Hammerson

2016 Half-year Results

25 July 2016

Dundrum, Dublin

Agenda

H1 highlights

Consistent growth profile

EPS +5.1%
DPS +6.3%
NAVPS +2.4%

Premium space attracting more long-term lettings

Leasing volumes +19%; LfL NRI +2.1%[1]

Adding super-prime assets

Dundrum, Dublin

Capital profile strengthened

£500m disposal programme close to completion; £830m long-dated debt

Two developments completing in next six months

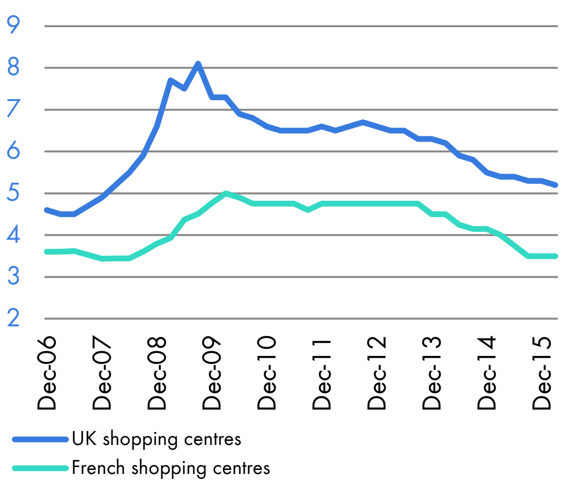
80% pre-let; 19% profit on cost

(1) Including premium outlets +2.7%

Market backdrop

UK contrast with rest of Europe

Shopping centre NIY (%)

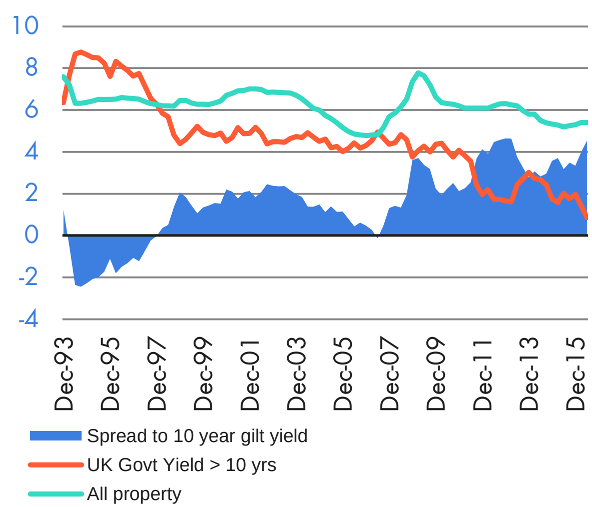


Brexit creates economic and political uncertainty in UK

French property yields historically less volatile than UK

Support from yield spreads

Commercial property yields relative to 10 year gilts (%)

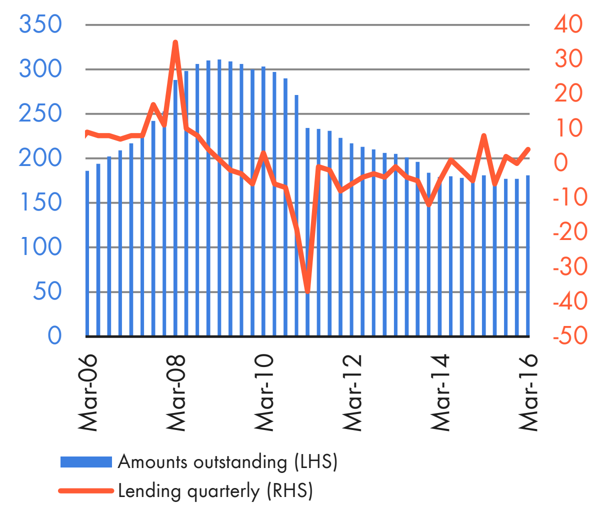


Record low UK government yield

Property yield spreads to gilts at record-highs

Moderate bank lending

Bank lending to commercial real estate (£'000m)



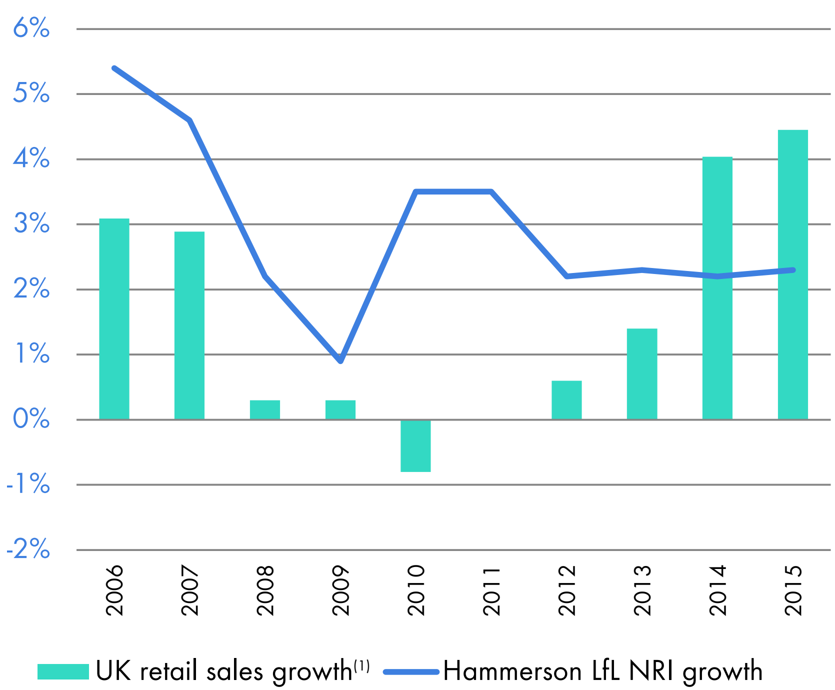
Lending to commercial real estate is a third lower than 2008/2009

Banks are significantly better capitalised and no material CMBS exposure

Sources: MSCI; Bloomberg; CBRE; Bank of England

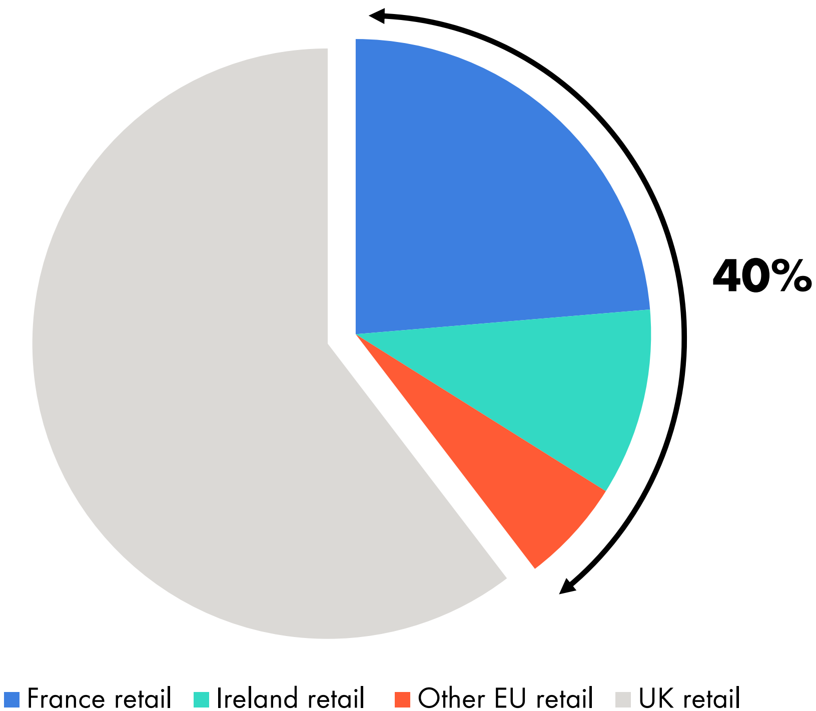
Hammerson income resilience

Hammerson retail like-for-like NRI track record



Like-for-like NRI consistently positive despite volatile UK retail sales

Hammerson's diversified European portfolio



Diversified portfolio: 40% non-UK assets

(1) Source: ONS

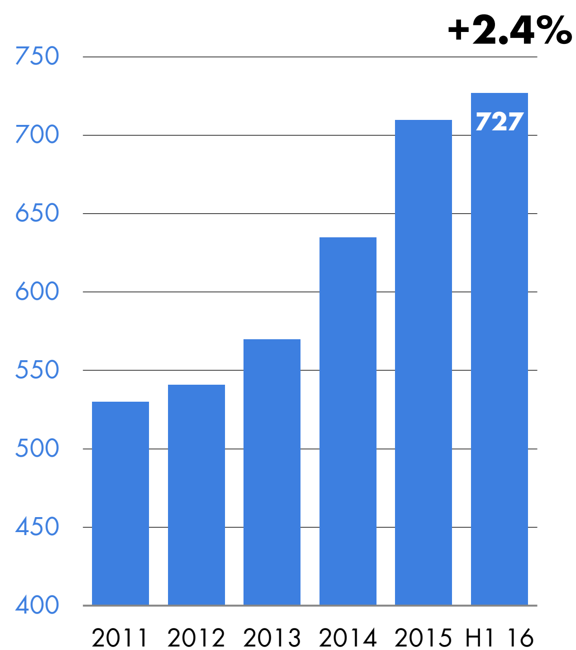
A superior retail property portfolio positioned for growth

