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FOR IMMEDIATE RELEASE

9 March 2020

Tesco PLC

("Tesco" or the "Company")

**TESCO AGREES TO SELL ITS BUSINESSES IN THAILAND AND MALAYSIA;
SIGNIFICANT RETURN TO SHAREHOLDERS, SIMPLIFICATION AND FURTHER DE-RISKING**

Highlights:

- Proposed sale of Tesco's businesses in Thailand and Malaysia to a combination of CP Group entities, namely C.P. Retail Development Company Limited, Charoen Pokphand Holding Co., Ltd, CP All Public Limited Company and C.P. Merchandising Co., Ltd ("CP Group") (the "Disposal"), following inbound interest received and a detailed strategic review
- Consideration for the Disposal represents an enterprise value of \$10.6 billion (equivalent to £8.2 billion) on a cash and debt free basis, implying an EV/EBITDA multiple of 12.5x¹
- Net cash proceeds of \$10.3 billion (equivalent to £8.0 billion) before tax and other transaction costs
- Following completion of the Disposal, the Board intends to return c.£5.0 billion to shareholders via a special dividend with associated share consolidation
- The Disposal will further de-risk the Tesco business by reducing indebtedness through a £2.5 billion pension contribution that, along with other measures, is expected to eliminate the current funding deficit and significantly reduce the prospect of having to make further pension deficit contributions in the future
- Disposal unanimously agreed by Tesco Board to be in the best interests of all stakeholders
- Completion of the Disposal, which is conditional on Tesco shareholder approval and customary regulatory approvals in Thailand and Malaysia, is expected during the second half of 2020
- The Disposal will further simplify the Tesco Group, enabling a stronger focus on driving cash generation and returns to shareholders from our retail businesses in the UK and Ireland and in Central Europe

Dave Lewis, Chief Executive of Tesco, said:

"Following inbound interest and a detailed strategic review of all options, we are announcing today the proposed sale of Tesco Thailand and Tesco Malaysia. This sale releases material value and allows us to further simplify and focus the business, as well as to return significant value to shareholders. I would like to thank all of our Tesco Thailand and Tesco Malaysia colleagues for their dedication, professionalism and service to our customers, which has resulted in the creation of such a strong business. I am confident that the agreement we have reached with CP Group presents an exciting opportunity for their continued success."

This summary should be read in conjunction with the full text of this announcement. This announcement is available at <http://www.tescopl.com>. A circular containing details of the Disposal and a notice convening a general meeting of the Company will be sent to Tesco shareholders as soon as is practicable.

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¹ Based on the financial year ended 23 February 2019 on a post-IFRS 16 basis.

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TESCO PLC ("TESCO" OR THE "COMPANY") PROPOSED DISPOSAL OF TESCO THAILAND AND TESCO MALAYSIA

1. Introduction

Tesco announces that it has entered into a conditional agreement with a combination of CP Group entities, namely C.P. Retail Development Company Limited, Charoen Pokphand Holding Co., Ltd, CP All Public Limited Company and C.P. Merchandising Co., Ltd ("CP Group") with respect to the sale of Tesco's businesses in Thailand and Malaysia (the "Disposal"), which is comprised of Tesco's entire shareholding in Tesco Stores (Thailand) Limited ("Tesco Thailand"), Tesco Stores (Malaysia) Sdn Bhd ("Tesco Malaysia") and any respective subsidiaries (together, the "Asia Business"). The Disposal will simplify the Tesco Group, enabling a stronger focus on its retail businesses in the UK and Ireland and in Central Europe. The Disposal also realises material value for Tesco's shareholders and allows the Tesco Group to further de-risk the business by reducing indebtedness through a significant pension contribution of £2.5 billion.

The consideration payable to Tesco pursuant to the Disposal represents an enterprise value of \$10.6 billion (equivalent to £8.2 billion) on a cash and debt free basis, representing an EV/EBITDA multiple of 12.5x².

Under the terms of the Disposal, net cash proceeds are expected to be \$10.3 billion (equivalent to £8.0 billion) before tax and other transaction costs (the "Net Cash Proceeds").

