

**Tesco Property Finance 1 plc**

**£ 430,650,000 Secured 7.6227 per cent. Bonds due 13 April 2039**

**Issuer and Partnership Quarterly Report for the period covering April 2010 to July 2010**

**IPD 3**

Report Date	13-Jul-10
Loan Interest Payment Date	12-Jul-10
Calculation Date	08-Jul-10
Interest Payment Date	13-Jul-10

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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 69601986**

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
23-Jun-10	Rent Received	5,596,323.49	Cr
12-Jul-10	Transfer to VAT Account	0.00	Dr
12-Jul-10	To Partnership Transaction Account	5,596,323.49	Dr
Closing Balance		<u>0.00</u>	Cr

**2. Partnership VAT Account 69601943**

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
23-Jun-10	VAT Funding	979,356.64	Cr
Closing Balance		<u>979,356.64</u>	Cr

**3. Partnership Transaction Account 69601935**

Opening Balance		400,000.04 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Jul-10	Credit Interest on Partnership Accounts	648.91	Cr
12-Jul-10	Credit from Partnership Rent Account	5,596,323.49	Cr
12-Jul-10	Partnership Swap	1,937,465.61	Cr
12-Jul-10	Security Trustee Fee	7,154.01	Dr
12-Jul-10	Expenses	16,665.32	Dr
12-Jul-10	Partnership Debt	6,586,547.46	Dr
12-Jul-10	Loan Advance	828,130.21	Dr
12-Jul-10	Distribution Account	95,941.05	Dr
Closing Balance		<u>400,000.00</u>	Cr

**4. General Partner Corporation Tax Reserve Account 69601978**

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
Closing Balance		<u>0.00</u>	Cr

**5. Partnership Pre-Enforcement Priority of Payments**

Date		Funds Paid Out of account (£)	Funds Received into account (£)
12-Jul-10	<p><b>Partnership Available Funds</b></p> <p>a Rental Income</p> <p>b Principal from Teesport Partnership pursuant to Interpartnership Loan</p> <p>c Funds from Issuer under Partnership Swaps</p> <p>d Recived from Issuer Holdco Teesport Gen Partner or Tesson JPUT</p> <p>e From Partnership VAT Account</p> <p>f From Partnership Disposal Proceeds Account</p> <p>g From Partnership Insurance Proceeds Account</p> <p>h Interest received by the Partnership Accounts and Rent Account</p> <p>i Eligible Investment Earnings by Partnership</p> <p>j Teesport Indirect Interest as notified by Teesport GP or Teesport JPUT</p> <p>k Advance under Committed Subordinated Loan Agreement</p> <p>l Net proceeds of a CPO Disposal or a Mortgage Property</p> <p>m Net proceeds of a disposal of a Mortgage Property</p> <p>n Any net proceeds of a disposal of the Teesport Indirect Interest</p> <p>o Any other sums standing to the credit of the Partnership Transaction Ac</p> <p><b>Partnership Pre-Enforcement Priority of Payments</b></p> <p>a Partnership Security Trustee Fees</p> <p>b Issuer Security Trustee Fee, Bond Trustee , Issuer Operating Fee, Issuer Profit (Ongoing Partnership Facility Fee)</p> <p>c Partnership Operating Expenses</p> <p>c Teesport JPUT Trustee Operating Expenses</p> <p>d Partnership Operator Fee</p> <p>d Property Advisor Fee</p> <p>d Nominees Corporate Services Provider Fee</p> <p>d Nominees Holdco Corporate Services Provider Fee</p> <p>d Depot Propco Corporate Services Provider Fee</p> <p>d Nominees Side Letter payments</p> <p>d Nominees Holdco Side Letter payments</p> <p>d Account Bank Fee</p> <p>d Cash Manager Fee</p> <p>d Account Bank, PPA CM, Issuer CSP Fee (Ongoing Partnership Facility Fee)</p> <p>d Headlease payment</p> <p>e Partnership Expenses Ledger payment</p> <p>f Partnership Debt Interest</p> <p>f Partnership Swap payment</p> <p>g Interpartnership Loan Advance</p> <p>g Partnership Debt Principal</p> <p>h Partnership Swap Termination Amount</p> <p>i Property Pool Manager Fee</p> <p>j Partnership Expenses Ledger payment</p> <p>k Alteration Adjustment Rent</p> <p>k Substitution Adjustment Rent</p> <p>l Committed Subordinated Loan payment</p> <p>m Remaining Partnership Loan Notes payment</p> <p>n Partnership Distribution Account</p> <p><b>Totals</b></p>		<p>5,596,323.49</p> <p>7,414,677.67</p> <p>648.91</p> <p>400,000.04</p> <p>7,154.01</p> <p>7,987.50</p> <p>8,677.82</p> <p>6,250.00</p> <p>6,586,547.46</p> <p>5,477,212.06</p> <p>828,130.21</p> <p>393,750.00</p> <p>95,941.05</p> <p>13,411,650.11</p> <p>13,411,650.11</p>

**6. Teesport Rent Account 69601994**

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
22-Jun-10	Rent Received	1,322,093.50	Cr
	Transfer to VAT Account (correction)	0.00	Dr
12-Jul-10	Transfer to Transaction Account.	1,322,093.50	Dr
	Closing Balance	<u>0.00</u>	Cr

**7. Teesport VAT Account 69602019**

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
23-Jun-10	VAT Funding	231,366.36	Cr
	Closing Balance	<u>231,366.36</u>	Cr