Fast-growth end markets	5 years ago	Today	Growth driver
Ireland exposure	0%	10%	5% Ireland retail sales growth[(1)]
Premium outlets exposure	1%	14%	15% retail sales CAGR[(2)]
High quality assets			
Average shopping centre asset size[(3)]	£350m	£440m	Polarisation to destination venues drives organic growth
Average shopping centre rents passing[(4)]	£440/m²	£510/m²	Demand from retailers for premium space
Enhanced shopper experience			
Shopping centre catering and leisure	6%	14%	Driving footfall and dwell time
Commercialisation income[(5)]	£8m	£14m	Diversified income stream

(1) Source: Ireland CSO (All retail business sales, value, 2015 YoY growth)
(2) Value Retail compound brand sales growth since 2006
(3) At 100% asset value
(4) Weighted across UK and France
(5) Gross income across UK shopping centres at 100% (not Hammerson share)

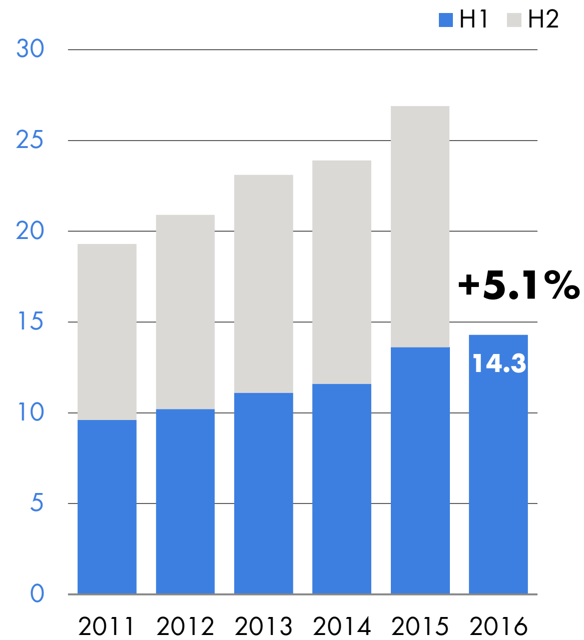
Consistent track record

NAVPS (pence)



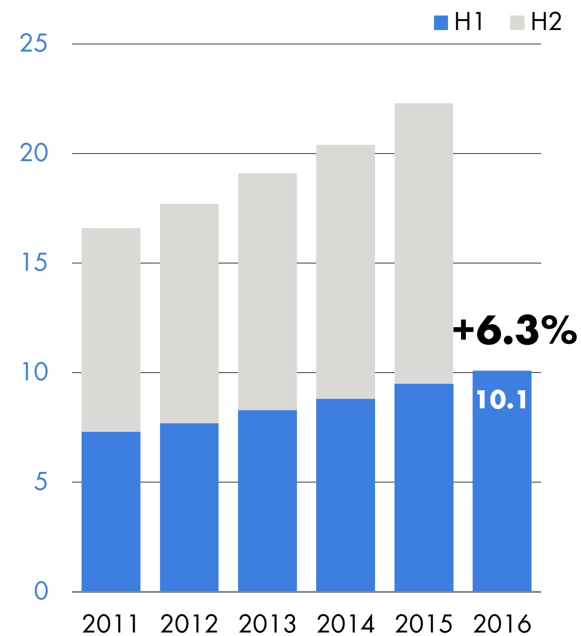
Dec 2011 - H1 2016 CAGR +7.3%

EPS (pence)



H1 CAGR +8.3%

DPS (pence)



H1 CAGR +6.5%

02 Financial results

Timon Drakesmith – CFO

- Review of H1 2016 financial performance
- Analysis of valuation trends
- Debt position
- Overview of Group risk management measures

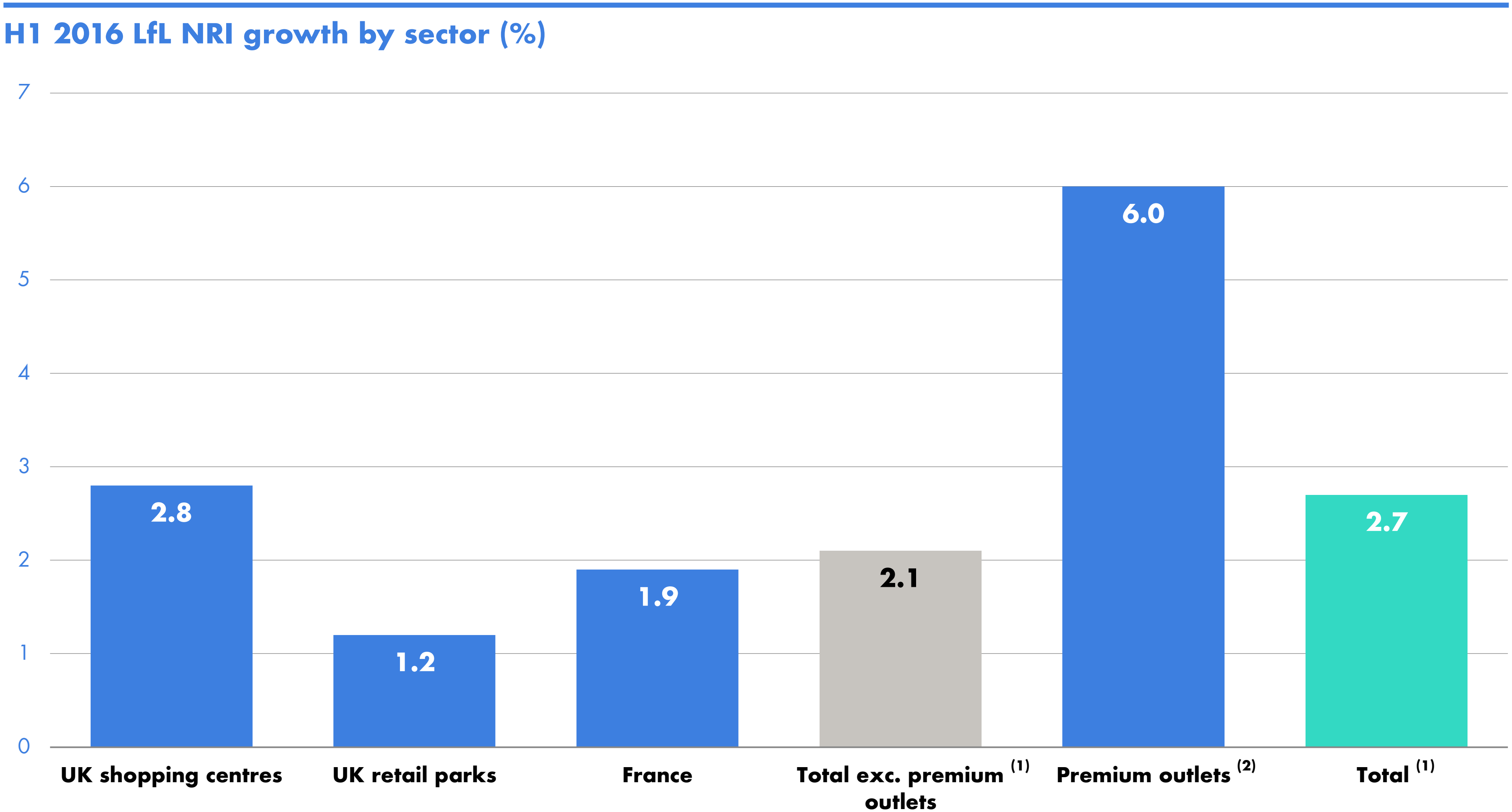
Headline results

Income statement	30 Jun 2016	30 Jun 2015	Change
Net rental income (£m)	167.7	159.5	+5.1%
Adjusted profit (£m)	112.6	106.2	+6.0%
Adjusted EPS (p)	14.3	13.6	+5.1%
Interim dividend (p)	10.1	9.5	+6.3%

Balance sheet	30 Jun 2016	31 Dec 2015	Change
Portfolio value (£m) (1)	8,964	8,374	+0.7%
EPRA NAVPS (p)	727	710	+2.4%
LTV (%)	40	38	+2 p.p.

