

Tesco Property Finance 2 plc

£ 564,500,000 Secured 6.0517 per cent. Bonds due 13 October 2039

Issuer and Partnership Quarterly Report for the period covering April 2010 to July 2010

IPD 1

Report Date	13-Jul-10
Loan Interest Payment Date	12-Jul-10
Calculation Date	08-Jul-10
Interest Payment Date	13-Jul-10

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Prepared by HSBC Bank plc acting as Cash Manager for and on behalf of Tesco Property Finance 2 plc,
The Tesco Atrato Limited Partnership,

1. Partnership Rent Account 69796072

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
23-Jun-10	Rent	7,405,864.00	Cr
	Transfer to VAT Account (Correction)	0.00	Dr
12-Jul-10	To Partnership Transaction Account	7,405,864.00	Dr
Closing Balance		0.00	Cr

2. Partnership VAT Account 69796099

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
23-Jun-10	VAT Funding	1,296,026.23	Cr
	VAT Payment	1,296,026.23	Dr
Closing Balance		0.00	Cr

3. Partnership Transaction Account 69796080

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
11-Jan-10	Property Advisor Fee (Reserved)	25,000.00	Cr
11-Jan-10	Property Pool Manager Fee (Reserved)	63,750.00	Cr
13-Apr-10	Property Pool Manager Fee (Reserved)	63,750.00	Cr
13-Apr-10	Expense Reserve Ledger	56,958.83	Cr
07-Jul-10	Credit Interest	698.68	Cr
12-Jul-10	Transfer from Rent	7,405,864.00	Cr
12-Jul-10	Trustee Fee	1,468.75	Dr
12-Jul-10	Ongoing Fee	58,784.81	Dr
12-Jul-10	Mourants	0.00	Dr
12-Jul-10	Partnership Swap payment	2,984,382.22	Cr
12-Jul-10	Partnership Debt	10,258,559.11	Dr
12-Jul-10	Transfer to General	0.00	Dr
Closing Balance		281,591.06	Cr

4. General Partner Corporation Tax Reserve Account 69796115

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

5. Partnership Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
12-Jul-10	Partnership Available Funds		
	a Rental Income		7,405,864.00
	b Funds from Issuer under Partnership Swaps		10,258,582.98
	c From Partnership VAT Account		0.00
	d From Partnership Disposal Proceeds Account		0.00
	e From Partnership Insurance Proceeds Account		0.00
	f Interest received by the Partnership Accounts and Rent Account		0.00
	g Eligible Investment Earnings by Partnership		0.00
	h Advance under Committed Subordinated Loan Agreement		0.00
	i Net proceeds of a CPO Disposal or a Mortgage Property		0.00
	j Net proceeds of a disposal of a Mortgage Property		0.00
	k Any other sums standing to the credit of the Partnership Transaction Ac		57,657.51
	Partnership Pre-Enforcement Priority of Payments		
	a Partnership Security Trustee Fees	1,468.75	
	b Issuer Security Trustee Fee, Bond Trustee, operating expenses of the Issuer (Ongoing Partnership Facility Fee)	38,368.06	
	c Partnership Operating Expenses excluding GP UK Tax	0.00	
	d Partnership Operator Fee	0.00	
	d Property Advisor Fee (Annual 25 K Jan)	0.00	
	d Nominees Corporate Services Provider Fee	0.00	
	d Nominees Holdco Corporate Services Provider Fee	0.00	
	d Nominees Side Letter payments	0.00	
	d Nominees Holdco Side Letter payments	0.00	
	d Account Bank Fee		
	d Cash Manager Fee		
	d Issuer Account Bank, PPA CM, CSP Fee (Ongoing Partnership Facility Fee)	19,666.75	
	d Headlease payment	0.00	
	e Partnership Expenses Ledger payment	6,250.00	
	f Partnership Debt Interest	8,514,468.11	
	f Partnership Swap payment	7,274,200.76	
	g Partnership Debt Principal	1,744,091.00	
	h Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee)	750.00	
	i Partnership Swap Termination Amount	0.00	
	j Property Pool Manager Fee	63,750.00	
	k Partnership Expenses Ledger payment	59,091.06	
	l Alteration Adjustment Rent	0.00	
	m Committed Subordinated Loan payment	0.00	
	n Partnership Distribution Account		
	Totals	17,722,104.49	17,722,104.49

Expense Reserve Ledger - Max GBP 500,000.00

Date
12-Jul-10 65,341.06 Cr

Balance 65,341.06

6. Issuer Transaction Account 69796123

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
	From Close	17,364.00	Cr
13-Jan-10	Issuer Operating Costs (Reserved)	50,996.00	Cr
13-Jan-10	Issuer Profit	750.00	Cr
01-Feb-10	Credit interest	91.77	Cr
01-Mar-10	Credit interest	7.96	Cr
26-Mar-10	Dividend Declared	12,501.50	Dr
01-Apr-10	Credit interest	8.51	Cr
13-Apr-10	Issuer Profit	750.00	Cr
03-May-10	Credit interest	19.79	Cr
25-May-10	Return PWC Fee	26,450.00	Cr
01-Jun-10	Credit interest	7.61	Cr
01-Jul-10	Credit interest	10.35	Cr
13-Jul-10	Swaps Receipts	2,984,382.22	Cr
13-Jul-10	Partnership Debt	10,258,559.11	Cr
13-Jul-10	Swap Pays	2,984,382.22	Dr
13-Jul-10	Ongoing Fee	58,784.81	Cr
13-Jul-10	HSBC Fee	22,113.71	Dr
13-Jul-10	SFM Fee	21,254.35	Dr
13-Jul-10	Notes	10,258,559.11	Dr
Closing Balance		72,133.49	Cr

7. Issuer Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Jul-10			
	Issuer Available Funds		
	a Funds due to Issuer under Partnership Swap Agreement		7,274,200.76
	b Amounts due to Issuer in respect of Partnership Loan		10,317,343.92
	c Any amount due to Issuer under Issuer Swap Agreement		10,258,582.98
	d Interest Received by Issuer on Transaction Account		37.75
	e Eligible Investment Earnings		0.00
	Issuer Pre-Enforcement Priority of Payments		
	a Bond Trustee Fee	15,644.96	
	a Issuer Security Trustee Fee	1,468.75	
	b Issuer Operating Expenses	21,254.35	
	c Issuer/Issuer Holdco Corporate Services Provider Fee	14,666.75	
	c Paying Agent Fee	500.00	
	c Account Bank Fee	750.00	
	c Cash Manager Fee	3,750.00	
	d Bond Interest	8,514,468.10	
	d Bond Principal	1,744,091.00	
	d Issuer Swap Provider	7,274,200.76	
	d Partnership Swap payment	10,258,582.98	
	e Issuer Profit	750.00	
	f Swap Subordinated Amounts		
	g Issuer Partnership Swap Termination Amount		
	h Issuer Transaction Account	37.76	
	Totals	27,850,165.41	27,850,165.41

8. Note Information

Listing	Irish Stock Exchange
<u>Original Rating</u>	
Moody's	A3
Standard and Poor's	A-
Fitch	A-
Offered Date	23-Sep-09
Expected Maturity	13-Oct-39
Issue Amount	£564,500,000
ISIN code	XS0347919028
Interest Rate	6.0517%
Current Factor	0.99695642693
Next Factor	0.99691037910

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