



Tesco Property Finance 1 plc

£ 430,650,000 Secured 7.6227 per cent. Bonds due 15 October 2039

Issuer and Partnership Quarterly Report for the period covering Jan 2018 to Apr 2018

IPD 32

| | |
|----------------------------|-----------|
| Report Date | 06-Apr-18 |
| Loan Interest Payment Date | 10-Apr-18 |
| Calculation Date | 06-Apr-18 |
| Interest Payment Date | 13-Apr-18 |

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 Teesport Rent Account
- 7 Teesport VAT Account
- 8 Teesport Transaction Account
- 9 Teesport General Partner Corporation Tax Reserve Account
- 10 Development Reserve Account
- 11 Teesport Partnership Pre-Enforcement Priority of Payments
- 12 Issuer Transaction Account
- 13 Issuer Pre-Enforcement Priority of Payments
- 14 Note Information

Prepared by HSBC Bank plc acting as Cash Manager for and on behalf of Tesco Property Finance 1 plc, The Tesco Blue Limited Partnership, The Teesport Limited Partnership, Tesco Blue (Nominee 1) Limited, Tesco Blue (Nominee 2) Limited, Tesco Blue (GP) Limited and Teesport (GP) Limited.

1. Partnership Rent Account

| Opening Balance | | | |
|-----------------|------------------------------------|--------------|-------|
| | | - | Cr |
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| 22-Mar-18 | Rent Received | 6,818,783.21 | Cr |
| 10-Apr-18 | To Partnership Transaction Account | 6,818,783.21 | Dr |
| Closing Balance | | 0.00 | Cr |

2. Partnership VAT Account

| Opening Balance | | | |
|-----------------|-------------------------------------|--------------|-------|
| | | 1,364,066.94 | Cr |
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| 25-Jan-18 | HMRC | 1,310,429.64 | Dr |
| 22-Mar-18 | Tesco | 1,363,756.66 | Cr |
| 10-Apr-18 | Transfer to Partnership Transaction | - | Dr |
| Closing Balance | | 1,417,393.96 | Cr |

3. Partnership Transaction Account

| Opening Balance | | | |
|-----------------|----------------------------------|--------------|-------|
| | | 401,223.88 | Cr |
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| 10-Apr-18 | Rental income | 6,818,783.21 | Cr |
| 10-Apr-18 | Partnership Swap | 739,379.83 | Cr |
| 10-Apr-18 | Security Trustee Fee | 1,500.00 | Dr |
| 10-Apr-18 | Expenses | 19,444.82 | Dr |
| 10-Apr-18 | Ongoing Fee | 21,761.80 | Dr |
| 10-Apr-18 | Partnership Debt | 5,971,409.31 | Dr |
| 10-Apr-18 | Partnership Debt Principal | 1,809,973.60 | Dr |
| 10-Apr-18 | Property Pool Manager Fee | 102,080.44 | Dr |
| 10-Apr-18 | Interpartnership Loan Principal | 366,783.05 | Cr |
| 10-Jan-18 | Partnership Distribution Account | 0.00 | Dr |
| Closing Balance | | 400,000.00 | Cr |

4. General Partner Corporation Tax Reserve Account

| Opening Balance | | | |
|-----------------|---------------|------------|-------|
| | | 0.00 | Cr |
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| | | | |
| Closing Balance | | 0.00 | Cr |

4A. Partnership Expenses Reserve Ledger - Max GBP 400,000.00

| | | | |
|--|-----------------|------------|----|
| | Opening Balance | 400,000.00 | |
| | | | |
| | Balance | 400,000.00 | Cr |