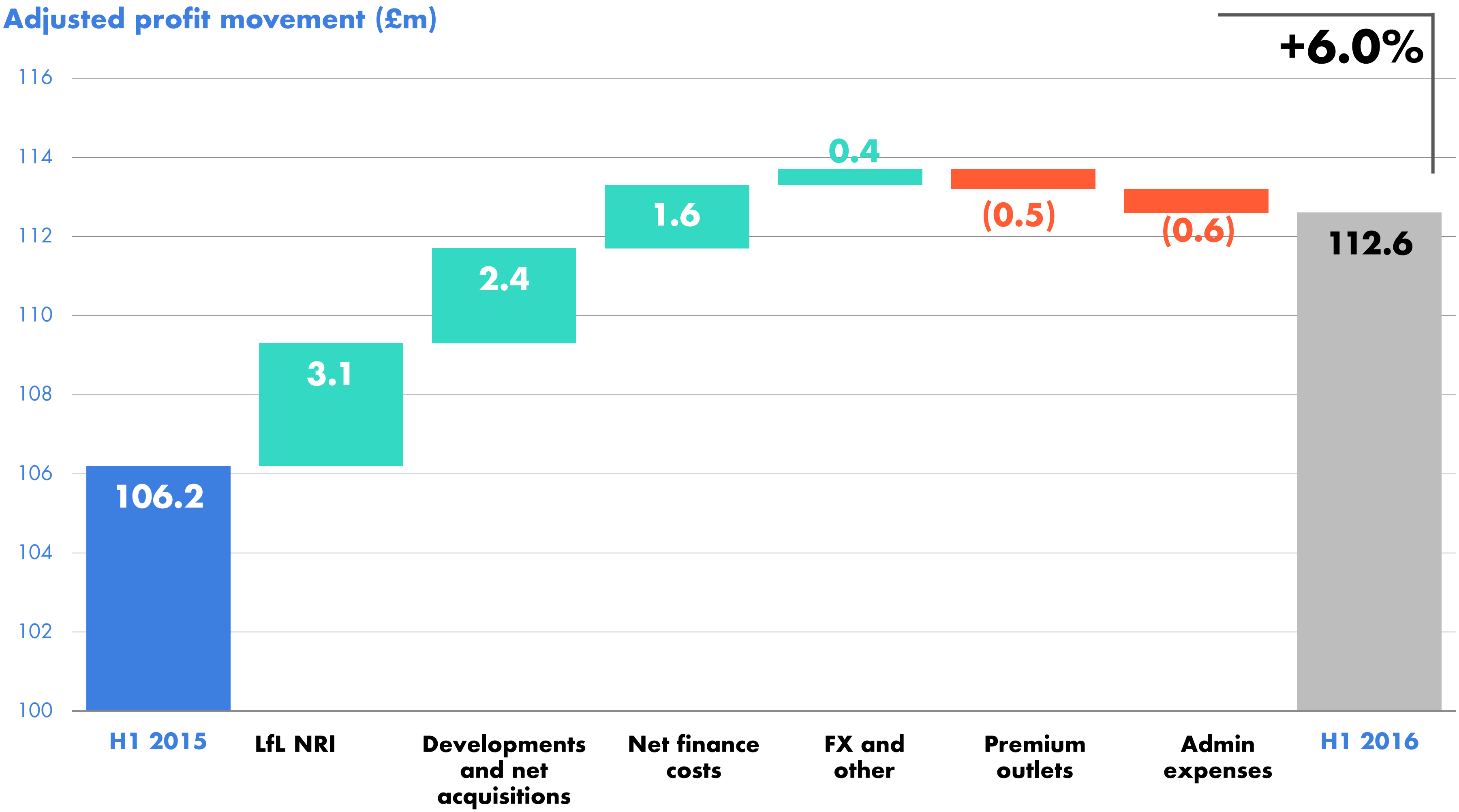
(1) Valuation for total portfolio including premium outlets. Change reflects capital return.

Positive LfL net rental income growth



(1) Includes LfL movement of UK other properties of 2.8% – principally assets held for development and non-core
(2) Includes Value Retail only as VIA Outlets schemes undergoing material reconfigurations

Strong profit growth

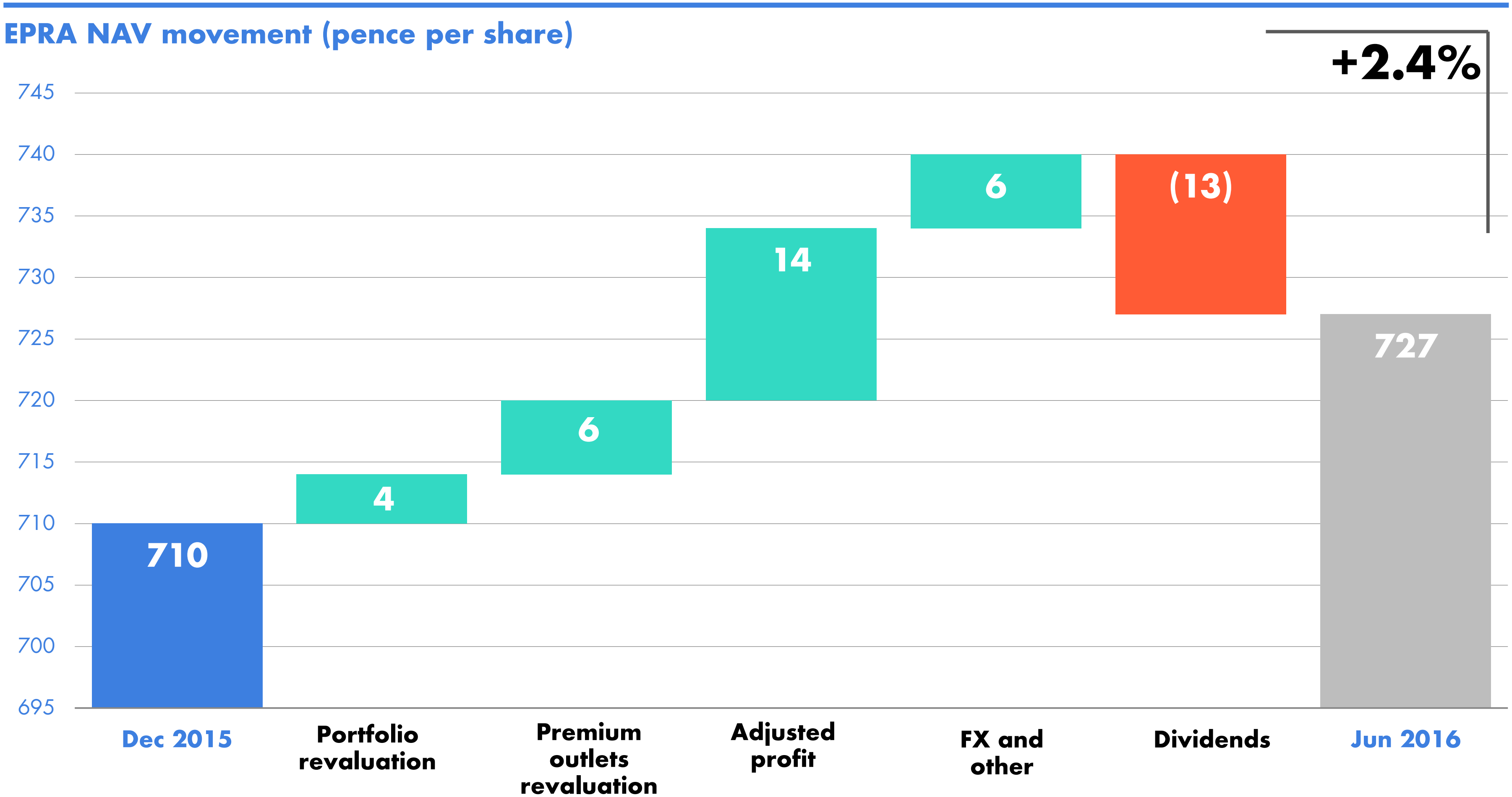


Valuation analysis

	H1 2016 capital return (1) (%)	Components of underlying valuation change			Value at 30 Jun 2016 (2) (£m)
		Yield shift (%)	Income and other (%)	Stamp duty (%)	
UK shopping centres	−0.4	+0.1	+0.3	−0.8	3,332
UK retail parks	−3.0	−1.5	−0.6	−0.9	1,526
France	+2.9	+3.4	−0.2	−0.3	2,070
UK other interests (3)	−0.7	0.0	+0.3	−1.0	158
Developments	+4.9	0.0	+5.7	−0.8	481
Premium outlets	+3.5	+0.8	+3.1	−0.4	1,397
Total	**+0.7**	**+0.7**	**+0.6**	**−0.6**	**8,964**

