

**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 July 17 to October 17**

**IPD 29**

|                            |           |
|----------------------------|-----------|
| Report Date                | 06-Oct-17 |
| Loan Interest Payment Date | 10-Oct-17 |
| Calculation Date           | 06-Oct-17 |
| Interest Payment Date      | 13-Oct-17 |

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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**

| Opening Balance |                             | 5,000.00        | CR    |
|-----------------|-----------------------------|-----------------|-------|
| DATE            | ENTRY DETAILS               | AMOUNT (£)      | CR/DR |
| 28-Sep-17       | Tesco Store                 | 14,844,958.63   | CR    |
| 10-Oct-17       | Partnership Transaction Ac. | 14,844,958.63   | DR    |
| Closing Balance |                             | <u>5,000.00</u> | CR    |

**2. Partnership VAT Account**

| Opening Balance |   | 3,282,373.60        | CR    |
|-----------------|---|---------------------|-------|
| DATE            | ENTRY DETAILS   | AMOUNT (£)          | CR/DR |
| 31-Jul-17       | VAT Payment   | 2,887,565.13        | DR    |
| 28-Sep-17       | VAT Funding   | 2,968,991.73        | CR    |
| 13-Oct-17       | Excess Cash Transfer to Partnership Transaction Account | 296,554.74          | DR    |
| Closing Balance |   | <u>3,067,245.46</u> | CR    |

**3. Partnership Transaction Account**

| Opening Balance |                                       | 500,000.00        | CR    |
|-----------------|---------------------------------------|-------------------|-------|
| DATE            | ENTRY DETAILS                         | AMOUNT (£)        | CR/DR |
| 06-Oct-16       | Credit Interest                       | 0.00              | CR    |
| 13-Oct-17       | Transfer from Partnership VAT Account | 296,554.74        | CR    |
| 31-Jul-17       | Cushman Wakefield LLP                 | 27,220.80         | CR    |
| 14-Aug-17       | KPP                                   | 870.03            | CR    |
| 13-Oct-17       | Transfer from Rent                    | 14,844,958.63     | CR    |
| 13-Oct-17       | Trustee Fee                           | 1,500.00          | DR    |
| 13-Oct-17       | Ongoing Fee                           | 86,983.86         | DR    |
| 13-Oct-17       | Expenses                              | 14,631.48         | DR    |
| 13-Oct-17       | Partnership Swap payment              | 100,569.80        | DR    |
| 13-Oct-17       | Partnership Debt                      | 14,456,591.20     | DR    |
| 13-Oct-17       | Spenthill                             | 509,327.86        | DR    |
| 13-Oct-17       | Partnership Distribution Ac.          | 0.00              | DR    |
| Closing Balance |                                       | <u>500,000.00</u> | CR    |

**4. General Partner Corporation Tax Reserve Account**

| Opening Balance |               | -          | CR    |
|-----------------|---------------|------------|-------|
| DATE            | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| Closing Balance |               | -          | CR    |

### 5. General Partner VAT Transaction Account

|      |                 |            |       |
|------|-----------------|------------|-------|
|      | Opening Balance | 165,028.42 | CR    |
| DATE | ENTRY DETAILS   | AMOUNT (£) | CR/DR |
|      |                 |            |       |
|      | Closing Balance | 165,028.42 | CR    |

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

|      |                         |            |    |
|------|-------------------------|------------|----|
|      |                         |            |    |
| DATE | ENTRY DETAILS           |            |    |
|      | Ledger Receipts to date | 500,000.00 | CR |
|      | Balance                 | 500,000.00 | CR |

