

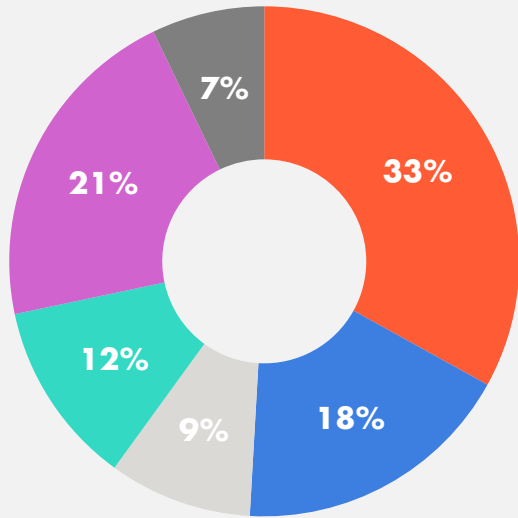


Hammerson

# Investor briefing

## May 2018

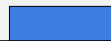
# £10.6 billion leading pan-European retail platform (1)



UK shopping centres - £3.5bn



France - £1.9bn



Ireland - £1.0bn



UK retail parks - £1.2bn



Premium outlets - £2.2bn



Development & UK other - £0.8bn



**57**  
European shopping destinations

**14**  
Countries

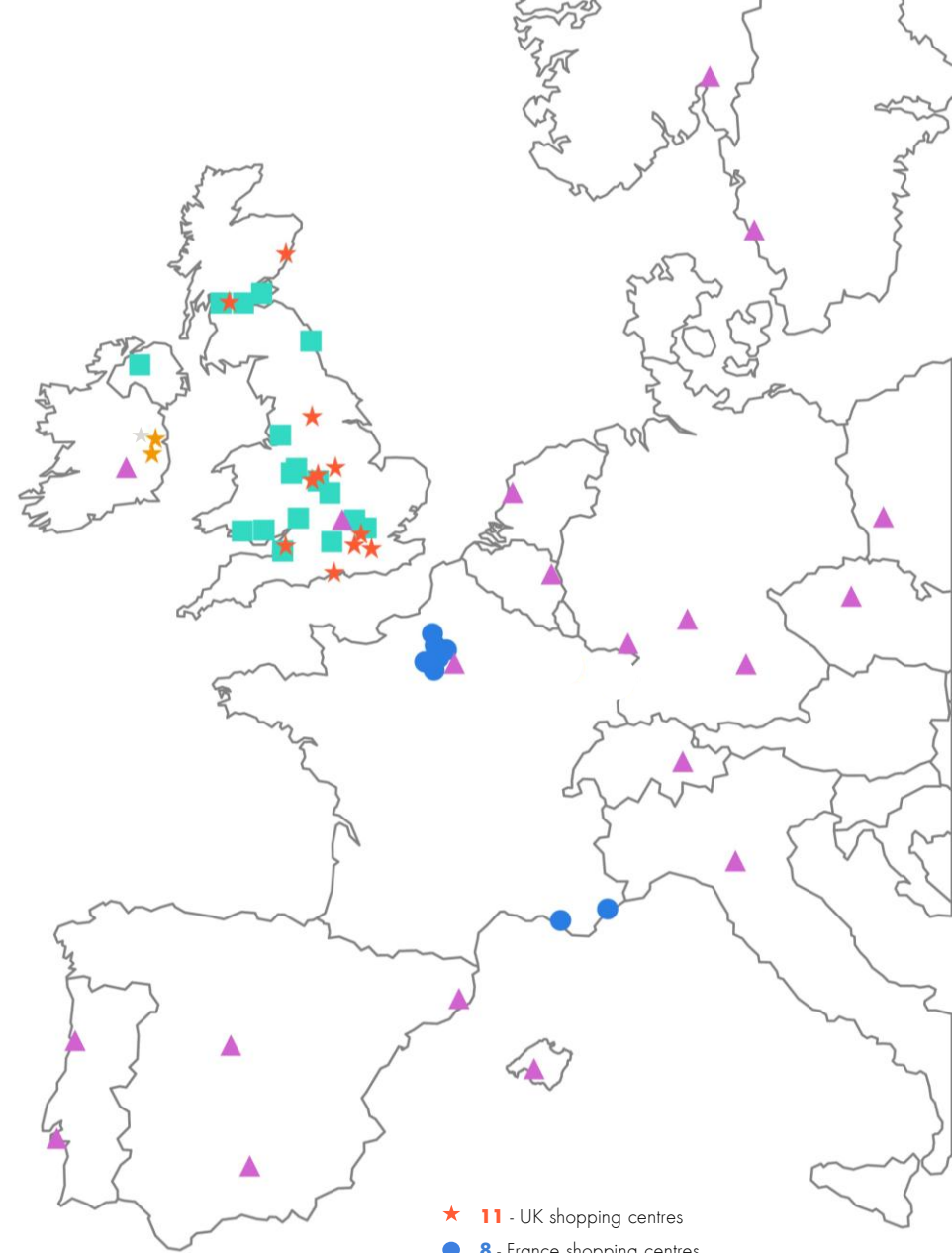
**Top 3**  
Market position in all chosen sectors

**43%**  
non-UK assets

**2.3m**  
sq m retail space

**440m**  
visitors

**4,900**  
Tenants



- ★ 11 - UK shopping centres
- 8 - France shopping centres
- ★ 3 - Ireland shopping centres
- 15 - UK retail parks
- ▲ 20 - Premium outlets

(1) As at 31 December 2017

# Market trends drive our clear, focused strategy



**Focus on growing consumer markets**



**Dundrum, Dublin**



**Create differentiated destinations**



**Les Terrasses du Port, Marseille**



**Promote financial efficiency and partnerships**

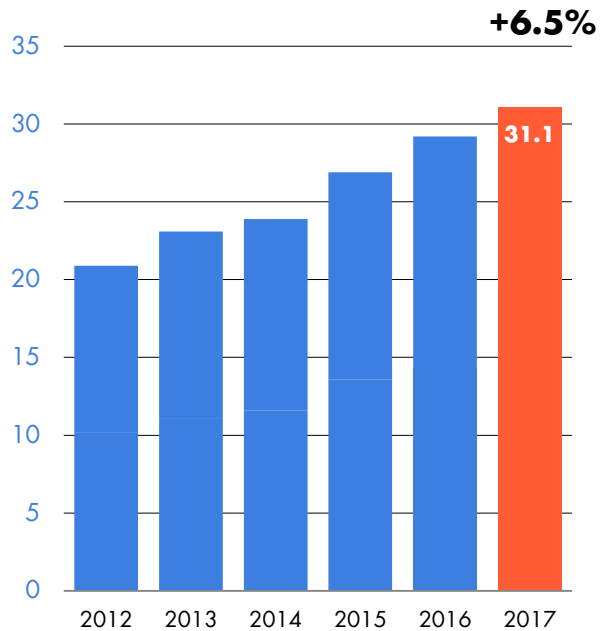


**Bicester Village, UK**



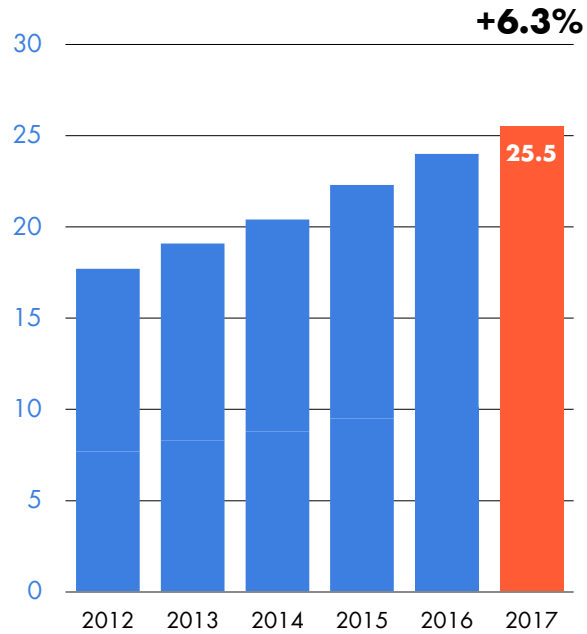
# Delivering sector leading income-focused returns

EPS (pence)



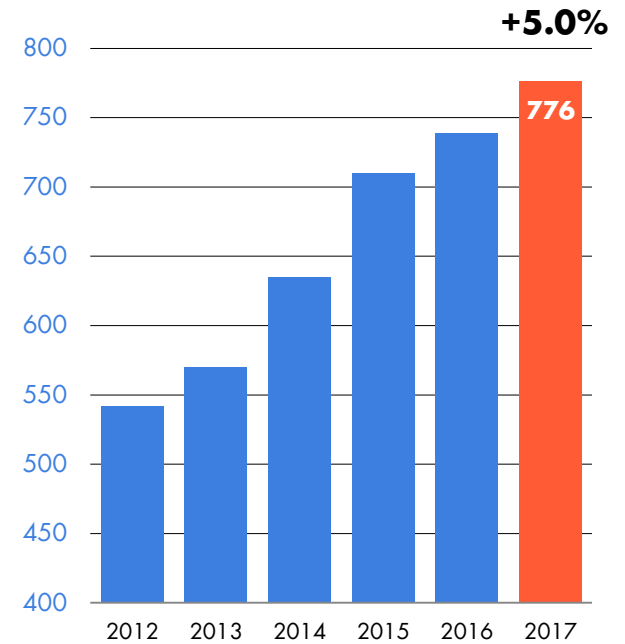
CAGR +8.3%

DPS (pence)



CAGR +7.6%

NAVPS (pence)



CAGR +7.4%

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**Q1 2018 highlights: Not all retail is equal**

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**Our portfolio highlights**

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**2017 financial performance**

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# 01

## Q1 2018 highlights



# Strong operational performance in Q1 2018 underpinned by retailer and consumer flight to quality

## Not all retail is equal

Estimated EPRA NAVPS <sup>(1)</sup> of 790p, up 1.8%

£7m group leases signed, 6% above previous passing and 3% above Dec-17 ERV

Positive ERV growth across all portfolio segments

Construction started at Les Trois Fontaines Cergy  
Cinema de Lux and John Lewis at Brent Cross

LTV ratio of 35%<sup>(2)</sup>, down 100bps on year end

£92m disposals at book value achieved at Q1  
On track to deliver £500m this year

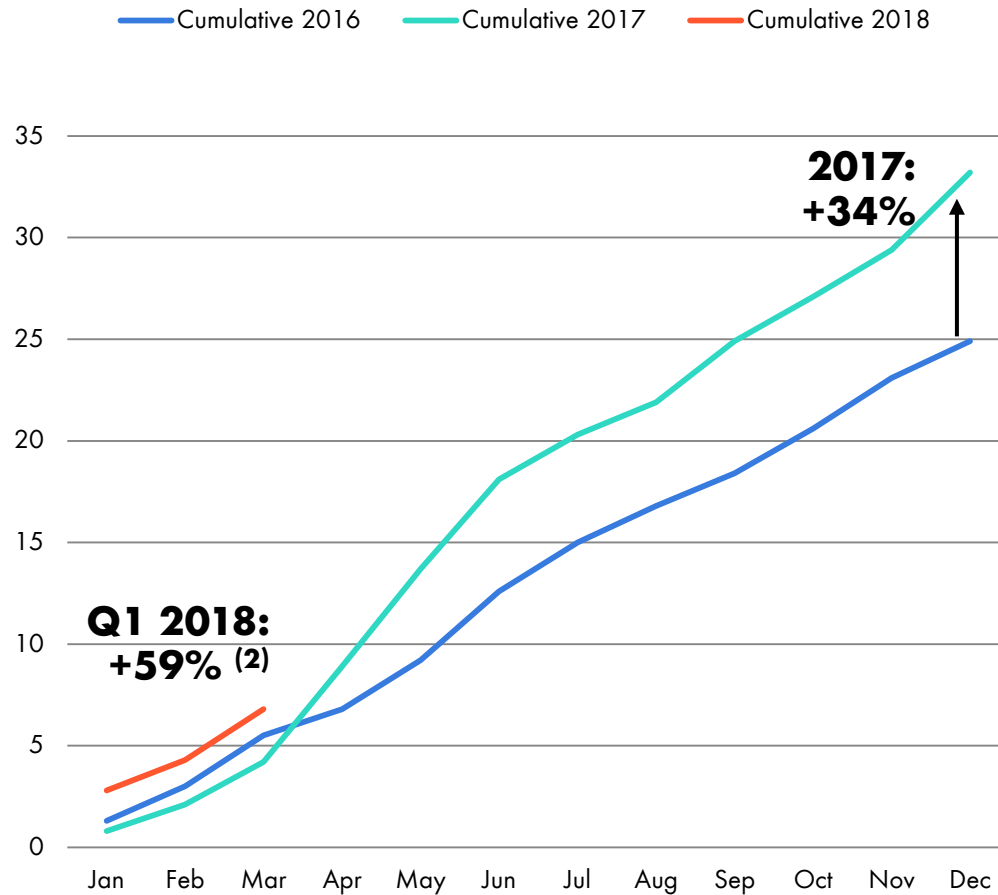


(1) The estimated EPRA NAVPS is the estimated value for the net assets per share, as at 31 March 2018, calculated in accordance with guidance issued by the European Public Real Estate Association (EPRA). Further details are set out on slide 54 to 57. Estimated growth of 1.8% includes an IFRS 9 accounting adjustment for the carrying value of the investment in Value Retail's Spanish Villages.