(1) At constant exchange rates
(2) Figures on a proportionally consolidated basis
(3) Principally assets held for redevelopment and non-core

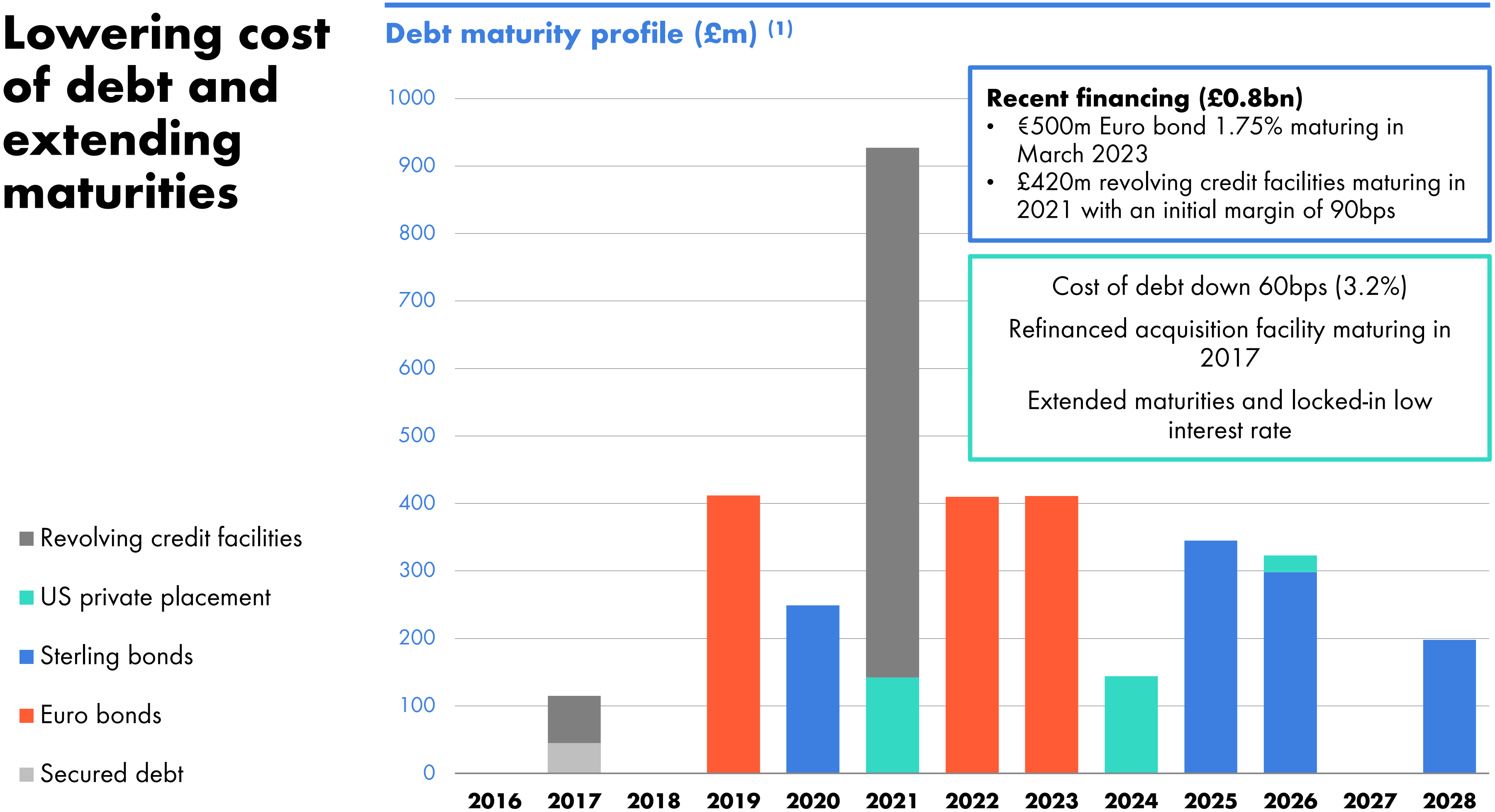
NAVPS uplift



Financing ratios

	Financing policy	30 Jun 2016	31 Dec 2015
Net debt	-	**£3,360m**	£2,968m
Gearing	<85%	**59%**	54%
Loan to value	<40%	**40%**	38%
Cash/undrawn facilities	-	**£945m**	£931m
Weighted average cost of finance	-	**3.2%**	3.8%
Interest cover	>2.0x	**3.8x**	3.6x
Net debt/EBITDA	<10x	**9.7x**	9.6x
Fixed rate debt	>50%	**68%**	61%
GBP/EUR fixed balance sheet hedging	70% - 90%	**76%**	90%

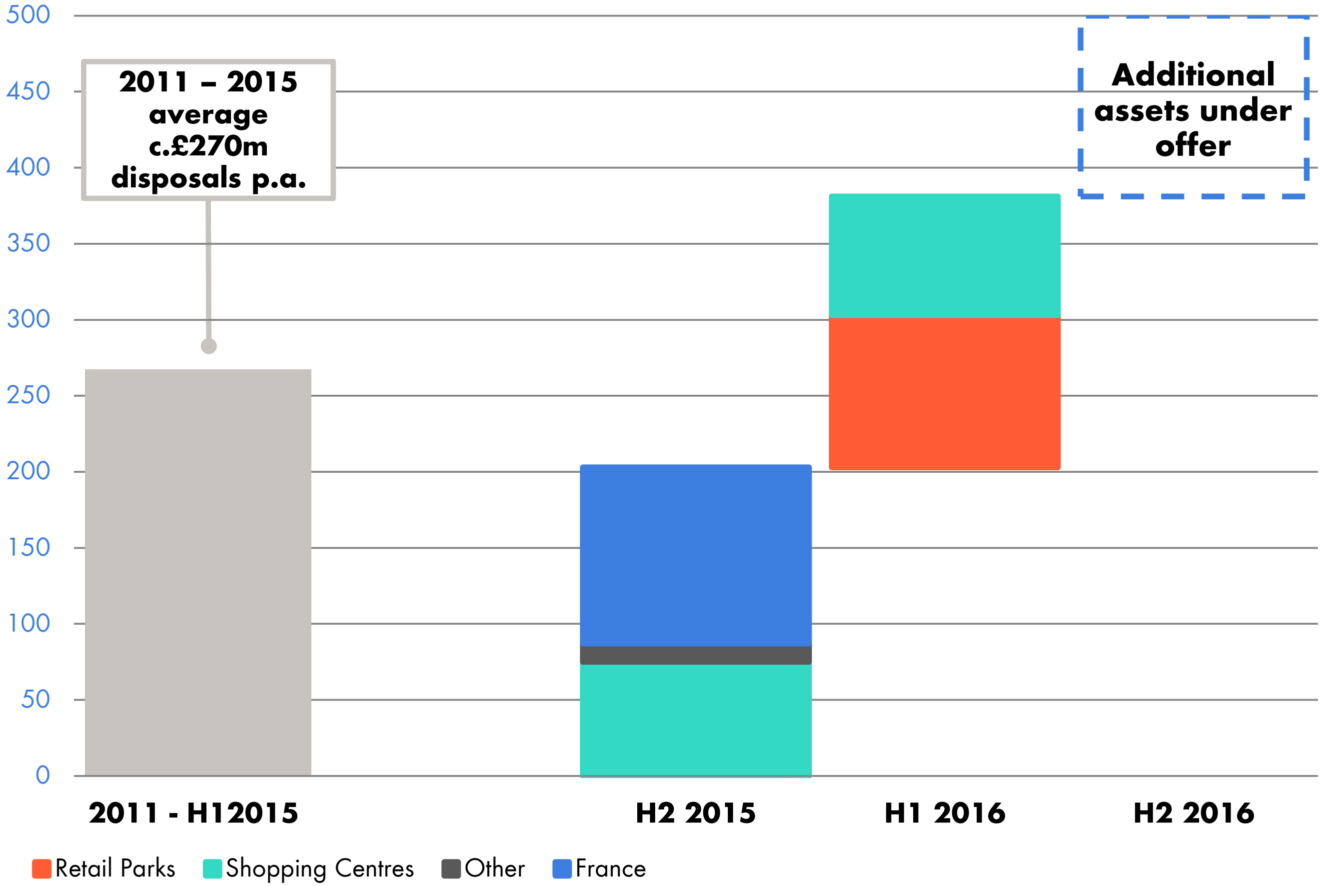
Lowering cost of debt and extending maturities



