	-	0.6
<b>Total transactions with owners</b>	0.1	3.6	0.6	-	-	4.4	8.7
<b>Balance at 30 November 2014</b>	12.5	255.1	(51.8)	(116.2)	(0.3)	118.9	218.2

**Consolidated statement of cash flows  
for the 52 weeks ended 30 November 2014**

	52 weeks ended 30 November 2014 £m	52 weeks ended 1 December 2013 £m
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	7.2	(12.5)



Adjustments for:			
- Depreciation, amortisation and impairment losses	3.1, 3.2	55.0	43.7
- Movement in provisions		1.9	0.6
- Share of profit in joint venture		(2.4)	(0.9)
- Share-based payments charge		4.4	3.3
- Foreign exchange movements		0.1	-
- Net finance costs	4.3	9.1	9.8
Changes in working capital:			
- Movement in inventories		(3.6)	(6.4)
- Movement in trade and other receivables		(1.5)	(13.7)
- Movement in trade and other payables		13.8	43.6
<b>Cash generated from operations</b>		<b>84.0</b>	<b>67.5</b>
Interest paid		(9.7)	(7.1)
<b>Net cash flows from operating activities</b>		<b>74.3</b>	<b>60.4</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(53.0)	(60.7)
Borrowing costs capitalised in property, plant and equipment		-	(1.1)
Purchase of intangible assets		(25.8)	(15.7)
Interest received		0.5	0.3
<b>Net cash flows from investing activities</b>		<b>(78.3)</b>	<b>(77.2)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of ordinary share capital net of transaction costs	4.4	3.7	3.8
Proceeds from the sale and leaseback of property, plant and equipment		-	53.5
Proceeds from the sale and leaseback of intangible assets		-	4.4
Repayment of borrowings		(2.9)	(2.5)
Repayments of obligations under finance leases		(30.5)	(21.6)
Settlement of forward foreign exchange contracts		(0.5)	0.1
<b>Net cash flows from financing activities</b>		<b>(30.2)</b>	<b>37.7</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(34.2)</b>	<b>20.9</b>
Cash and cash equivalents at the beginning of the period		110.5	89.6
Exchange adjustments		-	-
<b>Cash and cash equivalents at the end of the period</b>		<b>76.3</b>	<b>110.5</b>

## Notes to the consolidated financial information

### Section 1 - Basis of preparation

#### General information

Ocado Group plc is a public limited company incorporated in the United Kingdom. The registered office is Titan Court, 3 Bishops Square, Hatfield Business Park, Hatfield, Hertfordshire, AL10 9NE.

The financial information comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes. The financial information for the 52 weeks ended 30 November 2014 is extracted from the audited consolidated financial statements. The financial information for the 52 weeks ended 1 December 2013 is derived from the statutory accounts.

The financial information in this preliminary results announcement does not constitute the Group's statutory accounts for the 52 weeks ended 30 November 2014 or the 52 weeks ended 1 December 2013 and does not constitute full accounts within the meaning of section 435 (1) and (2) of the Companies Act 2006. The statutory accounts for 2013 have been delivered to the Registrar of Companies. The auditors have reported on the Group's statutory accounts for the 52 weeks ended 30 November 2014; their report was (i) unqualified, (ii) did not include a reference to a matter to which the auditors drew attention by way of an emphasis of matter without qualifying their report and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The Group's statutory accounts will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The financial year represents the 52 weeks ended 30 November 2014 (the prior financial year represents the 52 weeks ended 1 December 2013). The consolidated financial statements for the 52 weeks ended 30 November 2014 comprise the financial statements of Ocado Group plc (the "Company") and its subsidiaries (the "Group").

### **Basis of preparation**

The financial information has been prepared in accordance with the Listing Rules and the Disclosure and Transparency Rules of the UK Financial Services Authority (where applicable), International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretation Committee ("IFRIC") interpretations as endorsed by the European Union ("IFRS-EU"), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies applied are consistent with those described in the annual report and financial statements for the 52 weeks ended 1 December 2013 of Ocado Group plc.