(2) Calculated on a basis consistent with that reported in the 2017 Annual Report

# Impressive volume of new leasing across the group with strong start in 2018

Hammerson new leasing volume 2016, 2017, 2018 (£m) <sup>(1)</sup>



	Leasing volume Q1 2018	Leasing volume Q1 2017	Leasing vs previous passing	Leasing vs ERV
<b>UK</b>	£3.1m	£2.4m	10%	4%
<b>France</b>	£3.0m	£1.4m	3%	1%
<b>Ireland</b>	£0.7m	£0.5m	48%	7%
<b>Total Portfolio</b>	<b>£6.8m</b>	<b>£4.3m</b>	<b>6%</b>	<b>3%</b>

Selected tenants signed in Q1 2018:

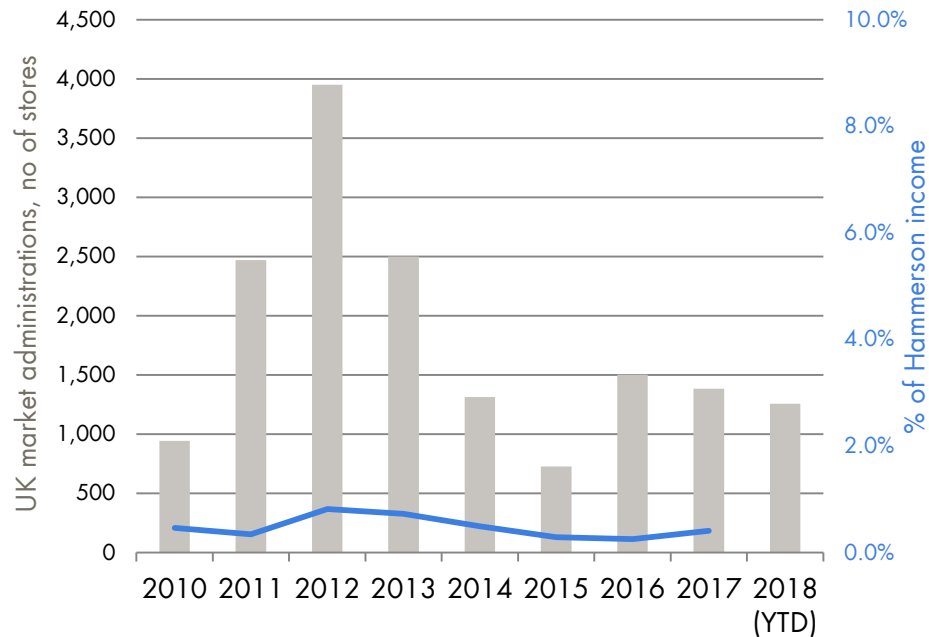


(1) Portfolio leasing on a proportionally consolidated basis, excludes developments and premium outlets  
 (2) Vs. Q1 2017

# Retailer rotation provides positive opportunities

**Less than 1% negative impact on income from tenants in administration, even at the peak in 2012**

## UK retail market administrations (no. of stores) and Hammerson impact on income (%)



**Retail administrations 2018 YTD (excludes CVAs):**

**Toys R Us maplin claire's**



**Handmade Burger**

All 6 units re-let or reassigned



**Highcross**

House of Fraser → Zara / JD Sport

### Q1 2018 update:

Group occupancy 97.1% (Q1 2017: 96.6%)

Tenant CVAs and administrations active at 31 Mar 2018 will result in reduction in NRI of £3.5 million in 2018, equivalent to 0.9% of 2017 group NRI

Proactive leasing underway

France negligible tenant failures

Ireland none

(1) Source: Centre for Retail Research (YTD as at April 2018)

# Q1 2018 portfolio valuation

	31 Mar 2018 £m	31 Dec 2017 £m	Q1 capital return <sup>(1)</sup> (%)
UK shopping centres	3,523	3,528	-0.6%
UK retail parks	1,180	1,270	-1.0%
UK other	444	422	+4.6%
France	1,993	2,011	+0.4%
Ireland	1,096	1,095	+1.2%
Premium outlets	2,352	2,234	+0.9%
<b>Total</b>	<b>10,588</b>	<b>10,560</b>	<b>+0.3%</b>

(1) Capital value movement on retained portfolio at constant FX rates



# 03

**Our portfolio**





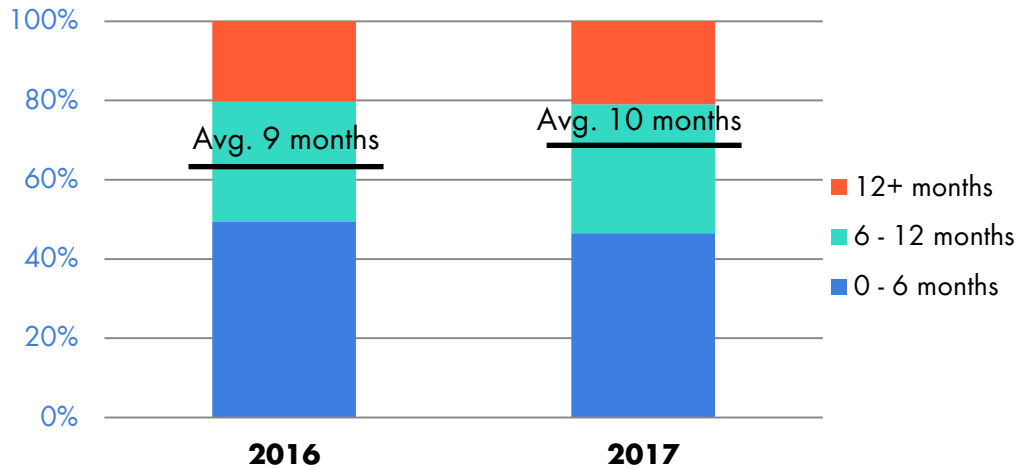
■ UK shopping centres

# Rental levels are firm and retailers are investing in their stores

## UK shopping centres 2017

Leasing vs. ERV (%)	+8
ERV growth (%)	+0.9
LfL NRI (%)	+1.8
Instore retail sales (%)	-2.7
Leasing activity (%)	+49

## UK shopping centre tenant incentive packages (1)



## Retailers are investing in store fits



(1) Distribution of 2016 and 2017 UK shopping centre tenant incentive packages on principal 10-year leases

# Channel selection supports demand for the best physical space

## Consumer branded products

Fewer channels

Reduce disintermediation from consumers

Flagship stores

Shopping centre commercialisation opportunities




## Luxury goods

Total focus on customer experience

Risk of counterfeit

Few, trusted, distribution partners



## Aspirational/fast fashion

Rapid response to trends

National store coverage

Scale efficiencies



## Homeware showrooms

Large-ticket items

Research / advice

Showrooms rather than shops

Clustering of retailers



## Multichannel interface

Accessible customer touch-points

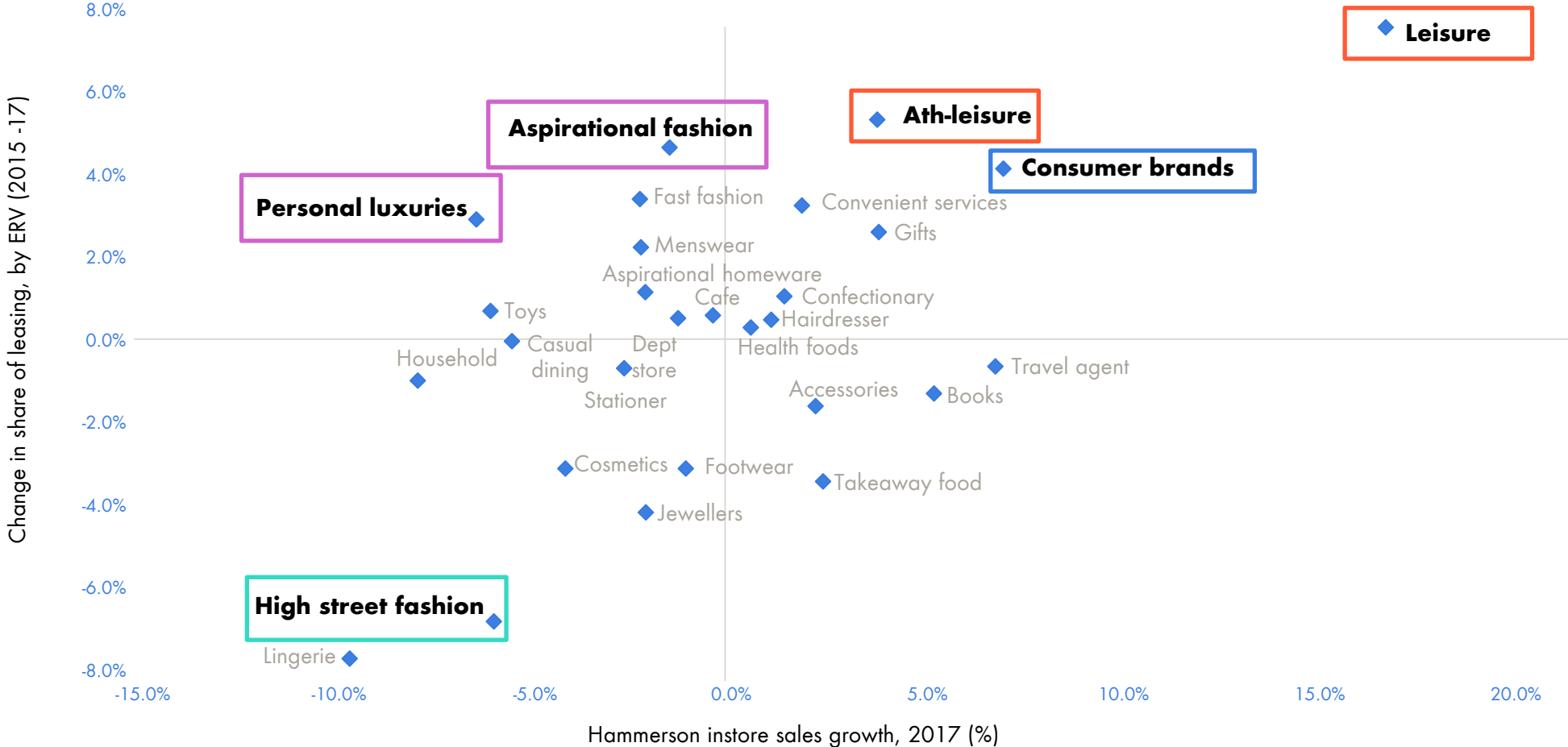
Service pick up and delivery

Frictionless retail



# Our insights into consumer trends drive our leasing strategy

Hammerson UK shopping centre leasing growth and instore sales growth<sup>(1)</sup>



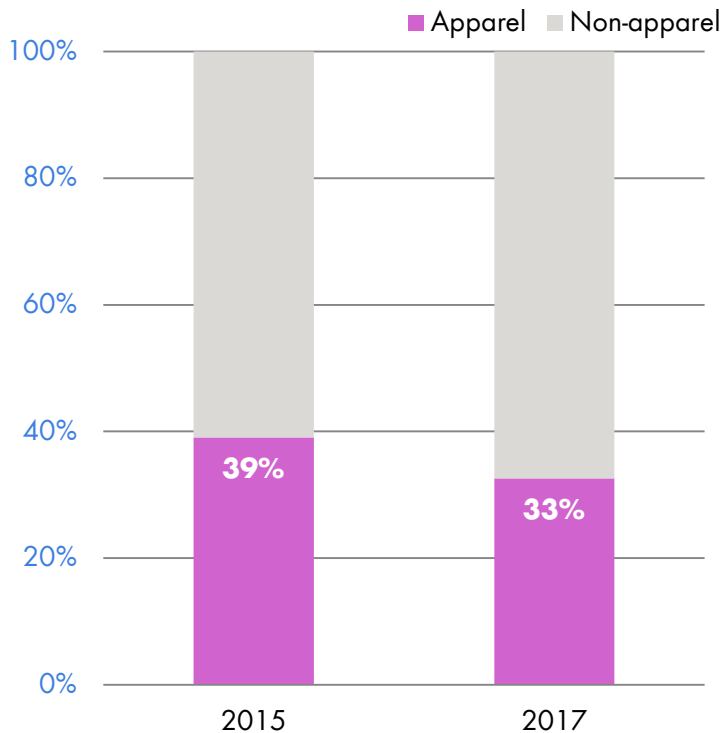
(1) Includes leases signed across all Hammerson UK shopping centres 2015 - 2017, measuring change in proportion of new leasing signed; Hammerson same-centre instore sales YoY

# Apparel is a dynamic category; we are tilting our mix towards the winning brands

Apparel is lower as a proportion of total leasing

New brands are replacing old: Evolving consumer preferences inform our leasing strategy

## UK shopping centre leasing (£m) <sup>(1)</sup>



## UK shopping centre apparel leasing (£m)

Example tenants

■ 2015 ■ 2017



(1) 'Apparel' includes clothing, footwear and lingerie

# Healthy sales for F&B in our centres but a mixed picture for mid-market casual dining operators

## 'Grab & Go' and coffee

Performing well

Offers value for money and efficient service



2017 sales performance<sup>(1)</sup>



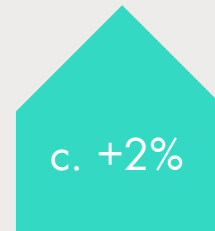
## Mid-market casual dining

A mixed picture

Important to differentiate offer in a crowded market



2017 sales performance<sup>(1)</sup>



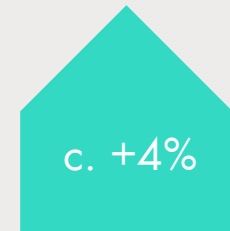
## Aspirational dining

Performing well

High quality offer and strong reputation



2017 sales performance<sup>(2)</sup>



(1) Hammerson portfolio sales

(2) No Lfl Hammerson sales data available. Based on 'D+D London' Lfl sales, December 2017