5. Partnership Pre-Enforcement Priority of Payments

| Date | | Funds PAJd Out of account (£) | Funds Received into account (£) |
|-----------|---|-------------------------------|---------------------------------|
| 10-Apr-18 | Partnership Available Funds | | |
| | a Rental Income | | 6,818,783.21 |
| | b Principal from Teesport Partnership pursuant to Interpartnership Loan | | 366,783.05 |
| | c Funds from Issuer under Partnership Swaps | | 7,414,677.67 |
| | d Recived from Issuer Holdco Teesport Gen Partner or Tessport JPUT | | - |
| | e From Partnership VAT Account | | - |
| | f From Partnership Disposal Proceeds Account | | - |
| | g From Partnership Insurance Proceeds Account | | - |
| | h Interest received by the Partnership Accounts and Rent Account | | - |
| | i Eligible Investment Earnings by Partnership | | - |
| | j Teesport Indirect Interest as notified by Teesport GP or Teesport JPUT | | - |
| | k Advance under Committed Subordinated Loan Agreement | | - |
| | l Net proceeds of a CPO Disposal or a Mortgage Property | | - |
| | m Net proceeds of a disposal of a Mortgage Property | | - |
| | n Any net proceeds of a disposal of the Teesport Indirect Interest | | - |
| | o Any other sums standing to the credit of the Partnership Transaction Ac | | 1,223.88 |
| | Partnership Pre-Enforcement Priority of Payments | | |
| | a Partnership Security Trustee Fees | 1,500.00 | |
| | Issuer Security Trustee Fee, Bond Trustee , Issuer Operating Fee, Issuer | | |
| | b Profit (Ongoing Partnership Facility Fee) | 17,709.32 | |
| | c Partnership Operating Expenses | 18,553.93 | |
| | c Teesport JPUT Trustee Operating Expenses | - | |
| | d Partnership Operator Fee | 890.89 | |
| | d Property Advisor Fee | - | |
| | d Nominees Corporate Services Provider Fee | - | |
| | d Nominees Holdco Corporate Services Provider Fee | - | |
| | d Depot Propco Corporate Services Provider Fee | - | |
| | d Nominees Side Letter payments | - | |
| | d Nominees Holdco Side Letter payments | - | |
| | d Account Bank Fee | - | |
| | d Cash Manager Fee | - | |
| | d Account Bank, PPA CM, Issuer CSP Fee (Ongoing Partnership Facility Fee) | 4,052.48 | |
| | d Headlease payment | - | |
| | e Partnership Expenses Ledger payment | - | |
| | f Partnership Debt Interest | 5,971,409.31 | |
| | f Partnership Swap payment | 6,675,297.84 | |
| | g Interpartnership Loan Advance | - | |
| | g Partnership Debt Principal | 1,809,973.60 | |
| | h Partnership Swap Termination Amount | - | |
| | i Property Pool Manager Fee | 102,080.44 | |
| | j Partnership Expenses Ledger payment | - | |
| | k Alteration Adjustment Rent | - | |
| | k Substitution Adjustment Rent | - | |
| | l Committed Subordinated Loan payment | - | |
| | m Remaining Partnership Loan Notes payment | - | |
| | n Partnership Distribution Account | - | |
| | Totals | 14,601,467.81 | 14,601,467.81 |

6. Teesport Rent Account

| | | | |
|-----------|----------------------------------|--------------|---------|
| | Opening Balance | | 0.00 Cr |
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| 22-Mar-18 | Rent Received | 1,610,891.32 | Cr |
| 10-Apr-18 | Transfer to Transaction Account. | 1,610,891.32 | Dr |
| | Closing Balance | 0.00 | Cr |

7. Teesport VAT Account

| Opening Balance | | | | 323,987.93 Cr |
|-----------------|--|------------|-------|---------------|
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR | |
| 25-Jan-18 | VAT Payment | 318,440.92 | Dr | |
| 22-Mar-18 | VAT Funding | 322,178.27 | Cr | |
| 10-Apr-18 | Transfer to the Teesport Transaction account | 0.00 | Dr | |
| Closing Balance | | | | 327,725.28 Cr |