The Disposal constitutes a Class 1 transaction for Tesco under the Listing Rules and completion of the Disposal ("Completion") is therefore conditional on, *inter alia*, the approval of Tesco shareholders at a general meeting of the Company's shareholders. The Disposal is also subject to customary regulatory approvals in Thailand and Malaysia. A circular containing further details of the Disposal and a notice convening the general meeting will be sent to Tesco shareholders as soon as practicable. It is also expected that shortly after Completion, a separate general meeting will be convened to seek shareholder approval for the return of proceeds and associated share consolidation. A separate circular will be sent to shareholders containing further details on these.

2. Background to and reasons for the Disposal

Over the last four years Tesco's performance has significantly improved, in particular within the UK, its largest and most important market, but also across the wider Group. In October 2019, Tesco announced that it had met or exceeded the targets it had set against each of its six key strategic drivers, and that all elements of its turnaround plan had been executed successfully.

The Group's balance sheet is now stronger, with total indebtedness reduced by £7.0 billion since the financial year end 2014/15. This has been driven by strong business performance, the release of £1.7 billion of value from the property portfolio, and selective asset disposals, including of the Korean business in 2015. In addition, the Group has completed the merger with Booker, combining the largest wholesale food business in the UK with the largest food retailer and unlocking significant shareholder value in the process. The improved business performance, combined with the reduction in indebtedness, means that Tesco now has an investment grade rating from its three covering rating agencies.

With a renewed focus on customers, colleagues and suppliers, the business is ideally positioned to deliver

² Based on the financial year ended 23 February 2019 on a post-IFRS 16 basis.

strong performance for all of its stakeholders.

Throughout the Group's transformation, the Board and management team have been focused on ensuring the strategy and the portfolio management approach deliver attractive returns for shareholders. In 2017/18, on the back of stronger operational and financial performance, the ordinary dividend was reintroduced and subsequently it has increased by 92% last year. This year the target pay-out of 50% of earnings is expected to be reached.

It is from this strengthened position that the Board has decided to respond to the expressions of interest it received for the Tesco Thailand and Tesco Malaysia. Tesco's Asian operations have been an important part of the Group for many years and constitute an exceptionally high-quality business, with market leading positions in two key markets of Thailand and Malaysia. Given the high value that could be received for Tesco Thailand and Tesco Malaysia, the Board concluded that it would be in shareholders' best interests to conduct a strategic review to determine the best option for continued value creation. The conclusion of this strategic review led the Board subsequently to launch a competitive process to evaluate potential value creation through a disposal.

The Group received multiple offers for the Asia Business and the Board has unanimously concluded that the offer by CP Group to acquire the business for an enterprise value of £8.2 billion on a cash and debt free basis should be recommended to shareholders. The Board believes the Disposal will realise a significantly higher value than could be generated from Tesco's continued ownership and investment. It will also enable the Group to return significant proceeds to shareholders, with c.£5.0 billion expected to be returned via a special dividend, and to further de-risk the business by reducing indebtedness through a significant pension contribution of £2.5 billion.

3. Information on the Asia Business

Information on Tesco Thailand

Tesco began operating in Thailand in 1998 through Ek-Chai, which operates under the name "Tesco Lotus", a network of stores comprising various formats across Tesco Thailand as well as an online shopping platform and third-party applications such as Lazada and Happy Fresh.

Tesco Lotus is a leading grocery retailer in the Thailand market and one of the most recognised retail brands in Thailand. It generated approximately £4.1 billion in revenue (excl. VAT, incl. fuel) in the financial year ended 23 February 2019, operates a network of 1,967³ stores across Tesco Thailand and serves over 13 million customers each week. As part of its offer to customers and to support the core grocery business, in many large freehold and leasehold stores Tesco Thailand has developed an attractive and profitable mall business, which in its own right is one of the largest such operators in the market.

Ek-Chai, a subsidiary of Tesco Stores (Thailand) Limited, supplies its stores from six distribution centres and two hubs across Thailand. The stores and distribution centres are located on and within land and buildings owned or leased by Ek-Chai. Ek-Chai also leases space in its major shopping malls to tenants.