The financial information is presented in sterling, rounded to the nearest million unless otherwise stated. The financial information has been prepared under the historical cost convention, as modified by the revaluation of financial asset investments and certain financial assets and liabilities, which are held at fair value.

The Directors are satisfied that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial information.

### **Standards, amendments and interpretations adopted by the Group in 2013/14 or issued that are effective, and are not material to the Group**

The Group has considered the following new standards, interpretations and amendments to published standards that are effective for the Group during the financial year beginning 2 December 2013 and concluded that they are either not relevant to the Group or that they would not have a significant impact on the Group's financial statements:

		<b>Effective Date</b>
IFRS 10 <sup>†</sup>	Consolidated Financial Statement	1 January 2013
IFRS 11 <sup>†</sup>	Joint Arrangements	1 January 2013
IFRS 12 <sup>†</sup>	Disclosures of Interests in Other Entities	1 January 2013
IAS 1 (amendments)	Presentation of Financial Statements	1 January 2013
IAS 27 (revised 2011) <sup>†</sup>	Separate Financial Statements	1 January 2013
IAS 28 (revised 2011) <sup>†</sup>	Investments in Associates and Joint Ventures	1 January 2013
Various	Amendments to various IFRSs and IASs including those arising from the IASB's annual improvements project.	Various

<sup>†</sup> These standards, amendments and interpretations were early adopted in the prior year. The Group concluded that they would not have a significant impact on the Group's financial statements.

The following further new standards, interpretations and amendments to published standards and interpretations which are relevant to the Group have been issued but are not effective for the financial year beginning 2 December 2013, are not material to the Group and have not been adopted early:

		<b>Effective Date</b>
IFRS 2 (amendment)	Share-Based Payments	1 July 2014
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2017
Various	Amendments to various IFRSs and IASs including those arising from the IASB's annual improvements project.	Various

### **Use of non-GAAP profit measures**

The Directors believe that the EBITDA and adjusted profit before tax measures presented provide a clear and consistent presentation of the underlying performance of the Group. EBITDA and adjusted profit before

tax are not measures of operating performance in accordance with IFRS-EU and may not be directly comparable with adjusted profit measures used by other companies.

The Group defines EBITDA as earnings before interest, taxation, depreciation of property, plant and equipment, amortisation expense, impairment of property, plant and equipment, intangibles and exceptional items. The adjustments made to reported profit before tax are set out below the income statement.

## Section 2 - Results for the year

### 2.1 Segmental reporting

The Group's principal activities are grocery retailing and the development and monetisation of Intellectual Property ("IP") and technology used for the online retailing, logistics and distribution of grocery and consumer goods, currently derived solely from the UK. The Group is not reliant on any major customer for 10% or more of its revenue.

In accordance with IFRS 8 "Operating Segments", an operating segment is defined as a business activity whose operating results are reviewed by the chief operating decision-maker and for which discrete information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, as required by IFRS 8. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors.

The principal activities of the Group are currently managed as one segment. Consequently, all activities relate to this segment.

The chief operating decision-maker's main indicator of performance of the segment is EBITDA, which is reconciled to operating profit below the income statement.

### 2.2 Gross sales

A reconciliation of revenue to gross sales is as follows:

	52 weeks ended 30 November 2014 £m	52 weeks ended 1 December 2013 £m
Revenue	948.9	792.1
VAT	66.3	50.4
Marketing vouchers	11.3	9.9
<b>Gross sales</b>	<b>1,026.5</b>	<b>852.4</b>

### 2.3 Profit/(loss) per share

Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares held pursuant to the Group's JSOS which are accounted for as treasury shares.

Diluted profit/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential shares. The Company has two categories of potentially dilutive shares, namely share options and shares held pursuant to the JSOS.

For the year ended 1 December 2013 there was no difference in the weighted average number of shares used for the calculation of basic and diluted profit/(loss) per share as the effect of all potentially dilutive shares outstanding was anti-dilutive.

