



## Tesco Property Finance 3 plc

£ 958,450,000 Secured 5.744 per cent. Bonds due 13 April 2040

Issuer and Partnership Quarterly Report for the period covering October 2010 to January 2011

### IPD 2

Report Date	11-Jan-11
Loan Interest Payment Date	10-Jan-11
Calculation Date	06-Jan-11
Interest Payment Date	13-Jan-11

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Prepared by HSBC Bank plc acting as Cash Manager for and on behalf of Tesco Property Finance 3 plc, The Tesco Passaic Limited Partnership, Tesco Passaic (Nominee 1) Limited, Tesco Passaic (Nominee 2) Limited and Tesco Passaic (GP) Limited.

**1. Partnership Rent Account 70295444**

Opening Balance		0.03 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Jul-10	Initial Deposit on Closing Date	5,000.00	Cr
23-Dec-10	Rent	12,183,580.00	Cr
10-Jan-11	To Partnership Transaction Account	12,183,580.00	Dr
Closing Balance		<u>5,000.03</u>	Cr

**2. Partnership VAT Account 70295460**

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
27-Oct-10	VAT Funding	2,132,126.50	Cr
27-Oct-10	VAT Payment	2,132,126.50	Dr
23-Dec-10	VAT Funding	2,132,126.53	Cr
Closing Balance		<u>2,132,126.53</u>	Cr

**3. Partnership Transaction Account 70295452**

Opening Balance		245,829.16 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
13-Oct-10	Property Pool Manager Fee (Reserved)	158,875.00	Cr
07-Jan-11	Credit Interest	1,414.22	Cr
10-Jan-11	Transfer from Rent	12,183,580.00	Cr
10-Jan-11	Trustee Fee	1,468.75	Dr
10-Jan-11	Ongoing Fee	23,169.77	Dr
10-Jan-11	Expenses	25,751.28	Dr
10-Jan-11	Partnership Swap payment	2,509,003.10	Cr
10-Jan-11	Partnership Debt	14,456,592.00	Dr
10-Jan-11	Transfer to General	0.00	Dr
Closing Balance		<u>591,719.68</u>	Cr

**4. General Partner Corporation Tax Reserve Account 70295487**

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
Closing Balance		<u>0.00</u>	Cr

### 5. General Partner VAT Transaction Account 70298993

Opening Balance		0.00	Cr
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
Closing Balance		0.00	Cr

### Expense Reserve Ledger - Max GBP 500,000.00

Date  
10-Jan-11 273,969.68 Cr

Balance 273,969.68

### 6. Partnership Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
10-Jan-11	<b>Partnership Available Funds</b>		
	a Rental Income		12,183,580.00
	b Funds from Issuer under Partnership Swaps		14,456,632.00
	c From Partnership VAT Account		-
	d From Partnership Disposal Proceeds Account		-
	e From Partnership Insurance Proceeds Account		-
	f Interest received by the Partnership Accounts and Rent Account		1,414.22
	g Eligible Investment Earnings by Partnership		-
	h Advance under Committed Subordinated Loan Agreement		-
	i Net proceeds of a CPO Disposal or a Mortgage Property		-
	j Net proceeds of a disposal of a Mortgage Property		-
	k Any other sums standing to the credit of the Partnership Transaction Ac		245,829.16
	<b>Partnership Pre-Enforcement Priority of Payments</b>		
	a Partnership Security Trustee Fees	1,468.75	
	b Issuer Security Trustee Fee, Bond Trustee, operating expenses of the Issuer (Ongoing Partnership Facility Fee)	10,149.44	
	c Partnership Operating Expenses excluding GP UK Tax	7,938.78	
	d Partnership Operator Fee	4,112.50	
	d Property Advisor Fee (Annual 25 K Jan)	-	
	d Nominees Corporate Services Provider Fee	5,350.00	
	d Nominees Holdco Corporate Services Provider Fee	1,175.00	
	d PL Propco Corporate Services Provider Fees	7,175.00	
	d Nominees Side Letter payments	-	
	d Nominees Holdco Side Letter payments	-	
	d Account Bank Fee	-	
	d Cash Manager Fee	-	
	Issuer Account Bank, PPA CM, CSP Fee (Ongoing Partnership Facility Fee)	12,270.33	
	d Headlease payment	-	
	e Partnership Expenses Ledger payment (max £6,250)	6,250.00	
	f Partnership Debt Interest	13,763,342.00	
	f Partnership Swap payment	11,947,628.90	
	g Partnership Debt Principal	693,250.00	
	Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee)	750.00	
	i Partnership Swap Termination Amount	-	
	j Property Pool Manager Fee	158,875.00	
	k Partnership Expenses Ledger payment	267,719.68	
	l Alteration Adjustment Rent	-	
	m Committed Subordinated Loan payment	-	
	n Partnership Distribution Account	-	
	<b>Totals</b>	<b>26,887,455.38</b>	<b>26,887,455.38</b>

## 7. Issuer Transaction Account 70295495

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
	From Close	17,364.00	Cr
07-Oct-10	Credit interest	6.50	Cr
13-Oct-10	Issuer Profit	750.00	Cr
06-Jan-11	Credit interest	127.68	Cr
13-Jan-11	Swaps Receipts	2,509,003.10	Cr
13-Jan-11	Partnership Debt	14,456,592.00	Cr
13-Jan-11	Swap Pays	2,509,003.10	Dr
13-Jan-11	Ongoing Fee	23,169.77	Cr
13-Jan-11	HSBC Fee	7,643.75	Dr
13-Jan-11	SFM Fee	7,505.69	Dr
13-Jan-11	Issuer Fees	7,270.33	Dr
13-Jan-11	Notes	14,456,592.01	Dr
Closing Balance		18,998.17	Cr

## 8. Issuer Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Jan-11			
	<b>Issuer Available Funds</b>		
	a Funds due to Issuer under Partnership Swap Agreement		11,947,628.90
	b Amounts due to Issuer in respect of Partnership Loan		14,479,761.77
	c Any amount due to Issuer under Issuer Swap Agreement		14,456,632.00
	d Interest Received by Issuer on Transaction Account		127.68
	e Eligible Investment Earnings		-
	<b>Issuer Pre-Enforcement Priority of Payments</b>		
	a Bond Trustee Fee	1,175.00	
	a Issuer Security Trustee Fee	1,468.75	
	b Issuer Operating Expenses	7,505.69	
	c Issuer/Issuer Holdco Corporate Services Provider Fee	7,270.33	
	c Paying Agent Fee	500.00	
	c Account Bank Fee	750.00	
	c Cash Manager Fee	3,750.00	
	d Bond Interest	13,763,342.00	
	d Bond Principal	693,250.00	
	d Issuer Swap Provider	11,947,628.90	
	d Partnership Swap payment	14,456,632.00	
	e Issuer Profit	750.00	
	f Swap Subordinated Amounts	-	
	g Issuer Partnership Swap Termination Amount	-	
	h Issuer Transaction Account	127.68	
	<b>Totals</b>	40,884,150.35	40,884,150.35

## 9. Bond Information

Listing Irish Stock Exchange

Original Rating

Moody's A3  
Standard and Poor's A-  
Fitch A-

Offered Date 07 July 2010

Expected Maturity 13 April 2040

Issue Amount £958,450,000

ISIN code XS0512401976

Interest Rate 5.744% p.a.

Current Factor 1.0000000000000000

Next Factor 0.999276696749961

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