Information on Tesco Malaysia

Tesco began operating in Malaysia under the name Tesco Malaysia in 2002, as part of a joint venture with Sime Darby Berhad. Tesco Malaysia is a leading grocery retailer in the Malaysian market and one of the most recognised retail brands in Malaysia. It generated approximately £0.8 billion in revenue (excl. VAT, incl. fuel) in the financial year ended 23 February 2019 and operates a network of 68⁴ stores across Malaysia. Tesco Malaysia supplies its stores from two distribution centres in Malaysia, with its stores and distribution centres located on and within land and buildings either owned, leased or tenanted by Tesco Malaysia.

As in Thailand, Tesco Malaysia operates a highly successful mall business alongside its retail stores from its freehold and leasehold estate.

³ As at 24 August 2019.

⁴ As at 24 August 2019.

Trading results for the Asia Business

A summary of the trading results of the Asia Business for the two 52-week periods ended 24 February 2018 and 23 February 2019, extracted without material adjustments from the consolidation schedules and supporting accounting records that underlie the Tesco Group's audited consolidated financial statements for the financial years ended 24 February 2018 and 23 February 2019 is set out below.

The Asia Business has not in the past formed a legal group and has not prepared separate consolidated financial statements. The financial information shown for the financial years ended 24 February 2018 and 23 February 2019 has been prepared applying the IFRS accounting principles adopted in the Tesco Group's consolidated financial statements for the financial year ending 23 February 2019.

	52 weeks ended 24 February 2018 (pre-IFRS 16) £ million <i>unaudited</i>	52 weeks ended 23 February 2019 (pre-IFRS 16) £ million <i>unaudited</i>	52 weeks ended 23 February 2019 (post-IFRS 16) £ million <i>unaudited</i>
Revenue	4,947	4,873	4,873
Operating profit	293	232	265
Profit before taxation	289	235	236

4. Summary of terms of the Disposal

The consideration payable to Tesco pursuant to the Disposal represents an enterprise value of \$10.6 billion (equivalent to £8.2 billion) on a cash and debt free basis, representing an EV/EBITDA multiple of 12.5x⁵. The transaction values Tesco Thailand at an enterprise value of \$9.9 billion, including \$0.4 billion of net cash. The transaction values Tesco Malaysia at an enterprise value of \$0.7 billion, including \$0.6 billion of net debt.

Under the terms of the Disposal, Net Cash Proceeds are expected to be \$10.3 billion (equivalent to £8.0 billion) before tax and other transaction costs. Tax and other transaction costs are expected to be in the region of £0.1 billion.

The Disposal is a Class 1 transaction for Tesco under the Listing Rules and is therefore conditional upon the approval of its shareholders. It is also conditional upon obtaining customary regulatory approvals in Thailand and Malaysia, including the approval of the Trade Competition Commission of Thailand (the **TCC**), which is expected to be received during Q3 2020.

As is usual in transactions of this nature, the Sale Agreement contains obligations on both sides to obtain the required approvals, as well as customary warranties and indemnities. The Disposal also includes certain transitional services to be provided between Tesco and the Asia Business, and a transitional licence permitting the Asia Business to continue to use the Tesco brand, in each case for a limited period following Completion.

5. Use of proceeds and financial effects of the Disposal

Use of proceeds

Following Completion, the Board intends to return c.£5.0 billion to shareholders by way of special dividend. The Board also intends to make a significant contribution of £2.5 billion to the Group's UK defined benefit Pension Scheme and, to further increase security in the Scheme, will provide properties as an additional contingent asset with a value of £0.2 billion. This pension contribution will enable further de-risking of the Scheme. Based on the current technical provisions deficit in the Group's UK Pension Scheme, and taking into account the £0.3 billion annual contribution to be paid in FY2020/2021, the £2.5 billion pension contribution is expected to eliminate the current funding deficit. This will significantly reduce the prospect of having to make further deficit contributions in the future, and release c.£260 million of annual free cash

⁵ Based on the financial year ended 23 February 2019 on a post-IFRS 16 basis.

flow. The IAS19 deficit is also expected to be significantly reduced. Agreement has been reached with the Trustees of the Group's UK Pension Scheme in respect of the contribution to be paid to the Scheme, and clearance received from the Pension Regulator in connection with the Disposal and the expected return of proceeds. The agreement with the Trustees also covers the key principles of the triennial scheme valuation, which will be calculated as at 31 December 2019. The balance of the Net Cash Proceeds, expected to be c.£0.5 billion, will be retained to strengthen the balance sheet and used for general corporate purposes.