# Focusing on experience with a dynamic programme of events



## SKATE, Westquay

Footfall +10%

46,000 visitors

Social media reach of 733,000 people



## Wimbledon screens at the Esplanade, Westquay

Footfall +3.5%

Social media reach of 270,000



## Garden of Pure Imagination, Dundrum

Footfall +8%



## Viva Las Riverside, Oracle

Footfall +14%

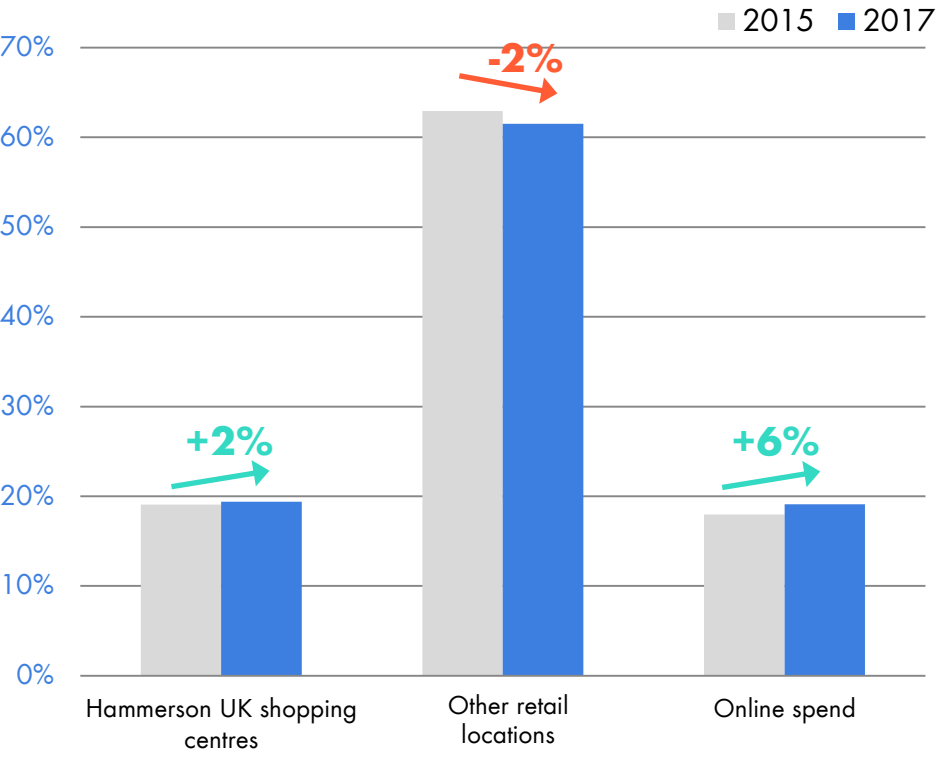
22,500 visitors

Social media reach of 340,000

# High-quality retail destinations are increasingly valuable in a multichannel landscape

Shoppers are shifting towards large retail destinations and online

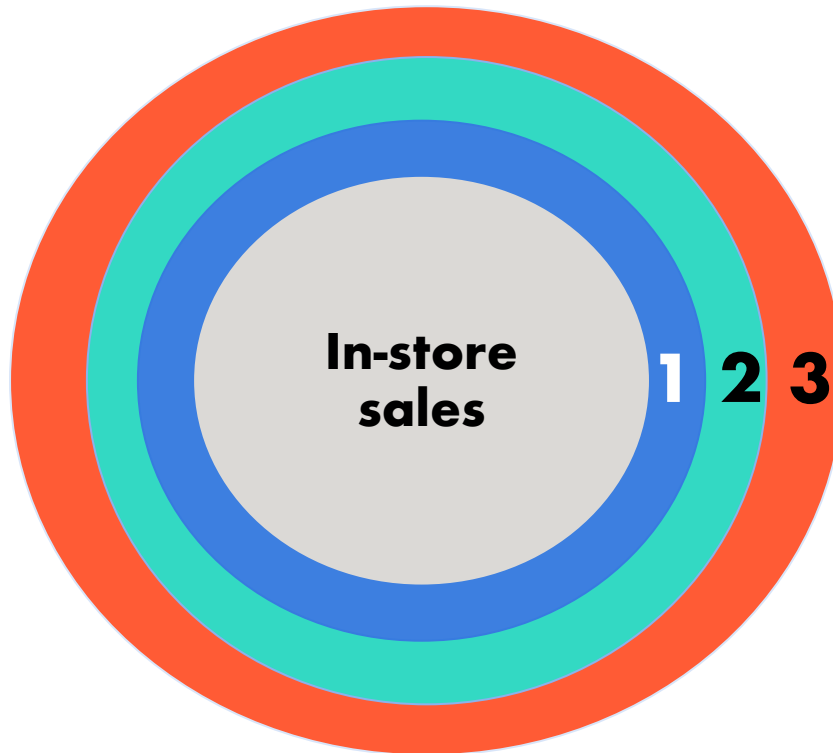
UK catchment spend market-share split (%) (1)



(1) Source: MasterCard spend data (collected and analysed by Javelin Group)

# Store productivity is more than just in-store sales

## Representation of a retailers' store productivity



Retailers are focused on *total* sales  
(c.60% of retailers allocate all or a portion of online sales to stores)

### 1. Click & collect and online transactions originated in-store <sup>(1)</sup>

+10-14%



### 2. Retail 'halo' effect <sup>(2)</sup>

+5-7%



### 3. Retail logistics support (Collect+) <sup>(3)</sup>

+1-2%



(1) GlobalData, True Value of Stores analysis, 2017  
(2) See Appendix page 45 for more detail on 'Retail Halo'  
(3) See Appendix page 46 for data on our Collect+ in-centre services

# Progressing with key development projects

## Brent Cross



### 2017 milestones

Detailed reserved matters planning application approved October 2017  
Confirmation of CPO received December 2017  
Agreements reached with two anchors  
- John Lewis and Marks & Spencer  
Preferred retail contractor selected

### Next steps

Infrastructure contractor appointment Spring 2018 and pre-letting

---

Total retail space  
**175,000m<sup>2</sup>**

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Cost to complete <sup>(1)</sup>  
**£475-550m**

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## Croydon



### 2017 milestones

Resolution to grant outline planning consent secured October 2017  
Scheme approved by GLA

### Next steps

Secure remaining land interests 2018  
Pre-letting, detailed design and construction tendering

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Croydon Partnership retail  
**200,000m<sup>2</sup>**

---

Cost to complete <sup>(1)</sup>  
**£650-700m**

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(1) Hammerson share



■ ■ Retail parks

# Focused strategy in retail park market

## Shopping parks



## Hybrid parks



## Key homeware goods parks



## Standard homeware parks



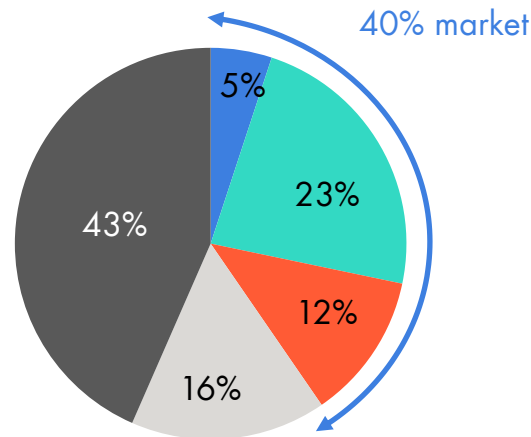
## Solus units



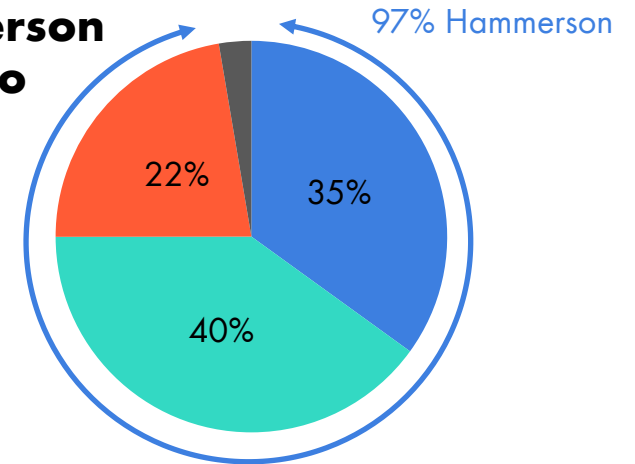
Hammerson investment focus

## UK Retail Park market<sup>(1)</sup>

- Shopping parks
- Hybrid parks
- Key homeware goods
- Standard homeware
- Solus



## Hammerson portfolio



(1) Source: PMA

# Profitable new developments and supportive leasing trends

## UK retail parks 2017

Leasing activity (%)	+29
Leasing vs. ERV (%)	+11
ERV growth (%)	-0.1
LfL NRI (%)	-2.5
LfL NRI (adj for surrender premiums) (%)	+2.4



Elliott's Field Phase 2, Rugby

## Adding attractive high-yield space

Total £105m 8% YoC

**Elliott's Field, Phase 2, Rugby**  
Completed



**Blue Central, Kirkcaldy**  
Completed



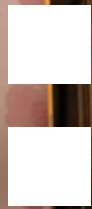
**Parc Tawe, Swansea**  
Completed



**Orchard Centre, Didcot**  
62% pre-let



Adding further new profitable developments to the pipeline



Ireland

# Dundrum is Ireland's premier retail and leisure destination

Opened  
**2005**

Tenants  
**170+**

Size  
**140,000 m<sup>2</sup>**

Footfall  
**18.0m**

Occupancy  
**99%**

Accessibility  
**2 LUAS tramline stops**  
(14 mins from city centre)

**Car access from M50**



## A crown jewel in Hammerson's portfolio



### KEY

- DUNDRUM TOWN CENTRE
- DUNDRUM PHASE 2 DEVELOPMENT SITE
- DUBLIN CENTRAL DEVELOPMENT SITE
- ILAC CENTRE
- PAVILIONS, SWORDS
- BLANCHARDSTOWN SHOPPING CENTRE
- LIFFEY VALLEY SHOPPING CENTRE
- GRAFTON STREET
- THE SQUARE TALLAGHT
- HENRY STREET
- DUBLIN AIRPORT
- AVIVA STADIUM
- CONNOLLY STATION
- HEUSTON STATION
- LUAS LINES
- LUAS CROSS CITY EXTENSION (OPENS DECEMBER 2017)
- DART LINE
- DUBLIN PORT
- TO BELFAST
- TO DERRY
- TO NAVAN/CAVAN
- TO GALWAY/SLIGO
- TO CORK/LIMERICK/WATERFORD
- TO WICKLOW

HARVEY NICHOLS

PRIMARK  
PENNEYS

HOUSE OF FRASER  
SINCE 1849

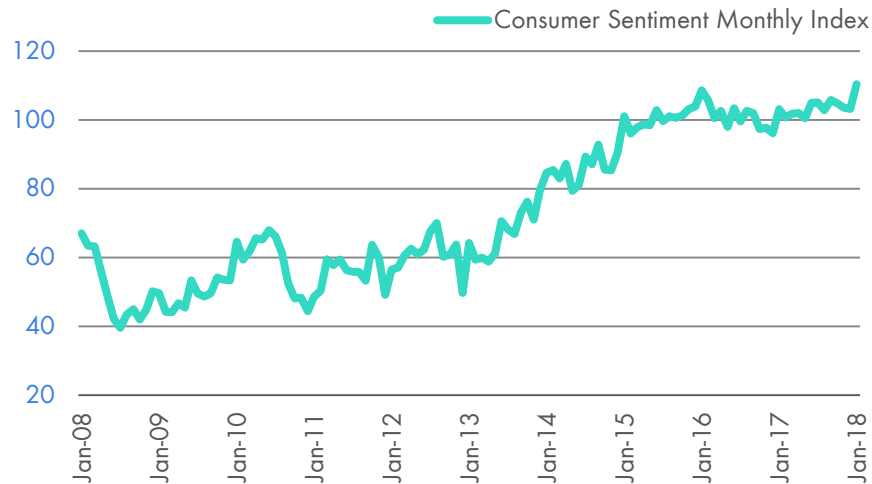
YOUR M&S next

# Confident consumer backdrop supports continued strong ERV growth

## Hammerson Ireland portfolio 2017

Leasing vs. ERV (%)	+10
ERV growth (%)	+2.7
LfL NRI (%)	+7.4

## Consumer confidence at record high (1)



(1) Source: KBC/ESRI  
 (2) Dundrum ERV 100%

## Latest value-add asset management initiatives



### Fallon & Byrne Food Hall

10,000 sq. ft. speciality food hall

Reconfiguration of Pembroke Square



### Pavilions food court

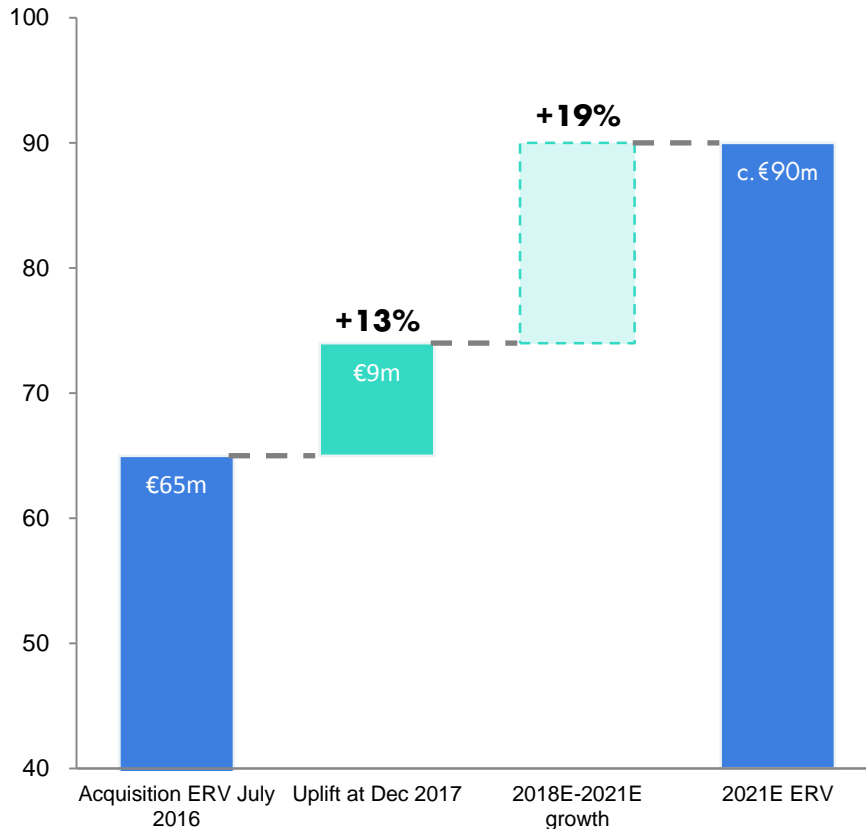
Three new restaurant units

Improving casual dining offer to drive dwell time

# Dundrum case study: Superior asset management value creation



## Uplift in Dundrum ERV since ownership (EURm) <sup>(1)</sup>



**On track with targeted 4-5% ERV CAGR**

## Key ERV growth drivers

- Tenant clustering** – Providing the **right space** for the **right tenant**
- Optimising Food & Beverage offering** – Aligning **F&B offering** with profile of the shopping centre  
– Careful selection of operators with a **differentiated offer**
- Centralised and skilled leasing team** – **Co-ordinated leasing teams** providing **best in class service** to help drive rents

## Breakdown of key initiatives

- Q3 2016** – Increase in car park tariffs
- Q4 2016** – Gamestop letting
- Q1 2017** – POCO pop-up, Moss Bros letting
- Q2 2017** – Garden, food court, Hotel Chocolat, Smiggle
- Q4 2017** – Christmas Grotto
- Q1 2018** – Fallon & Byrne

