

## Tesco investors to sue retailer over profits scandal

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Litigation experts today confirmed they are pressing ahead with a huge claim against Tesco from shareholders who claim to have lost out from last year's overstatement of profits.

Tesco Shareholder Claims Limited (TSC), a not for profit group set up by US litigation firm Scott + Scott LLP, said it was in "active discussion" with leading institutions in the UK, Europe and the US about joining the claim on a "no win no fee" basis.

It claimed Tesco's announcement on 22 September last year that it materially overstated its profits for the half year by £263m, caused a permanent destruction of value to shareholders and said it would seek to bring a claim under section 90A of the Financial Services and Markets Act 2000.

Tesco's overstatement saw a sharp decline in the value of the company and drove the share price down to a 14 year low of 164.8p.

TSC argued that whilst it supported the turnaround strategy being undertaken by new CEO Dave Lewis and his management team, had the accounting irregularities not taken place the share price and value of the company, would today be materially higher.

It added it expected the claim to be in the region of 50p-70p per share, with Tesco having in excess of 8 billion shares listed.

"International institutions asked us to find a way to bring a claim in the UK which they can join," said David Scott, managing partner at Scott + Scott. "I'm delighted to be part of this action which, given the strength of the case, is already attracting a lot of interest from shareholders in the UK and Europe. "

"Tesco is one of the widest held stocks in the UK and this loss has hit pension funds and investors across the UK and beyond," said John Bradley, chairman of the Group. "We look forward to bringing this claim to court".

Tesco declined to comment.