Today’s Programme

Introduction    John Roberts
Interactive update Split in to groups
Vision and category update John Roberts
Trading update Mark Higgins
Brand Andrew Kirkcaldy
Germany Kevin Monk
Q&A
Lunch Group executive team
Travel to Crewe
Logistics Dave Ashwell
Warehouse tour Split in to groups
Q&A
Depart 16:00
Strategy at IPO

1. Continue to grow UK MDA business
2. Develop UK SDA
3. Launch new category AV
4. Roll UK categories to Germany and surrounding countries.
Key messages today

Long term strategy

Brand
Interactive update
Today’s Speakers

John Roberts  
CEO

Mark Higgins  
CFO

Kevin Monk  
Group International Director

Andrew Kirkcaldy  
Group Brand Director

Dave Ashwell  
Group Logistics Director
Vision and category update
AO Vision

BIG HAIRY AUDACIOUS GOAL:
We will become the best electrical retailer in Europe

CORE PURPOSE:
Being exceptional in the moments that matter

Core Values:
We care more
## MDA Market in countries surrounding Germany

<table>
<thead>
<tr>
<th>Country</th>
<th>Population</th>
<th>Population Density&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>MDA Market Size&lt;sup&gt;(2)(3)&lt;/sup&gt;</th>
<th>Online Penetration&lt;sup&gt;(3)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>81.9m</td>
<td>234.7</td>
<td>£6.6bn</td>
<td>14%</td>
</tr>
<tr>
<td>Sweden</td>
<td>9.5m</td>
<td>23.0</td>
<td>£0.9bn</td>
<td>13%</td>
</tr>
<tr>
<td>Denmark</td>
<td>5.6m</td>
<td>131.3</td>
<td>£0.6bn</td>
<td>24%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>16.8m</td>
<td>494.9</td>
<td>£1.2bn</td>
<td>24%</td>
</tr>
<tr>
<td>Belgium</td>
<td>11.1m</td>
<td>364.9</td>
<td>£0.8bn</td>
<td>8%</td>
</tr>
<tr>
<td>France</td>
<td>65.7m</td>
<td>119.4</td>
<td>£4.5bn</td>
<td>25%</td>
</tr>
<tr>
<td>Poland</td>
<td>38.5m</td>
<td>126.7</td>
<td>£0.9bn</td>
<td>10%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>10.5m</td>
<td>135.9</td>
<td>£0.4bn</td>
<td>22%</td>
</tr>
<tr>
<td>Austria</td>
<td>8.5m</td>
<td>102.2</td>
<td>£0.6bn</td>
<td>18%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>8.0m</td>
<td>197.8</td>
<td>£0.5bn</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: The World Bank other than where indicated.

Note: Population Density as of 2011, Population and MDA Market Size as of 2012 and Online Penetration rates for 2013E. Market size data includes VAT.

<sup>(1)</sup> Population density defined as people per sq. km of land area.

<sup>(2)</sup> Includes VAT and excludes MDA ancillaries.

<sup>(3)</sup> OC&C Strategy Consultants, Strategic Review October 2013, commissioned by AO, referencing Euromonitor International.
Further addressable markets – in total a £40bn+ opportunity

Germany
- TV Market Size: £4.8bn
- SDA Market Size: £2.4bn
- Home Audio & Cinema Market Size: £1.0bn

Denmark
- TV Market Size: £0.4bn
- SDA Market Size: £0.2bn
- Home Audio & Cinema Market Size: £0.1bn

Netherlands
- TV Market Size: £0.5bn
- SDA Market Size: £0.3bn
- Home Audio & Cinema Market Size: £0.1bn

Belgium
- TV Market Size: £0.4bn
- SDA Market Size: £0.3bn
- Home Audio & Cinema Market Size: £0.1bn

France
- TV Market Size: £2.2bn
- SDA Market Size: £2.3bn
- Home Audio & Cinema Market Size: £1.1bn

Sweden
- TV Market Size: £0.5bn
- SDA Market Size: £0.3bn
- Home Audio & Cinema Market Size: £0.1bn

Poland
- TV Market Size: £1.0bn
- SDA Market Size: £0.3bn
- Home Audio & Cinema Market Size: £0.1bn

Czech Republic
- TV Market Size: £0.2bn
- SDA Market Size: £0.1bn
- Home Audio & Cinema Market Size: £0.0bn

