



## 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 2010 to October 2010

### IPD 1

Report Date	13-Oct-10
Loan Interest Payment Date	11-Oct-10
Calculation Date	08-Oct-10
Interest Payment Date	13-Oct-10

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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		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Jul-10	Initial Deposit on Closing Date	5,000.00	Cr
28-Sep-10	Rent	12,183,580.00	Cr
28-Sep-10	VAT Account Payment	2,132,126.53	Cr
11-Oct-10	To Partnership Transaction Account	12,183,580.00	Dr
Closing Balance		<u>2,137,126.53</u>	Cr

**2. Partnership VAT Account 70295460**

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

**3. Partnership Transaction Account 70295452**

Opening Balance		459,128.40 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Oct-10	Credit Interest	1,205.10	Cr
11-Oct-10	Transfer from Rent	12,183,580.00	Cr
11-Oct-10	Trustee Fee	1,468.75	Dr
11-Oct-10	Ongoing Fee	49,518.75	Dr
11-Oct-10	Mourants	18,327.43	Dr
11-Oct-10	Partnership Swap payment	2,509,373.74	Cr
11-Oct-10	Partnership Debt	14,670,815.09	Dr
11-Oct-10	Transfer to General	0.00	Dr
Closing Balance		<u>413,157.22</u>	Cr

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

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

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

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

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

Date  
11-Oct-10 247,034.26 Cr

Balance 247,034.26

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

Date		Funds Paid Out of account (£)	Funds Received into account (£)
11-Oct-10	<b>Partnership Available Funds</b>		
	a Rental Income		12,183,580.00
	b Funds from Issuer under Partnership Swaps		14,458,767.57
	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		1,205.10
	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		459,128.40
	<b>Partnership Pre-Enforcement Priority of Payments</b>		
	a Partnership Security Trustee Fees	1,468.75	
	b Issuer Security Trustee Fee, Bond Trustee, operating expenses of the Issuer (Ongoing Partnership Facility Fee)	43,768.75	
	c Partnership Operating Expenses excluding GP UK Tax	4,406.25	
	d Partnership Operator Fee	4,118.88	
	d Property Advisor Fee (Annual 25 K Jan)	-	
	d Nominees Corporate Services Provider Fee	5,683.42	
	d Nominees Holdco Corporate Services Provider Fee	2,841.71	
	d PL Propco Corporate Services Provider Fees	8,525.13	
	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 (max £6,250)	6,250.00	
	f Partnership Debt Interest	14,670,815.09	
	f Partnership Swap payment	11,949,393.83	
	g Partnership Debt Principal	-	
	h Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee)	750.00	
	i Partnership Swap Termination Amount	-	
	j Property Pool Manager Fee	158,875.00	
	k Partnership Expenses Ledger payment	240,784.26	
	l Alteration Adjustment Rent	-	
	m Committed Subordinated Loan payment	-	
	n Partnership Distribution Account	-	
	<b>Totals</b>	<b>27,102,681.07</b>	<b>27,102,681.07</b>

**7. Issuer Transaction Account 70295495**

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
	From Close	17,364.00	Cr
07-Oct-10	Credit interest	6.50	Cr
13-Oct-10	Swaps Receipts	2,509,373.74	Cr
13-Oct-10	Partnership Debt	14,670,815.09	Cr
13-Oct-10	Swap Pays	2,509,373.74	Dr
13-Oct-10	Ongoing Fee	49,518.75	Cr
13-Oct-10	HSBC Fee	7,643.75	Dr
13-Oct-10	SFM Fee	41,125.00	Dr
13-Oct-10	Issuer Fees	0.00	Dr
13-Oct-10	Notes	14,670,815.11	Dr
Closing Balance		18,120.48	Cr

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

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Oct-10	<b>Issuer Available Funds</b>		
	a Funds due to Issuer under Partnership Swap Agreement		11,949,393.83
	b Amounts due to Issuer in respect of Partnership Loan		14,720,333.84
	c Any amount due to Issuer under Issuer Swap Agreement		14,458,767.57
	d Interest Received by Issuer on Transaction Account		6.50
	e 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	41,125.00	
	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	14,670,815.10	
	d Bond Principal	-	
	d Issuer Swap Provider	11,949,393.83	
	d Partnership Swap payment	14,458,767.57	
	e Issuer Profit	750.00	
	f Swap Subordinated Amounts	-	
	g Issuer Partnership Swap Termination Amount	-	
	h Issuer Transaction Account	6.49	
	<b>Totals</b>	41,128,501.74	41,128,501.74

## 9. Bond Information

Listing Irish Stock Exchange

Original Rating

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 1.0000000000000000

Next Factor 1.0000000000000000

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