

CONFORMED

FINAL TERMS

2 March 2007

Tesco PLC

**Issue of
£500,000,000 5.20 per cent. Notes due 2057
under the £10,000,000,000 Euro Note Programme**

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the Offering Circular dated 24 January, 2007 which constitutes a base prospectus for the purposes of Directive 2003/71/EC of 4 November, 2003 of the European Parliament and the Council of the European Union (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing and copies may be obtained from the registered office of the Issuer and from the specified office of the Paying Agents for the time being.

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|-----|---|--|
| 1. | Series Number: | 60 |
| 2. | Specified Currency or Currencies: | GBP (£) |
| 3. | Aggregate Nominal Amount: | |
| | (i) Tranche: | £500,000,000 |
| | (ii) Series: | £500,000,000 |
| 4. | Issue Price: | 99.470 per cent. of the Aggregate Nominal Amount |
| 5. | Specified Denominations: | £50,000 |
| 6. | Issue Date and Interest Commencement Date: | 5 March 2007 |
| 7. | Maturity Date: | 5 March 2057 |
| 8. | Interest Basis: | Fixed Rate |
| 9. | Redemption/Payment Basis: | Redemption at par |
| 10. | Change of Interest Basis or Redemption/Payment Basis: | Not Applicable |
| 11. | Put/Call Options: | Investor Put (see Schedule hereto) |

12. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions Applicable

(i) Rate of Interest: 5.20 per cent. per annum payable semi-annually

(ii) Interest Payment Date(s): 5 March and 5 September in each year up to and including the Maturity Date

(iii) Fixed Coupon Amount(s): £1,300 per £50,000 in nominal amount

(iv) Broken Amount(s): Not Applicable

(v) Fixed Day Count Fraction: Actual/Actual (ICMA)

(vi) Determination Date(s): 5 March and 5 September in each year

(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: None

14. Floating Rate Note Provisions Not Applicable

15. Zero Coupon Note Provisions Not Applicable

16. Index Linked Interest Note Provisions Not Applicable

17. Dual Currency Interest Note Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

18. Issuer Call Not Applicable

19. Investor Put Applicable

(i) Optional Redemption Date(s): See Schedule hereto

(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): See Schedule hereto

(iii) Notice period (if other than as set out in the Conditions): See Schedule hereto

20. Final Redemption Amount of each Note: £50,000 per Note of £50,000 Specified Denomination

21. Early Redemption Amount(s) of each Note payable on redemption for taxation reasons Condition 6(e) shall apply

or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|---|---|
| 22. | (i) Form of Notes: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event. |
| | (ii) New Global Note: | No |
| 23. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | Not Applicable |
| 24. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Yes, if Definitive Notes are issued before 5 September 2043. Such Talon will entitle Couponholders to the Coupons in respect of the Interest Payment Dates falling on and after the 26th Interest Payment Date after the issue of the Definitive Notes. |
| 25. | Details relating to Partly Paid Notes: | Not Applicable |
| 26. | Details relating to Instalment Notes: | Not Applicable |
| 27. | Redenomination: | Redenomination not applicable |
| 28. | Other final terms: | Condition 6(d) shall be deleted and replaced with the Schedule attached hereto. |

DISTRIBUTION

- | | | |
|-----|---|---|
| 29. | (i) If syndicated, names of Managers | Barclays Bank PLC
BNP Paribas
Citigroup Global Markets Limited
Deutsche Bank AG, London Branch
HSBC Bank plc
J.P. Morgan Securities Ltd.
The Royal Bank of Scotland plc |
| | (ii) Stabilising Manager: | Deutsche Bank AG, London Branch |
| 30. | If non-syndicated, name of relevant Dealer: | Not Applicable |
| 31. | Additional selling restrictions: | Not Applicable |

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes

described herein pursuant to the £10,000,000,000 Euro Note Programme of Tesco PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: TERRY LEAHY

Duly authorised

PART B — OTHER INFORMATION

1. LISTING

- (i) Listing: London
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the London Stock Exchange's Gilt-Edged and Fixed Interest Market with effect from 6 March 2007
- (iii) Estimate of total expenses related to admission to trading: £3,780,100

2. RATINGS

- Ratings: The Notes to be issued have been rated:
- | | |
|----------|----|
| S & P: | A+ |
| Moody's: | A1 |
| Fitch: | A+ |

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. **YIELD** (*Fixed Rate Notes only*) 5.23 per cent. per annum
Indication of yield:

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0289810318
- (ii) Common Code: 028981031
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of additional Not Applicable

Paying Agent(s) (if any):

- (vi) Intended to be held in a manner No
which would allow Eurosystem
eligibility:

SCHEDULE

In relation to the Final Terms dated 2 March 2007 of which this forms the attached Schedule, Condition 6(d) shall be deleted and replaced in its entirety with the following wording:

If during the period from 5 March 2007 to 26 February 2057 there occurs a Restructuring Event and within the Restructuring Period (i) (if at the time that Restructuring Event occurs there are Rated Securities) a Rating Downgrade in respect of that Restructuring Event occurs or (ii) (if at such time there are no Rated Securities), a Negative Rating Event in respect of that Restructuring Event occurs (that Restructuring Event and, where applicable, Rating Downgrade or Negative Rating Event, as the case may be, occurring within the Restructuring Period together called a **Put Event**), the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice under Condition 6(b) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (as defined below) at its principal amount (the **Optional Redemption Amount**) together with (or, where purchased, together with an amount equal to) interest accrued to (but excluding) the Optional Redemption Date.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, the Trustee shall, give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 13 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 6(d).