### 6. Partnership Pre-Enforcement Priority of Payments

| Date      |   | Funds Paid Out of account (£) | Funds Received into account (£) |
|-----------|---|-------------------------------|---------------------------------|
| 10-Oct-17 | <b>Partnership Available Funds</b>  |                               |                                 |
|           | a Rental Income   |                               | 14,844,958.63                   |
|           | b Funds from Issuer under Partnership Swaps                                   |                               | 14,456,632.00                   |
|           | c From Partnership VAT Account  |                               | 296,554.74                      |
|           | 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     |                               | 28,090.83                       |
|           | <b>Partnership Pre-Enforcement Priority of Payments</b>                       |                               |                                 |
|           | a Partnership Security Trustee Fees   | 1,500.00                      |                                 |
|           | Issuer Security Trustee Fee, Bond Trustee, operating expenses of the Issuer   |                               |                                 |
|           | b (Ongoing Partnership Facility Fee)  | 74,289.70                     |                                 |
|           | c Partnership Operating Expenses excluding GP UK Tax                          | 11,154.85                     |                                 |
|           | d Partnership Operator Fee  | 857.63                        |                                 |
|           | d Property Advisor Fee (Annual 25 K Jan)                                      | -                             |                                 |
|           | d Nominees Corporate Services Provider Fee                                    | -                             |                                 |
|           | d Nominees Holdco Corporate Services Provider Fee                             | 2,619.00                      |                                 |
|           | d PL Propco Corporate Services Provider Fees                                  | -                             |                                 |
|           | 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)     | 11,944.16                     |                                 |
|           | d Headlease payment   | -                             |                                 |
|           | e Partnership Expenses Ledger payment (max £6,250)                            | -                             |                                 |
|           | f Partnership Debt Interest   | 13,437,820.20                 |                                 |
|           | f Partnership Swap payment  | 14,557,201.80                 |                                 |
|           | g Partnership Debt Principal  | 1,018,771.00                  |                                 |
|           | Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee) |                               |                                 |
|           | h Fee)  | 750.00                        |                                 |
|           | i Property Pool Manager Fee   | 509,327.86                    |                                 |
|           | j Partnership Swap Termination Amount   | -                             |                                 |
|           | k Partnership Expenses Ledger payment   | -                             |                                 |
|           | l Alteration Adjustment Rent  | -                             |                                 |
|           | m Committed Subordinated Loan payment   | -                             |                                 |
|           | n Partnership Distribution Account  | -                             |                                 |
|           | <b>Totals</b>   | 29,626,236.20                 | 29,626,236.20                   |

### 7. Issuer Transaction Account

| DATE      | ENTRY DETAILS             | AMOUNT (£)    | CR/DR |
|-----------|---------------------------|---------------|-------|
|           | Opening Balance           | 42,325.65     | CR    |
| 13-Oct-17 | Issuer Swap Pays          | 100,569.80    | DR    |
| 13-Oct-17 | Partnership Debt          | 14,456,591.20 | CR    |
| 13-Oct-17 | Partnership Swap Receives | 100,569.80    | CR    |
| 13-Oct-17 | Ongoing Fee               | 86,983.86     | CR    |
| 13-Oct-17 | Fitch Invoice             | 71,589.70     | DR    |
| 13-Oct-17 | HSBC Fee                  | 7,700.00      | DR    |
| 13-Oct-17 | Notes                     | 14,456,591.20 | DR    |
| 13-Oct-17 | Issuer Operating Expenses | 6,944.16      | DR    |
|           | Closing Balance           | 43,075.65     | CR    |

### 8. Issuer Pre-Enforcement Priority of Payments

| Date      |  | Funds Paid Out of account (£) | Funds Received into account (£) |
|-----------|--|-------------------------------|---------------------------------|
| 13-Oct-17 |  |                               |                                 |
|           | <b>Issuer Available Funds</b>                          |                               |                                 |
|           | a Funds due to Issuer under Partnership Swap Agreement |                               | 14,557,201.80                   |
|           | b Amounts due to Issuer in respect of Partnership Loan |                               | 14,543,575.06                   |
|           | c Any amount due to Issuer under Issuer Swap Agreement |                               | 14,456,632.00                   |
|           | d Interest Received by Issuer on Transaction Account   |                               | -                               |
|           | e Eligible Investment Earnings                         |                               | -                               |
|           | <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                            | 71,589.70                     |                                 |
|           | c Issuer/Issuer Holdco Corporate Services Provider Fee | 6,944.16                      |                                 |
|           | c Paying Agent Fee                                     | 500.00                        |                                 |
|           | c Account Bank Fee                                     | 750.00                        |                                 |
|           | c Cash Manager Fee                                     | 3,750.00                      |                                 |
|           | d Bond Interest  | 13,437,820.20                 |                                 |
|           | d Bond Principal                                       | 1,018,771.00                  |                                 |
|           | d Issuer Swap Provider                                 | 14,557,201.80                 |                                 |
|           | 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                           | -                             |                                 |
|           | <b>Totals</b>  | <b>43,557,408.86</b>          | <b>43,557,408.86</b>            |

## 9. Bond Information

Listing Irish Stock Exchange

### Original Rating

Moody's Ba1

Standard and Poor's BB+

Fitch BB+

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 0.975285700871198

Next Factor 0.974207500652094

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