Return of proceeds to shareholders

It is currently expected that the return of proceeds to shareholders of c.£5.0 billion will be implemented by way of a special dividend. In order to maintain the comparability of the Group's share price and per-share metrics before and after the return of proceeds, the Company also intends to undertake a share consolidation in conjunction with the return of proceeds. It is expected that full details of the return of proceeds and share consolidation will be made available to shareholders shortly after Completion, at which time a separate general meeting will be convened to seek shareholder approval for the return of proceeds and associated share consolidation.

Financial effects of the Disposal on the Retained Group

In the 52 weeks ending 23 February 2019, the Asia Business contributed EBITDA of £640 million and operating profit of £265 million to Tesco. As at 23 February 2019, the Asia Business had gross assets of £4.4 billion and net assets of £2.6 billion.

Following the Disposal, Tesco will continue to be a highly cash generative business with a robust and prudently managed balance sheet. Going forward, reflecting the Group's more focused operations, the Board is targeting leverage of around 2.5x total indebtedness/EBITDAR, the lower end of the current range. The Board and executive management team will continue to focus on delivering excellent customer satisfaction, cash profitability, free cash flow and earnings growth. The Group will also have a clear capital allocation policy centred around investing in the business to maintain the Group's market leading position and delivering sustainable returns to shareholders.

As the business is expected to continue to be highly cash generative following the Disposal, it is envisaged that the ordinary dividend will be supplemented in due course with additional returns to shareholders, likely to be in the form of share buybacks.

6. Summary of information on the Retained Group and future strategy

Following Completion, Tesco will be a significantly more focused business with the leading market position in the UK and Ireland, with 3,769⁶ stores from convenience formats through to larger stores, as well as our wholesale business, Booker.

In addition, the Group has an established presence in four Central European countries, with 895 stores comprising hypermarkets and convenience formats in the Czech Republic, Slovakia, Hungary and Poland. The Group also operates Tesco Bank, which provides a simple and convenient retail bank to 6 million customers.

The Board is encouraged by the growth and value creation opportunities it sees across the Group. At the Capital Markets Day on 18 June 2019, the Executive team outlined many of the untapped value opportunities ranging from greater innovation in product offering and how we serve customers, further cost reduction opportunities, greater focus on customer loyalty (e.g. the new Clubcard Plus initiative) and further integration and growth from Booker.

In the UK and Ireland, the competitiveness of the offer has been rebuilt and this is where the greatest opportunity is seen, looking forward. There is a strong market position as the leading food retailer with c.27% market share, 3,769 stores in the UK and ROI⁷ and over 99% online coverage in the UK. There is a strong, trusted brand with an NPS score up 8 points over the last year. The business is fully price competitive, with Exclusively at Tesco competing directly with discount retailers. Tesco was recognised for quality as winner of 'Britain's Favourite Supermarket' for the fifth consecutive year and with Tesco Finest producing offerings capable of competing directly with premium brands. Tesco also has one of the largest loyalty programmes in UK retail with a 19 million+

⁶ As at 24 August 2019.

⁷ As at 24 August 2019.

customer base of Clubcard and Clubcard Plus members.

Innovation is being driven across the product offering in the fastest growing market segments, with a leading UK market position in “free from” and vegan ranges in addition to leading positions in healthy offerings, which we believe offers customers healthier products, for example through sugar and salt reduction.

The business has the opportunity to further expand its strong online presence, leveraging its position as the largest UK online grocer by opening more than 25 urban fulfilment centres over the next three years and doubling its online capacity. Tesco has, and is collaborating in the development of, leading technology, with Trigo frictionless shopping technology and the ‘Scan, Pay, Go’ app. Through “Simplify to serve” the business continues its journey to focus on improving customer service and lowering operating costs, with simplified Group structures, long term partnerships with suppliers and with procurement efficiencies generated through the Carrefour buying alliance.