(1) As at 30 June 2016 shown on a proportionally consolidated basis

£500m disposal programme to fund Ireland acquisition

On-going disposals in line with capital recycling strategy



£300m disposals (2016)

Cramlington £78m[1]
Folkestone £7m[1]
Thurrock £93m
Additional assets under offer c.£120m

£200m disposals (H2 2015)

Villebon 2 £116m[2]
Kingston-upon-Thames £12m
Monument Mall £75m

(1) Contracted in July 2016
(2) Contracted in January 2016

Hammerson resilience to a UK downturn

Greater geographic diversity	June 2016	December 2007
UK property/total property assets [(1)]	60%	71%
Property value outside UK [(1)]	£3.9bn	£2.1bn
London Office exposure	0%	22%
Lower committed development		
Development properties/total property assets	5%	14%
Development capital commitments/total property assets	1%	6%
Total capital commitments	£115m	£420m
Strong credit ratios		
Gearing	59%	57%
Gearing incl. committed capex	61%	67%
Interest cover	3.8x	1.9x
Cash and undrawn credit lines	£945m	£590m

(1) June 2016 ratios include transactions announced post 30 June 2016: Irish property transfer, Cramlington and Folkestone disposals

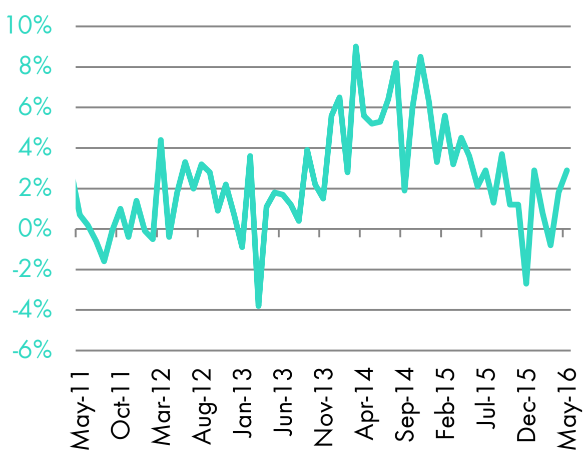
03 Portfolio update

David Atkins - CEO

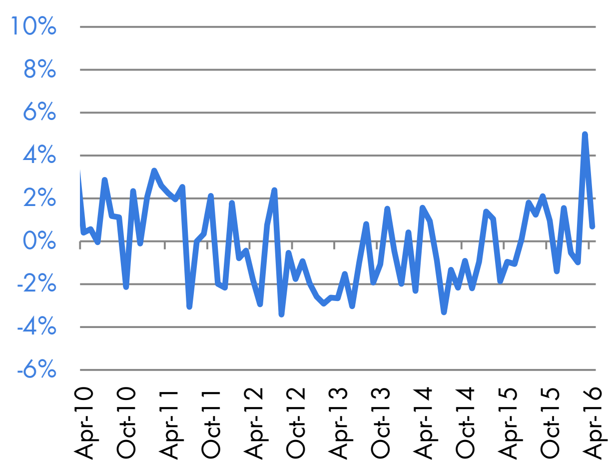
UK shopping centres
UK retail parks
France
Premium outlets
Developments
Ireland

Retail market overview

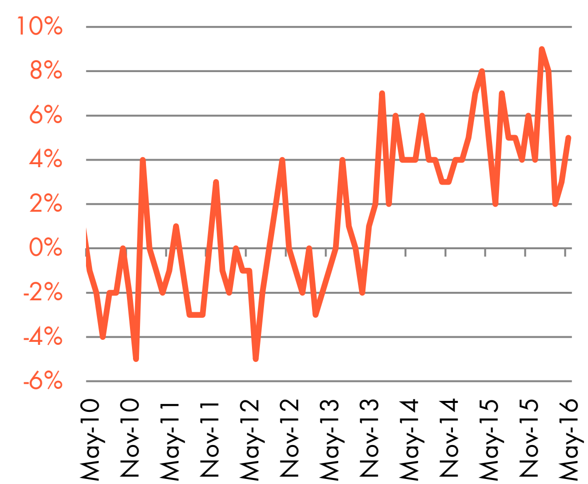
UK retail sales (1)



France retail sales (2)



Ireland retail sales (3)



H1 trends

Sales pattern more variable

Exacerbated by atypical weather

H1 trends

Encouraging positive sales in face of headwinds from terrorism, social unrest and Paris flooding

H1 trends

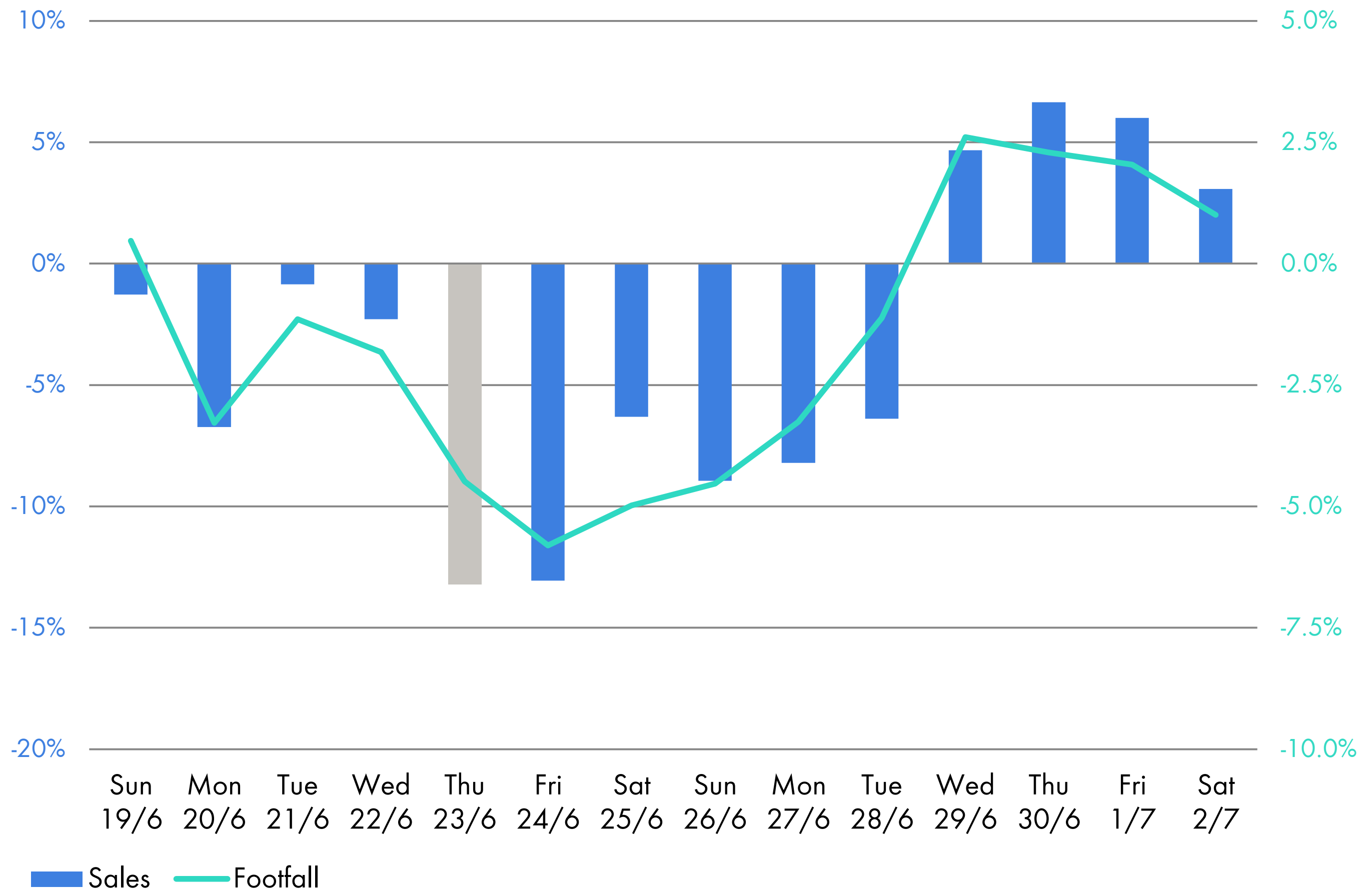
Strong sales growth continues

Economic and employment growth

(1) Source: ONS (Non-food store sales, value, YoY growth)
(2) Source: Banque de France (Retail trade, value, YoY growth)
(3) Source: Ireland CSO (All retail business sales, value, YoY growth)

