



Tesco Property Finance 2 plc

£ 564,500,000 Secured 6.0517 per cent. Bonds due 13 October 2039

Issuer and Partnership Quarterly Report for the period covering July 2012 to October 2012

IPD 11

| | |
|----------------------------|-----------|
| Report Date | 10-Oct-12 |
| Loan Interest Payment Date | 10-Oct-12 |
| Calculation Date | 08-Oct-12 |
| Interest Payment Date | 15-Oct-12 |

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Prepared by HSBC Bank plc acting as Cash Manager for and on behalf of Tesco Property Finance 2 plc,
The Tesco Atrato Limited Partnership,

1. Partnership Rent Account 69796072

| Opening Balance | | 0.04 Cr | |
|-----------------|------------------------------------|--------------|-------|
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| 23-Sep-09 | Initial Deposit on Closing Date | 5,000.00 | Cr |
| 26-Sep-12 | Rent | 8,414,913.00 | Cr |
| 10-Oct-12 | To Partnership Transaction Account | 8,414,913.00 | Dr |
| Closing Balance | | 5,000.04 | Cr |

2. Partnership VAT Account 69796099

| Opening Balance | | 1,758,144.47 Cr | |
|-----------------|---------------|-----------------|-------|
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| 27-Jul-12 | VAT Payment | 1,631,993.04 | Dr |
| 27-Sep-12 | VAT Funding | 1,682,982.60 | Cr |
| Closing Balance | | 1,809,134.03 | Cr |

3. Partnership Transaction Account 69796080

| 11-Jul-12 Opening Balance | | 83,414.32 Cr | |
|---------------------------|---------------------------------|---------------|-------|
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| | Property Advisor Fee (Reserved) | 0.00 | Cr |
| | | 0.00 | Cr |
| 06-Aug-12 | Tax refund | 132.70 | Cr |
| 08-Aug-12 | Tax refund | 127.88 | Cr |
| 08-Oct-12 | Credit Interest | 691.36 | Cr |
| 10-Oct-12 | Transfer from Rent | 8,414,913.00 | Cr |
| 10-Oct-12 | Trustee Fee | 1,500.00 | Dr |
| 10-Oct-12 | Ongoing Fee | 40,616.92 | Dr |
| 10-Oct-12 | Expenses | 86,114.26 | Dr |
| 10-Oct-12 | Partnership Swap payment | 1,993,272.34 | Cr |
| 10-Oct-12 | Partnership Debt | 10,258,558.41 | Dr |
| 10-Oct-12 | Property Advisor Fee | 0.00 | Dr |
| 10-Oct-12 | Transfer to General | 0.00 | Dr |
| Closing Balance | | 105,762.01 | Cr |

4. General Partner Corporation Tax Reserve Account 69796115

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

5. Partnership Pre-Enforcement Priority of Payments

| Date | | Funds Paid Out of account (£) | Funds Received into account (£) |
|-----------|--|-------------------------------|---------------------------------|
| 10-Oct-12 | Partnership Available Funds | | |
| | a Rental Income | | 8,414,913.00 |
| | b Funds from Issuer under Partnership Swaps | | 10,258,582.98 |
| | c From Partnership VAT Account | | - |
| | 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 | | 83,674.90 |
| | Partnership Pre-Enforcement Priority of Payments | | |
| | a Partnership Security Trustee Fees | 1,500.00 | |
| | b Issuer Security Trustee Fee, Bond Trustee, operating expenses of the Issuer (Ongoing Partnership Facility Fee) | 34,866.92 | |
| | c Partnership Operating Expenses excluding GP UK Tax | 54,000.00 | |
| | d Partnership Operator Fee | 27,614.26 | |
| | d Property Advisor Fee (Annual 25 K Jan) | - | |
| | d Nominees Corporate Services Provider Fee | 3,000.00 | |
| | d Nominees Holdco Corporate Services Provider Fee | 1,500.00 | |
| | 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) | 5,000.00 | |
| | d Headlease payment | - | |
| | e Partnership Expenses Ledger payment | 6,250.00 | |
| | f Partnership Debt Interest | 8,262,096.41 | |
| | f Partnership Swap payment | 8,265,310.64 | |
| | g Partnership Debt Principal | 1,996,462.00 | |
| | Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee) | 750.00 | |
| | i Partnership Swap Termination Amount | - | |
| | j Property Pool Manager Fee | 76,500.00 | |
| | k Partnership Expenses Ledger payment | 22,320.65 | |
| | l Alteration Adjustment Rent | - | |
| | m Committed Subordinated Loan payment | - | |
| | n Partnership Distribution Account | - | |
| | Totals | 18,757,170.88 | 18,757,170.88 |

