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By Maura Maxwell

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## Tesco mulls sale of Asian stores

Proceeds of sale would enable retailer to continue to restructure its UK operations

**T**esco is considering the sale of its operations in Thailand and Malaysia in order to refocus on its domestic business. The retailer operates more than 2,000 shops in both countries under the Tesco Lotus banner.

Tesco said in a statement that it is undergoing a strategic review of the businesses after receiving "inbound interest".

"The evaluation of strategic options is at an early stage, no decisions concerning

the future of Tesco Thailand or Malaysia have been taken, and there can be no assurance that any transaction will be concluded," the statement said.

Share rose by 4.6 per cent on Monday on the news.

Bruno Monteyne, an analyst at Sanford C Bernstein, said a sale could value the operation at £6.5-£7.2bn. The Thai operation in particular is a "great quality business" and is undervalued as part of a larger group, Monteyne said.



Tesco spokesman Simon Rew declined to comment on the valuation.

Tesco Thailand launched in 1998 and has 1,967 stores. The Malaysian business started in 2002 and has 74 stores.

In the first half of fiscal-year 2020, the retailer's entire Asia business netted revenues of, accounting for about 8 per cent of total sales.