Austria
- TV Market Size: £0.4bn
- SDA Market Size: £0.3bn
- Home Audio & Cinema Market Size: £0.1bn

Switzerland
- TV Market Size: £0.3bn
- SDA Market Size: £0.2bn
- Home Audio & Cinema Market Size: £0.0bn

Note: TV, AV and SDA data reflects 2012 actual market size, including VAT.
AV Category

Launch AV Category – May 2014

Internal control – Brand (customer & culture)

Content
Traffic / Customers
Delivery Proposition
People / Learn

Range
Margin

External negotiation - Brand (revenue & offering)

Best electrical retailer in Europe
Launch SDA Category – June 2013

Internal control – Brand (customer & culture)

Content
Traffic / Customers
Delivery Proposition
People / Learn

Best electrical retailer in Europe

Range
Margin

External negotiation - Brand (revenue & offering)
Mark – UK revenue growth & brand

Andrew – Our brand journey

Kevin – German progress leveraging internal brand
Expected Q2 Revenue Growth

UK revenue growth 20% - 21% year on year

UK ao.com revenue growth +30% year on year
Other progress

Accelerated UK brand investment

Encouraged by development of German business
Andrew Kirkcaldy
Group Brand Director
The AO perspective of a brand
Getting culture front and centre
Our Values

Caring – Genuine people make the difference
You can’t pay people to care.

Driven – We are relentless
We deliver what others can’t. We don’t give up and do whatever it takes.

Smart – We find the best way
We are smart through understanding and innovation.

Bold – We have the courage to try
We think in an unconstrained way to go beyond conventional limits.

Fun – If you enjoy what you do, you do it better
Work is serious and we do it with a smile on our face.
Embedding our values in ‘everything we do’

- Recruitment
- Induction
- Performance | Development
- Engagement
- Office Environment
- Internal Communication
AO Vision

BIG HAIRY AUDACIOUS GOAL:
We will become the best electrical retailer in Europe

CORE PURPOSE:
Being exceptional in the moments that matter

Why?  How?  What?

Core Values:
We care more
Consumer Brand
• In February 2015 AO.com had higher market share than brand awareness

• We are simplifying the message and how we communicate to consumers

• We are creating consistency across all customer touch points & channels

• We need more consumers to be aware of us
BRAND WORLD

Paid

Links

Word of mouth

Influencers

Engagement

PR

Mentions

Earned

Owned

App

Mobile

Drivers

SMS

Media

Social

Events

Blogs

eCRM

Website

Call Centre

Recommend a Friend

Re-targeting

Native Advertising

Digital Display

VOD

Sponsorships

Radio

Print

PPC

TV

Affiliates

Paid

TV

PPC

Digital Display

VOD

Sponsorships

Print

Affiliates

Radio
Let customers tell the story
Social Media engagement
Dear Andrew,

Your friend Andrew enjoyed shopping with us recently and thought you might like to check us out.

As they're pretty awesome they thought you'd like a discount, so we're giving you £20 off any appliance over £299!

To redeem your offer all you have to do is enter your unique discount code when you reach the basket.

Thanks,

ao.com
The Clearest View

Enjoy the best in clarity and colour

With the latest UHD 4K TVs you can experience the stunning detail of over 8 million pixels. That’s 4 times the resolution of Full HD. This higher resolution gives you a sharper and clearer image. So by choosing this technology you’ll be getting incredible detail and vivid, lifelike colours.

Shop 4K TVs  Learn more

Feeling Smart?

Access great entertainment

With a Smart TV you can experience a world of apps and services right on your screen. Different brands offer access to a range of catch up TV options such as BBC iPlayer, All 4 and Netflix. You can even enjoy content from your smartphone and tablet on the big screen.
Enjoy Fresh Ice and Water

Which one is right for you?

**Plumbed**
- Connects to your water supply
- Fresh water is always available

**Non-Plumbed**
- Can be placed anywhere
- Easy to refill water tank

A water and ice dispenser allows you to have fresh, chilled water at any time. Many models also offer crushed or cubed ice, so you can serve your favourite drink, just the way you like.

Huge Capacity

The best thing about an American Fridge Freezer is the capacity. You're getting almost double the space of a standard fridge freezer, so you can store around 3 shopping trolleys worth of groceries.