Significant growth opportunities are seen in convenience, catering, delivery and services which are accessed through the Booker business which is on track to meet its £2.5 billion incremental revenue ambition outlined at the time of the merger. The Group will also continue to utilise its strong supplier relationships to improve the quality, choice and range for all of Booker’s customers, deploying relevant skills and platforms across the combined business.

As such, the business is in a strong position to generate sustainable competitive growth in the UK and Ireland, and with it, strong cash generation.

The Central European business operates in Poland, Czech Republic, Hungary and Slovakia and provides the Group with geographic diversification. The ongoing transformation of this division continues, so as to ensure the business is re-positioned to drive sustainable long-term growth in the region.

In summary, the strategy will seek to create value for shareholders through maintaining and strengthening the competitiveness of the offer for customers across all the Group’s markets. This will allow the business to continue to leverage its unique market position to generate an attractive and sustainable level of free cash flow. This cash will be utilised according to the capital allocation priorities set out below, and which are consistent with the capital allocation framework under which the business has operated in recent years:

1. Disciplined reinvestment in our business with ongoing capex guidance of £0.9 – 1.2 billion p.a.
2. Target leverage of c.2.5x, with a strong investment grade credit rating
3. Dividends at a 50% pay-out ratio
4. Selective and opportunistic investment in inorganic growth opportunities that may arise
5. Return surplus cash to shareholders, expected to be via share buybacks

The Board expects the execution of this strategy to result in improved customer satisfaction, enhanced earnings and increased returns for shareholders.

7. Information on CP Group

CP Group comprises various public and private entities including Charoen Pokphand Foods Public Company Limited, and CP ALL Public Company Limited.

Charoen Pokphand Group Co. Ltd

Charoen Pokphand Holding Co., Ltd. serves as a parent company of the CP Group. As a holding company, Charoen Pokphand Group Co., Ltd. holds shares of subsidiaries in Thailand and overseas. The Group operates across many industries ranging from industrial to service sectors, which are categorised into 8 Business Lines covering 13 Business Groups. Currently, the Group has investments in 21 countries and economies.

CPF

Charoen Pokphand Foods Public Company Limited (“CPF”) operates integrated agro-industrial and food business including livestock and aquaculture such as swine, broiler, layer, duck, shrimp and fish across 17 countries with its vision to become Kitchen of the World.

CPALL

CP All Public Company Limited (“CPALL”) is the sole operator of 7-Eleven convenience stores in Thailand. In 2013, CPALL acquired Siam Makro Public Company Limited operating membership based Cash and Carry trade centres.

8. Expected timetable to Completion

A circular containing further details of the Disposal, the Board's recommendation, and the notice of the general meeting and the resolution required to approve the Disposal will be sent to Tesco's shareholders as soon as practicable. Completion is expected to occur during the second half of calendar year 2020.

9. Advisers

Greenhill & Co. International LLP, Goldman Sachs International and Barclays Bank PLC, acting through its Investment Bank (“Barclays”), are acting as Joint Financial Advisers to Tesco in relation to the Disposal. Barclays is acting as Financial Sponsor and Corporate Broker to Tesco in relation to the Disposal. Freshfields Bruckhaus Deringer LLP is acting as legal adviser to Tesco.

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Tesco plc is listed on the London Stock Exchange. More information can be found at www.tescopl.com.

Exchange rates

Historic exchange rates have been used to convert THB and MYR to £ where relevant. In respect of each of the financial periods ended 24 February 2018 and 23 February 2019, the exchange rates are:

FY	Period	Date	Thailand		Malaysia	
			Balance Sheet	P&L	Balance Sheet	P&L
17/18	12	24 February 2018	43.93	43.73	5.477	5.526
18/19	12	23 February 2019	40.89	42.63	5.322	5.357

Terms of the Disposal presented in GBP use a rate of USD1.29:£1.00 based on the average daily closing rate from Monday 2 to Friday 6 March 2020.

IFRS 16

Financial information shown, unless otherwise stated, is stated on a post-IFRS 16 basis.

Important information relating to financial advisers

Greenhill & Co. International LLP, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting exclusively for Tesco and for no one else in connection with the matters described in this document and is not, and will not be, responsible to anyone other than Tesco for providing the protections afforded to its clients nor for providing advice in connection with the matters set out in this document.

Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK, is acting exclusively for Tesco and for no one else in connection with the matters described in this document and is not, and will not be, responsible to anyone other than Tesco for providing the protections afforded to its clients nor for providing advice in connection with the matters set out in this document.

Barclays, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Tesco and no one else in connection with the Disposal and will not be responsible to anyone other than Tesco for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Disposal or any other matter referred to in this announcement.

Forward looking statements

This document contains statements which are, or may be deemed to be, "forward looking statements" which are prospective in nature. All statements other than statements of historical fact are forward-looking statements. They are based on current expectations and projections 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. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "plans", "expects", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "targets", "aims", "projects" or words or terms of similar substance or the negative thereof, are forward-looking statements, as well as 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. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements include statements relating to (a) future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects, (b) business and management strategies and the expansion and growth of Tesco's operations, and (c) the effects of global economic conditions on Tesco's business.

Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause actual results, performance or achievements of Tesco to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Important factors that could cause actual results, performance or achievements of Tesco to differ materially from the expectations of Tesco, include, among other things, general business and economic conditions globally, industry trends, competition, changes in government and other regulation and policy, including in relation to the environment, health and safety and taxation, labour relations and work stoppages, interest rates and currency fluctuations, changes in its business strategy, political and economic uncertainty and other factors. Such forward-looking statements should therefore be construed in light of such factors. Neither Tesco nor any of its directors, officers or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules), Tesco is not under any obligation and Tesco expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This announcement has been prepared for the purposes of complying with the UK Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with laws and regulations of any jurisdiction outside of England.

Cautionary statement

This announcement is not intended to, and does not constitute, or form part of, any offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction. Shareholders are advised to read carefully the formal documentation in relation to the Disposal once it has been despatched. Any response to the proposals should be made only on the basis of the information in the formal documentation to follow.

Tesco PLC's LEI number is: 2138002P5RNKC5W2JZ46

Appendix

The following definitions apply throughout this announcement, unless the context otherwise requires:

"Asia Business": means Tesco Thailand, Tesco Malaysia and any respective subsidiaries.

"Barclays": means Barclays Bank PLC acting through its Investment Bank.

"Board": means the board of directors of the Company.

"Company" or **"Tesco"**: means Tesco PLC.

"Completion": means completion of the Disposal in accordance with the provisions of the Sale Agreement.

"CP Group": means C.P. Retail Development Company Limited, Charoen Pokphand Holding Co., Ltd, CP All Public Limited Company and C.P. Merchandising Co., Ltd.

"Disclosure and Transparency Rules": means the Disclosure Guidance and Transparency Rules made by the FCA for the purposes of Part VI of FSMA, as amended from time to time.

"Disposal": means the sale of Tesco's businesses in Thailand and Malaysia to CP Group.

"EBITDA": means earnings before interest, taxation, exceptional items, depreciation and amortisation.

"Group's Pension Scheme": means the Tesco PLC Pension Scheme.

"Listing Rules": means the Listing Rules made by the FCA for the purposes of Part VI of FSMA, as amended from time to time.

"Net Cash Proceeds": means net cash proceeds from the Disposal before adjustment for estimated tax and other transaction costs.

"Retained Group": means the Company and its subsidiaries and subsidiary undertaking from time to time excluding the Asia Business, being the continuing business of the Tesco Group following Completion.

"Sale Agreement": means the share and purchase agreement dated 9 March 2020 entered into between the Tesco Stores Limited, Tesco Holdings B.V., C.P. Retail Development Company Limited, Charoen Pokphand Holding Co., Ltd, CP All Public Limited Company and C.P. Merchandising Co., Ltd in connection with the Disposal.

"Tesco Group": means in respect of any time prior to Completion, Tesco and its consolidated subsidiaries and subsidiary undertakings and, in respect of any time following Completion, the Retained Group.

"Tesco Malaysia": means Tesco Stores (Malaysia) Sdn Bhd.

"Tesco Thailand": means Tesco Stores (Thailand) Limited.

"Trustees of the Pension Scheme": means the trustees of the Group's Pension Scheme.

"UK" or **"United Kingdom"**: means the United Kingdom of Great Britain and Northern Ireland.