<sup>1</sup> Dundrum ERV 100%



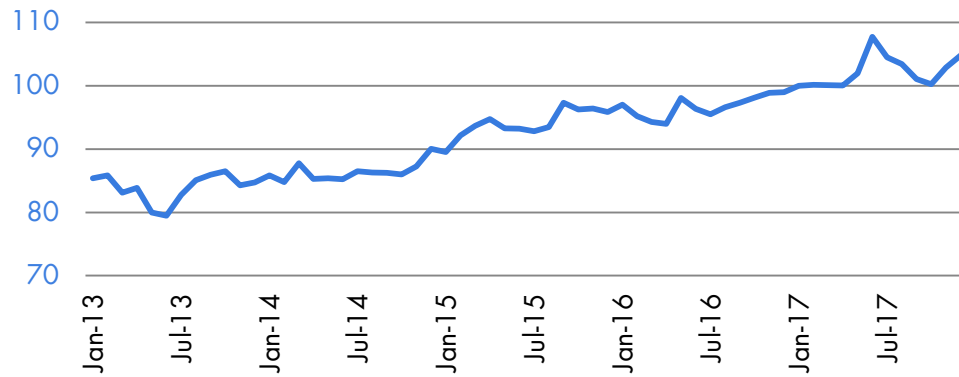
Portfolio review:



France

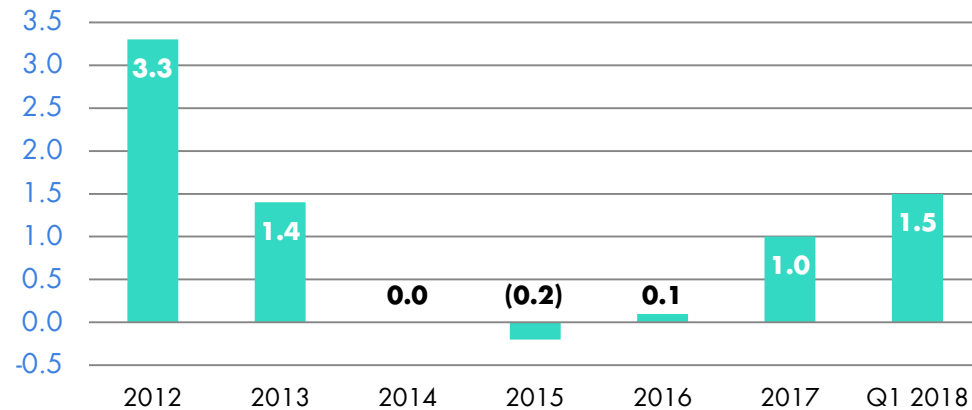
# Growing consumer confidence translating into sales and footfall outperformance

Consumer confidence index (1)



Les Terrasses du Port, Marseille

Retail leasing index (ILC) (%)



Hammerson France portfolio 2017

Leasing activity (%) (2)	+9
Leasing vs. ERV (%)	+5
ERV growth (%)	+0.9
LfL NRI (%)	+2.6
Instore retail sales (%) (3)	+0.1

(1) Source: INSEE  
 (2) By volume  
 (3) CNCC benchmark -1.0%

# Refining our portfolio into leading centres

**2017 capital recycling in France: £295m**  
**Largest three assets now 86% of portfolio <sup>(1)</sup>**

## Growth outperformance from largest three assets

	Total France portfolio	Three largest assets
<b>2017 LfL NRI (%)</b>	+2.6%	+2.9%
<b>2017 ERV growth (%)</b>	+0.9%	+1.6%

## Investing to enhance leading assets



### Les Terrasses du Port, Marseille

Consistently strong sales growth +9%

New brands including Coach, Nespresso, Dim and Benetton



### Italie Deux, Paris

Transforming the centre into a cultural destination

900-seat theatre opened in 2017

Extension launching in 2018



### Les 3 Fontaines, Cergy

Acquisition of adjacent Cergy 3 unlocks development potential

(1) Les Terrasses du Port, Les 3 Fontaines, Italie Deux; by value.

# Progressing with key development projects

## Les 3 Fontaines, Cergy



Co-ownership agreement, building permit and retail consent obtained

Acquired adjacent centre, Cergy 3

Main contractor selected

Good pre-letting to fashion brands and F&B (Pret A Manger, Vapiano)

Project commenced

Size

**33,000m<sup>2</sup>**

Total development cost

**£225m**

Target rent

**£16m**

## Italie Deux, Paris



Project to enhance tenant mix and F&B offer at central Paris scheme

Obtained planning consent and agreement with co-owners

Pre-lets include Pret A Manger and M&S Simply Food

Start on site Spring 2018

Size

**6,400m<sup>2</sup>**

Total development cost

**£38m**

Target rent

**£2m**



# Portfolio review: Premium outlets

# A strong performance and profitable investments

	Value Retail	VIA Outlets
<b>Hammerson share (GAV, £bn)</b>	1.6	0.6
<b>Sales growth YoY (%) <sup>(1)</sup></b>	+8	+13
<b>Sales density growth YoY (%) <sup>(2)</sup></b>	+5	+9
<b>Total return (%) <sup>(3)</sup></b>	+19	+10

## Recent key investments



### Value Retail LP acquisition

£76m investment

Economic interest in Bicester Village increased to 50%

Increased ownership in Barcelona, Madrid and Paris Villages



### VIA Outlets acquisition of Norwegian Outlet, Oslo

Hammerson share £47m

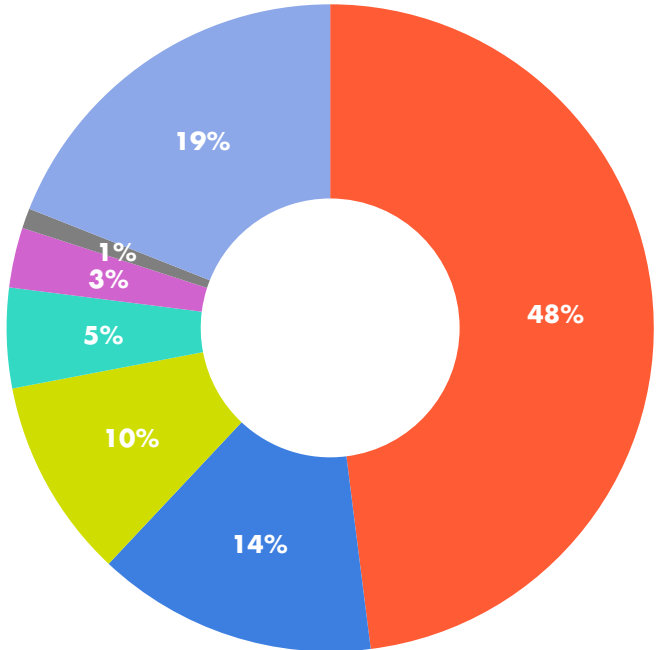
New brands to VIA portfolio (which include Hoyer, Tiger of Sweden, Helly Hansen and Bjorn Borg)



(1) Sales growth at VIA Outlets in 2017 includes sales at Mallorca Fashion Outlet for the second half of the year and excludes all other assets acquired in 2016 and 2017  
 (2) Calculated on assets owned for 24 months  
 (3) Hammerson share

# Global tourism continues as a growth driver

2017 European tax refunded sales by nationality <sup>(1)</sup>

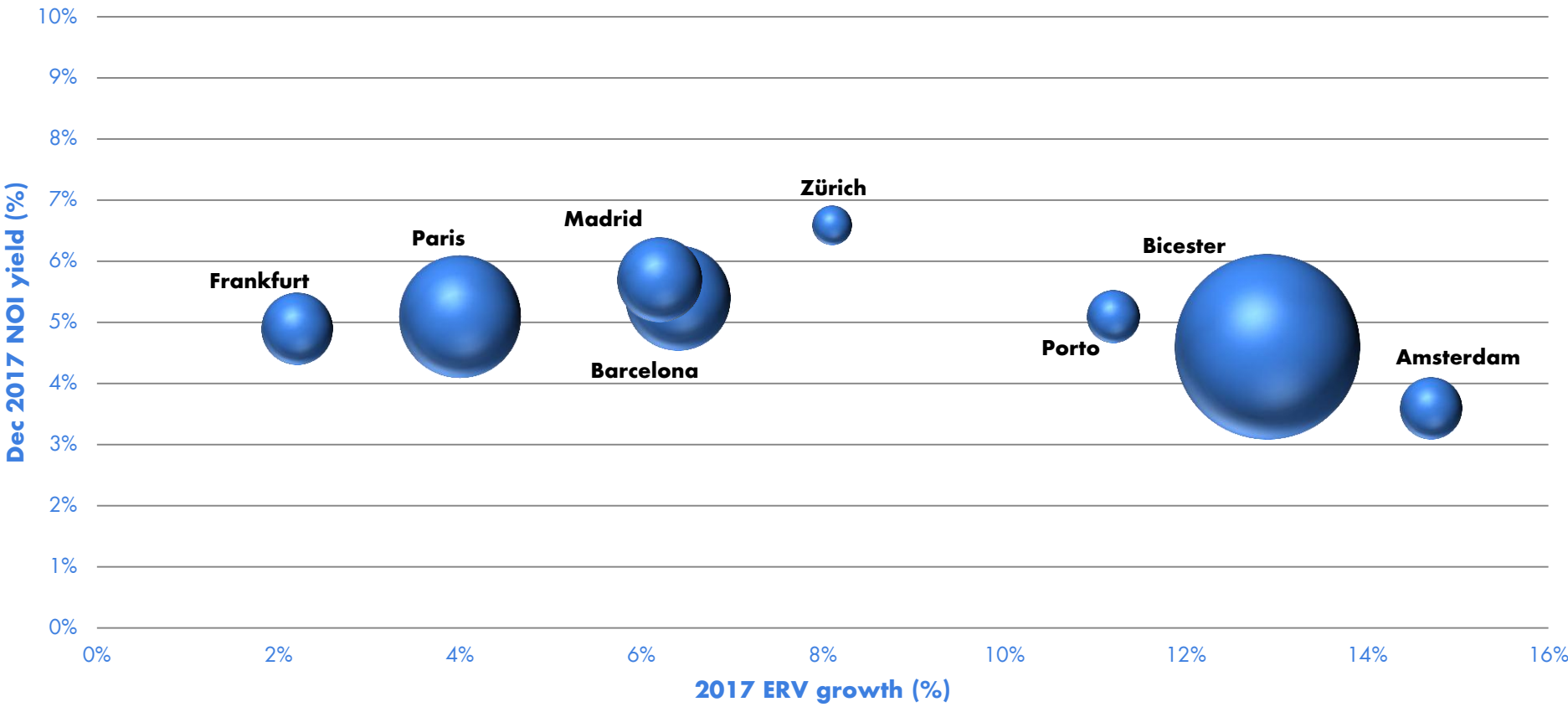


	YoY growth (%) <sup>(1)</sup>
Greater China	+16
South and East Asia	+17
Gulf/Middle East	-2
Russia	+28
India	+38
USA	+22
Other <sup>(2)</sup>	+10
<b>Total</b>	<b>+14</b>

(1) Source: Global Blue, (Value Retail Villages)  
 (2) Other includes countries which are not in the top 15

# Premium outlets offer attractive yields and higher growth

NOI yield and ERV growth of selected premium outlets (1)



(1) Data as at 31 December 2017  
Source: Cushman and Wakefield

# 04

## Financial results



# Headline results

<b>Income statement</b>	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>Change</b>
<b>Net rental income (£m) <sup>(1)</sup></b>	<b>370.4</b>	346.5	+6.9%
<b>Adjusted profit (£m)</b>	<b>246.3</b>	230.7	+6.8%
<b>Adjusted EPS (p)</b>	<b>31.1</b>	29.2	+6.5%
<b>Total dividend (p)</b>	<b>25.5</b>	24.0	+6.3%

<b>Balance sheet</b>			
<b>Portfolio value (£m) <sup>(2)</sup></b>	<b>10,560</b>	9,971	+2.2% <sup>(3)</sup>
<b>EPRA NAVPS (p)</b>	<b>776</b>	739	+5.0%
<b>LTV (%)</b>	<b>36</b>	36	n/a

(1) Does not include premium outlets. NRI including premium outlets is £468.0m

(2) Valuation for total portfolio including premium outlets

(3) Change reflects capital return, not absolute increase of 5.9%

# LfL NRI growth

## 2017 NRI growth by sector <sup>(1)</sup>

	LfL NRI growth (%)
UK shopping centres	+1.8
UK retail parks	-2.5
France	+2.6
<b>EPRA LfL NRI</b>	<b>+1.0</b>
Ireland <sup>(2)</sup>	+7.4
<b>LfL NRI incl. Ireland</b>	<b>+1.7</b>
Premium outlets <sup>(3)</sup>	+15.3
<b>Total LfL NRI incl. Ireland and Premium outlets</b>	<b>+4.4</b>

## UK shopping centres LfL NRI

	2017	2016
Net rents, commercialisation and other	2.3%	2.0%
Car parks (business rates)	-0.5%	0.4%
<b>Total</b>	<b>1.8%</b>	<b>2.4%</b>

## UK retail parks LfL NRI

	2017	2016
Net rents, commercialisation and other	2.4%	-2.1%
Surrender premiums	-4.9%	4.5%
<b>Total</b>	<b>-2.5%</b>	<b>+2.4%</b>

