



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 2011 to January 2012

IPD 6

Report Date	06-Jan-12
Loan Interest Payment Date	10-Jan-12
Calculation Date	06-Jan-12
Interest Payment Date	13-Jan-12

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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		2.53 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Jul-10	Initial Deposit on Closing Date	5,000.00	Cr
22-Dec-12	Rent	12,792,761.50	Cr
10-Jan-12	To Partnership Transaction Account	12,792,764.00	Dr
Closing Balance		<u>5,000.03</u>	Cr

2. Partnership VAT Account 70295460

Opening Balance		2,561,437.46 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
26-Oct-11	VAT Payment	2,558,552.30	Dr
22-Dec-11	VAT Funding	2,558,552.30	Cr
Closing Balance		<u>2,561,437.46</u>	Cr

3. Partnership Transaction Account 70295452

Opening Balance		306,170.48 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
09-Jan-12	Credit Interest	1,490.27	Cr
10-Jan-12	Transfer from Rent	12,792,764.00	Cr
10-Jan-12	Trustee Fee	1,500.00	Dr
10-Jan-12	Ongoing Fee	58,073.60	Dr
10-Jan-12	Expenses	66,162.55	Dr
10-Jan-12	Partnership Swap payment	1,911,621.66	Cr
10-Jan-12	Partnership Debt	14,456,591.75	Dr
10-Jan-12	Transfer to General	0.00	Dr
Closing Balance		<u>429,718.51</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		67,632.25	Cr
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
09-Jan-12	Credit Interest	33.78	Cr
14-Dec-11	HMRC VAT Repay	71,600.00	Cr
Closing Balance		139,266.03	Cr

Expense Reserve Ledger - Max GBP 500,000.00

Date	10-Jan-12	36,118.51	Cr
Balance		36,118.51	

6. Partnership Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
10-Jan-12	Partnership Available Funds		
	a Rental Income		12,792,764.00
	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		1,490.27
	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		71,445.48
	Partnership Pre-Enforcement Priority of Payments		
	a Partnership Security Trustee Fees	1,500.00	
	b Issuer Security Trustee Fee, Bond Trustee, operating expenses of the Issuer (Ongoing Partnership Facility Fee)	52,323.60	
	c Partnership Operating Expenses excluding GP UK Tax	39,202.80	
	d Partnership Operator Fee	4,500.00	
	d Property Advisor Fee (Annual 25 K Jan)	-	
	d Nominees Corporate Services Provider Fee	4,500.00	
	d Nominees Holdco Corporate Services Provider Fee	8,959.75	
	d PL Propco Corporate Services Provider Fees	9,000.00	
	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)	5,000.00	
	d Headlease payment	-	
	e Partnership Expenses Ledger payment (max £6,250)	6,250.00	
	f Partnership Debt Interest	13,722,655.75	
	f Partnership Swap payment	12,545,010.34	
	g Partnership Debt Principal	733,936.00	
	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	29,868.51	
	l Alteration Adjustment Rent	-	
	m Committed Subordinated Loan payment	-	
	n Partnership Distribution Account	-	
	Totals	27,322,331.75	27,322,331.75

7. Issuer Transaction Account 70295495

Opening Balance		20,902.94 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
09-Jan-12	Credit Interest	186.98	Cr
13-Jul-11	Issuer Profit	750.00	Cr
13-Jan-12	Swaps Receipts	1,911,621.66	Cr
13-Jan-12	Partnership Debt	14,456,591.75	Cr
13-Jan-12	Swap Pays	1,911,621.66	Dr
13-Jan-12	Ongoing Fee	58,073.60	Cr
13-Jan-12	HSBC Fee	7,700.00	Dr
13-Jan-12	Moodys Fee	49,623.60	Dr
13-Jan-12	Issuer Fees	0.00	Dr
13-Jan-12	Notes	14,456,591.75	Dr
Closing Balance		22,589.92	Cr

8. Issuer Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Jan-12	Issuer Available Funds		
	a Funds due to Issuer under Partnership Swap Agreement		12,545,010.34
	b Amounts due to Issuer in respect of Partnership Loan		14,514,665.35
	c Any amount due to Issuer under Issuer Swap Agreement		14,456,632.00
	d Interest Received by Issuer on Transaction Account		186.98
	e Eligible Investment Earnings		-
	Issuer Pre-Enforcement Priority of Payments		
	a Bond Trustee Fee	1,200.00	
	a Issuer Security Trustee Fee	1,500.00	
	b Issuer Operating Expenses	49,623.60	
	c Issuer/Issuer Holdco Corporate Services Provider Fee	-	
	c Paying Agent Fee	500.00	
	c Account Bank Fee	750.00	
	c Cash Manager Fee	3,750.00	
	d Bond Interest	13,722,655.75	
	d Bond Principal	733,936.00	
	d Issuer Swap Provider	12,545,010.34	
	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	186.98	
	Totals	41,516,494.67	41,516,494.67

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 0.997043868746413

Next Factor 0.996278115707653

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