To exercise the option to require redemption of a Note under this Condition 6(d), the holder of the Note, if it is in definitive form, must deliver such Note, on any Business Day (as defined below) falling within the period (the **Put Period**) of 45 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Put Notice**) and in which the holder may specify a bank account to which payment is to be made under this Condition 6(d).

If the Notes are represented by a Global Note, such option may be exercised by the holder of the Global Note by giving notice to the Agent of the principal amount of Notes in respect of which the option is exercised and presenting such Global Note for endorsement of exercise within the time limits specified in this Condition 6(d).

Business Day means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of the specified office of the Paying Agent at which the Note is delivered.

The Definitive Notes should be delivered together with all Coupons appertaining thereto maturing after the date (the **Optional Redemption Date**) seven days after the expiry of the Put Period, failing which the Paying Agent will require payment of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed in the manner provided in Condition 5 against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 10) any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specifies a bank account in the Put Notice to which payment is to be made, on the Optional Redemption Date by transfer to that bank account and, in every other case, on or after the Optional Redemption Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Put Notice, once given, shall be irrevocable. For the purposes of Condition 5 and certain other purposes specified in the Trust Deed, receipts issued pursuant to this

Condition 6(d) shall be treated as if they were Notes. The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the relevant Notes on the Optional Redemption Date unless previously redeemed or purchased.

For the purpose of these Conditions:

a **Negative Rating Event** shall be deemed to have occurred if (i) the Issuer does not, either prior to or not later than 21 days after the relevant Restructuring Event, seek, and thereupon use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of the Issuer (or any Subsidiary of the Issuer which is guaranteed on an unsecured and unsubordinated basis by the Issuer) having an initial maturity of five years or more (**Rateable Debt**) from a Rating Agency or (ii) if it does so seek and use such endeavours, it is unable, as a result of such Restructuring Event to obtain such a rating of at least investment grade BBB- (in the case of Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P**)), Baa3 (in the case of Moody's Investors Service Limited (**Moody's**)) or BBB- (in the case of Fitch Ratings Ltd. (**Fitch Ratings**)), or their respective equivalents for the time being), provided that a Negative Rating Event shall not be deemed to have occurred in respect of a particular Restructuring Event if the Rating Agency declining to assign a rating of at least investment grade (as defined above) does not announce or publicly confirm or inform the Trustee in writing at its request that its declining to assign a rating of at least investment grade was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the Restructuring Event shall have occurred at the time such investment grade rating is declined);

Rated Securities means the Notes so long as they shall have an effective rating from any Rating Agency and otherwise any unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more which is rated by one of the Rating Agencies; provided that if there shall be no such unsecured and unsubordinated debt of the Issuer prior to the maturity of the Notes, the holder of not less than one-quarter of the principal amount of outstanding Notes may require the Issuer to obtain and thereafter update on an annual basis a rating of the Notes from one Rating Agency. In addition, the Issuer may at any time obtain and thereafter update on an annual basis a rating of the Notes from any Rating Agency, provided that, except as provided above, the Issuer shall not have any obligation to obtain such a rating of the Notes;

Rating Agency means S&P and its successors or Moody's and its successors or Fitch Ratings and its successors or any other rating agency of equivalent standing specified by the Issuer from time to time in writing to the Trustee;

a **Rating Downgrade** shall be deemed to have occurred in respect of a Restructuring Event if the current rating whether provided by a Rating Agency at the invitation of the Issuer or by its own volition assigned to the Rated Securities by any Rating Agency is withdrawn and is not within the Restructuring Period replaced by a rating of another Rating Agency at least equivalent to that which was current immediately before the occurrence of the Restructuring Event or is reduced from an investment grade rating BBB-/Baa3/BBB- (or their respective equivalents for the time being) or better to a non-investment grade rating BB+/Ba1/BB+ (or their respective equivalents for the time being) or worse; provided that a Rating Downgrade otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Restructuring Event if the Rating Agency making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the applicable Restructuring Event shall have occurred at the time of the Rating Downgrade);

a **Restructuring Event** shall be deemed to have occurred at each time (whether or not approved by the Board of Directors of the Issuer) that any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), or any persons acting on behalf of any such person(s), at any time is/are or become(s)

interested (within the meaning of Part VI of the Companies Act 1985) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer; and

Restructuring Period means the period ending 90 days after the public announcement of the Restructuring Event having occurred (or such longer period in which the Rated Securities or Rateable Debt, as the case may be, is or are under consideration (announced publicly within the first mentioned period) for rating review or, as the case may be, rating by a Rating Agency).