To make the most of this huge capacity, there are plenty of options when it comes to the layout. Traditional side by side models have the fridge next to the freezer, and often feature adjustable shelves, door storage and salad boxes. Multi-door models have a wider fridge at the top with the freezer at the bottom, usually with drawer type storage, and sometimes offering a flexible temperature zone.

Size Guide

There are 3 things to consider when it comes to filling your American fridge freezer in to your kitchen. Watch this 30 second size guide for all the key information.

Making Delivery Easy

It's worth thinking about how we're going to get it into your home. Consider restrictions including your entrance door, stairs and awkwardly angled halls.
“Focus on the user and all else will follow.”

Google
Microtrend: Honeycombs and Hexagons

While geometrics in design have been rapidly rising in recent years, the hexagon has been a particular shape that’s been woefully neglected – until now.

Recipe: Swiss Chard, Goat’s Cheese and Sun-Dried Tomato Tart

This recipe combines the sweetness of the Swiss chard with the nuttiness of the goat’s cheese and the tangy acidity of the sun-dried tomatoes. It’s a perfect starter for a winter meal, or a deliciously simple snack.

Ingredients:
- 1 large Swiss chard
- 200g goat’s cheese
- 50g sun-dried tomatoes, soaked in hot water and then drained
- 2 tbsp olive oil
- 1 tbsp balsamic vinegar

Instructions:
1. Preheat the oven to 180°C (350°F).
2. Cut the Swiss chard into bite-sized pieces and blanch them in boiling salted water for 2 minutes.
3. Drain and place the chard in a baking dish.
4. Mix the goat’s cheese, sun-dried tomatoes, olive oil, and balsamic vinegar together and spread over the chard.
5. Bake for 20-25 minutes or until the cheese is melted and bubbly.

This recipe is a perfect example of how simple ingredients can come together to create a delicious and satisfying dish.
The 15 most wasted foods in the country - and how to avoid wasting them!

Could YOU feed your family for just €40 a week? We challenge two households to halve the cost of their supermarket shop... but the results may surprise you

Shop late in the day, don't overfill your fridge and make lists: Experts reveal how YOU could save £700 a year by making your groceries go further

- Wasteful households binning up to £700 worth of food on a weekly basis
- The equivalent of throwing away one fridge load of food every month
- Infographic reveals best ways to store food and cut down on waste
Key Focus on Growing Awareness

- Making good progress

- Current activity working well for UK and Germany

- Accelerating investment in
  - TV advertising
  - PR & Content Marketing
  - Other above the line activity

- Investing for the medium / long term brand build
Kevin Monk
Group International Director
• Introduction
• Ao.de Business
• Ao.de Structure
• Highlights from our first year
• Bergheim
• Leveraging our assets across Europe
• Started Trading 1st October 2014
• Located in Heppendorf & Bedberg
• One Hub – 4 outbases
• Delivering 6 days a week
• Currently 365 employees
Ao.de Management Structure

- Dual Horizontal and Vertical Structure
- Local day to day operational and tactical control to react fast
- Best practice and strategic direction run through group
- Matrix management structure works through strength of culture across Group Executive Team
Gaining Manufacturer Support

Launch ao.de – October 2014

Best electrical retailer in Europe

Internal control – Brand (customer & culture)

Content  Traffic / Customers  Delivery Proposition  People / Learn

Range  Margin

External negotiation- Brand (revenue & offering)

Top-Marken bei ao.de
Market Leading Service

• Reference Trusted shops and Trust pilot and idealo
Bergheim Ground-Breaking
Leveraging Bergheim
Introducing the rest of the Executive Team

Steve Caunce
COO

Danny Emmett
Group Retail
Operations Director

Dave Lawson
Group Ecommerce
Director

John Coulter
Group Trading
Director
Dave Ashwell
Group Logistics Director
Outbases 2015

- Larkhall
- Spennymoor
- Garforth
- Heywood
- Crewe
- Yaxley
- Avonmouth
- Potters Bar
- Croydon
- Basildon
- Exeter
Additional Warehousing
Additional Warehousing
• Challenges
  – Ageing
  – New legislation

• Solutions
  – Driver academy
• The fleets we now run
  – 7.5t
    • Core
    • ao
  – 3.5t
    • Driver academy
    • Double run
  – Premium install
  – Same day
• Pick and pack
• Changing client mix
• Changing product mix
• System enhancements
• New trailers