

# TESCO SALE & LEASEBACK

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Tesco has carried out a £605m sale and leaseback deal - selling 13 properties in four separate deals with a total floor space of more than 1.7m sq ft.

The four deals are the latest in a £5bn programme of sale and leaseback deals for Tesco. Tesco's entered into a joint venture sale and leaseback with

British Airways Pension Fund in December 2006 and with British Land in March 2007.

It also agreed a deal with Prupim in February this year.

The deals were a mixture of both 100% lease back and joint venture sale and leaseback deals.

The four purchasers are all pension funds comprising: Universities Superannuation Scheme, Prupim, LaSalle Investment Management and Canada Life. USS's transaction is a joint venture with Tesco while the other three were 100% sales.

All the properties in the portfolio, which also includes a distribution centre, have been leased back to Tesco on retail price index linked leases. The lowest yield achieved on the stores was 4.88%.

Canada Life bought four properties from Tesco for a total price of £178m. The Canada Life portfolio comprises three superstores in Aylesbury, Crewe and Worcester, together with a 630,000 sq ft regional distribution centre adjoining the M25 at Thurrock.

The deals represent 2.4% of the value of Tesco's UK stores portfolio.

Morgan Williams advised Tesco. Canada Life were advised by **Hoddell Stotesbury Morgan**.