

FINAL TERMS

17 November 2008

Tesco PLC

**Issue of JPY 2,000,000,000 Fixed Rate Notes due 8 September 2011
to be consolidated and form a single series with the**

**JPY 2,500,000,000
Fixed Rate Notes due September 8, 2011
issued on 8 September 2004 (the "Original Notes")
under the
£10,000,000,000
Euro Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "Conditions") set forth in the Offering Circular dated 24 August 2004. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC of 4 November 2003 of the European Parliament and the Council of the European Union (the "Prospectus Directive") and must be read in conjunction with the Offering Circular dated 23 January 2008, as supplemented by the Supplements dated 26 August 2008, 10 October 2008 and 30 October 2008 to the Offering Circular dated 23 January 2008 which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated 24 August 2004. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated 23 January 2008 and 24 August 2004 and the Supplements dated 26 August 2008, 10 October 2008 and 30 October 2008. Copies of such Offering Circulars and such Supplements are available for viewing during normal business hours and copies may be obtained from the registered office of the Issuer and from the specified office of the Paying Agents for the time being. For the avoidance of doubt, and notwithstanding anything to the contrary herein, the Notes will be issued on the same terms (other than the Issue Price, the Issue Date and the Interest Commencement Date) as the Original Notes, and shall be consolidated and form a single series with the Original Notes.

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|----|------|-----------------------------------|----------------------|
| 1. | (i) | Series Number: | 40 |
| | (ii) | Tranche Number: | 2 |
| 2. | | Specified Currency or Currencies: | Japanese Yen ("JPY") |
| 3. | | Aggregate Nominal Amount: | |
| | (i) | Tranche: | JPY 2,000,000,000 |
| | (ii) | Series: | JPY 4,500,000,000 |

4.	Issue Price:	96.629 per cent. of the Aggregate Nominal of Tranche 2 plus an amount equal to 70 days' interest from and including 8 September 2008 to but excluding 18 November 2008 and amounting to JPY 5,638,880.
5.	Specified Denominations:	JPY 100,000,000
6.	(i) Issue Date:	18 November 2008
	(ii) Interest Commencement Date (if different from the Issue Date):	8 September 2008
7.	Maturity Date:	8 September 2011
8.	Interest Basis:	Fixed Rate (further particulars specified below)
9.	Redemption/Payment Basis:	Redemption at par
10.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
11.	Put/Call Options:	Not Applicable
12.	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	1.45 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	8 March and 8 September in each year up to and including the Maturity Date
	(iii) Fixed Coupon Amount(s):	JPY 725,000 per JPY 100,000,000 in nominal amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Fixed Day Count Fraction:	30E/360 (unadjusted)
	(vi) Determination Dates(s):	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
14.	Floating Rate Note Provisions	Not Applicable
15.	Zero Coupon Note Provisions	Not Applicable

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| 16. | Index Linked Interest Note Provisions | Not Applicable |
| 17. | Dual Currency Interest Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 18. | Issuer Call: | Not Applicable |
| 19. | Investor Put: | Not Applicable |
| 20. | Final Redemption Amount of each Note | Par |
| 21. | Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)): | Par |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 22. | (i) Form of Notes: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event. |
| | (ii) New Global Note: | Not Applicable |
| 23. | Additional Financial Centre(s) of each Note or other special provisions relating to Payment Dates: | Tokyo |
| 24. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 25. | Details relating to Partly Paid Notes: | Not Applicable |
| 26. | Details relating to Instalment Notes: | Not Applicable |
| 27. | Redenomination: | Redenomination not applicable |
| 28. | Other final terms: | Not Applicable |

DISTRIBUTION

- | | | |
|-----|---|-----------------------------|
| 29. | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Stabilising Manager (if any): | Not Applicable |
| 30. | If non-syndicated, name of relevant Dealer: | Goldman Sachs International |

31. Additional selling restrictions: Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the terms required to list and have admitted to trading the issue of Notes described herein pursuant to the £10,000,000,000 Euro Note Programme of Tesco PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:



Duly authorised

PART B — OTHER INFORMATION

1. LISTING

- (i) Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority with effect from 18 November 2008.
- (ii) Estimate of total expenses related to admission to trading: £ 300

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

3. YIELD

Indication of yield: 2.705 per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

4. OPERATIONAL INFORMATION

- (i) Temporary ISIN Code to be consolidated with: XS0399582872

ISIN Code: XS0199810960

- (ii) Temporary Common Code to be consolidated with: 039958287

Common Code: 019981096

- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable

- (iv) Delivery: Delivery against payment

- (v) Names and addresses of additional Paying Agent(s) (if any): Not Applicable

- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: No