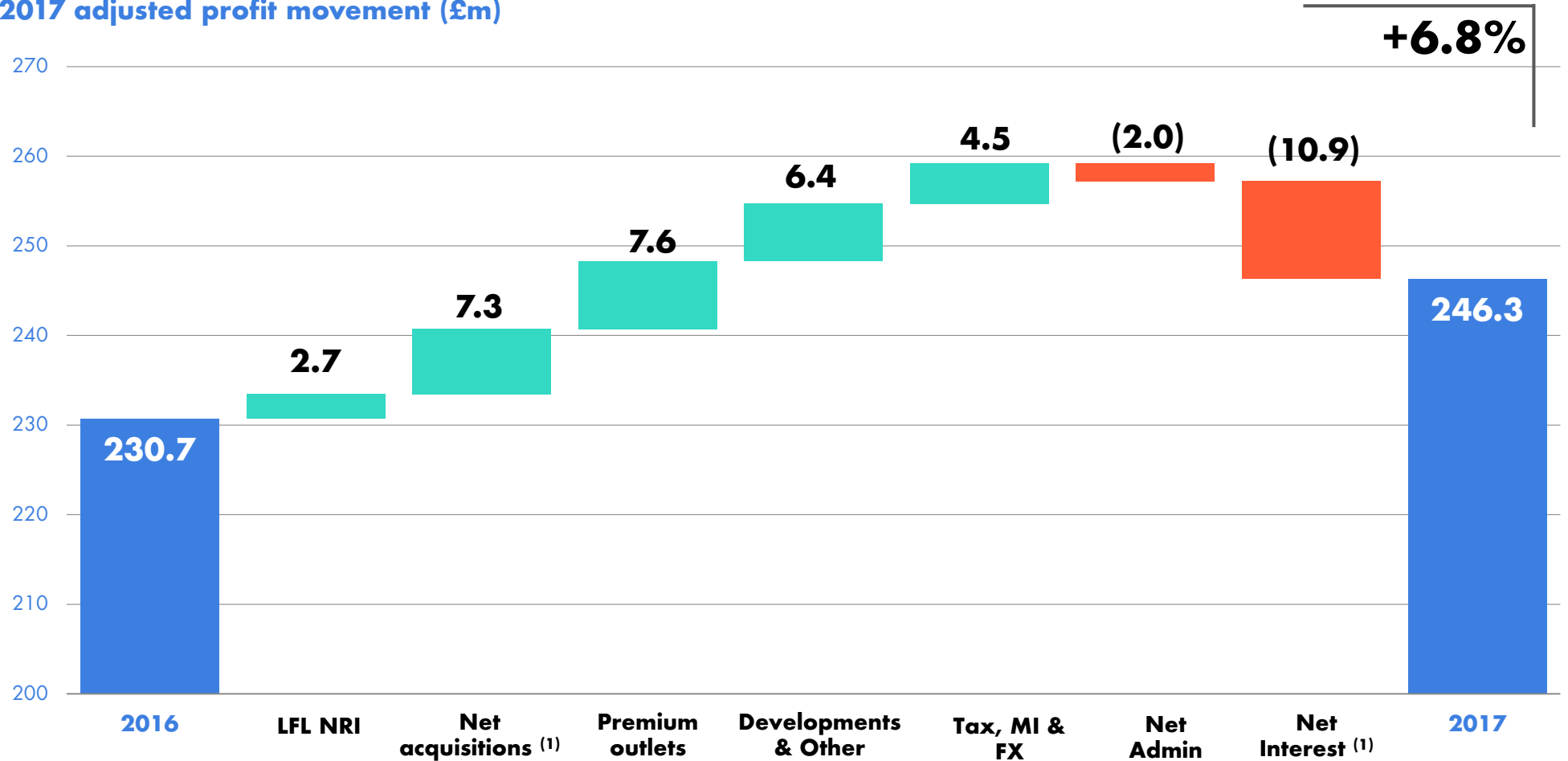
(1) Figures on a proportionally consolidated basis

(2) Proforma figure assuming properties owned throughout 2016 and 2017

(3) LfL NRI growth includes the impact of extensions due to multiple tenant relocations from the existing scheme into new phases. Hammerson management estimate that the extensions have contributed approximately 1.2% to LfL NRI growth

# Strong uplift in profit

2017 adjusted profit movement (£m)



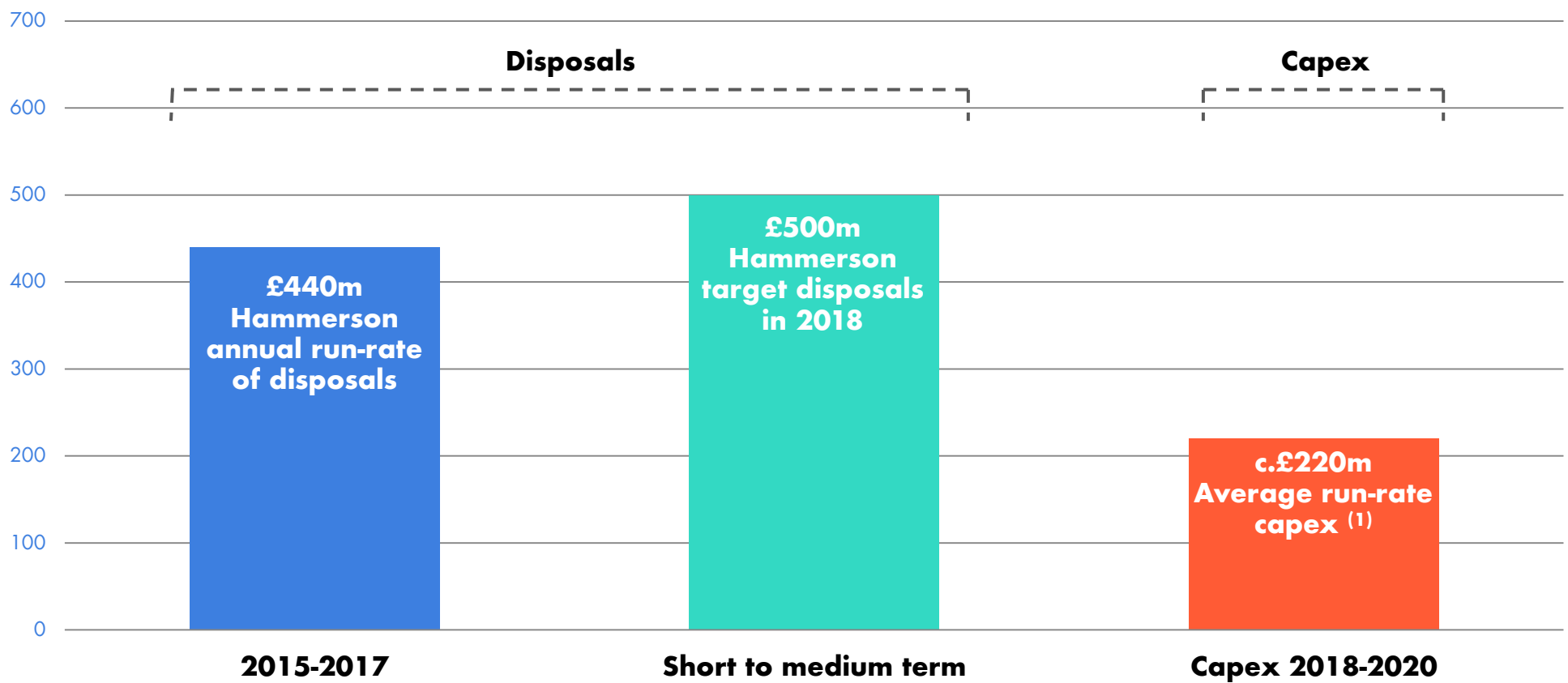
(1) Includes change in Ireland income from interest (£14.0m) to net rental income (£22.9m)

# Financing ratios underpin our balance sheet strength

	Financing policy	31 December 2017	31 December 2016
<b>Net debt</b>	-	<b>£3,501m</b>	£3,413m
<b>Gearing</b>	<85%	<b>58%</b>	59%
<b>Loan to value</b>	<40%	<b>36%</b>	36%
<b>Cash and undrawn facilities</b>	-	<b>£958m</b>	£592m
<b>Weighted average cost of debt</b>	-	<b>2.9%</b>	3.1%
<b>Interest cover</b>	>2.0x	<b>3.4x</b>	3.5x
<b>Net debt/EBITDA</b>	<10x	<b>9.3x</b>	9.5x
<b>Fixed rate debt</b>	>50%	<b>78%</b>	70%
<b>GBP/EUR FX balance sheet hedging</b>	70% - 90%	<b>78%</b>	79%

# Capital recycling and funding flexibility

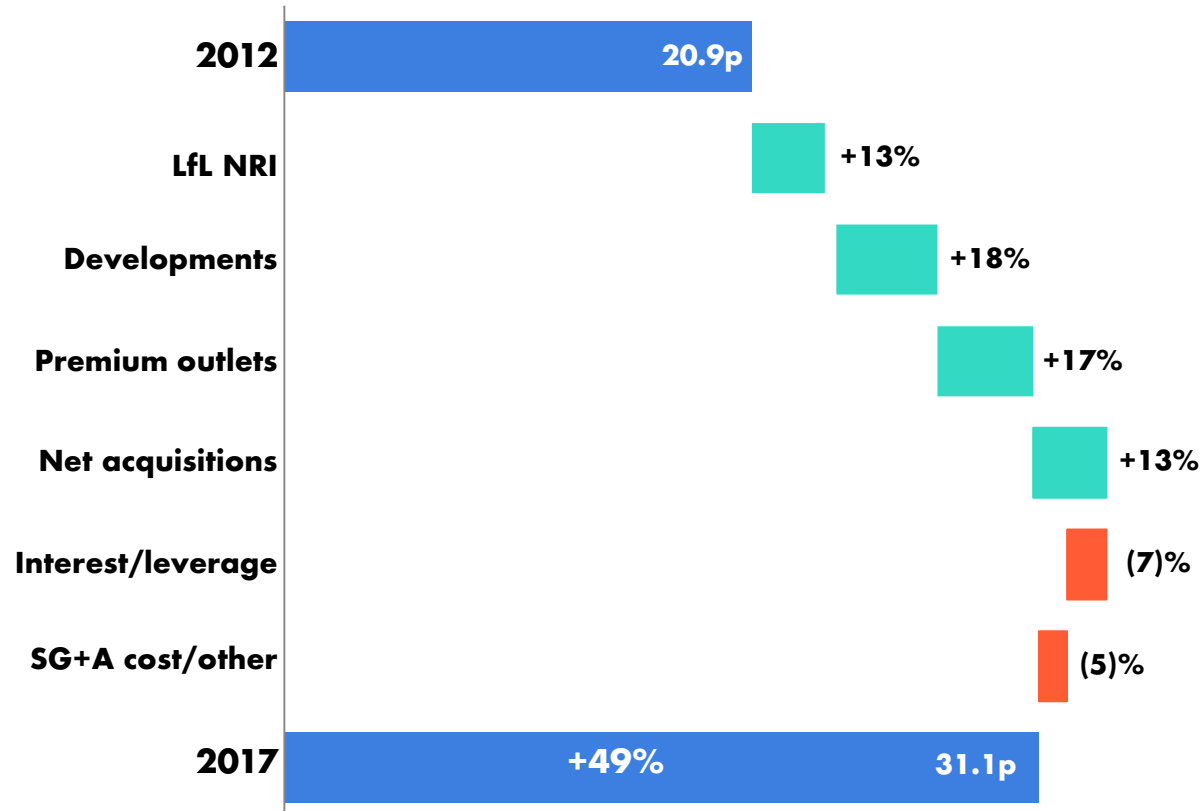
Deleverage through disposals ahead of phased development and reinvestment (£m)



(1) Further detail on slide 62

# EPS growth track record and future trends

## Drivers of EPS growth 2012-2017



## Likely future trends



COMPTOIR LIBANAIS

COMPTOIR LIBANAIS

COMPTOIR LIBANAIS

HOT BREAKFAST ♦ COFFEE ♦ MINT TEA ♦ PASTRIES ♦ LEMONADES ♦ MEZZE PLATTERS ♦ TAGINES ♦ SALADS ♦ GRILLS ♦ HOT WRAPS ♦ WINE

# Appendices



# Examples of our Product Experience Framework in action

## Iconic destinations



Victoria Gate awarded Best Shopping Centre at the MIPIM & MAPIC Awards



New leisure extension & events space at Westquay South attracted over 3.4m visitors across 2017



## Retail specialism



Delivered 20 new brands in 2017 across the portfolio<sup>(1)</sup>, including the first VW brand experience



Launch of Style Seeker AI visual search tool with 90k product impressions since November 2017



## Experience led



Christmas light switch on at Cabot drove a 10.6% increase in daily sales & reached 95k Facebook users



Award winning Garden of Pure Imagination at Dundrum drove an 8% uplift in footfall



## Customer first



Nearly 450k downloads of the Plus app with over 3.3m app opens since launch



Over 130k click & collect parcels handled across our UK & French centres in 2017



(1) UK shopping centre portfolio

# Consistency through a framework approach

## Product Experience Framework - 2017

	Toilets upgrade	Wayfinding	Seating	Handsfree shopping	Click & Collect	Play 9	Interactive hoardings	Style Seeker	Chatbot
Brent Cross	Completed	Not yet in place	Completed	In progress	Completed	Completed	Completed	Completed	Not yet in place
Bullring	Completed	In progress	Completed	In progress	Completed	Completed	Completed	Completed	In progress
Cabot Circus	Not yet in place	In progress	Completed	In progress	Completed	Completed	Completed	Completed	Not yet in place
Centrale	In progress	Not yet in place	Completed	In progress	Completed	Not yet in place	Completed	Completed	Not yet in place
Highcross	Completed	In progress	Completed	Completed	Completed	Completed	Completed	Completed	Not yet in place
Oracle	Completed	In progress	Completed	Completed	Completed	Completed	Completed	Completed	Completed
Silverburn	In progress	Not yet in place	Completed	Completed	Completed	Completed	Completed	Completed	Not yet in place
Union Square	Not yet in place	In progress	Completed	Completed	Completed	Completed	Completed	Completed	Not yet in place
Victoria Leeds	Completed	Completed	Completed	Completed	Completed	Not yet in place	Completed	Completed	Not yet in place
Westquay	Completed	Completed	Completed	In progress	Completed	Completed	Completed	Completed	Not yet in place