Consumer insight around the Referendum

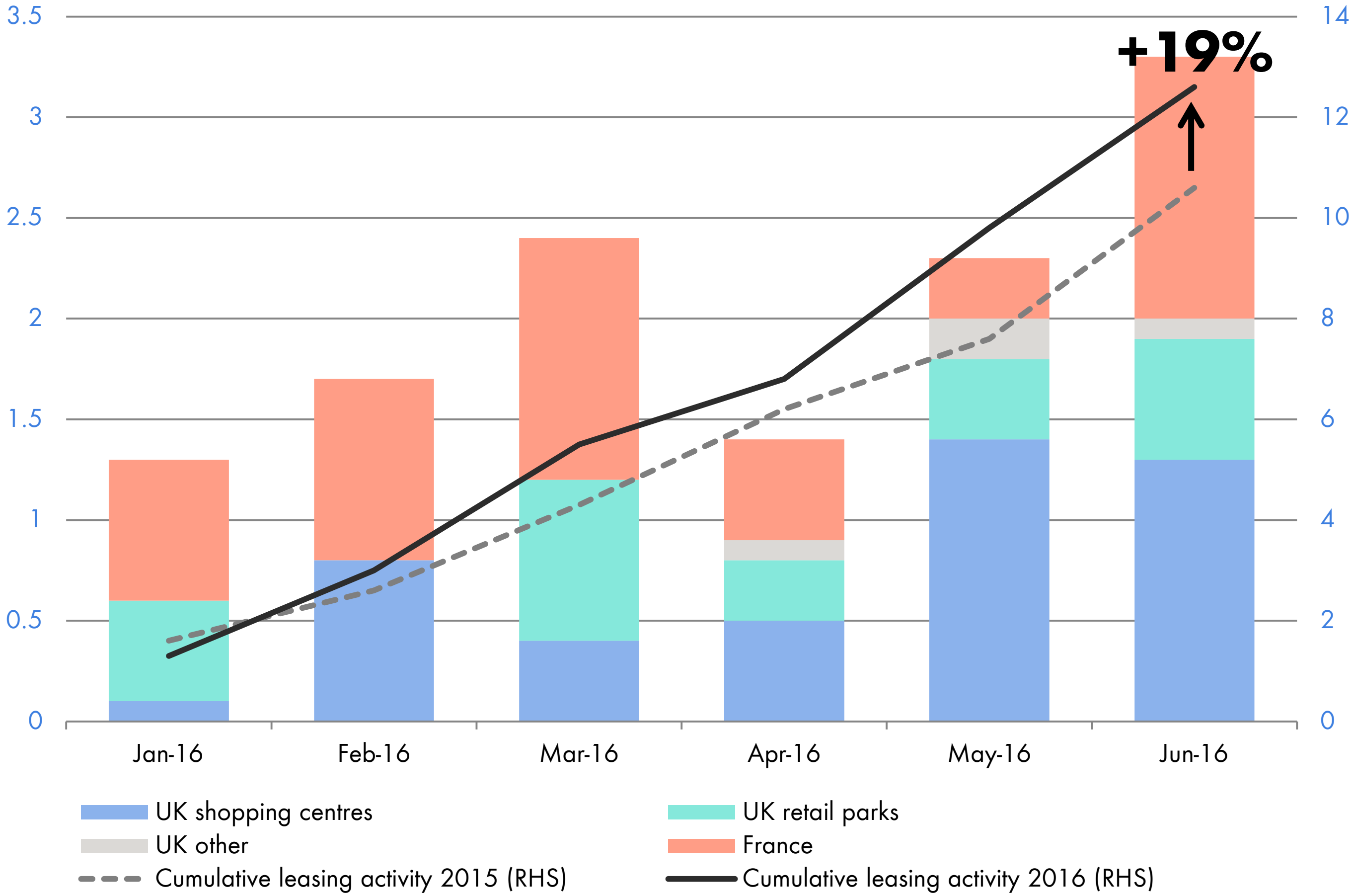
Hammerson UK retail sales and footfall around the date of UK Referendum [1]



(1) Daily sales data from a range of over 850 retail units across Hammerson's UK shopping centres

Structural trends in retail sector favour Hammerson's portfolio

Total leasing activity H1 2016 (£m)



Post-Referendum

Leases signed
20

Income
£2.8m

Portfolio update: UK shopping centres

The Beach at Brent Cross

Attracting leading retailers and driving rental growth

H1 leasing highlights

Bullring	Oracle	Silverburn	Highcross
WestQuay	Union Square	Cabot Circus	Brent Cross

Hammerson UK shopping centres

Retail sales	–0.8%
Leasing vs ERV	+6%
ERV growth	+0.5% (+2.3% rolling 12 mths)
LfL NRI	+2.8%

Innovative asset management

Taking new restaurant concepts into regional cities

cabot circus

- handmade burger Co
- CASA BRASIL Brazilian Rodizio & Bar
- itsu health & happiness
- L'OSTERIA pizza e pasta

WestQuay Watermark

- wahaca
- BYRON proper hamburgers
- Bill's
- FIVE GUYS burgers and fries
- CABANA Brasilian Barbecue
- RED DOG SALOON

Pop-ups for entrepreneurs and start-ups

Portfolio update: UK retail parks

Elliott's Field, Rugby

Retail parks leasing momentum continues

H1 leasing highlights

HomeSense, New Look, Mothercare — Elliott's Field Rugby

Tapi, Wren Living, Sofology — Fife Central, Kirkcaldy

H&M, River Island — Cyfarthfa, Merthyr Tydfil

Hammerson UK retail parks

Customer visits	+3.1%
Leasing vs ERV	+4%
ERV growth	−0.1% (+0.5% rolling 12 mths)
LfL NRI	+1.2%

Versatile retail park developments deliver low-risk, attractive returns

Future development opportunities

	Description	TDC £m	Estimated YOC %
Orchard Centre, Didcot	10,000m² extension with fashion-led offer	45	7
Elliott's Field, Rugby (Phase 2)	9,000m² homeware focused extension	30	9
Oldbury, Dudley	10,900m² new retail park with catering	21	9
Parc Tawe, Swansea	20,000m² retail and leisure redevelopment	16	12
Fife Central, Kirkcaldy	8,500m² extension creating 5 new units	10	7


Orchard Centre, Didcot

Elliott's Field, Rugby (Phase 2)


Parc Tawe, Swansea

Portfolio update: France

O'Parinor, Paris

Continuing to introduce new international brands

H1 leasing highlights

Les Terrasses du Port	O'Parinor	Espace St Quentin	Les Trois Fontaines

Hammerson France

Retail sales	+3.0%
Leasing vs ERV	+4%
ERV growth	+0.1% (+0.5% rolling 12 mths)
LfL NRI	+1.9%

Continuing exceptional performance at Les Terrasses du Port, Marseille

Les Terrasses du Port: year 2 sales performance

Occupancy	**99%**
2016 leasing vs ERV	**+15%**
Revaluation uplift	**+44%**

Portfolio update: Premium outlets

Fashion Arena, Prague

Differentiated investment in premium outlets

	Value Retail	VIA Outlets
Sales growth YoY	+5%	+7%
Sales density	€14,600/m^2	€3,600/m^2
Sales density growth YoY	+2%	+16%
Capital return	+3.4%	+3.7%

Recent leasing deals

ARMANI **Maasmechelen**	POLO RALPH LAUREN **Fashion Arena**
TED BAKER LONDON **La Roca**	TOMMY HILFIGER **Hede**

Extension opportunities offer additional growth for premium outlets

Q4 2016

Fidenza Village, Milan

3,300 m^2

20% incremental space

25 new boutiques

Opening October 2016

Q1 2017

Batavia Stad, Amsterdam

5,600 m^2

22% incremental space

43 new boutiques

Opening early 2017

Q4 2017

Bicester Village, UK

5,500 m^2

23% incremental space

33 new boutiques

Demolition of Tesco store completed

Portfolio update: Developments

Victoria Gate, Leeds

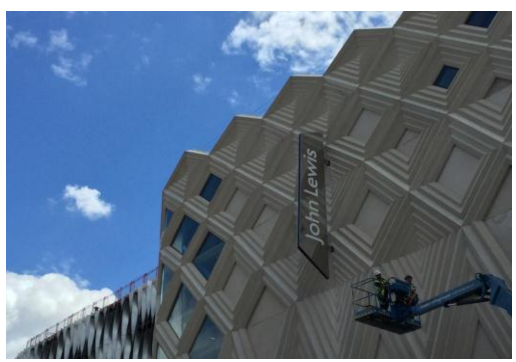
Victoria Gate, Leeds opening October 2016