Basic and diluted profit/(loss) per share has been calculated as follows:

	52 weeks ended 30 November 2014 Number of shares (million)	52 weeks ended 1 December 2013 Number of shares (million)
Issued shares at the beginning of the period, excluding treasury shares	582.5	578.3

Effect of share options exercised in the period	2.1	1.4
Effect of treasury shares disposed of in the period	0.3	0.3
Effect of shares issued in the period	-	-
<b>Weighted average number of shares at the end of the period for basic earnings per share</b>	584.9	580.0
Potentially dilutive share options and shares	29.4	-
<b>Weighted average number of diluted ordinary shares</b>	614.3	580.0
	£m	£m
<b>Profit/(loss) attributable to the owners of the Company</b>	7.3	(12.5)
	pence	pence
<b>Basic profit/(loss) per share</b>	1.24	(2.16)
<b>Diluted profit/(loss) per share</b>	1.18	(2.16)

The only transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of these financial statements were the exercise of 80,441 share options under the company ESOS scheme, 10,163 share options under the SAYE2 scheme, 46 share options under the SAYE3 scheme and the issue of 22,443 Partnership Shares under the SIP.

#### 2.4 Exceptional items

	52 weeks ended 30 November 2014 £m	52 weeks ended 1 December 2013 £m
<b>Corporate restructure</b>	0.3	-
<b>Set up costs</b>		
- CFC2	-	1.3
- Non-food	-	0.2
<b>Impairment reversal</b>	-	(0.2)
<b>Strategic operating agreement</b>		
- Legal and professional fees	-	3.3
- Exceptional finance costs	-	2.8
	0.3	7.4

#### Corporate restructure

During the year, the Group undertook a corporate restructuring. The Group's business was split between a number of legal entities in order to reflect broadly the operational division of the business. To assist the restructuring the Group sought tax, accountancy and legal advice, for which a number of one-off costs were incurred.

#### Prior year

##### Set up costs

During 2013, the Group incurred further costs relating to the set-up of CFC2 of £1.3 million (2012: £1.2 million), which first delivered customer orders in February 2013, and officially went live in March 2013, and the set-up of the non-food distribution centre of £0.2 million (2012: £0.3 million) which went live in January 2013.

##### Impairment of assets

During 2013, an impairment reversal of £0.2 million was identified as part of the review of the land, building and plant and machinery related to a former spoke site at Coventry.

##### Strategic operating agreement

In 2013, the Group announced its first strategic client for its IP and operating services with the signing of a 25 year agreement with Morrisons. To facilitate the finalisation of the agreement, a number of one-off costs were incurred by the Group which reflect services from professional advisers. The agreement also allowed the Group to repay its £100 million loan facility which resulted in the full amortisation of the prepaid arrangement fees from 2012. These one-off costs incurred amounted to £6.1 million.

### Section 3 - Operating assets and liabilities

#### 3.1 Intangible assets

	Internally generated assets	Other intangible assets	Total intangible assets
	£m	£m	£m
<b>Cost</b>			
At 2 December 2012	43.8	13.6	57.4
Additions	8.3	0.9	9.2
Internal development costs capitalised	15.1	-	15.1
Disposals	(9.2)	(1.1)	(10.3)
At 1 December 2013	58.0	13.4	71.4
Additions <sup>†</sup>	-	8.0	8.0
Internal development costs capitalised	17.3	-	17.3
Disposals	(9.7)	(8.2)	(17.9)
<b>At 30 November 2014</b>	<b>65.6</b>	<b>13.2</b>	<b>78.8</b>
<b>Accumulated amortisation</b>			
At 2 December 2012	(24.7)	(11.1)	(35.8)
Charge for the period	(8.6)	(0.9)	(9.5)
Impairment	(0.8)	-	(0.8)
Disposals	0.8	0.9	1.7
At 1 December 2013	(33.3)	(11.1)	(44.4)
Charge for the period	(11.5)	(0.9)	(12.4)
Impairment	(1.5)	-	(1.5)
Disposals	9.7	8.2	17.9
<b>At 30 November 2014</b>	<b>(36.6)</b>	<b>(3.8)</b>	<b>(40.4)</b>
<b>Net book value</b>			
At 1 December 2013	24.7	2.3	27.0
<b>At 30 November 2014</b>	<b>29.0</b>	<b>9.4</b>	<b>38.4</b>

<sup>†</sup>Included within other intangible assets additions is £4.2 million for the right to use land.

