



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 January 2014 to April 2014

IPD 18

| | |
|----------------------------|-----------|
| Report Date | 08-Apr-14 |
| Loan Interest Payment Date | 10-Apr-14 |
| Calculation Date | 08-Apr-14 |
| Interest Payment Date | 14-Apr-14 |

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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 | | 0.08 Cr | |
|-----------------|------------------------------------|--------------|-------|
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| 23-Sep-09 | Initial Deposit on Closing Date | 5,000.00 | Cr |
| 20-Mar-14 | Rent | 8,678,746.90 | Cr |
| 10-Apr-14 | To Partnership Transaction Account | 8,678,746.90 | Dr |
| Closing Balance | | 5,000.08 | Cr |

2. Partnership VAT Account 69796099

| Opening Balance | | 1,930,838.78 Cr | |
|-----------------|----------------------------|-----------------|-------|
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| 30-Jan-14 | VAT Payment | 1,703,419.72 | Dr |
| 13-Mar-14 | Issuer Transaction Account | 200,000.00 | Dr |
| 20-Mar-14 | VAT Funding | 1,735,749.39 | Cr |
| Closing Balance | | 1,763,168.45 | Cr |

3. Partnership Transaction Account 69796080

| 11-Oct-13 Opening Balance | | 132,627.27 Cr | |
|---------------------------|--------------------------|---------------|-------|
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| 17-Feb-14 | SFM Refund | 362.70 | Cr |
| 13-Mar-14 | Credit from VAT account | 200,000.00 | Cr |
| 07-Apr-14 | Credit Interest | 750.83 | Cr |
| 07-Apr-14 | Credit Interest | 68.71 | Cr |
| 07-Apr-14 | Credit Interest | 352.97 | Cr |
| 10-Apr-14 | Transfer from Rent | 8,678,746.90 | Cr |
| 10-Apr-14 | Trustee Fee | 1,500.00 | Dr |
| 10-Apr-14 | Ongoing Fee | 14,819.04 | Dr |
| 10-Apr-14 | Expenses | 21,130.38 | Dr |
| 10-Apr-14 | Partnership Swap payment | 1,734,128.96 | Cr |
| 10-Apr-14 | Partnership Debt | 10,258,559.02 | Dr |
| 10-Apr-14 | Property Advisor Fee | 351,132.67 | Dr |
| 10-Apr-14 | Transfer to General | 0.00 | Dr |
| Closing Balance | | 99,897.23 | 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 (£) |
|-----------|--|-------------------------------|---------------------------------|
| 10-Apr-14 | Partnership Available Funds | | |
| | a Rental Income | | 8,678,746.90 |
| | 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 | | 334,162.48 |
| | 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) | 9,069.04 | |
| | c Partnership Operating Expenses excluding GP UK Tax | 9,000.00 | |
| | d Partnership Operator Fee | 7,630.38 | |
| | 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 | 8,073,872.02 | |
| | f Partnership Swap payment | 8,524,454.02 | |
| | g Partnership Debt Principal | 2,184,687.00 | |
| | Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee) | 750.00 | |
| | i Partnership Swap Termination Amount | - | |
| | j Property Pool Manager Fee | 351,132.67 | |
| | k Partnership Expenses Ledger payment | 93,647.23 | |
| | l Alteration Adjustment Rent | - | |
| | m Committed Subordinated Loan payment | - | |
| | n Partnership Distribution Account | - | |
| | Totals | 19,271,492.36 | 19,271,492.36 |

Expense Reserve Ledger - Max GBP 500,000.00

| | | |
|--|-----------|------------------|
| | Date | |
| | 10-Apr-14 | 99,897.23 Cr |
| | Balance | <u>99,897.23</u> |

6. Issuer Transaction Account 69796123

| Opening Balance | | 69,673.02 Cr | |
|-----------------|---------------------------|---------------|-------|
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| 03-Feb-14 | Credit interest | 135.87 | Cr |
| 03-Mar-14 | Credit interest | 8.03 | Cr |
| 01-Apr-14 | Credit interest | 8.32 | Cr |
| 14-Apr-14 | Swaps Receipts | 1,734,128.96 | Cr |
| 14-Apr-14 | Partnership Debt | 10,258,559.02 | Cr |
| 14-Apr-14 | Swap Pays | 1,734,128.96 | Dr |
| 14-Apr-14 | Ongoing Fee | 14,069.04 | Cr |
| 14-Apr-14 | HSBC Fee | 7,700.00 | Dr |
| 14-Apr-14 | Issuer Operating Expenses | 6,369.04 | Dr |
| 14-Apr-14 | Issuer Profit | 750.00 | Cr |
| 14-Apr-14 | Notes | 10,258,559.01 | Dr |
| Closing Balance | | 70,575.25 | Cr |

7. Issuer Pre-Enforcement Priority of Payments

| Date | | Funds Paid Out of account (£) | Funds Received into account (£) |
|-----------|--|-------------------------------|---------------------------------|
| 14-Apr-14 | | | |
| | Issuer Available Funds | | |
| | a Funds due to Issuer under Partnership Swap Agreement | | 8,524,454.02 |
| | b Amounts due to Issuer in respect of Partnership Loan | | 10,273,378.06 |
| | c Any amount due to Issuer under Issuer Swap Agreement | | 10,258,582.98 |
| | d Interest Received by Issuer on Transaction Account | | 0.00 |
| | e Eligible Investment Earnings | | 0.00 |
| | 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 | 6,369.04 | |
| | 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 | 8,073,872.01 | |
| | d Bond Principal | 2,184,687.00 | |
| | d Issuer Swap Provider | 8,524,454.02 | |
| | 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 | 0.01 | |
| | Totals | 29,056,415.06 | 29,056,415.06 |

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 | 0.945367167404783 |
| Next Factor | 0.941497039858282 |

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