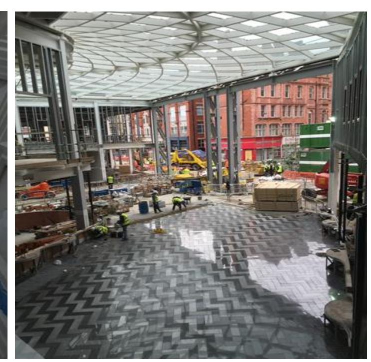
John Lewis
THE WHITE COMPANY LONDON
HACKETT LONDON
ANTHROPOLOGIE
& other Stories
D&D LONDON
Le Pain Quotidien
Calvin Klein
GANT
TOMMY HILFIGER

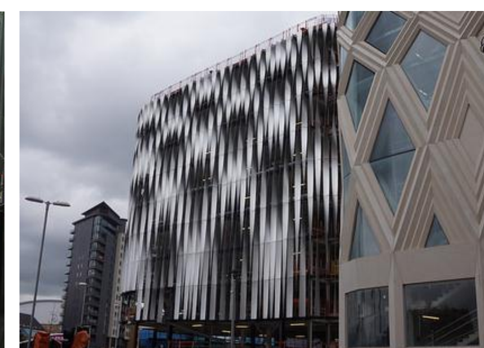
Pre-let / Advanced negotiations
74% / 90%

Income
£11m

Yield on cost
6.2%







WestQuay Watermark, Southampton opening Q1 2017

CAU CARNE ARGENTINA UNICA
BYRON PROPER HAMBURGERS
COSMO
Bill's
Jamie's ITALIAN
RED DOG SALOON
wahaca
FIVE GUYS BURGERS and FRIES
CABANA BRASILIAN BARBECUE
hollywood bowl
SHOWCASE CINEMA DE LUX

Pre-let / Advanced negotiations
91% / 97%

Income
£6m

Yield on cost
6.0%

Work on-going to prepare major London developments

Brent Cross

CPO inquiry concluded

CPO decision expected late 2016/early 2017

Outline planning granted, detailed application to be submitted Q1 2017

Development Agreement exchanged

Incremental retail space

90,000m²

Cost to complete [1]

£475-550m

Croydon

New outline planning application including new full-line Marks & Spencer store to be submitted Q3 2016

New scheme incorporates three levels of retail, enhanced leisure facilities and extended public realm

CPO completed to enable land assembly to be delivered

Croydon Partnership retail

200,000m²

Cost to complete[1]

£650-700m

The Goodsyard

Mayor of London deferred planning application in April 2016

In discussion with GLA to address points of concern

Remain committed to progressing the planning application

Size (gross external area)

270,000m²

Total Phase 1 cost to complete[1]

£140-160m

(1) Hammerson share

Portfolio update: Ireland

Dundrum, Dublin

Completed the consensual agreement in Dublin

Strategic success
Successful transfer of underlying prime retail properties and development land

Executed on plan
Costs and timing in-line with original assumptions

Capital allocation
Focused on enhancing income growth prospects

Scale
Delivers significant market share and ownership of the largest retail property asset in Ireland

Growth
Europe's fastest growing economy

Expertise
Apply expertise to bring fresh approach and drive returns

Dundrum: exceptional growth driver

Premier scheme in Ireland
1,500,000sq ft / 158 units / 99% occupancy

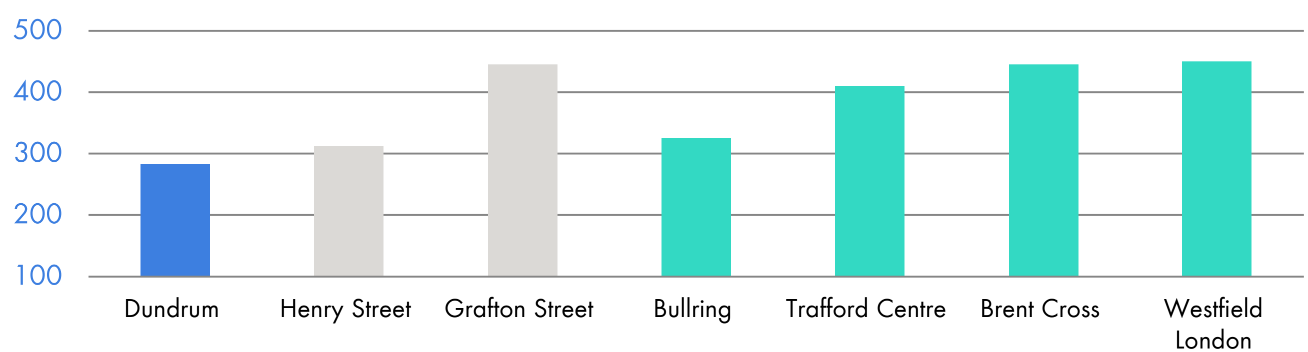
Strong retail sales
Growth +5% [1]

Ireland's gateway centre
New international retailers: 1st Five Guys in Ireland

Strong demand for upsizings
Zara, BT2, H&M, River Island

Rental tension driving forecast 7-8% IRR

Zone A rent: Dundrum vs Dublin retail vs super-prime UK schemes (£/psf)



Source: Company, CBRE
(1) Year to date to 30 June 2016

04 Conclusion

Conclusion

A well-positioned business...

Great geographic diversity

40% outside UK

100% retail

Low committed development

1% committed capex

On-site schemes complete in 6 months

Strong credit ratios

3.8x interest cover

£945m cash and undrawn facilities

...opportunities for further growth

Fast-growth end markets

10% Ireland

14% Premium outlets

High quality assets

Prime destination venues

Compelling development pipeline opportunities

Enhanced shopper experience

14% catering and leisure

Innovative commercialisation

Delivering consistent shareholder returns

Questions

Disclaimer

This presentation contains certain statements that are neither financial results nor other historical information. These statements are forward-looking in nature and are subject to risks and uncertainties. Actual future results may differ materially from those expressed or implied by these statements.

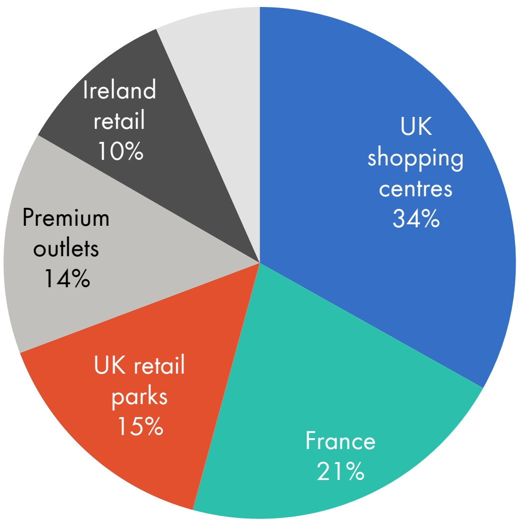
Many of these risks and uncertainties relate to factors that are beyond Hammerson's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social or regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, national or regional basis.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Hammerson does not undertake any obligation to publicly release any revision to these forward-looking statements to reflect events or circumstances after the date of these materials. Information contained in this presentation relating to the company or its share price, or the yield on its shares, should not be relied upon as a guide to future performance.

Appendices

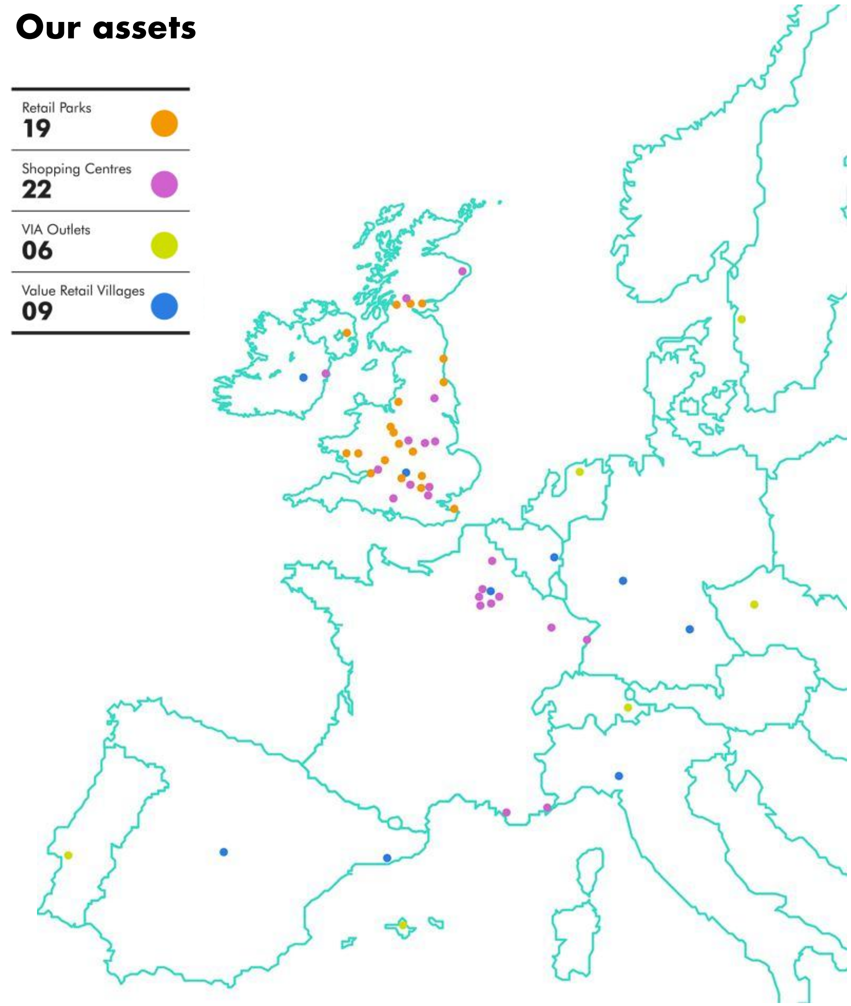
Hammerson invests in prime retail assets throughout Europe