The net book value of computer software held under finance leases is set out below:

	30 November 2014	1 December 2013
	£m	£m
Cost	13.2	12.8
Accumulated amortisation	(7.2)	(4.8)
<b>Net book value</b>	<b>6.0</b>	<b>8.0</b>

For the 52 weeks ended 30 November 2014, internal development costs capitalised represented approximately 68% (2013: 94%) of expenditure on intangible assets and 15% (2013: 8%) of total capital spend including property, plant and equipment.

### 3.2 Property, plant and equipment

	Land and buildings	Fixtures, fittings, plant and machinery	Motor vehicles	Total
	£m	£m	£m	£m
<b>Cost</b>				
At 2 December 2012 <sup>†</sup>	117.8	257.4	34.1	409.3
Additions	5.1	149.8	9.1	164.0
Disposals	(80.6)	(110.4)	(4.3)	(195.3)
At 1 December 2013 <sup>†</sup>	42.3	296.8	38.9	378.0
Additions	13.2	67.2	12.6	93.0
Disposals <sup>1</sup>	(0.3)	(11.9)	(4.1)	(16.3)
<b>At 30 November 2014<sup>†</sup></b>	<b>55.2</b>	<b>352.1</b>	<b>47.4</b>	<b>454.7</b>
<b>Accumulated depreciation and impairment</b>				
At 2 December 2012	(15.2)	(98.4)	(15.4)	(129.0)
Charge for the period	(2.0)	(24.2)	(6.9)	(33.1)
Impairment	0.2	(0.5)	-	(0.3)
Disposals	0.3	4.1	4.3	8.7
At 1 December 2013	(16.7)	(119.0)	(18.0)	(153.7)
Charge for the period	(1.8)	(30.0)	(8.2)	(40.0)
Impairment	(0.3)	(0.8)	-	(1.1)
Disposals	0.3	11.0	4.0	15.3
<b>At 30 November 2014</b>	<b>(18.5)</b>	<b>(138.8)</b>	<b>(22.2)</b>	<b>(179.5)</b>
<b>Net book value</b>				
At 1 December 2013	25.6	177.8	20.9	224.3
<b>At 30 November 2014</b>	<b>36.7</b>	<b>213.3</b>	<b>25.2</b>	<b>275.2</b>

<sup>†</sup>There were no capitalised borrowing costs in 2014 (2013: £1.9 million). The capitalisation rate for the prior period was the same as that incurred on the underlying borrowings, being LIBOR plus 3%. Borrowing costs were capitalised on specific borrowings which were wholly attributable to qualifying assets.

<sup>1</sup>During 2013, the Group entered into a sale and 25 year leaseback transaction of its MHE relating to CFC2 to a newly created joint venture, MHE JV Co. Of the £16.3 million of disposals £0.9m relates to the sale of assets to MHE JVCo, all of which were leased back and are included in total additions of £93.0 million. Of the prior period disposals of £195.3 million, £115.2 million relates to the sale of assets to MHE JV Co, £112.1 million of which were leased back and are included in total additions of £164.0 million.

Included within property, plant and equipment is capital work-in-progress for land and buildings of £15.4 million (2013: £0.1 million) and capital work-in-progress for fixtures, fittings, plant and machinery of £20.1 million (2013: £5.2 million).

Of the prior period impairment charge, a reversal of £0.2 million has been included within exceptional costs (see Note 2.4).

The net book value of non-current assets held under finance leases is set out below:

	Land and buildings	Fixtures, fittings, plant and machinery	Motor vehicles	Total
	£m	£m	£m	£m
At 1 December 2013				
Cost	29.3	171.9	38.1	239.3
Accumulated depreciation and impairment	(14.8)	(56.6)	(17.5)	(88.9)
<b>Net book value</b>	<b>14.5</b>	<b>115.3</b>	<b>20.6</b>	<b>150.4</b>

**At 30 November 2014**

Cost	30.3	203.7	46.5	280.5
Accumulated depreciation and impairment	(16.3)	(73.9)	(21.6)	(111.8)
<b>Net book value</b>	<b>14.0</b>	<b>129.8</b>	<b>24.9</b>	<b>168.7</b>

There were no assets reclassified from owned assets to assets held under finance leases following asset based financing arrangements (2013: £1.7 million).

