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 2011 to October 2011

IPD 5

<table>
<thead>
<tr>
<th>Report Date</th>
<th>07-Oct-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Interest Payment Date</td>
<td>10-Oct-11</td>
</tr>
<tr>
<td>Calculation Date</td>
<td>06-Oct-11</td>
</tr>
<tr>
<td>Interest Payment Date</td>
<td>13-Oct-11</td>
</tr>
</tbody>
</table>

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
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8 Issuer Pre-Enforcement Priority of Payments
9 Bond Information

### 1. Partnership Rent Account 70295444

<table>
<thead>
<tr>
<th>DATE</th>
<th>ENTRY DETAILS</th>
<th>AMOUNT (£)</th>
<th>CR/DR</th>
</tr>
</thead>
<tbody>
<tr>
<td>07-Jul-10</td>
<td>Initial Deposit on Closing Date</td>
<td>5,000.00</td>
<td>Cr</td>
</tr>
<tr>
<td>28-Sep-11</td>
<td>Rent</td>
<td>12,792,761.50</td>
<td>Cr</td>
</tr>
<tr>
<td>10-Oct-11</td>
<td>To Partnership Transaction Account</td>
<td>12,792,761.50</td>
<td>Dr</td>
</tr>
</tbody>
</table>

**Closing Balance:** 5,000.03 Cr

### 2. Partnership VAT Account 70295460

<table>
<thead>
<tr>
<th>DATE</th>
<th>ENTRY DETAILS</th>
<th>AMOUNT (£)</th>
<th>CR/DR</th>
</tr>
</thead>
<tbody>
<tr>
<td>27-Jul-11</td>
<td>VAT Payment</td>
<td>2,558,552.30</td>
<td>Dr</td>
</tr>
<tr>
<td>28-Sep-11</td>
<td>VAT Funding</td>
<td>2,558,552.30</td>
<td>Cr</td>
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</table>

**Closing Balance:** 2,561,437.46 Cr

### 3. Partnership Transaction Account 70295452

<table>
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<tr>
<th>DATE</th>
<th>ENTRY DETAILS</th>
<th>AMOUNT (£)</th>
<th>CR/DR</th>
</tr>
</thead>
<tbody>
<tr>
<td>06-Oct-11</td>
<td>Credit Interest</td>
<td>1,206.48</td>
<td>Cr</td>
</tr>
<tr>
<td>10-Oct-11</td>
<td>Transfer from Rent</td>
<td>12,792,761.50</td>
<td>Cr</td>
</tr>
<tr>
<td>10-Oct-11</td>
<td>Trustee Fee</td>
<td>1,500.00</td>
<td>Dr</td>
</tr>
<tr>
<td>10-Oct-11</td>
<td>Ongoing Fee</td>
<td>70,691.50</td>
<td>Dr</td>
</tr>
<tr>
<td>10-Oct-11</td>
<td>Expenses</td>
<td>457,231.92</td>
<td>Dr</td>
</tr>
<tr>
<td>10-Oct-11</td>
<td>Partnership Swap payment</td>
<td>1,911,621.66</td>
<td>Cr</td>
</tr>
<tr>
<td>10-Oct-11</td>
<td>Partnership Debt</td>
<td>14,456,591.87</td>
<td>Dr</td>
</tr>
<tr>
<td>10-Oct-11</td>
<td>Transfer to General</td>
<td>0.00</td>
<td>Dr</td>
</tr>
</tbody>
</table>

**Closing Balance:** 306,172.86 Cr

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

<table>
<thead>
<tr>
<th>DATE</th>
<th>ENTRY DETAILS</th>
<th>AMOUNT (£)</th>
<th>CR/DR</th>
</tr>
</thead>
</table>

**Opening Balance:** 0.00 Cr

**Closing Balance:** 0.00 Cr
5. General Partner VAT Transaction Account 70298993

<table>
<thead>
<tr>
<th>DATE</th>
<th>ENTRY DETAILS</th>
<th>AMOUNT (£)</th>
<th>CR/DR</th>
</tr>
</thead>
<tbody>
<tr>
<td>07-Jul-11</td>
<td>Credit Interest</td>
<td>6.97</td>
<td>Cr</td>
</tr>
<tr>
<td>12-Sep-11</td>
<td>HMRC VAT Repay</td>
<td>1,000.00</td>
<td>Cr</td>
</tr>
<tr>
<td></td>
<td>Closing Balance</td>
<td>67,606.97</td>
<td>Cr</td>
</tr>
</tbody>
</table>

