

Tesco weighs up sale of Thai and Malaysian stores

Britain's largest supermarket chain starts review of over 2,000 shops after being approach by unnamed buyer.



Tesco is considering a sale of its Thai and Malaysian stores, according to a statement published this week. The UK supermarket said it had started a review of the businesses after an approach by an unnamed buyer.

"Tesco confirms that, following inbound interest, it has commenced a review of the strategic options for its businesses in Thailand and Malaysia, including an evaluation of a possible sale of these businesses," Tesco's statement said. The review is at an early stage, the statement added.

Tesco currently operates 1,967 stores in Thailand, under the Tesco Lotus brand, and another 74 in Malaysia. The turnover of both branches combined was of £4.9bn in the year ending in February, that is a profit of £286m, which represents about a fifth of Tesco's total global profits.

If the operation came to fruition, it would result in Britain's largest supermarket chain exiting two of

its last remaining international businesses. This would leave Ireland and central Europe as Tesco's only remaining non-UK operations, as Tesco has left Japan, the US and Turkey in the last years.

Possible buyers could include family-owned conglomerates or private equity investors, with a potential valuation of well over £5bn, reports The Guardian. Dow Jones estimates the transaction could be as high as \$9bn (£6.9bn).