



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 October 2010 to January 2011

IPD 5

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 2 plc,
The Tesco Atrato Limited Partnership,

1. Partnership Rent Account 69796072

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
23-Sep-09	Initial Deposit on Closing Date	5,000.00	Cr
23-Dec-10	Rent	7,776,157.22	Cr
10-Jan-11	To Partnership Transaction Account	7,776,157.22	Dr
Closing Balance		<u>5,000.00</u>	Cr

2. Partnership VAT Account 69796099

Opening Balance		0.03 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
29-Sep-10	VAT Funding	1,360,827.53	Cr
27-Oct-10	VAT Payment	1,356,309.93	Dr
24-Dec-10	VAT Funding	1,360,827.53	Cr
Closing Balance		<u>1,365,345.16</u>	Cr

3. Partnership Transaction Account 69796080

13-Oct-10 Opening Balance		66,735.73 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-Jul-10	Property Pool Manager Fee (Reserved)	63,750.00	Cr
13-Oct-10	Property Pool Manager Fee (Reserved)	63,750.00	Cr
07-Jan-11	Credit Interest	809.02	Cr
10-Jan-11	Transfer from Rent	7,776,157.22	Cr
10-Jan-11	Trustee Fee	1,468.75	Dr
10-Jan-11	Ongoing Fee	16,535.23	Dr
10-Jan-11	Mourants	56,469.40	Dr
10-Jan-11	Partnership Swap payment	2,620,672.18	Cr
10-Jan-11	Partnership Debt	10,258,558.33	Dr
10-Jan-11	Other Expenses	43,031.25	Dr
10-Jan-11	Transfer to General	0.00	Dr
10-Jan-11	Property Pool Manager Fee (Paid Previously Reserved)	255,000.00	Dr
Closing Balance		<u>113,311.19</u>	Cr

4. General Partner Corporation Tax Reserve Account 69796115

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

5. Partnership Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
10-Jan-11	Partnership Available Funds		
	a Rental Income		7,776,157.22
	b Funds from Issuer under Partnership Swaps		10,258,582.98
	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		-
	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		67,544.75
	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)	10,785.23	
	c Partnership Operating Expenses excluding GP UK Tax	4,500.00	
	d Partnership Operator Fee	47,469.40	
	d Property Advisor Fee (Annual 25 K Jan)	-	
	d Nominees Corporate Services Provider Fee	3,000.00	
	d Nominees Holdco Corporate Services Provider Fee	1,500.00	
	d Nominees Side Letter payments	-	
	d Nominees Holdco Side Letter payments	-	
	d Account Bank Fee	-	
	d Cash Manager Fee	-	
	d Issuer Account Bank, PPA CM, CSP Fee (Ongoing Partnership Facility Fee)	5,000.00	
	d Headlease payment	-	
	e Partnership Expenses Ledger payment	6,250.00	
	f Partnership Debt Interest	8,461,295.33	
	f Partnership Swap payment	7,637,910.80	
	g Partnership Debt Principal	1,797,263.00	
	Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee)	750.00	
	i Partnership Swap Termination Amount	-	
	j Property Pool Manager Fee	43,031.25	
	k Partnership Expenses Ledger payment	82,061.19	
	l Alteration Adjustment Rent	-	
	m Committed Subordinated Loan payment	-	
	n Partnership Distribution Account	-	
	Totals	18,102,284.95	18,102,284.95

Expense Reserve Ledger - Max GBP 500,000.00

Date	
10-Jan-11	88,311.19 Cr
Balance	88,311.19

6. Issuer Transaction Account 69796123

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
	From Close	17,364.00	Cr
01-Jan-10	Credit interest	7.39	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	Issuer Profit	750.00	Cr
02-Aug-10	Credit interest	53.50	Cr
01-Sep-10	Credit interest	10.45	Cr
01-Oct-10	Credit interest	10.45	Cr
13-Oct-10	Issuer Profit	750.00	Cr
01-Nov-10	Credit interest	95.39	Cr
23-Nov-10	Tax Payment	390.32	Dr
01-Dec-10	Credit interest	10.54	Cr
03-Jan-11	Credit interest	11.56	Cr
13-Jan-11	Swaps Receipts	2,620,672.18	Cr
13-Jan-11	Partnership Debt	10,258,558.33	Cr
13-Jan-11	Swap Pays	2,620,672.18	Dr
13-Jan-11	Ongoing Fee	15,785.23	Cr
13-Jan-11	HSBC Fee	7,643.75	Dr
13-Jan-11	SFM Fee	34,591.48	Dr
13-Jan-11	Issuer Profit	750.00	Cr
13-Jan-11	Notes	10,258,558.33	Dr
Closing Balance		59,563.45	Cr

7. Issuer Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Jan-11	Issuer Available Funds		
	a Funds due to Issuer under Partnership Swap Agreement		7,637,910.80
	b Amounts due to Issuer in respect of Partnership Loan		10,275,093.56
	c Any amount due to Issuer under Issuer Swap Agreement		10,258,582.98
	d Interest Received by Issuer on Transaction Account		11.56
	e Eligible Investment Earnings		0.00
	Issuer Pre-Enforcement Priority of Payments		
	a Bond Trustee Fee	1,175.00	
	a Issuer Security Trustee Fee	1,468.75	
	b Issuer Operating Expenses	8,141.48	
	c Issuer/Issuer Holdco Corporate Services Provider Fee	0.00	
	c Paying Agent Fee	500.00	
	c Account Bank Fee	750.00	
	c Cash Manager Fee	3,750.00	
	d Bond Interest	8,461,295.32	
	d Bond Principal	1,797,263.00	
	d Issuer Swap Provider	7,637,910.80	
	d Partnership Swap payment	10,258,582.98	
	e Issuer Profit	750.00	
	f Swap Subordinated Amounts	0.00	
	g Issuer Partnership Swap Termination Amount	0.00	
	h Issuer Transaction Account	11.57	
	Totals	28,171,598.90	28,171,598.90

8. Note Information

Listing Irish Stock Exchange

Original Rating

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 0.990730442869796

Next Factor 0.987546628875111

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