**8. Teesport Transaction Account 69602000**

Opening Balance		100,000.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Jul-10	Interest	858.93	Cr
12-Jul-10	Credit from Teesport Partnership Rent Account	1,322,093.50	Cr
12-Jul-10	Advance from Blue	828,130.21	Cr
12-Jul-10	Swaps	460,505.70	Cr
12-Jul-10	Security Trustee Fee	1,739.74	Dr
12-Jul-10	Expenses	8,870.07	Dr
12-Jul-10	Loan Interest and Principal	2,591,033.13	Dr
12-Jul-10	Distribution Account	9,945.40	Dr
	Closing Balance	<u>100,000.00</u>	Cr

**9. Teesport General Partner Corporation Tax Reserve Account 69602035**

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
	Closing Balance	<u>0.00</u>	Cr

**10. Development Reserve Account 69602043**

Opening Balance		2,312,184.95 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
20/01/2010	Drawdown 7	85,769.00	Dr
10/02/2010	Drawdown 8	74,574.00	Dr
	Closing Balance	<u>2,151,841.95</u>	Cr

**11. Teesport Partnership Pre-Enforcement Priority of Payments**

Date		Funds Paid Out of account (£)	Funds Received into account (£)
12-Jul-10	<b>Teesport Partnership Available Funds</b>		
	a Rental Income		1,322,093.50
	b Advance from Partnership to the Teesport Partnership per Interpart Loan		828,130.21
	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 Transaction		
	Ac		100,858.93
	<b>Teesport Partnership Pre-Enforcement Priority of Payments</b>		
	a Partnership Security Trustee Fees		
	b Issuer Security Trustee Fee, Bond Trustee Fee Issuer Operating Fee, Issuer Profit (Ongoing Teesport Partnership Facility Fee)	1,739.74	
	c Teesport Partnership Operating Expenses	6,755.00	
	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 Issuer/Issuer Holdco CSP Fee, Paying Agent Account Bank, Cash Manager (Ongoing Teesport Partnership Facility Fee)	2,115.07	
	d Teesport Distribution Centre Ground Rent payment		
	e Teesport Partnership Loan Interest	1,582,889.13	
	e Teesport Partnership Swap payment	1,302,475.58	
	f Teesport Partnership Loan Principal	1,008,144.00	
	f Interpartnership Loan Principal		
	g Teesport Partnership Swap Termination Amount		
	h Property Pool Manager Fee		
	i Teesport Partnership Expenses Ledger payment	100,000.00	
	j Alteration Adjustment Rent		
	j Substitution Adjustment Rent		
	k Committed Subordinated Loan payment		
	l Teesport Partnership Distribution Account	9,945.40	
	<b>Totals</b>	4,014,063.92	4,014,063.92

**12. Issuer Transaction Account 69601927**

Opening Balance		1.73 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
	From Close	32,363.90	Cr
07-Oct-09	Credit interest	12.92	Cr
13-Oct-09	Issuer Profit	6,250.00	Cr
13-Oct-09	Issuer Operating Expenses (Reserved)	46,270.00	Cr
13-Jan-10	Issuer Profit	6,250.00	Cr
07-Jan-10	Credit interest	71.51	Cr
07-Apr-10	Credit Interest	109.26	Cr
13-Apr-10	Issuer Profit	6,250.00	Cr
07-Jul-10	Credit interest	47.18	Cr
13-Jul-10	Swap	0.00	Cr
13-Jul-10	Loan and Debt Payments	9,177,580.59	Cr
13-Jul-10	Ongoing Fees	19,686.64	Cr
13-Jul-10	Fees of the Issuer	13,456.25	Dr
13-Jul-10	Bond Payments	9,177,580.59	Dr
13-Jul-10	Issuer Profit	6,250.00	Cr
13-Jul-10	Additional	161.16	Cr
Closing Balance		70,894.77	Cr

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

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Jul-10	<b>Issuer Available Funds</b>		
	a Funds due to Issuer under Partnership Swap Agreement		5,477,212.06
	b Amounts due to Issuer in respect of Partnership Debt		6,586,547.46
	b Ongoing Partnership Facility Fee		15,831.83
	c Funds Due to Issuer under Teesport Partnership Swap Agreement		1,302,475.58
	d All amounts payable to Issuer in respect of Teesport Partnership Loan		2,591,033.13
	d Ongoing Teesport Partnership Facility Fee		3,854.81
	e Any amount due to Issuer under Issuer Swap Agreement		9,177,658.95
	f Interest Received by Issuer on Transaction Account		180.77
	g Eligible Investment Earnings		
	<b>Issuer Pre-Enforcement Priority of Payments</b>		
	a Bond Trustee Fee	1,175.00	
	a Issuer Security Trustee Fee	1,468.75	
	b Issuer Operating Expenses (Reserved)	0.00	
	b Issuer Profit	6,250.00	
	c Issuer/Issuer Holdco Corporate Services Provider Fee	5,812.50	
	c Paying Agent Fee	500.00	
	c Account Bank Fee	750.00	
	c Cash Manager Fee	3,750.00	
	d Bond Interest	8,169,436.59	
	d Bond Principal	1,008,144.00	
	d Issuer Swap Provider	6,779,687.64	
	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	161.16	
	<b>Totals</b>	25,154,794.59	25,154,794.60

## 14. Note Information

Listing	Irish Stock Exchange
<u>Original Rating</u>	
Moody's	A3
Standard and Poor's	A-
Fitch	A-
Offered Date	25-Jun-09
Expected Maturity	13-Apr-39
Issue Amount	£430,650,000
ISIN code	XS0425412227
Interest Rate	7.6227%
Current Factor	0.99540477186
Next Factor	0.99536181354

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