Expense Reserve Ledger - Max GBP 500,000.00

<table>
<thead>
<tr>
<th>Date</th>
<th>Date</th>
<th>Amount (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-Oct-11</td>
<td>306,172.86 Cr</td>
<td></td>
</tr>
</tbody>
</table>

Balance 306,172.86

6. Partnership Pre-Enforcement Priority of Payments

<table>
<thead>
<tr>
<th>Date</th>
<th>Funds Paid Out of account (£)</th>
<th>Funds Received into account (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-Oct-11</td>
<td>Partnership Available Funds</td>
<td>10-Oct-11</td>
</tr>
<tr>
<td></td>
<td>a Rental Income</td>
<td>12,792,761.50</td>
</tr>
<tr>
<td></td>
<td>b Funds from Issuer under Partnership Swaps</td>
<td>14,456,832.00</td>
</tr>
<tr>
<td></td>
<td>c From Partnership VAT Account</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>d From Partnership Disposal Proceeds Account</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>e From Partnership Insurance Proceeds Account</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>f Interest received by the Partnership Accounts and Rent Account</td>
<td>1,206.48</td>
</tr>
<tr>
<td></td>
<td>g Advance under Committed Subordinated Loan Agreement</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>h Net proceeds of a CPO Disposal or a Mortgage Property</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>j Net proceeds of a disposal of a Mortgage Property</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>k Any other sums standing to the credit of the Partnership Transaction Ac</td>
<td>427,723.51</td>
</tr>
</tbody>
</table>

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) 64,941.50
c Partnership Operating Expenses excluding GP UK Tax 37,810.80
d Partnership Operator Fee 4,500.00
e Property Advisor Fee (Annual 25 K Jan) -
f Nominees Corporate Services Provider Fee 4,500.00
g Nominees Holdco Corporate Services Provider Fee 12,321.12
h PL Propco Corporate Services Provider Fees 4,500.00
i Nominees Side Letter payments -
j Nominees Holdco Side Letter payments -
k Account Bank Fee -
l Cash Manager Fee -
m Issuer Account Bank, PPA CM, CSP Fee (Ongoing Partnership Facility Fee) 5,000.00
n Headlease payment -

Partnership Expenses Ledger payment (max £6,250) 6,250.00
f Partnership Debt Interest 13,733,045.87
f Partnership Swap payment 12,545,010.34
g Partnership Debt Principal 723,546.00
h Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee) -
i Partnership Swap Termination Amount -
j Property Pool Manager Fee 234,725.00
k Partnership Expenses Ledger payment 299,922.86
l Alteration Adjustment Rent -
m Committed Subordinated Loan payment -
n Partnership Distribution Account -

Totals 27,678,323.49 27,678,323.49
## Issuer Transaction Account 70295495

<table>
<thead>
<tr>
<th>Date</th>
<th>Entry Details</th>
<th>Amount (£)</th>
<th>CR/DR</th>
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<tbody>
<tr>
<td>15-Jul-11</td>
<td>HMRC Cheque Refund</td>
<td>27.04</td>
<td>Dr</td>
</tr>
<tr>
<td>06-Oct-11</td>
<td>Credit Interest</td>
<td>129.30</td>
<td>Cr</td>
</tr>
<tr>
<td>13-Jul-11</td>
<td>Issuer Profit</td>
<td>759.00</td>
<td>Cr</td>
</tr>
<tr>
<td>13-Oct-11</td>
<td>Swaps Receipts</td>
<td>1,911,621.66</td>
<td>Cr</td>
</tr>
<tr>
<td>13-Oct-11</td>
<td>Partnership Debt</td>
<td>14,456,591.87</td>
<td>Cr</td>
</tr>
<tr>
<td>13-Oct-11</td>
<td>Swap Pays</td>
<td>1,911,621.66</td>
<td>Dr</td>
</tr>
<tr>
<td>13-Oct-11</td>
<td>Ongoing Fee</td>
<td>70,691.50</td>
<td>Cr</td>
</tr>
<tr>
<td>13-Oct-11</td>
<td>HSBC Fee</td>
<td>7,700.00</td>
<td>Dr</td>
</tr>
<tr>
<td>13-Oct-11</td>
<td>Moodys Fee</td>
<td>62,241.50</td>
<td>Dr</td>
</tr>
<tr>
<td>13-Oct-11</td>
<td>Issuer Fees</td>
<td>0.00</td>
<td>Or</td>
</tr>
<tr>
<td>13-Oct-11</td>
<td>Notes</td>
<td>14,456,591.88</td>
<td>Or</td>
</tr>
</tbody>
</table>