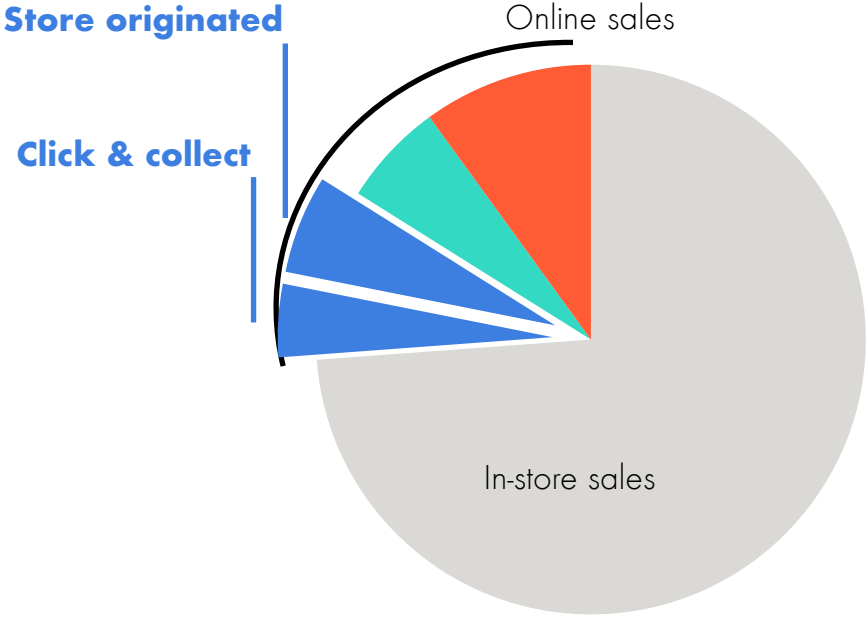
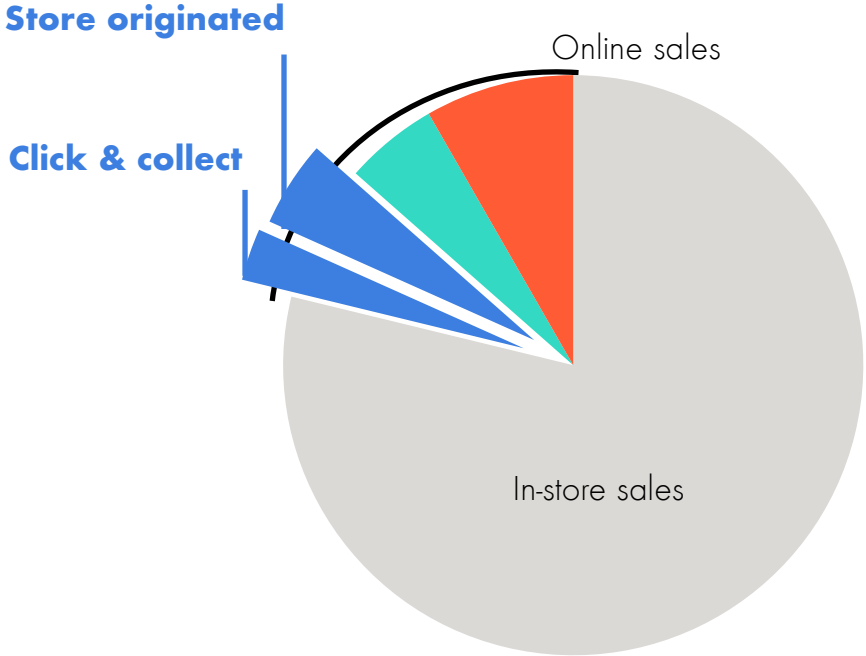


# Click & collect and online transactions originated in-store account for a third of all online sales, growing rapidly

2017: Online sales generated by a store, add 10% to in-store sales <sup>(1)</sup>



2020: Online sales generated by a store, add 14% to in-store sales <sup>(1)</sup>



■ Online transactions originated in-store

■ Online, non-store originated

■ Pureplay online sales

Source: GlobalData, True Value of Stores analysis, 2017  
 (1) 'Click & collect' and 'store originated' sales as a portion of in-store sales

# Premium outlets portfolio

## Value Retail Villages

Bicester Village, Oxford

GLA: 28,000m<sup>2</sup>

Boutiques: 157

La Roca Village, Barcelona

GLA: 23,500m<sup>2</sup>

Boutiques: 136

Las Rozas Village, Madrid

GLA: 16,500m<sup>2</sup>

Boutiques: 102

La Vallée Village, Paris

GLA: 21,900m<sup>2</sup>

Boutiques: 107

Maasmechelen Village, Brussels

GLA: 19,800m<sup>2</sup>

Boutiques: 104

Fidenza Village, Milan

GLA: 20,900m<sup>2</sup>

Boutiques: 117

Wertheim Village, Frankfurt

GLA: 21,200m<sup>2</sup>

Boutiques: 117

Ingolstadt Village, Munich

GLA: 21,100m<sup>2</sup>

Boutiques: 112

Kildare Village, Dublin

GLA: 16,700m<sup>2</sup>

Boutiques: 91

## VIA Outlets centres

Batavia Stad Amsterdam Fashion Outlet

GLA: 31,900m<sup>2</sup>

Units: 119

Fashion Arena Prague Outlet

GLA: 24,000m<sup>2</sup>

Units: 99

Freeport Lisbon Fashion Outlet

GLA: 35,700m<sup>2</sup>

Units: 142

Hede Fashion Outlet, Gothenburg

GLA: 16,300m<sup>2</sup>

Units: 53

Landquart Fashion Outlet, Zürich

GLA: 20,900m<sup>2</sup>

Units: 75

Mallorca Fashion Outlet

GLA: 33,200m<sup>2</sup>

Units: 75

Seville Fashion Outlet

GLA: 16,400m<sup>2</sup>

Units: 62

Wroclaw Fashion Outlet, Poland

GLA: 13,700m<sup>2</sup>

Units: 89

Zweibrücken Fashion Outlet, Germany

GLA: 29,300m<sup>2</sup>

Units: 112

Vila do Conde Porto Fashion Outlet

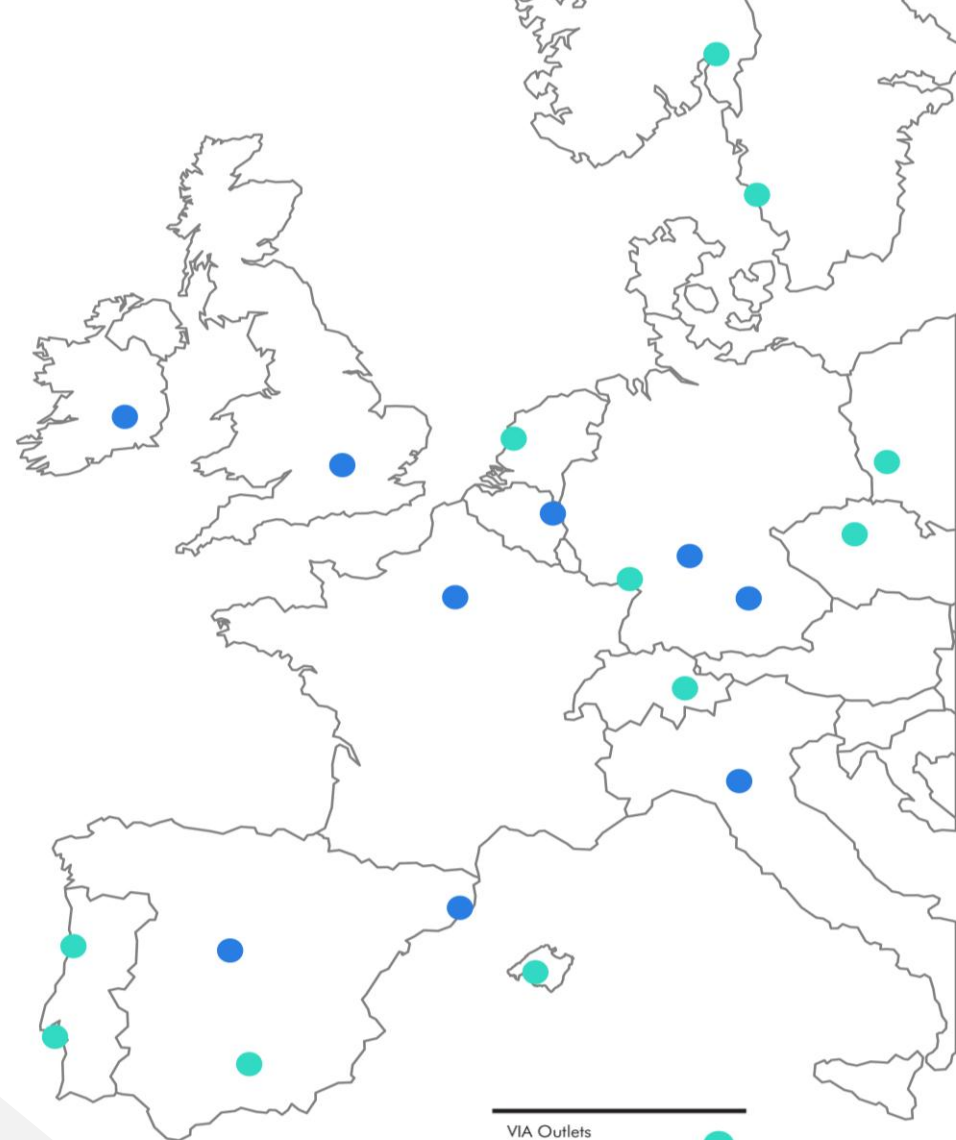
GLA: 27,800m<sup>2</sup>

Units: 123

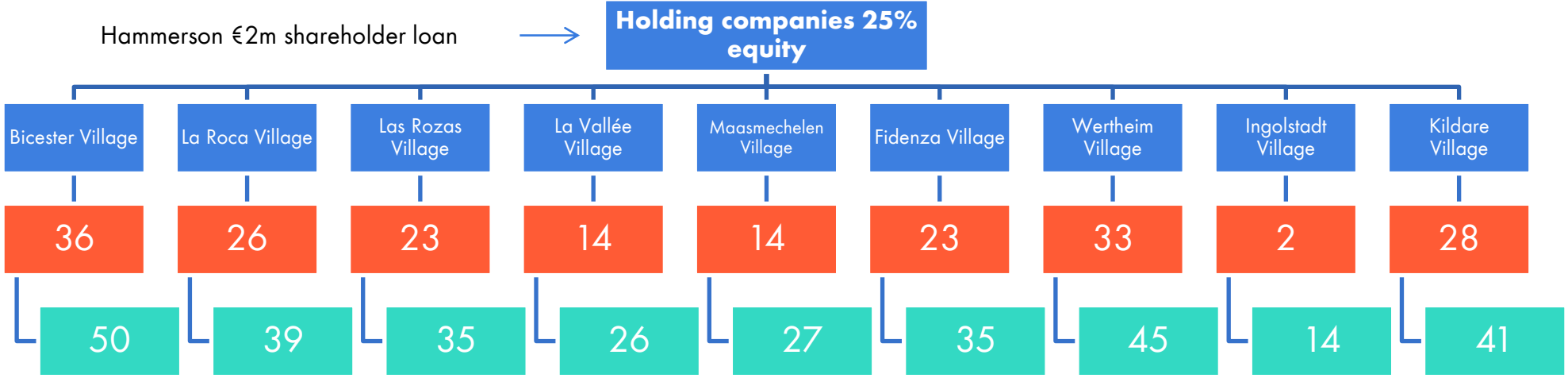
Norwegian Outlet, Oslo

GLA: 13,300m<sup>2</sup>

Units: 77



# Hammerson's total investment in Value Retail (1)



Village ownership via LPs (%)

Total Village ownership (%) (2)

(1) Pro-forma for February 2018 acquisition of LP economic interests  
 (2) Total Village ownership calculated as economic entitlement of directly held and indirectly held interests

# 2017 operational statistics

	UK shopping centres	France
<b>Sales</b> <sup>(1)</sup>	-2.7%	0.1%
<b>Footfall</b> <sup>(2)</sup>	0.4%	1.6%
<b>Rent:sales</b> <sup>(3)</sup>	13.3%	11.0%
<b>OCR</b> <sup>(3)</sup>	21.7%	13.8%

	UK £/ft <sup>2</sup>	France £/ft <sup>2</sup>
<b>Sales densities</b> <sup>(4)</sup>		
<b>2017</b>	240 - 490	395 - 620
<b>2016</b>	250 - 515	350 - 715
<b>2015</b>	250 - 520	355 - 725

<b>Occupancy (%)</b>	UK shopping centres	UK retail parks	France	Ireland	Group
<b>31 December 2017</b>	98.1	99.4	97.9	99.7	98.3
<b>30 June 2017</b>	97.2	99.0	96.6	99.9	97.3
<b>31 December 2016</b>	97.8	98.6	96.5	99.5	97.5

(1) Retail sales on same-centre basis, includes all shopping centres. 2017 UK benchmark -3.0% (Source: Visa Face to Face index); 2017 France benchmark -1.0% (Source: CNCC)

(2) 2017 UK benchmark -2.8% (Source: Tyco Shoppertrak); 2017 France benchmark -1.8% (Source: CNCC)

(3) Excludes anchor stores. France data includes VAT (rent:sales and OCR)

(4) Excludes anchor stores. France data includes VAT; Jeu de Paume, Beauvais, excluded

# 2017 portfolio leasing overview

	Leasing vs previous passing (%)	Leasing vs ERV (%)	ERV growth (%)	New rent secured from leasing (£m)
<b>UK shopping centres</b>	+6	+8	+0.9	13.4
<b>UK retail parks</b>	+9	+11	-0.1	6.3
<b>France</b>	+8	+5	+0.9	9.8
<b>Ireland</b>	+4	+10	+2.7	1.9
<b>Group</b>	+7	+8	+0.9	33.3 <sup>(1)</sup>