8. Teesport Transaction Account

| Opening Balance | | | | 99,379.87 Cr |
|-----------------|---|--------------|-------|--------------|
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR | |
| 10-Oct-17 | Payment from the VAT account | 0.00 | Cr | |
| 08-Jan-18 | Credit Interest | 338.10 | Cr | |
| 10-Apr-18 | Credit from Teesport Partnership Rent Account | 1,610,891.32 | Cr | |
| 10-Apr-18 | Swaps | 175,801.71 | Cr | |
| 10-Apr-18 | Ongoing Fee | 5,088.20 | Dr | |
| 10-Apr-18 | Expenses | 19,154.75 | Dr | |
| 10-Apr-18 | Loan Interest and Principal | 1,396,198.23 | Dr | |
| 10-Apr-18 | Interpartnership Loan Principal | 366,783.05 | Dr | |
| Closing Balance | | | | 99,186.77 Cr |

9. Teesport General Partner Corporation Tax Reserve Account

| Opening Balance | | | | 0.00 Cr |
|-----------------|---------------|------------|-------|---------|
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR | |
| | | | | |
| Closing Balance | | | | 0.00 Cr |

Teesport Partnership Expenses Reserve Ledger - Max GBP 100,000.00

| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR | |
|-----------|-------------------------|------------|-------|--|
| | Ledger Receipts to date | 99,379.87 | | |
| 10-Apr-18 | Ledger payment | - 193.10 | CR | |
| | Balance | 99,186.77 | Cr | |

10. Development Reserve Account

| Opening Balance | | | | 0.00 Cr |
|-----------------|---------------|------------|-------|---------|
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR | |
| | | | | |
| Closing Balance | | | | 0.00 Cr |

11. Teesport Partnership Pre-Enforcement Priority of Payments

| Date | | Funds PAJd Out of account (£) | Funds Received into account (£) |
|-----------|---|-------------------------------|---------------------------------|
| 10-Apr-18 | Teesport Partnership Available Funds | | |
| | a Rental Income | | 1,610,891.32 |
| | b Advance from Partnership to the Teesport Partnership per Interpart Loan | | - |
| | c Funds from Issuer under Teesport Partnership Swaps | | 1,762,981.28 |
| | d From Teesport Partnership VAT Account | | - |
| | e From Teesport Partnership Disposal Proceeds Account | | - |
| | f From Teesport Partnership Insurance Proceeds Account | | - |
| | g Interest received by the Teesport Partnership Accounts and Rent Account | | - |
| | h Eligible Investment Earnings by Teesport Partnership | | - |
| | i Advance under Committed Subordinated Loan Agreement | | - |
| | j Net proceeds of a CPO Disposal or a Mortgage Property | | - |
| | k Net proceeds of a disposal of Teesport Distribution Centre | | - |
| | l Any other sums standing to the credit of the Teesport Partnership | | 531.20 |
| | Transaction Ac | | |
| | Teesport Partnership Pre-Enforcement Priority of Payments | | |
| | a Partnership Security Trustee Fees | | - |
| | Issuer Security Trustee Fee, Bond Trustee Fee Issuer Operating Fee, Issuer Profit | | - |
| | b (Ongoing Teesport Partnership Facility Fee) | 4,140.68 | |
| | c Teesport Partnership Operating Expenses | 19,154.75 | |
| | d Teesport Partnership Operator Fee | - | |
| | d Property Advisor Fee | - | |
| | d Nominees Corporate Services Provider Fee | - | |
| | d Nominees Holdco Corporate Services Provider Fee | - | |
| | d Nominees Side Letter payments | - | |
| | d Nominees Holdco Side Letter payments | - | |
| | d Account Bank Fee | - | |
| | d Cash Manager Fee | - | |
| | d (Ongoing Teesport Partnership Facility Fee) | 947.52 | |
| | d Teesport Distribution Centre Ground Rent payment | - | |
| | e Teesport Partnership Loan Interest | 1,396,198.23 | |
| | e Teesport Partnership Swap payment | 1,587,179.57 | |
| | f Teesport Partnership Loan Principal | - | |
| | f Interpartnership Loan Principal | 366,783.05 | |
| | g Teesport Partnership Swap Termination Amount | - | |
| | h Property Pool Manager Fee | - | |
| | i Teesport Partnership Expenses Ledger payment | - | |
| | j Alteration Adjustment Rent | - | |
| | j Substitution Adjustment Rent | - | |
| | k Committed Subordinated Loan payment | - | |
| | l Teesport Partnership Distribution Account | - | |
| | Totals | 3,374,403.80 | 3,374,403.80 |