**Closing Balance**

<table>
<thead>
<tr>
<th>Date</th>
<th>Opening Balance</th>
<th>Amount (£)</th>
<th>CR/DR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>21,652.25</td>
<td>Cr</td>
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## Issuer Pre-Enforcement Priority of Payments

<table>
<thead>
<tr>
<th>Date</th>
<th>Funds Paid Out of account (£)</th>
<th>Funds Received into account (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-Oct-11</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Issuer Available Funds**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Funds due to Issuer under Partnership Swap Agreement</td>
<td>12,545,010.34</td>
</tr>
<tr>
<td>b. Amounts due to Issuer in respect of Partnership Loan</td>
<td>14,527,283.37</td>
</tr>
<tr>
<td>c. Any amount due to Issuer under Issuer Swap Agreement</td>
<td>14,456,632.00</td>
</tr>
<tr>
<td>d. Interest Received by Issuer on Transaction Account</td>
<td>242.52</td>
</tr>
<tr>
<td>e. Eligible Investment Earnings</td>
<td>-</td>
</tr>
</tbody>
</table>

**Issuer Pre-Enforcement Priority of Payments**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Bond Trustee Fee</td>
<td>1,200.00</td>
</tr>
<tr>
<td>b. Issuer Security Trustee Fee</td>
<td>1,500.00</td>
</tr>
<tr>
<td>c. Issuer Operating Expenses</td>
<td>62,241.50</td>
</tr>
<tr>
<td>d. Issuer/Issuer Holdco Corporate Services Provider Fee</td>
<td>-</td>
</tr>
<tr>
<td>e. Paying Agent Fee</td>
<td>500.00</td>
</tr>
<tr>
<td>f. Account Bank Fee</td>
<td>750.00</td>
</tr>
<tr>
<td>g. Cash Manager Fee</td>
<td>3,750.00</td>
</tr>
<tr>
<td>h. Bond Interest</td>
<td>13,733,045.88</td>
</tr>
<tr>
<td>i. Bond Principal</td>
<td>723,546.00</td>
</tr>
<tr>
<td>j. Issuer Swap Provider</td>
<td>12,545,010.34</td>
</tr>
<tr>
<td>k. Partnership Swap payment</td>
<td>14,456,632.00</td>
</tr>
<tr>
<td>l. Issuer Profit</td>
<td>750.00</td>
</tr>
<tr>
<td>m. Swap Subordinated Amount</td>
<td>-</td>
</tr>
<tr>
<td>n. Issuer Partnership Swap Termination Amount</td>
<td>-</td>
</tr>
<tr>
<td>o. Issuer Transaction Account</td>
<td>242.51</td>
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</table>

**Totals**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds Paid Out of account</td>
<td>41,529,168.23</td>
</tr>
<tr>
<td>Funds Received into account</td>
<td>41,529,168.23</td>
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</tbody>
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# 9. Bond Information

<table>
<thead>
<tr>
<th>Listing</th>
<th>Irish Stock Exchange</th>
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<tbody>
<tr>
<td><strong>Original Rating</strong></td>
<td></td>
</tr>
<tr>
<td>Moody’s</td>
<td>A3</td>
</tr>
<tr>
<td>Standard and Poor’s</td>
<td>A-</td>
</tr>
<tr>
<td>Fitch</td>
<td>A-</td>
</tr>
<tr>
<td><strong>Offered Date</strong></td>
<td>07 July 2010</td>
</tr>
<tr>
<td><strong>Expected Maturity</strong></td>
<td>13 April 2040</td>
</tr>
<tr>
<td><strong>Issue Amount</strong></td>
<td>£958,450,000</td>
</tr>
<tr>
<td><strong>ISIN code</strong></td>
<td>XS0512401976</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td>5.744% p.a.</td>
</tr>
<tr>
<td><strong>Current Factor</strong></td>
<td>0.997798781365747</td>
</tr>
<tr>
<td><strong>Next Factor</strong></td>
<td>0.997043868746413</td>
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</table>

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