Property, plant and equipment with a net book value of £13.3 million (2013: £14.0 million) has been pledged as security for the secured loans (Note 4.1).

**Section 4 - Capital structure and financing costs****4.1 Borrowings and finance leases****Borrowings**

	Less than one year	Between one year and two years	Between two years and five years	Total
	£m	£m	£m	£m
<b>As at 1 December 2013</b>				
Secured loans	3.3	4.0	2.2	9.5
Total borrowings	3.3	4.0	2.2	9.5
<b>As at 30 November 2014</b>				
Secured loans	4.4	1.8	0.5	6.7
<b>Total borrowings</b>	<b>4.4</b>	<b>1.8</b>	<b>0.5</b>	<b>6.7</b>

**Secured loans**

The secured loans outstanding at period end can be analysed as follows:

Principal amount	Inception	Secured over	Current interest rate	Instalment frequency	Final payment due	Carrying amount as at 30 November 2014	Carrying amount as at 1 December 2013	
£m						£m	£m	
8.0	May-07	Property, plant and equipment	Clearing bank base rate + 3.0%	Quarterly	Feb-15	0.8	2.4	
1.5	Dec-06	Freehold property	LIBOR + 2.75%	Quarterly	Feb-15	0.4	0.5	
1.5	Feb-09	Freehold property	LIBOR + 2.75%	Quarterly	Feb-15	0.6	0.8	
2.8	Dec-09	Freehold property	LIBOR + 2.75%	Quarterly	Dec-15	1.5	1.7	
2.6	Jul-12	Freehold property	LIBOR + 2.75%	Quarterly	Jul-15	1.9	2.2	
2.5	Jul-12	Property, plant and equipment	9.12% <sup>†</sup>	Monthly	Jul-17	1.5	1.9	
						6.7	9.5	
Disclosed as:								
Current						4.4	3.3	
Non-current						2.3	6.2	

† Calculated as the effective interest rate, the calculation of which includes an optional balloon payment at the end of the term.

During the year a 3 year £100 million revolving credit facility was entered into with Barclays, HSBC, RBS and Santander. As at 30 November 2014 the facility remains unutilised. The facility contains restrictions concerning dividend payments and additional debt and leases.

#### Obligations under finance leases

	30 November 2014 £m	1 December 2013 £m
Obligations under finance leases due:		
Within one year	26.5	25.0
Between one and two years	22.4	20.7
Between two and five years	56.0	46.3
After five years	64.1	59.9
<b>Total obligations under finance leases</b>	<b>169.0</b>	<b>151.9</b>

External obligations under finance leases are £38.2 million (2013: £39.2 million) excluding £130.8 million (2013: £112.7 million) payable to MHE JV Co, a joint venture company.

	30 November 2014 £m	1 December 2013 £m
Minimum lease payments due:		
Within one year	34.9	31.9
Between one and two years	29.3	26.8
Between two and five years	70.4	59.4
After five years	71.0	67.6
	205.6	185.7
Less: future finance charges	(36.6)	(33.8)
Present value of finance lease liabilities	169.0	151.9
Disclosed as:		
Current	26.5	25.0
Non-current	142.5	126.9
	169.0	151.9

#### 4.2 Analysis of net debt

##### (a) Net debt

	Notes	30 November 2014 £m	1 December 2013 £m
<b>Current assets</b>			
Cash and cash equivalents		76.3	110.5
<b>Current liabilities</b>			
Borrowings	4.1	(4.4)	(3.3)
Obligations under finance leases	4.1	(26.5)	(25.0)
		(30.9)	(28.3)
<b>Non-current liabilities</b>			
Borrowings	4.1	(2.3)	(6.2)
Obligations under finance leases	4.1	(142.5)	(126.9)



	(144.8)	(133.1)
<b>Total net debt</b>	<b>(99.4)</b>	<b>(50.9)</b>

Net cash, excluding finance lease obligations of £130.8 million (2013: £112.7 million) payable to MHE JV Co, a joint venture company, is £31.4 million (2013: £61.8 million). £2.3 million (2013: £1.7 million) of the Group's cash and cash equivalents are considered to be restricted and are not available to circulate within the Group on demand.

