



## 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 July 2017 to Oct 2017

IPD 32

|                            |           |
|----------------------------|-----------|
| Report Date                | 08-Jan-18 |
| Loan Interest Payment Date | 10-Jan-18 |
| Calculation Date           | 08-Jan-18 |
| Interest Payment Date      | 15-Jan-18 |

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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**

| Opening Balance |                                    |              |       |
|-----------------|------------------------------------|--------------|-------|
|                 |                                    | -            | Cr    |
| DATE            | ENTRY DETAILS                      | AMOUNT (£)   | CR/DR |
| 21-Dec-17       | Rent Received                      | 6,818,783.21 | Cr    |
| 10-Jan-18       | To Partnership Transaction Account | 6,818,783.21 | Dr    |
| Closing Balance |                                    | 0.00         | Cr    |

**2. Partnership VAT Account**

| Opening Balance |                                     |              |       |
|-----------------|-------------------------------------|--------------|-------|
|                 |                                     | 1,363,756.66 | Cr    |
| DATE            | ENTRY DETAILS                       | AMOUNT (£)   | CR/DR |
| 31-Oct-17       | HMRC                                | 1,363,446.38 | Dr    |
| 21-Dec-17       | Tesco                               | 1,363,756.66 | Cr    |
| 10-Jan-18       | Transfer to Partnership Transaction | -            | Dr    |
| Closing Balance |                                     | 1,364,066.94 | Cr    |

**3. Partnership Transaction Account**

| Opening Balance |                                  |              |       |
|-----------------|----------------------------------|--------------|-------|
|                 |                                  | 400,001.00   | Cr    |
| DATE            | ENTRY DETAILS                    | AMOUNT (£)   | CR/DR |
| 08-Jan-18       | Credit Interest                  | 818.47       | Cr    |
| 10-Jan-18       | Rental income                    | 6,818,783.21 | Cr    |
| 10-Jan-18       | Partnership Swap                 | 739,379.83   | Cr    |
| 10-Jan-18       | Security Trustee Fee             | 1,500.00     | Dr    |
| 10-Jan-18       | Expenses                         | 14,424.37    | Dr    |
| 10-Jan-18       | Ongoing Fee                      | 11,318.50    | Dr    |
| 10-Jan-18       | Partnership Debt                 | 6,005,256.51 | Dr    |
| 10-Jan-18       | Partnership Debt Principal       | 1,776,126.41 | Dr    |
| 10-Jan-18       | Property Pool Manager Fee        | 90,124.73    | Dr    |
| 10-Jan-18       | Interpartnership Loan Principal  | 366,783.05   | Cr    |
| 10-Jan-18       | Partnership Distribution Account | 27,014.04    | Dr    |
| Closing Balance |                                  | 400,001.00   | 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-Jan-18 | <b>Partnership Available Funds</b>  |                               |                                 |
|           | 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          |                               | 818.47                          |
|           | 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 |                               | -                               |
|           | <b>Partnership Pre-Enforcement Priority of Payments</b>                   |                               |                                 |
|           | a Partnership Security Trustee Fees                                       | 1,500.00                      |                                 |
|           | Issuer Security Trustee Fee, Bond Trustee , Issuer Operating Fee, Issuer  |                               |                                 |
|           | b Profit (Ongoing Partnership Facility Fee)                               | 7,261.69                      |                                 |
|           | c Partnership Operating Expenses  | 13,274.30                     |                                 |
|           | c Teesport JPUT Trustee Operating Expenses                                | -                             |                                 |
|           | d Partnership Operator Fee  | 1,150.07                      |                                 |
|           | 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) | 4,056.81                      |                                 |
|           | d Headlease payment   | -                             |                                 |
|           | e Partnership Expenses Ledger payment                                     | -                             |                                 |
|           | f Partnership Debt Interest   | 6,005,256.51                  |                                 |
|           | f Partnership Swap payment  | 6,675,297.84                  |                                 |
|           | g Interpartnership Loan Advance   | -                             |                                 |
|           | g Partnership Debt Principal  | 1,776,126.41                  |                                 |
|           | h Partnership Swap Termination Amount                                     | -                             |                                 |
|           | i Property Pool Manager Fee   | 90,124.73                     |                                 |
|           | 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  | 27,014.04                     |                                 |
|           | <b>Totals</b>   | <b>14,601,062.40</b>          | <b>14,601,062.40</b>            |

### 6. Teesport Rent Account

| Opening Balance |                                  | 0.00         | Cr    |
|-----------------|----------------------------------|--------------|-------|
| DATE            | ENTRY DETAILS                    | AMOUNT (£)   | CR/DR |
| 21-Dec-17       | Rent Received                    | 1,610,891.32 | Cr    |
| 10-Jan-18       | Transfer to Transaction Account. | 1,610,891.32 | Dr    |
|                 | Closing Balance                  | 0.00         | Cr    |

