



## 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 2014 to January 2015

### IPD 21

Report Date	08-Jan-15
Loan Interest Payment Date	12-Jan-15
Calculation Date	08-Jan-15
Interest Payment Date	13-Jan-15

Contents of the Report:

- 1 **Partnership Rent Account**
- 2 **Partnership VAT Account**
- 3 **Partnership Transaction Account**
- 4 **General Partner Corporation Tax Reserve Account**
- 5 **Partnership Pre-Enforcement Priority of Payments**
- 6 **Issuer Transaction Account**
- 7 **Issuer Pre-Enforcement Priority of Payments**
- 8 **Note Information**

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
23-Dec-14	Rent	8,883,565.31	Cr
12-Jan-15	To Partnership Transaction Account	8,883,565.31	Dr
Closing Balance		5,000.08	Cr

**2. Partnership VAT Account 69796099**

Opening Balance		1,870,234.26 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
29-Oct-14	VAT Payment	1,773,763.09	Dr
23-Dec-14	VAT Funding	1,776,713.09	Cr
Closing Balance		1,873,184.26	Cr

**3. Partnership Transaction Account 69796080**

Opening Balance		35,934.05 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Jan-15	Credit Interest	659.03	Cr
07-Jan-15	Credit Interest	15.63	Cr
07-Jan-15	Credit Interest	306.37	Cr
12-Jan-15	Transfer from Rent	8,883,565.31	Cr
12-Jan-15	Trustee Fee	1,500.00	Dr
12-Jan-15	Ongoing Fee	14,779.43	Dr
12-Jan-15	Expenses	65,668.90	Dr
12-Jan-15	Partnership Swap payment	1,532,951.84	Cr
12-Jan-15	Partnership Debt	10,258,558.26	Dr
12-Jan-15	Property Advisor Fee	0.00	Dr
12-Jan-15	Transfer to General	0.00	Dr
Closing Balance		112,925.64	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-Jan-15	<b>Partnership Available Funds</b>		
	a Rental Income		8,883,565.31
	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		981.03
	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		-
	<b>Partnership Pre-Enforcement Priority of Payments</b>		
	a Partnership Security Trustee Fees	1,500.00	
	b Issuer Security Trustee Fee, Bond Trustee, operating expenses of the Issuer (Ongoing Partnership Facility Fee)	9,029.43	
	c Partnership Operating Expenses excluding GP UK Tax	62,652.43	
	d Partnership Operator Fee	-	
	d Property Advisor Fee (Annual 25 K Jan)	-	
	d Nominees Corporate Services Provider Fee	2,010.98	
	d Nominees Holdco Corporate Services Provider Fee	1,005.49	
	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	7,973,206.26	
	f Partnership Swap payment	8,725,631.14	
	g Partnership Debt Principal	2,285,352.00	
	g Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee)	750.00	
	i Partnership Swap Termination Amount	-	
	j Property Pool Manager Fee	0.00	
	k Partnership Expenses Ledger payment	70,741.59	
	l Alteration Adjustment Rent	-	
	m Committed Subordinated Loan payment	-	
	n Partnership Distribution Account	-	
	<b>Totals</b>	<b>19,143,129.32</b>	<b>19,143,129.32</b>

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

Date		
	Opening Balance	35,934.04
	12-Jan-15	76,991.59 Cr
	Balance	<u>112,925.63</u>

**6. Issuer Transaction Account 69796123**

Opening Balance		72,441.90 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
03-Nov-14	Credit interest	137.48	Cr
01-Dec-14	Credit interest	8.35	Cr
02-Jan-15	Credit interest	9.55	Cr
13-Jan-15	Swaps Receipts	1,532,951.84	Cr
13-Jan-15	Partnership Debt	10,258,558.26	Cr
13-Jan-15	Swap Pays	1,532,951.84	Dr
13-Jan-15	Ongoing Fee	14,029.43	Cr
13-Jan-15	HSBC Fee	7,700.00	Dr
13-Jan-15	Issuer Operating Expenses	6,329.43	Dr
13-Jan-15	Issuer Profit	750.00	Cr
13-Jan-15	Notes	10,258,558.25	Dr
Closing Balance		73,347.29	Cr

**7. Issuer Pre-Enforcement Priority of Payments**

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Jan-15			
	<b>Issuer Available Funds</b>		
	a Funds due to Issuer under Partnership Swap Agreement		8,725,631.14
	b Amounts due to Issuer in respect of Partnership Loan		10,273,337.69
	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
	<b>Issuer Pre-Enforcement Priority of Payments</b>		
	a Bond Trustee Fee	1,200.00	
	a Issuer Security Trustee Fee	1,500.00	
	b Issuer Operating Expenses	6,329.43	
	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	7,973,206.25	
	d Bond Principal	2,285,352.00	
	d Issuer Swap Provider	8,725,631.14	
	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	
	<b>Totals</b>	29,257,551.81	29,257,551.81

## 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	0.933580244464128
Next Factor	0.929531790965456

Disclaimer - This report has been prepared for current Noteholders and is for the purposes of information and convenient reference only. It is not intended as an offer of finance.

This report is confidential. Distribution of this report, or of the information contained in it, to any person other than an original recipient (or to such recipient's advisors) is prohibited. Reproduction of this report, in whole or in part, or disclosure of any of its contents without the prior consent of HSBC Bank plc is prohibited.

Some information included in this report is estimated, approximated or projected. The information contained in this report has been obtained from sources believed to be reliable but none of the Issuer, any affiliate of the Issuer, any Transaction Party or HSBC Bank plc makes any representation or warranty (express or implied) of any nature or accepts any responsibility or liability of any kind for completeness or accuracy of the content of this report or for any loss or damage (whether direct, indirect, consequential or other) arising out of reliance upon this report. Information in this document has not been independently verified by HSBC Bank plc.

This document is not intended to provide and should not be relied upon for tax, legal or accounting advice or as a recommendation to purchase or sell investments. Noteholders should consult their tax, legal, accounting or other advisors if required.

The foregoing does not exclude or restrict any obligation that HSBC Bank plc may have under the Prudential Regulation Authority/ Financial Conduct Authority Rules, or any liability that it may incur under the Prudential Regulation Authority/ Financial Conduct Authority Rules or the Financial Services and Markets Act 2000 (or any amendment thereof) for breach of any such obligation.

HSBC Bank plc is authorised and regulated in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority and is a member of the HSBC Group of companies. HSBC Bank plc's registered office is at 8 Canada Square, London, E14 5HQ.