

OUR STRATEGY

We drive shareholder value by continually developing an innovative world leading platform for our own grocery and general merchandise businesses, and those of our commercial partners. We develop our strategic objectives through a number of complementary actions applicable to each objective.

OUR OBJECTIVES



OUR ACTIONS



View more on pages 20 to 27



OUR KEY PERFORMANCE INDICATORS

DRIVING GROWTH

- Active customer base
- Average orders per week
- Average order size
- SKU count

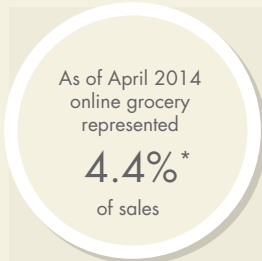
MAXIMISING EFFICIENCY AND UTILISING PROPRIETARY KNOWLEDGE

- On time
- Order accuracy
- UPH
- DPV/Week
- Product waste



View our Key Performance Indicators on pages 30 & 31

ONLINE WILL BE THE FASTEST GROWING CHANNEL IN GROCERY OVER THE NEXT FIVE YEARS



* Source: IGD. IGD channel forecast figures are for year to April

STRATEGY ALIGNED TO TAKE ADVANTAGE

With IGD predicting that the online grocery retail segment will almost double to 8.3% of total UK grocery sales over the next five years, we believe we have a strategy aligned with this market opportunity. Our strategic objectives are designed to enable us

to continue to innovate to improve the quality of our offer to our customers and the efficiency of our operations, adding to the value in our IP platform.

HOW WE HAVE PROGRESSED WITH OUR STRATEGY THIS YEAR

We have continued to make good progress with our strategic objectives during 2014. Our growth has continued, with Group gross sales up 20.4%, against a difficult market backdrop. The efficiency of our existing operations has continued to improve, and we announced plans for more capital and operational efficient

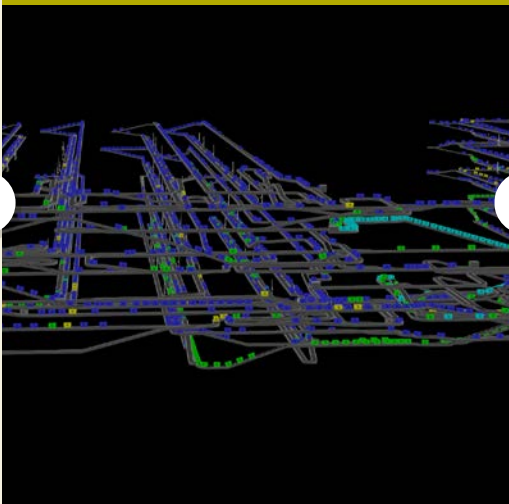
fulfilment facilities in the future. We continued to develop and use our IP throughout our business to drive growth and efficiency. Moreover, we supported the start of operations for Morrisons.com, our first commercial platform partner.

DRIVING GROWTH



View more information about driving growth on pages 20 & 21

MAXIMISING EFFICIENCY



View more information about maximising efficiency on pages 22 & 23

UTILISING PROPRIETARY KNOWLEDGE



View more information about utilising proprietary knowledge on pages 26 & 27