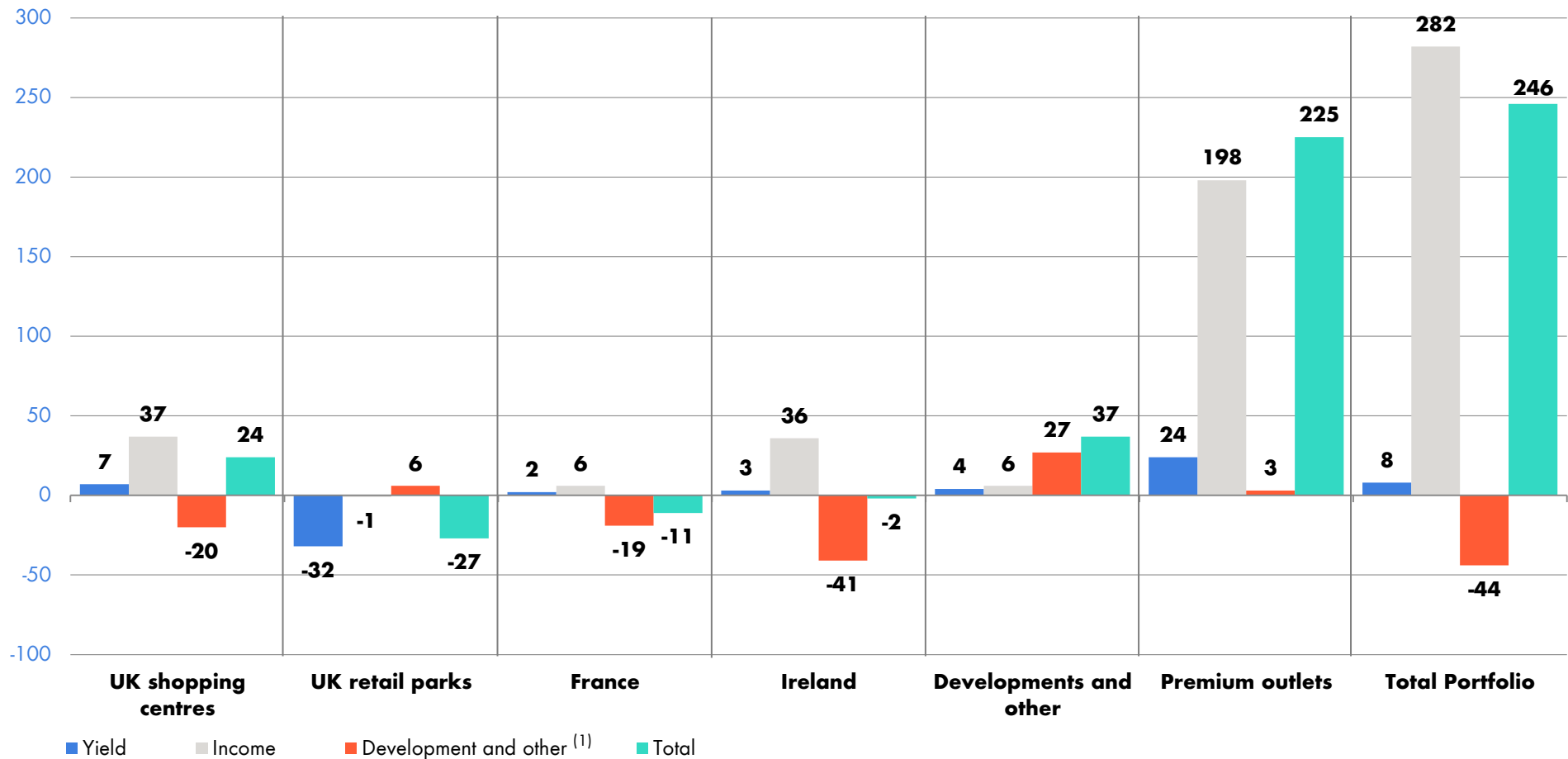
(1) Including Ireland and UK Other properties (principally assets held for development and non-core)

# 2017 valuation data

	UK shopping centres	UK retail parks	France	Ireland	UK other interests	Total portfolio
<b>True equivalent yield (%)</b>						
<b>31 Dec 2017</b>	5.1	6.2	4.4	4.4	7.2	5.0
<b>31 Dec 2016</b>	5.1	6.1	4.4	4.3	7.4	5.1
<b>ERV (£m)</b>						
<b>31 Dec 2017</b>	186.7	75.4	91.7	43.3	14.1	411.2
<b>31 Dec 2016</b>	186.8	77.1	107.9	34.8	13.4	420.0
<b>LfL change (%)</b>	0.9	-0.1	0.9	2.7	1.6	0.9

# 2017 components of valuation change

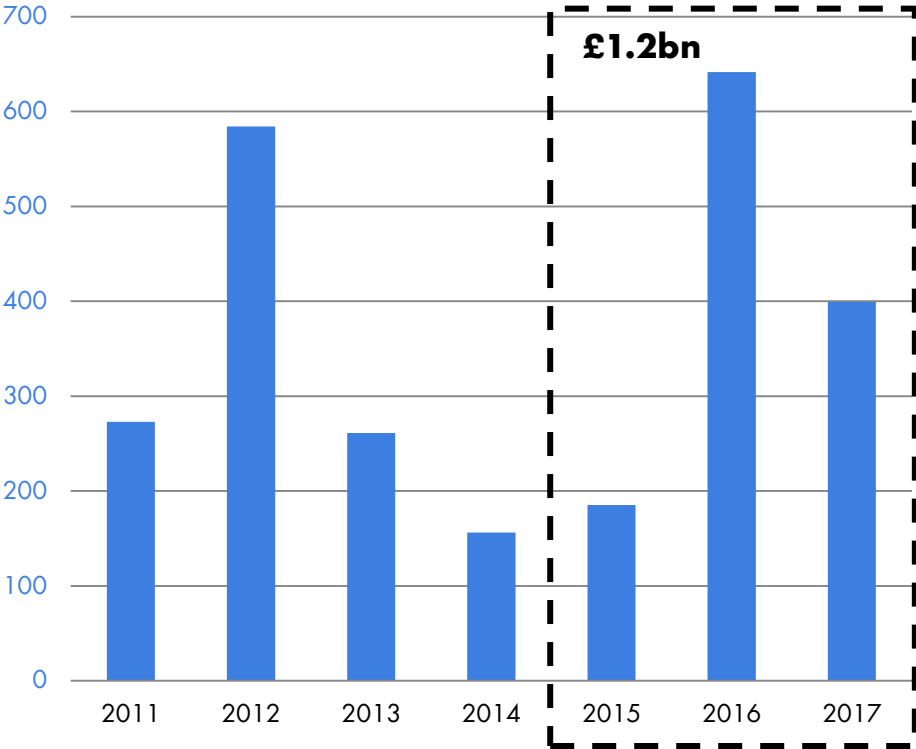
Components of valuation change in 2017, total portfolio (£m)



Note: Development and other includes the movement in the UK Other interests portfolio where valuations increased by a total of £13m during 2017  
 (1) Other capital movements reflects the impact of changes in purchasers' costs, development surpluses and capital expenditure

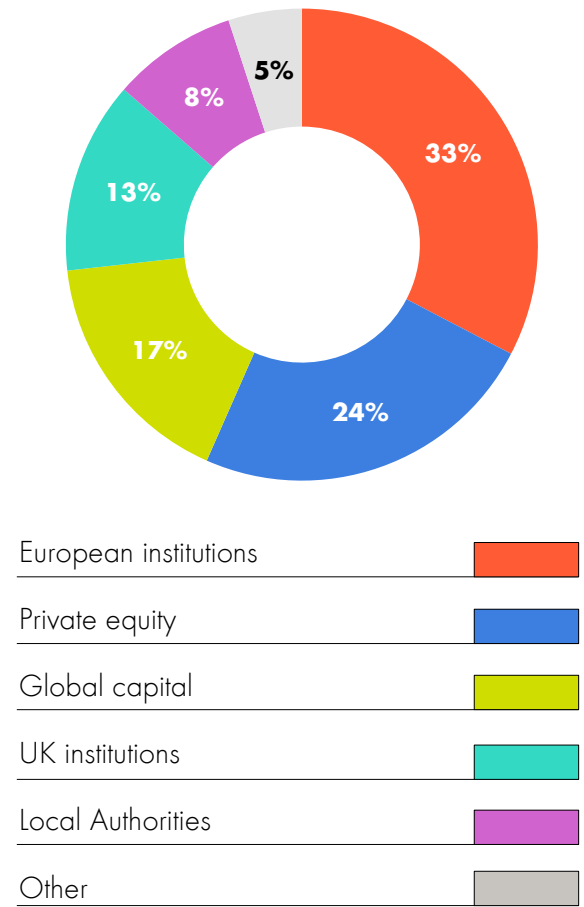
# Successful track-record of capital recycling through varied conditions to a breadth of buyers

Hammerson annual disposal proceeds (£m)



2011-2017 total £2.5bn; average £360m disposals p.a.  
 £1.2bn over last 3 years, 2% below book value

Split of Hammerson's disposals by category of acquirer (2015-2017)



# Breadth of buyers for prime European assets

## Hammerson disposals 2015 – 2018 YTD

	Date	Buyer	Net proceeds £m
<b>Drakehouse retail park, Sheffield</b>	<b>Mar-15</b>	<b>90 North (private equity)</b>	61
<b>Bercy 2, Paris</b>	<b>Oct-15</b>	<b>Tikehau (Institution)</b>	47
<b>Grand Maine, Angers</b>	<b>Oct-15</b>	<b>French Institution</b>	46
<b>Monument Mall, Newcastle</b>	<b>Jan-16</b>	<b>Standard Life</b>	75
<b>Villebon 2, Villebon-sur-Yvette</b>	<b>Apr-16</b>	<b>French Institution</b>	124
<b>Thurrock Shopping Park</b>	<b>Jun-16</b>	<b>TH Real Estate</b>	98
<b>Manor Walks shopping centre, Cramlington</b>	<b>Jun-16</b>	<b>Arch (local authority)</b>	77
<b>Westmoreland retail park, Cramlington</b>	<b>Jun-16</b>	<b>Arch (local authority)</b>	36
<b>Grand Central, Birmingham (50%)</b>	<b>Nov-16</b>	<b>CPPIB</b>	173
<b>Westquay South, Southampton (50%)</b>	<b>Dec-16</b>	<b>GIC</b>	45
<b>Westwood and Westwood Gateway Retail Parks, Thanet</b>	<b>Jul-17</b>	<b>BMO (private equity)</b>	78
<b>Saint Sébastien, Nancy</b>	<b>Dec-17</b>	<b>AEW (private equity)</b>	144
<b>Place des Halles, Strasbourg</b>	<b>Dec-17</b>	<b>Fund manager</b>	167
<b>Battery Retail Park, Birmingham</b>	<b>Feb-18</b>	<b>NFU Mutual</b>	57
<b>Wrekin Retail Park, Telford</b>	<b>Mar-18</b>	<b>N/A</b>	35
<b>Total</b>			<b>£1.3bn</b>

# Hammerson capex 2018-2020

<b>Hammerson (£m)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Major London developments (Brent Cross, Croydon)</b>	97	104	107
<b>France – extensions (Cergy, Italie Deux)</b>	105	81	61
<b>Retail parks</b>	48	34	9
<b>Highcross reconfiguration, Leicester</b>	14	2	0
<b>Total Hammerson</b>	<b>264</b>	<b>221</b>	<b>176</b>

# On-site developments

Scheme <sup>(1)</sup>	Lettable area m <sup>2</sup>	Expected completion	Value 31 Dec 2017 £m <sup>(2)</sup>	Estimated cost to complete <sup>(3)</sup> £m	Estimated annual income <sup>(4)</sup> £m	Let <sup>(5)</sup> %
Parc Tawe, Swansea	21,400	Q1 2018	n/a	3	2	91
Orchard Centre, Didcot	8,700	Q1 2018	29	12	3	62
Les 3 Fontaines, Paris extension	33,000	Q2 2021	n/a	201	16	22
<b>Total</b>	<b>63,100</b>			<b>216</b>	<b>21</b>	

(1) Group ownership 100% for all on-site schemes

(2) Values are not included for extension projects which are incorporated into the value of the existing property

(3) Incremental capital cost including capitalised interest

(4) Incremental income net of head rents and after expiry of rent-free periods

(5) Let or in solicitors' hands by income at 22 February 2018

# Development pipeline opportunities

Scheme	Scheme area (m <sup>2</sup> )	
<b>Brent Cross extension</b>	90,000	<ul style="list-style-type: none"> <li>Extension and refurbishment of Brent Cross, forming part of wider Brent Cross Cricklewood regeneration plans, totalling 175,000m<sup>2</sup> of retail, catering and leisure.</li> <li>Reserved matters planning application approved October 2017. The compulsory purchase order was confirmed in December 2017.</li> <li>Laing O'Rourke has been selected as the preferred contractor for the retail extension and leasing is progressing.</li> </ul>
<b>Bristol investment properties <sup>(1)</sup></b>	74,000	<ul style="list-style-type: none"> <li>Resolution to grant planning permission subject to conclusion of a S106 agreement, confirmed in January 2018 for a 3.5ha area of joint venture-owned properties forming part of the Broadmead estate adjoining Cabot Circus.</li> <li>Masterplan includes up to 74,000m<sup>2</sup> retail and leisure, 380 car parking spaces, and the potential for 150 residential units and a 150 room hotel.</li> </ul>
<b>Croydon Town Centre</b>	200,000	<ul style="list-style-type: none"> <li>Redevelopment of Whitgift Centre and refurbishment of Centrale shopping centre.</li> <li>Resolution to grant outline planning permission confirmed in November 2017 for the redevelopment of the Whitgift Centre subject to conclusion of a S106 agreement.</li> </ul>
<b>Silverburn (Phase 4), <sup>(1)</sup> Glasgow</b>	50,000	<ul style="list-style-type: none"> <li>Variation to planning condition consented in 2017 to permit phased delivery of a masterplan for a future extension of existing centre.</li> <li>Masterplan includes 31,250m<sup>2</sup> retail, 8,500m<sup>2</sup> leisure, plus a hotel.</li> </ul>
<b>Union Square, Aberdeen <sup>(1)</sup></b>	27,800	<ul style="list-style-type: none"> <li>Extension of existing shopping centre for up to 11,000m<sup>2</sup> of retail, 12,000m<sup>2</sup> of leisure and catering, plus up to 294 car parking spaces and a hotel.</li> <li>Planning consent subject to conclusion of a s.75 agreement anticipated H1 2018.</li> </ul>
<b>Victoria, Leeds (Phase 2) <sup>(1)</sup></b>	95,000	<ul style="list-style-type: none"> <li>Phase 1 Victoria Gate completed October 2016. Operator being sought for up to 200 bed hotel adjacent to new multi-storey car park.</li> <li>Phase 2 master planning underway to deliver a phased retail/leisure mixed-use scheme to complement Victoria Gate.</li> <li>Freehold control of 4.1ha Phase 2 site obtained.</li> </ul>
<b>Imperial Retail Park, Bristol <sup>(1)</sup></b>	7,350	<ul style="list-style-type: none"> <li>Planning consent granted in November 2017 for retail and leisure extension to Imperial Retail Park.</li> <li>Leasing progressing ahead of potential start on site in Autumn 2018.</li> </ul>
<b>Oldbury, Dudley <sup>(1)</sup></b>	10,900	<ul style="list-style-type: none"> <li>Planning consent granted in May 2016 for new development of up to 11 retail and catering units. Leasing underway.</li> </ul>
<b>The Goodsyard, London E1</b>	270,000	<ul style="list-style-type: none"> <li>4.2ha site on edge of the City of London.</li> <li>A planning application for a major mixed-use development of up to 270,000m<sup>2</sup> was deferred by the GLA in April 2016 to allow further consultation. This work is progressing and we are now targeting a submission of the necessary amendments to the GLA by the end of 2018 to allow the Mayor to determine the scheme.</li> </ul>
<b>SQY Ouest, Saint-Quentin-en-Yvelines <sup>(1)</sup></b>	32,000	<ul style="list-style-type: none"> <li>Opportunity to reposition existing shopping centre, creating a leisure-led destination.</li> <li>Trading consent obtained.</li> <li>Construction works and pre-letting on-going, Phase 1 launched to handover first units in first half of 2018.</li> </ul>
<b>Dundrum Phase II, Dublin <sup>(1)</sup></b>	100,000	<ul style="list-style-type: none"> <li>2.4ha site located adjacent to Dundrum Town Centre.</li> <li>Masterplan in preparation for a residential-led mixed-use scheme including retail.</li> </ul>
<b>Dublin Central, Dublin <sup>(1)</sup></b>	130,000	<ul style="list-style-type: none"> <li>Extension of duration of planning consent granted until May 2022 to create a retail-led city centre scheme including 60,000m<sup>2</sup> of retail.</li> <li>The Court of Appeal in Dublin overturned the earlier ruling relating to buildings on Moore Street and their national monument status. Previously constrained by the court case, Hammerson will now engage with stakeholders on the future of the site.</li> </ul>
<b>Swords Pavilions Phase III, Dublin <sup>(1)</sup></b>	272,000	<ul style="list-style-type: none"> <li>Extension of planning consent granted to August 2021 to create a mixed-use development including 124,000m<sup>2</sup> of retail and commercial uses.</li> <li>Loan-to-own process complete. Masterplan for extension to be reviewed in 2018.</li> </ul>
<b>Total</b>	<b>1,359,050</b>	

(1) Schemes are on Group owned land. No additional land acquisitions are required. Excludes occupational and long leaseholds.