**7. Teesport VAT Account**

| Opening Balance |  | 322,178.27 | Cr    |
|-----------------|--|------------|-------|
| DATE            | ENTRY DETAILS                                | AMOUNT (£) | CR/DR |
| 31-Oct-17       | VAT Payment                                  | 320,368.61 | Dr    |
| 21-Dec-17       | VAT Funding                                  | 322,178.27 | Cr    |
| 10-Jan-18       | Transfer to the Teesport Transaction account | 0.00       | Dr    |
| Closing Balance |  | 323,987.93 | Cr    |

**8. Teesport Transaction Account**

| Opening Balance |   | 97,502.89    | Cr    |
|-----------------|---|--------------|-------|
| DATE            | ENTRY DETAILS                                 | AMOUNT (£)   | CR/DR |
| 10-Oct-17       | Payment from the VAT account                  | 0.00         | Cr    |
| 10-Jan-18       | Credit from Teesport Partnership Rent Account | 1,610,891.32 | Cr    |
| 10-Jan-18       | Swaps   | 175,801.71   | Cr    |
| 10-Jan-18       | Ongoing Fee                                   | 2,631.50     | Dr    |
| 10-Jan-18       | Expenses                                      | 19,435.81    | Dr    |
| 10-Jan-18       | Loan Interest and Principal                   | 1,396,198.23 | Dr    |
| 10-Jan-18       | Interpartnership Loan Principal               | 366,783.05   | Dr    |
| Closing Balance |   | 99,147.33    | 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 |
|-----------|-------------------------|------------|-------|
| 10-Jan-18 | Ledger Receipts to date | 97,502.89  |       |
|           | Ledger payment          | 1,644.44   | CR    |
| Balance   |                         | 99,147.33  | 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<br>account (£) | Funds Received<br>into account (£) |
|-----------|---|----------------------------------|------------------------------------|
| 10-Jan-18 | <b>Teesport Partnership Available Funds</b>                                       |                                  |                                    |
|           | 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               |                                  | -                                  |
|           | m Transaction Ac  |                                  | -                                  |
|           | <b>Teesport Partnership Pre-Enforcement Priority of Payments</b>                  |                                  |                                    |
|           | a Partnership Security Trustee Fees   | -                                |                                    |
|           | Issuer Security Trustee Fee, Bond Trustee Fee Issuer Operating Fee, Issuer Profit |                                  |                                    |
|           | b (Ongoing Teesport Partnership Facility Fee)                                     | 1,688.31                         |                                    |
|           | c Teesport Partnership Operating Expenses   | 12,923.51                        |                                    |
|           | 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)                                     | 943.19                           |                                    |
|           | 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   | 6,512.30                         |                                    |
|           | i Teesport Partnership Expenses Ledger payment                                    | 1,644.44                         |                                    |
|           | j Alteration Adjustment Rent  | -                                |                                    |
|           | j Substitution Adjustment Rent  | -                                |                                    |
|           | k Committed Subordinated Loan payment   | -                                |                                    |
|           | l Teesport Partnership Distribution Account                                       | -                                |                                    |
|           | <b>Totals</b>   | <b>3,373,872.60</b>              | <b>3,373,872.60</b>                |

**12. Issuer Transaction Account**

| DATE      | ENTRY DETAILS                                   | AMOUNT (£)   | CR/DR |
|-----------|---|--------------|-------|
|           | Opening Balance                                 | 264,091.61   | Cr    |
| 10-Jul-17 | Swap  | 915,181.54   | Dr    |
| 10-Jul-17 | Swap  | 915,181.54   | Cr    |
| 13-Jul-17 | Loan and Debt Payments                          | 9,177,581.15 | Cr    |
| 13-Jul-17 | Ongoing Fees                                    | 7,700.00     | Cr    |
| 13-Jul-17 | Fees of the Issuer                              | 7,700.00     | Dr    |
| 13-Jul-17 | Bond Payments                                   | 9,177,581.00 | Dr    |
| 13-Jul-17 | Issuer Profit (received as part of Ongoing Fee) | 6,250.00     | Cr    |
|           | Closing Balance                                 | 270,341.76   | Cr    |

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

| Date      |   | Funds PAJd Out of account (£) | Funds Received into account (£) |
|-----------|---|-------------------------------|---------------------------------|
| 15-Jan-18 |   |                               |                                 |
|           | <b>Issuer Available Funds</b>   |                               |                                 |
|           | a Funds due to Issuer under Partnership Swap Agreement                  |                               | 6,675,297.84                    |
|           | b Amounts due to Issuer in respect of Partnership Debt                  |                               | 7,781,382.92                    |
|           | b Ongoing Partnership Facility Fee                                      |                               | 11,318.50                       |
|           | 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                             |                               | 2,631.50                        |
|           | 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  |                               | -                               |
|           | <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 (Reserved)                                  | -                             |                                 |
|           | 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   | 7,401,455.00                  |                                 |
|           | d Bond Principal  | 1,776,126.00                  |                                 |
|           | 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  | -                             |                                 |
|           | <b>Totals</b>   | <b>26,631,667.36</b>          | <b>26,631,667.51</b>            |

## 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    |

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