**(b) Reconciliation of net cash flow to movement in net debt**

	30 November 2014 £m	1 December 2013 £m
Net (decrease)/increase in cash and cash equivalents	(34.2)	20.9
Net decrease in debt and lease financing	33.4	24.1
Non-cash movements:		
- Assets acquired under finance lease	(47.7)	(122.4)
- Debt settled by third party	-	85.3
- Net movement in arrangement fees charged against loans	-	(3.6)
<b>Movement in net debt in the period</b>	<b>(48.5)</b>	<b>4.3</b>
Opening net debt	(50.9)	(55.2)
<b>Closing net debt</b>	<b>(99.4)</b>	<b>(50.9)</b>

**4.3 Finance income and costs**

	52 weeks ended 30 November 2014 £m	52 weeks ended 1 December 2013 £m
Interest on cash balances	0.4	0.4
<b>Finance income</b>	<b>0.4</b>	<b>0.4</b>
Borrowing costs		
- Obligations under finance leases	(8.7)	(4.7)
- Borrowings	(0.9)	(3.6)
Capitalised borrowing costs	-	1.1
Fair value movement in derivative	0.1	(0.2)
<b>Finance costs</b>	<b>(9.5)</b>	<b>(7.4)</b>
<b>Net finance costs</b>	<b>(9.1)</b>	<b>(7.0)</b>

The current and prior period fair value movement on the derivative financial instruments arose from fair value adjustments on the Group's cash flow hedges.

**4.4 Share capital and reserves**

**Share capital and reserves**

The movements in the called up share capital and share premium accounts are set out below:

	Notes	Ordinary shares Number of shares (million)	Ordinary shares £m	Share premium £m
<b>At 2 December 2012</b>		614.6	12.3	247.8
Allotted in respect of non-employee share options		3.1	0.1	3.7

Disposal of treasury shares	-	-	-
<b>At 1 December 2013</b>	<b>617.7</b>	<b>12.4</b>	<b>251.5</b>
Issues of ordinary shares	0.5	-	0.1
Allotted in respect of Joint Share Ownership Scheme	-	-	0.2
Allotted in respect of share option schemes	2.7	0.1	3.3
<b>At 30 November 2014</b>	<b>620.9</b>	<b>12.5</b>	<b>255.1</b>

Included in the total number of ordinary shares outstanding above are 34,810,561 (2013: 35,249,176) ordinary shares held by the Group's employee benefit trust (see Note 4.4(a)). The ordinary shares held by the trustee of the Group's employee benefit trust pursuant to the joint share ownership scheme are treated as treasury shares in the consolidated balance sheet in accordance with IAS 32 "Financial instruments: Presentation". These ordinary shares have voting rights but these have been waived by the trustee (although the trustee may vote in respect of shares that have vested and remain in the trust). The number of allotted, called up and fully paid shares, excluding treasury shares, at the end of each period differs from that used in the earnings per share calculation in Note 2.3 as earnings per share is calculated using the weighted average number of ordinary shares in issue during the period, excluding treasury shares.

The movements in reserves other than share premium are set out below:

		Treasury shares reserve	Reverse acquisition reserve	Fair value reserve
	Notes	£m	£m	£m
<b>At 2 December 2012</b>		(53.9)	(116.2)	(0.7)
Movement on derivative financial instrument	4.4(b)	-	-	0.6
Reacquisition of interest in treasury shares	4.4(a)	1.5	-	-
<b>At 1 December 2013</b>		(52.4)	(116.2)	(0.1)
Movement on derivative financial instrument	4.4(b)	-	-	(0.2)
Reacquisition of interest in treasury shares	4.4(a)	0.6	-	-
<b>At 30 November 2014</b>		(51.8)	(116.2)	(0.3)

#### (a) Treasury shares reserve

This reserve arose when the Group issued equity share capital under its JSOS, which is held in trust by the trustee of the Group's employee benefit trust. Treasury shares cease to be accounted for as such when they are sold outside the Group or the interest is transferred in full to the participant pursuant to the terms of the JSOS. Participant interests in unexercised shares held by participants are not included in the calculation of treasury shares; unvested interests of leavers which have been reacquired by the Group's employee benefit trust during the period are now accounted for as treasury shares.