# UK shopping centre investment

## Hammerson UK shopping centre cash flow statement

	2017 £m	2016 £m	2015 £m	
Gross rental income	180.2	174.2	162.0	
Service charge income	35.4	34.0	28.7	
<b>Total income</b>	<b>215.6</b>	<b>208.2</b>	<b>190.7</b>	<b>B</b>
Service charge expenses (excl. investment)	-31.5	-32.9	-25.3	
Other property expenses (Hammerson NRI) <b>1</b>	-25.4	-22.4	-20.6	
<b>Net cash flow before maintenance capex</b>	<b>158.7</b>	<b>153.0</b>	<b>144.9</b>	
Investment spend (service charge maintenance projects) <b>2</b>	-5.8	-4.6	-6.1	<b>A</b>
Investment projects (capex on maintenance or 'value-add' projects) <b>3a + 3b</b>	-15.6	-12.6	-9.6	
<b>Net cash flow from Operations</b>	<b>137.3</b>	<b>135.8</b>	<b>129.2</b>	
<b>Maintenance capex: total income, %</b>	<b>10%</b>	<b>8%</b>	<b>8%</b>	<b>A/B</b>

	Capitalised	Recoverable from tenant	Direct/indirect return?	Selection of examples
<b>1 Hammerson operating expenses</b>	✗	✗	n/a	Car park expenditure; landlord marketing; interactive hoardings, upkeep collection lockers/mobile phone charge points, research and marketing costs
<b>2 Service charge (maintenance)</b>	✗	✓	n/a	Painting, flooring upkeep, footfall counters, CCTV, wifi upgrade, IT upgrades
<b>3a Investment projects (hygiene)</b>	✓	Partial	Direct / Indirect	Wayfinding projects, WC upgrades, LED lighting, public seating upgrades
<b>3b Investment projects (value-add)</b>	✓	✗	Direct	Creating new lettable space: e.g. Next reconfiguration at the Oracle, House of Fraser reconfiguration at Highcross, car park upgrade at Bullring

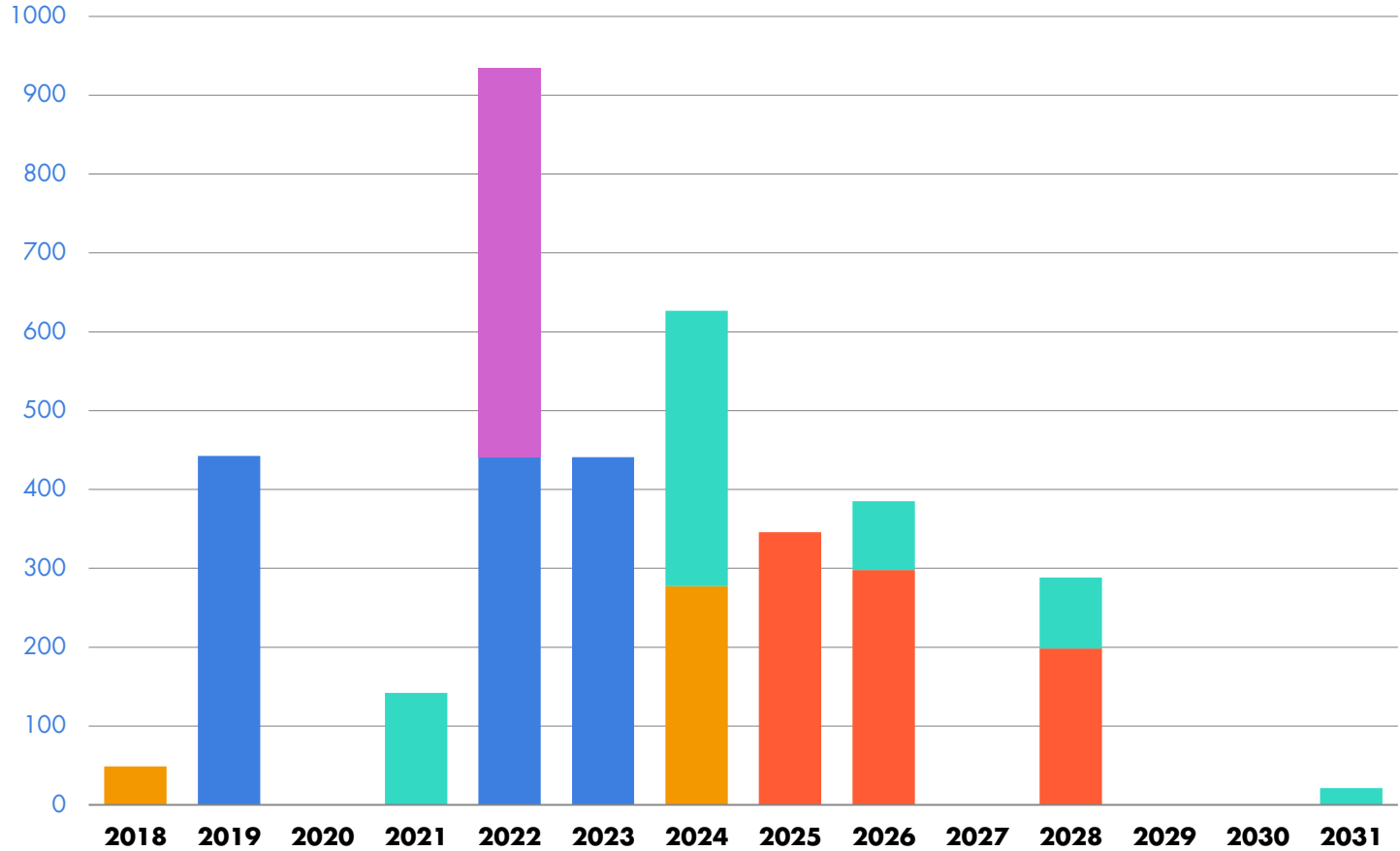
# LTV methodology

	<b>31 Dec 2017</b>	
	<b>Reported (£m)</b>	<b>Fully proportionally consolidated (£m)</b>
<b>Net debt</b>		
<b>Group</b>	3,501	3,501
<b>VIA Outlets</b>	-	174
<b>Value Retail</b>	-	512
<b>Loan</b>	3,501	4,187
<b>Property values</b>		
<b>Group</b>	8,326	8,326
<b>VIA Outlets</b>	-	600
<b>Value Retail</b>	-	1,634
<b>Less minority interest</b>	(14)	(14)
<b>VIA Outlets net assets</b>	361	-
<b>Value Retail net assets</b>	1,069	-
<b>Value</b>	9,742	10,546
<b>LTV</b>	36%	40%

# Continuing to take advantage of refinancing opportunities

Debt maturity profile 31 December 2017 (£m)

- Revolving credit facilities
- Private placement
- Sterling bonds
- Euro bonds
- Secured debt



# Tenants in administration

<b>31 December 2017</b>	<b>% of passing rents</b>
<b>50 units in administration</b>	0.9
<b>9 units unoccupied</b>	0.1

<b>30 June 2017</b>	
<b>42 units in administration</b>	0.8
<b>8 units unoccupied</b>	0.1

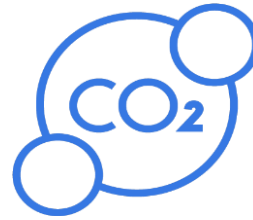
  

<b>31 December 2016</b>	
<b>44 units in administration</b>	0.7
<b>9 units unoccupied</b>	0.1

# Our new Positive Places objective is for Hammerson to be Net Positive for carbon, water, resource use and socio-economic impacts by 2030

**“I am proud that Hammerson has become the first real estate company globally to identify such comprehensive targets and by extending our aims to tenant impacts we will be able to directly support our retail clients and deliver best in class retail assets that are fit for the future.”**

**David Atkins, CEO, Hammerson plc**



## Carbon

Net Positive for carbon means carbon emissions avoided exceed emissions generated.



## Resource Use

Net Positive for resource use means waste avoided, recycled or re-used exceeds materials used that are neither recycled, renewable nor sent to landfill.



## Water

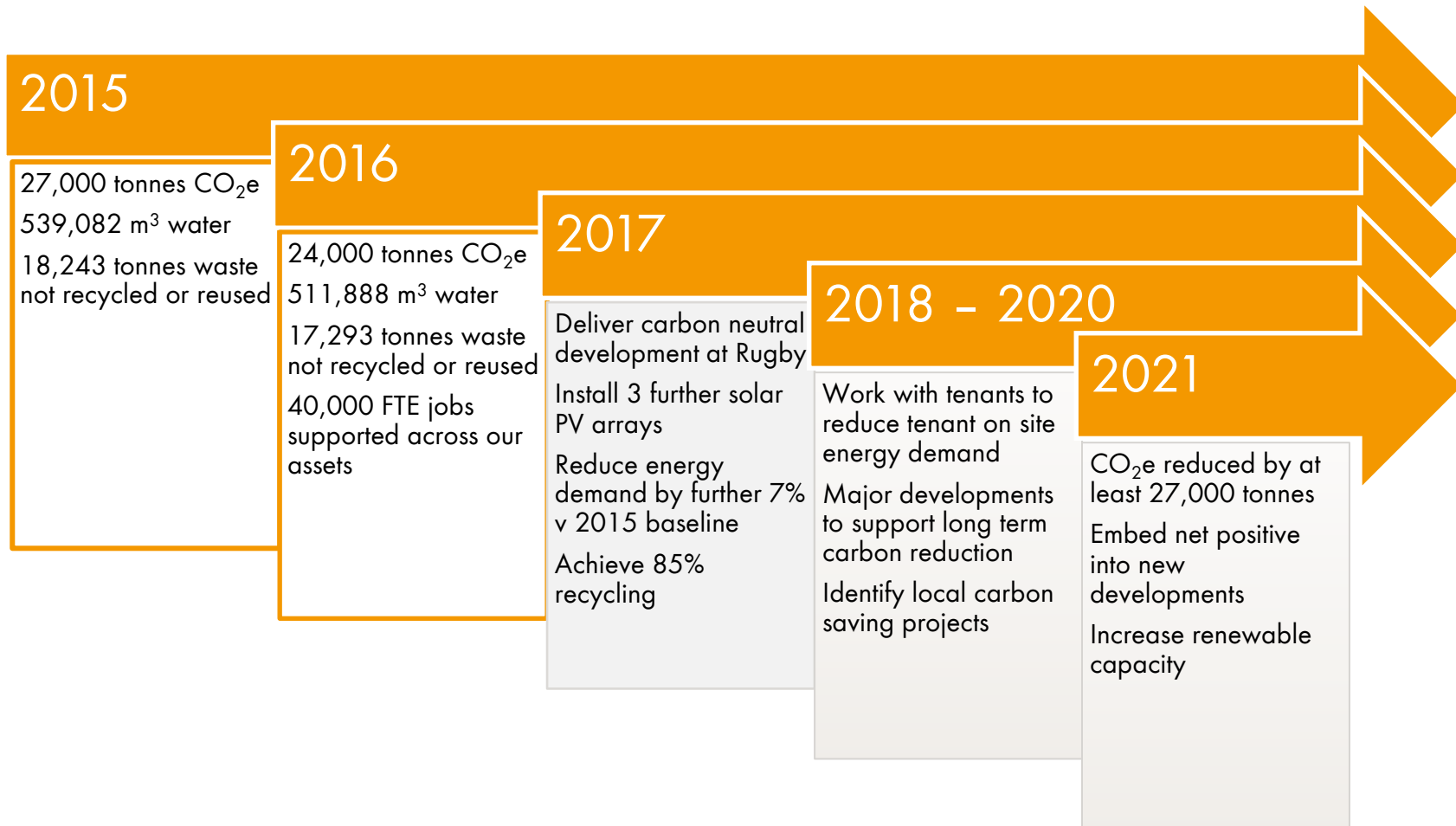
Net Positive for water means water replenished by external projects exceeds water consumed from mains supply.



## Resource Use

Net Positive for socio-economic impacts means making a measurable positive impact on socio-economic issues relevant to our local communities beyond a measured baseline.

# Steps to becoming Net Positive



# Our 2017 sustainability highlights

Delivered the world's first BREEAM Outstanding, carbon neutral retail park at Elliott's Field, Rugby

Developed the second zero energy Costa Coffee EcoPod at Parc Tawe, Swansea

Managed exposure to Minimum Energy Efficiency Standards (MEES) risk out of the UK portfolio

Installed additional 910 kWp clean electricity capacity

Achieved 3% improvement in the carbon intensity of the business, one of our corporate KPIs

Recycled 73% of waste across our UK, France and Ireland portfolios

Supported over 100 people with skills training and into employment at our shopping centres

Supported over 70 business-start-ups in France and 400+ entrepreneurs in the UK through the Initiative France and Pop-Up Business

