



## Tesco Property Finance 3 plc

£ 958,450,000 Secured 5.744 per cent. Bonds due 13 April 2040

Issuer and Partnership Quarterly Report for the period covering July 2013 to October 2013

IPD 13

Report Date	09-Oct-13
Loan Interest Payment Date	10-Oct-13
Calculation Date	08-Oct-13
Interest Payment Date	14-Oct-13

Contents of the Report:

- 1 Partnership Rent Account
- 2 Partnership VAT Account
- 3 Partnership Transaction Account
- 4 General Partner Corporation Tax Reserve Account
- 5 General Partner VAT Transaction Account
- 6 Partnership Pre-Enforcement Priority of Payments
- 7 Issuer Transaction Account
- 8 Issuer Pre-Enforcement Priority of Payments
- 9 Bond Information

Prepared by HSBC Bank plc acting as Cash Manager for and on behalf of Tesco Property Finance 3 plc, The Tesco Passaic Limited Partnership, Tesco Passaic (Nominee 1) Limited, Tesco Passaic (Nominee 2) Limited and Tesco Passaic (GP) Limited.

**1. Partnership Rent Account 70295444**

Opening Balance		0.03 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Jul-10	Initial Deposit on Closing Date	5,000.00	Cr
26-Sep-13	Rent	13,694,529.62	Cr
10-Oct-13	To Partnership Transaction Account	13,694,529.62	Dr
Closing Balance		5,000.03	Cr

**2. Partnership VAT Account 70295460**

Opening Balance		2,741,791.15 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
29-Jul-13	VAT Payment	2,665,807.24	Dr
25-Sep-13	VAT Funding	2,738,905.96	Cr
Closing Balance		2,814,889.87	Cr

**3. Partnership Transaction Account 70295452**

Opening Balance		394,582.10 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Oct-13	Credit Interest	1,261.69	Cr
10-Oct-13	Transfer from Rent	13,694,529.62	Cr
10-Oct-13	Trustee Fee	1,500.00	Dr
10-Oct-13	Ongoing Fee	56,450.00	Dr
10-Oct-13	Expenses	82,951.40	Dr
10-Oct-13	Partnership Swap payment	1,027,559.10	Cr
10-Oct-13	Partnership Debt	14,456,591.11	Dr
10-Oct-13	Spen Hill	449,036.88	Dr
Closing Balance		71,403.12	Cr

**4. General Partner Corporation Tax Reserve Account 70295487**

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

**5. General Partner VAT Transaction Account 70298993**

Opening Balance		164,268.71 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Oct-13	Credit Interest	61.43	Cr
Closing Balance		164,330.14 Cr	

**Expense Reserve Ledger - Max GBP 500,000.00**

Date		10-Apr-13	
		70,141.43	Cr
Balance		70,141.43	

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

Date		Funds Paid Out of account (£)	Funds Received into account (£)
10-Apr-13	<b>Partnership Available Funds</b>		
	a Rental Income		13,694,529.62
	b Funds from Issuer under Partnership Swaps		14,456,632.00
	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		394,582.10
	<b>Partnership Pre-Enforcement Priority of Payments</b>		
	a Partnership Security Trustee Fees	1,500.00	
	b Issuer Security Trustee Fee, Bond Trustee, operating expenses of the Issuer (Ongoing Partnership Facility Fee)	50,700.00	
	c Partnership Operating Expenses excluding GP UK Tax	-	
	d Partnership Operator Fee	4,500.00	
	d Property Advisor Fee (Annual 25 K Jan)	-	
	d Nominees Corporate Services Provider Fee	4,500.00	
	d Nominees Holdco Corporate Services Provider Fee	69,451.40	
	d PL Propco Corporate Services Provider Fees	4,500.00	
	d Nominees Side Letter payments	-	
	d Nominees Holdco Side Letter payments	-	
	d Account Bank Fee	-	
	d Cash Manager Fee	-	
	Issuer Account Bank, PPA CM, CSP Fee (Ongoing Partnership Facility Fee)	5,000.00	
	d Headlease payment	-	
	e Partnership Expenses Ledger payment (max £6,250)	6,250.00	
	f Partnership Debt Interest	13,645,625.11	
	f Partnership Swap payment	13,429,072.90	
	g Partnership Debt Principal	810,966.00	
	Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee)	750.00	
	i Partnership Swap Termination Amount	-	
	j Property Pool Manager Fee	449,036.88	
	k Partnership Expenses Ledger payment	63,891.43	
	l Alteration Adjustment Rent	-	
	m Committed Subordinated Loan payment	-	
	n Partnership Distribution Account	-	
	<b>Totals</b>	<b>28,545,743.72</b>	<b>28,545,743.72</b>

**7. Issuer Transaction Account 70295495**

Opening Balance		28,713.72 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Oct-13	Credit Interest	308.51	Cr
14-Oct-13	Issuer Profit	0.00	Cr
14-Oct-13	Swaps Receipts	1,027,559.10	Cr
14-Oct-13	Partnership Debt	14,456,591.11	Cr
14-Oct-13	Swap Pays	1,027,559.10	Dr
14-Oct-13	Ongoing Fee	56,450.00	Cr
14-Oct-13	HSBC Fee	7,700.00	Dr
14-Oct-13	S&P	30,000.00	Dr
14-Oct-13	Fitch	18,000.00	Dr
14-Oct-13	Notes	14,456,591.11	Dr
Closing Balance		29,772.23	Cr

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

Date		Funds Paid Out of account (£)	Funds Received into account (£)
14-Oct-13	<b>Issuer Available Funds</b>		
	a Funds due to Issuer under Partnership Swap Agreement		13,429,072.90
	b Amounts due to Issuer in respect of Partnership Loan		14,513,041.11
	c Any amount due to Issuer under Issuer Swap Agreement		14,456,632.00
	d Interest Received by Issuer on Transaction Account		308.51
	e 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	48,000.00	
	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	13,645,625.11	
	d Bond Principal	810,966.00	
	d Issuer Swap Provider	13,429,072.90	
	d Partnership Swap payment	14,456,632.00	
	e Issuer Profit	750.00	
	f Swap Subordinated Amounts	-	
	g Issuer Partnership Swap Termination Amount	-	
	h Issuer Transaction Account	308.51	
	<b>Totals</b>	42,399,054.52	42,399,054.52

## 9. Bond Information

Listing	Irish Stock Exchange
<u>Original Rating</u>	
Moody's	A3
Standard and Poor's	A-
Fitch	A-
Offered Date	07 July 2010
Expected Maturity	13 April 2040
Issue Amount	£958,450,000
ISIN code	XS0512401976
Interest Rate	5.744% p.a.
Current Factor	0.991447070791382
Next Factor	0.990600948406281

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 FSA Rules, or any liability that it may incur under the FSA 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 Financial Services 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.