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28 February 2018

### **Tesco and Booker merger approved by shareholders**

Further to Tesco PLC's earlier announcement confirming the approval of the merger with Booker Group plc by Tesco shareholders, Tesco is pleased to note that Booker shareholders have also voted in favour of the merger. The combined business is expected to start operating on 5 March 2018.

Commenting on today's votes by shareholders, Dave Lewis, Group Chief Executive of Tesco, said:

*"I'm delighted that the shareholders of both companies have supported the merger.*

*This merger is about growth, bringing together our complementary retail and wholesale skills to create the UK's leading food business. This opens up new opportunities to provide food wherever it is prepared or eaten – 'in home' or 'out of home' – and will benefit our customers, suppliers, colleagues and shareholders."*

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Terms used but not defined in this Announcement have the meaning set out in the announcement of the Merger released on 27 January 2017.

### **Important Notices**

This Announcement is for information purposes only and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for any securities of the solicitation of any vote or approval in any jurisdiction pursuant to the Merger. It does not constitute a prospectus or prospectus equivalent document.

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Copies of this Announcement and any formal documentation relating to the Merger will not be and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Merger. If the Merger is implemented by way of Offer (unless otherwise permitted by applicable law or regulation), the Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

The availability of New Tesco Shares under the Merger to Booker Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements.

Further details in relation to Overseas Shareholders are contained in the Scheme Document.

### **Forward-looking statements**

This Announcement (including information incorporated by reference into this Announcement), oral statements made regarding the Merger, and other information published by Tesco and Booker contain statements which are, or may be deemed to be, "forward-looking statements" with respect to the financial condition, results of operations and businesses of Booker and Tesco and the Booker Group and the Tesco Group, and certain plans and objectives of Booker and Tesco with respect to the Combined Group. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Tesco and Booker about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Merger on Tesco and Booker, the expected timing and scope of the Merger and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Tesco and Booker believe that the expectations reflected in such forward-looking statements are reasonable, Tesco and Booker can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: risks relating to the Tesco Group's credit rating; local and global political and economic conditions including Brexit; the Tesco Group's and the Booker Group's economic model and liquidity risks; financial services risk; the risks associated with each of Tesco's and Booker's brand, reputation and trust; environmental risks; safety, technology, data security and data privacy risks; changes in consumer habits and preferences; legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competition and market risks; competitive product and pricing pressures; business continuity and crisis management; pensions risks; joint venture governance and partnerships; and failure to report accurate financial information in compliance with accounting standards and applicable legislation. Other

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