Canary Wharf Finance II plc

Issued June 2000/June 2001/February 2002/October 2002/May 2005/April 2007

Class A1 6.455% Fixed Rate First Mortgage Debentures due 2033

Class A3 5.952% Fixed Rate First Mortgage Debentures due 2037

Class A7 Floating Rate First Mortgage Debentures due 2037

Class B 6.800% Fixed Rate First Mortgage Debentures due 2033

Class B3 Floating Rate First Mortgage Debentures due 2037

Class C2 Floating Rate First Mortgage Debentures due 2037

Class D2 Floating Rate First Mortgage Debentures due 2037

QUARTERLY UPDATE

Canary Wharf Group updates information on the securitisation quarterly.

The enclosed statistics are as at 30/09/10 except for the LMCTV ratio which is based on valuations as at 30/06/10.

HIGHLIGHTS

Properties 95.9% let at 30 September 2010 (based on the new security portfolio)

Valuations as at 30 June 2010 were £3,065.0 M

Briefing Note

On 17th November 2010 25 Bank Street and 50 Bank Street were released as mortgaged properties and 10 Cabot Square and 20 Cabot Square (together, the "New Properties") were substituted in their place. Each of Fitch, Moody's and Standard & Poor's has affirmed its existing rating of the Notes.

The Lehman Administrator and Nomura have both vacated 25 Bank Street. Therefore, absent the substitution, it would have been necessary to begin drawing on the AIG facility in the first quarter of 2011. Given, however, that the vacancy costs, service charges and rates payable on the unlet space would not have been covered by the AIG facility, there would have still been insufficient net income to cover debt service. The Issuer is keen to ensure that the income subject to the securitisation has stability and certainty and is of a duration which more closely matches the interest cost and amortisation profile of the Notes. Therefore, the Issuer views the substitution to be the best long term solution in the interests of holders of the Notes.

In addition to the granting of security over the New Properties and compliance with the other provisions of the Intercompany Loan Agreement, additional cash collateral amounting to £65.7 million was deposited into the Borrower's Coverage Reserve Account in order to service any potential shortfall in debt service on any future Interest Payment Date.

The Issuer continues to have the benefit of a £300.0m liquidity facility provided by Lloyds Bank plc, under which drawings may be made in the event of a cash flow shortage under the securitisation.

The following update presents performance for the October 2010 interest payment date prior to the asset substitution. However, some additional information has been presented to illustrate the impact of the substitution on the securitisation.

Highlights regarding the other mortgaged properties during the third quarter of 2010 include –

- In August 2010 a new lease was signed with Servcorp UK Limited to take 2,891 sqft on part of Floor 18 of 40 Bank Street expiring in 2020.
- National Westminster Bank served notice to determine its lease over 5,440 sq ft in One Canada Square with effect from 15 September 2010.

Subsequent to the period end, the following leases were concluded:

- HSBC Bank Plc agreed to take up 82,158 sq. ft. on Floors 7-9 of One Canada Square for a 5 year term.
- London Canary Wharf Centre Limited (trading as Regus) agreed to renew their lease of 14,445 sq ft. on Pt Floor 29 of One Canada Square for a 10 year term.
- Canary Wharf Limited renewed its lease of 27,517 sq ft. on Floor 30 of One Canada Square for a 15 year term.
- Canary Wharf Management Limited renewed its lease of 4,096 sq ft. on Floor 5 of One Canada Square for a 15 year term.
- In addition, leases were put in place with Canary Wharf subsidiaries in relation to 5,690 sq ft on floor 10 and 6,464 sq ft on floor 35. All of these leases are for a term of 15 years.

The rental income figures for the pre-asset substitution properties below are based on actual receipts for Q3 2010.