12. Issuer Transaction Account

| 12. Issuer Transaction Account | | | |
|--------------------------------|---|--------------|-------|
| Opening Balance | | 271,664.60 | Cr |
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| 09-Apr-18 | Credit Interest | 120.22 | CR |
| 10-Apr-18 | Swap | 915,181.54 | Dr |
| 10-Apr-18 | Swap | 915,181.54 | Cr |
| 13-Apr-18 | Loan and Debt Payments | 9,177,581.14 | Cr |
| 13-Apr-18 | Ongoing Fees | 20,600.00 | Cr |
| 13-Apr-18 | Fees of the Issuer | 20,600.00 | Dr |
| 13-Apr-18 | Bond Payments | 9,177,580.81 | Dr |
| 13-Apr-18 | Issuer Profit (received as part of Ongoing Fee) | 6,250.00 | Cr |
| Closing Balance | | 278,035.15 | Cr |

13. Issuer Pre-Enforcement Priority of Payments

| Date | | Funds PAJd Out of account (£) | Funds Received into account (£) |
|-----------|---|-------------------------------|---------------------------------|
| 13-Apr-18 | | | |
| | Issuer Available Funds | | |
| | a Funds due to Issuer under Partnership Swap Agreement | | 6,675,297.84 |
| | b Amounts due to Issuer in respect of Partnership Debt | | 7,781,382.91 |
| | b Ongoing Partnership Facility Fee | | 21,761.80 |
| | c Funds Due to Issuer under Teesport Partnership Swap Agreement | | 1,587,179.57 |
| | d All amounts payable to Issuer in respect of Teesport Partnership Loan | | 1,396,198.23 |
| | d Ongoing Teesport Partnership Facility Fee | | 5,088.20 |
| | e Any amount due to Issuer under Issuer Swap Agreement | | 9,177,658.95 |
| | f Interest Received by Issuer on Transaction Account | | - |
| | g Eligible Investment Earnings | | - |
| | 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 (Reserved) | 12,900.00 | |
| | b Issuer Profit | 6,250.00 | |
| | c Issuer/Issuer Holdco Corporate Services Provider Fee | - | |
| | c Paying Agent Fee | 500.00 | |
| | c Account Bank Fee | 750.00 | |
| | c Cash Manager Fee | 3,750.00 | |
| | d Bond Interest | 7,367,607.81 | |
| | d Bond Principal | 1,809,973.00 | |
| | d Issuer Swap Provider | 8,262,477.41 | |
| | d Partnership Swap payment | 7,414,677.67 | |
| | d Teesport Partnership Swap payment | 1,762,981.28 | |
| | e Issuer Swap Subordinated Amounts | - | |
| | f Issuer Partnership Swap Termination Amount | - | |
| | f Issuer Teesport Partnership Swap Termination Amount | - | |
| | g Issuer Transaction Account | - | |
| | Totals | 26,644,567.17 | 26,644,567.50 |

14. Note Information

| | |
|------------------------|----------------------|
| Listing | Irish Stock Exchange |
| <u>Original Rating</u> | |
| Moody's | Ba1 |
| Standard and Poor's | BB+ |
| Fitch | BB+ |
| Offered Date | 25-Jun-09 |
| Expected Maturity | 13-Apr-39 |
| Issue Amount | £430,650,000 |
| ISIN code | XS0425412227 |
| Interest Rate | 7.6227% |
| Current Factor | 0.901869738766980 |
| Next Factor | 0.897745447579241 |

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.