#### (b) Fair value reserve

The fair value reserve comprises gains and losses on movements in the Group's cash flow hedges, which consist of foreign currency and interest rate hedges.

### 4.5 Capital commitments

#### Capital commitments

Contracts placed for future capital expenditure but not provided for in the financial statements are as follows:

	30 November 2014	1 December 2013
	£m	£m

Land and buildings	2.9	1.0
Property, plant and equipment	20.0	27.8
Total capital expenditure committed at the end of the period	22.9	28.8

Of the total capital expenditure committed at the current period end, £7.6 million relates to CFC3, £2.5 million relates to phase 2 of CFC2 and £1.5 million relates to technology related projects. The remainder relates to CFC1 upgrades and fleet expansion.

## Section 5 - Other notes

### 5.1 Related party transactions

#### Key management personnel

The key management personnel of the Group are Executive Directors and Non-Executive Directors. The key management compensation is as follows:

	30 November 2014 £m	1 December 2013 £m
Salaries and other short-term employee benefits	3.0	3.8
Salaries and other short-term employee benefits in respect of Directors retired during the year	0.2	-
Share based payments	3.7	1.9
	6.9	5.7

The share based payment charge in 2014 was the charge arising for each of the share schemes in which the directors participate. Further information can be found in the Annual Report and Accounts, which we anticipate will be available on 12 February 2015.

Other related party transactions with key management personnel made during the period related to the purchase of professional services and amounted to £15,000 (2013: £11,000). All transactions were on an arm's length basis and no period end balances arose as a result of these transactions.

At the end of the period, there were no amounts owed by key management personnel to the Group (2013: £27,000). The prior period amounts arose in periods before relevant directorships were obtained.

There were no other material transactions or balances between the Group and its key management personnel or members of their close family.

#### Investment

The following transactions were carried out with Paneltex Limited, a company in which the Group holds a 25% interest:

	30 November 2014 £m	1 December 2013 £m
Purchase of goods		
- Plant and machinery	-	0.1
- Consumables	0.4	0.9
	0.4	1.0

Indirect transactions, consisting of the purchase of plant and machinery through some of the Group's finance lease counterparties, were carried out with Paneltex Limited to the value of £7.2 million (2013: £4.0 million).

At period end, the Group owed Paneltex £19,000 (2013: £33,000).

The following transactions were carried out with MHE JVCo, a joint venture company in which the Group holds a 50% interest:

	30 November 2014 £m	1 December 2013 £m
Sale of assets to MHE JVCo	-	116.0
Capital contributions made to MHE JVCo	6.5	-
Reimbursement of supplier invoices paid on behalf of MHE JVCo	34.9	-
Lease of assets from MHE JVCo	31.0	112.1
Capital element of finance lease instalments paid to MHE JVCo	15.7	0.3
Interest element of finance lease instalments accrued or paid to MHE JVCo	5.4	1.9

During the period, the Group made a capital contribution of £6.5 million to MHE JVCo and paid lease instalments (including interest) of £21.1 million. 50% of these lease instalments were recovered by the Group from Morrisons. These funds are used by MHE JVCo to finance the acquisition of CFC2 fixed assets.

Included within trade and other receivables is a balance of £3.5 million owed by MHE JVCo (2013: £12.3 million). £2.7 million of this (2013: £nil) relates to a finance lease accrual which is included within other receivables.

Included within trade and other payables is a balance of £0.8 million owed to MHE JVCo (2013: £8.4 million).

Included within obligations under finance leases is a balance of £130.8 million owed to MHE JV Co (2013: £112.7 million).

No other transactions that require disclosure under IAS 24 have occurred during the current financial period.

## **5.2 Post balance sheet events**

There have been no significant events, outside the ordinary course of business, affecting the Group since 30 November 2014.

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