Property Portfolio Summary

Address	Whole Building NIA	Area Securitised NIA	Area Securitised Let NIA (1)	Actual Quarterly Rental Income Q3 2010	Estimated Annual Rental Income		Market Value (2)
33 Canada Square	562,700 sq. ft	562,700 sq. ft	562,700 sq. ft	£5.0m	£20.1m		£350.0m
One Canada Square	1,236,200 sq. ft	1,220,700 sq. ft	1,023,806 sq. ft	£8.0m	£39.3m	(3)	£620.0m
20 Bank Street	546,500 sq. ft	546,500 sq. ft	546,500 sq. ft	£6.6m	£26.2m		£400.0m
40 Bank Street	607,400 sq. ft	607,400 sq. ft	599,269 sq. ft	£6.8m	£25.0m	(3)	£385.0m
10 Upper Bank Street	1,000,400 sq. ft	1,000,400 sq. ft	1,000,400 sq. ft	£11.1m	£44.3m		£695.0m
5 North Colonnade	639,000 sq. ft	639,000 sq. ft	636,306 sq. ft	£4.9m	£19.4m	(5)	£330.0m
10 South Colonnade	562,000 sq. ft	562,000 sq. ft	560,999 sq. ft	£3.9m	£15.6m	(5)	£285.0m
Total	**5,154,200 sq ft**	**5,138,700 sq ft**	**4,929,916 sq ft**	**£46.3m**	**£189.9m (4)**		**£3,065.0m**

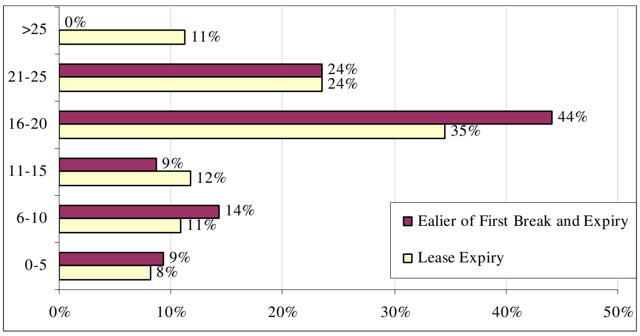
Notes:
(1) Area let as at 30th September 2010.
(2) MV based valuation of the properties at 30 June 2010.
(3) Rent receivable after expiry of rent-free periods and excluding potential rental income on unlet space, where applicable.
(4) Estimated annual rental income based on annualised rent for the quarter to 30th September 2010.
(5) Building substantially let to Barclays Bank Plc. The rent will be subject to RPI increases with a 0% floor and a 5% cap compounded annually over the first 5 years with subsequent annual RPI increases over the rest of the term until the expiry of the lease on June 2032.

Occupancy
At 30 September 2010 the securitised property portfolio was 95.9% let (based on the revised asset portfolio post asset substitution).

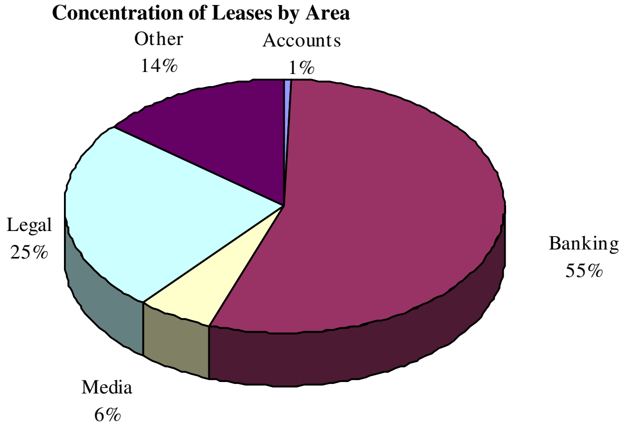
Rent Reviews

	Area	Passing Rent
Outstanding Rent Reviews	29,350 sq ft	£961,182

Analysis of Office Lease Expiries and Breaks (Note 1)



Concentration of Leases by Area



(1) The weighted average unexpired lease term of the securitised office portfolio (by sq.ft) was 16.8 years reflecting the new portfolio after the asset substitution. The weighted average lease term reflecting all break options was 15.3 years.