Expense Reserve Ledger - Max GBP 500,000.00

| | | |
|--|-----------|------------------|
| | Date | |
| | 10-Oct-12 | 28,570.65 Cr |
| | Balance | <u>28,570.65</u> |

6. Issuer Transaction Account 69796123

| Opening Balance | | 63,923.86 Cr | |
|-----------------|------------------|---------------|-------|
| DATE | ENTRY DETAILS | AMOUNT (£) | CR/DR |
| 01-Aug-12 | Credit interest | 134.43 | Cr |
| 03-Sep-12 | Credit interest | 8.69 | Cr |
| 01-Oct-12 | Credit interest | 7.37 | Cr |
| 15-Oct-12 | Swaps Receipts | 1,993,272.34 | Cr |
| 15-Oct-12 | Partnership Debt | 10,258,558.41 | Cr |
| 15-Oct-12 | Swap Pays | 1,993,272.34 | Dr |
| 15-Oct-12 | Ongoing Fee | 39,866.92 | Cr |
| 15-Oct-12 | HSBC Fee | 7,700.00 | Dr |
| 15-Oct-12 | SFM Fee | 32,166.92 | Dr |
| 15-Oct-12 | Issuer Profit | 750.00 | Cr |
| 15-Oct-12 | Notes | 10,258,558.40 | Dr |
| Closing Balance | | 64,824.36 | Cr |

7. Issuer Pre-Enforcement Priority of Payments

| Date | | Funds Paid Out of account (£) | Funds Received into account (£) |
|-----------|--|-------------------------------|---------------------------------|
| 15-Oct-12 | | | |
| | Issuer Available Funds | | |
| | a Funds due to Issuer under Partnership Swap Agreement | | 8,265,310.64 |
| | b Amounts due to Issuer in respect of Partnership Loan | | 10,299,175.33 |
| | c Any amount due to Issuer under Issuer Swap Agreement | | 10,258,582.98 |
| | d Interest Received by Issuer on Transaction Account | | 0.00 |
| | e Eligible Investment Earnings | | 0.00 |
| | 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 | 32,166.92 | |
| | c Issuer/Issuer Holdco Corporate Services Provider Fee | 0.00 | |
| | c Paying Agent Fee | 500.00 | |
| | c Account Bank Fee | 750.00 | |
| | c Cash Manager Fee | 3,750.00 | |
| | d Bond Interest | 8,262,096.40 | |
| | d Bond Principal | 1,996,462.00 | |
| | d Issuer Swap Provider | 8,265,310.64 | |
| | d Partnership Swap payment | 10,258,582.98 | |
| | e Issuer Profit | 750.00 | |
| | f Swap Subordinated Amounts | 0.00 | |
| | g Issuer Partnership Swap Termination Amount | 0.00 | |
| | h Issuer Transaction Account | 0.01 | |
| | Totals | 28,823,068.95 | 28,823,068.95 |

8. Note Information

Listing Irish Stock Exchange

Original Rating

| | |
|---------------------|-------------------|
| Moody's | A3 |
| Standard and Poor's | A- |
| Fitch | A- |
| Offered Date | 23-Sep-09 |
| Expected Maturity | 13-Oct-39 |
| Issue Amount | £564,500,000 |
| ISIN code | XS0347919028 |
| Interest Rate | 6.0517% |
| Current Factor | 0.967406302922941 |
| Next Factor | 0.963869612046058 |

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