Major Tenants:

33 Canada Square
Citigroup

One Canada Square
Bank of New York
Mirror Group Newspapers
Moody's Investor Services
JP Morgan
State Street

20 Bank Street
Morgan Stanley UK Group

40 Bank Street
Skadden Arps
Allen & Overy
BGC International
Barclays Bank plc
Shell International Limited

10 Upper Bank Street
Clifford Chance LLP

5 North Colonade
Barclays Bank Plc
WPP Plc

10 South Colonade
Barclays Bank Plc

Financial Considerations

The following statistics are based on Q3 actual results and therefore do not reflect the impact of the asset substitution exercise.

	Quarter 3 2010 actuals
Gross Rental (cash received in Q3 2010)	£41.2 m
Interest on collateral accounts and other releases	£0.2 m
B3 Defeasance	(£0.1 m)
C2 Defeasance	(£0.2 m)
Senior Expenses (1)	(£1.8 m)
Gross Debt	£2,462.1 m
Cash Reserves	(£36.1 m)
Net Debt	£2,425.9 m

Quarter 3 2010 Actuals

The Interest Cover and Debt Service Cover ratios have been calculated on the basis of total interest costs, including payments to interest swap providers for the quarter.

Class	Amount (2)	Interest (3)	Principal (4)	Reserve Releases	Interest Cover Ratio	Debt Service Cover Ratio	Pre substitution LMCTV	Post substitution LMCTV (5)
AAA	£1,761.1 m	(£27.5 m)	(£12.7 m)	£0.71 m	1.44 x	1.44 x	58.6%	54.1%
AA	£301.0 m	(£4.7 m)	(£1.7 m)	£6.46 m	1.23 x	1.17 x	68.8%	64.0%
A	£275.0 m	(£3.8 m)	-	£3.78 m	1.10 x	1.05 x	78.2%	72.9%
BBB	£125.0 m	(£1.8 m)	-	£1.83 m	1.05 x	1.00 x	82.4%	77.0%
	£2,462.1 m	**(£37.8 m)**	**(£14.4 m)**	**£12.8 m**				

Reserve	Opening Balance (6)	Period Movement	Closing Balance(6)
Void Costs Ledger	£0.9 m	(£0.9 m)	£0.0 m
Cash Ledger	£1.4 m	(£1.4 m)	(£0.0 m)
B3 Defeasance Ledger	£1.9 m	(£1.8 m)	£0.1 m
C2 Defeasance Ledger	£6.4 m	(£6.2 m)	£0.2 m
Subtotal Coverage Reserves	**£10.6 m**	**(£10.3 m)**	**£0.3 m**
Cash Collateral (7)	£38.5 m	(£2.7 m)	£35.8 m
Total Reserves	**£49.1 m**	**(£13.0 m)**	**£36.1 m**

Notes:
(1) Senior Expenses principally include the DS6 facility fees and the liquidity facility fee.
(2) Total outstanding debt at 22nd October 2010 interest payable date.
(3) Interest paid on 22nd October 2010. Comprises bond interest of £30.2m and payments under interest rate swaps of £7.6m.
(4) Amortisation paid on 22nd October 2010.
(5) Net of £65.7m of cash collateral deposited on completing the asset substitution.
(6) Opening balance is as at 22nd July 2010, closing balance is at 22nd October 2010.
(7) On 8 June 2010 Shell International Ltd leased 186,903 sq ft over 10 floors in 40 Bank Street on a 15 year lease expiring in June 2025 (subject to a break at the end of the 10th year). The starting rent will be £37.50 psf following a rent free period of 42 months. Shell also acquired an option to call for a further 2 floors within 3 months of the date of exchange. The space taken by Shell was previously leased to Barclays and prior to completion the Barclays lease was surrendered. The resulting shortfall in rent was covered by adding £37.3m to cash collateral. This amount will be released each quarter to cover the rental shortfall.