Portfolio overview (1)



Gross Asset Value	**£9.7bn**
UK shopping centres	**£3.3bn**
France	**£2.1bn**
UK Retail Parks	**£1.5bn**
Premium Outlets	**£1.4bn**
Ireland retail	**£0.8bn**
Other/ developments	**£0.6bn**

Our assets



(1) As at 30 June 2016, including Irish loan portfolio

Operational statistics

	UK shopping centres	France
Sales[1]	−0.8%	+3.0%
Footfall	+0.3%	+4.1%
Rent:sales[2]	12.3%	12.3%
OCR[2]	19.3%	15.3%

Sales densities[2]	UK £/ft²	France £/ft²
H1 2016	310 - 625	350 - 635
2015	310 - 620	220 – 621
2014	290 - 590	200 - 610

Occupancy (%)	UK shopping centres	UK retail parks	France	Other	Group
30 June 2016	97.4	98.7	96.3	92.3	97.2
31 December 2015	98.3	98.4	96.9	91.0	97.7
30 June 2015	97.8	98.2	96.7	89.0	97.2

(1) Retail sales on same-centre basis, includes all shopping centres
(2) France data includes VAT

Portfolio leasing overview

	Leasing vs previous passing	Leasing vs ERV	ERV growth	Rent secured from new leases
UK shopping centres	+20.9%	+6%	+0.5%	£4.5m
UK retail parks	+21.4%	+4%	−0.1%	£2.5m
France	−10.4%	+4%	+0.1%	£5.2m
Group (1)	−0.8%	+5%	+0.2%	£12.6m

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

Dublin portfolio overview

Asset	Description	Size	Hammerson ownership	Passing rent p.a. (Hammerson share)
Dundrum	Ireland's premier retail and leisure destination	140,000m^2	50% JV with Allianz	€30.1m
Dundrum Village	Strategic development opportunity adjoining Dundrum	6 acres	50% JV with Allianz	€1.0m
Pavilions, Swords	Well connected suburban shopping centre in northern Dublin	46,000m^2	50% co-ownership (1)	€7.1m
Pavilions development site	Large land plot with secured planning consent	16 acres	100%	n/a
Ilac Centre	High footfall centre in heart of Henry Street retail area	15,000m^2	50% co-ownership (2)	€4.2m
Dublin Central	Concentrated urban development site in core retail Dublin zone, adjoining Ilac Centre	5 acres	100% ownership (3)	€1.6m

(1) Co-owners are Irish Life (25%) and IPUT (25%). Current loan interest: completion of Hammerson co-ownership subject to pre-emption and regulatory processes
(2) Co-owners are Irish Life (50%). Current loan interest: completion of Hammerson co-ownership subject to preemption and regulatory processes
(3) Development manager is Chartered Land which has an option over a 50% investment in the development project prior to 1 June 2017

Irish loan acquisition

Hammerson costs

	€m	£m(1)
Initial loan acquisition (50%)	936	775
Balancing payment to Allianz, fees, transaction costs and taxes – phased through H2 2016	293	242
Total consideration	1,229	1,017

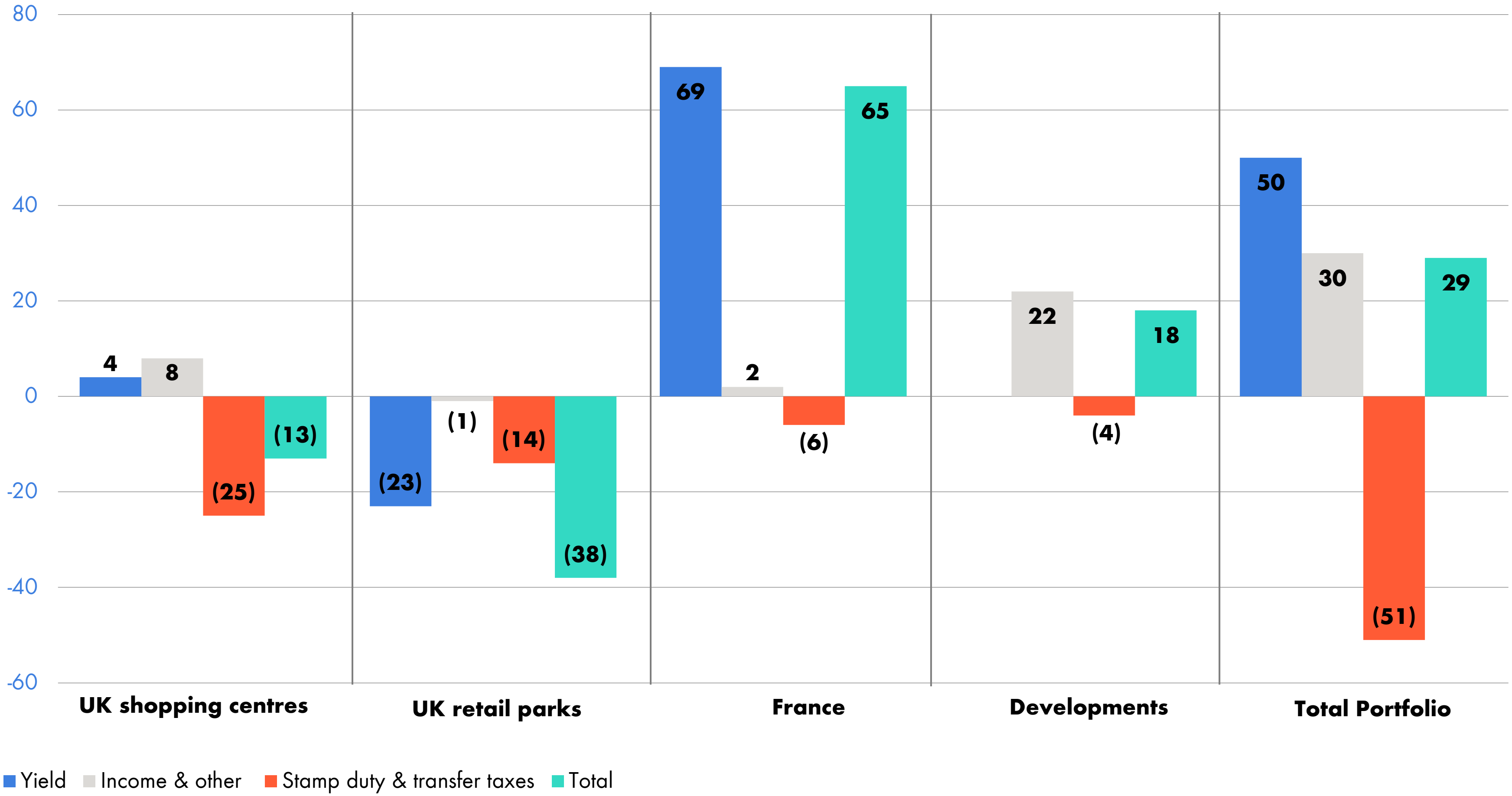
(1) Converted at FX rate as at 30 June 2016, £1:€1.208

Valuation data

	UK shopping centres	UK retail parks	France retail	UK Other interests	Total portfolio
True equivalent yield (%)					
30 Jun 2016	5.1	5.7	4.5	7.7	5.1
31 Dec 2015	5.2	5.6	4.7	7.6	5.2
Change (bps)	−10	+10	−20	+10	−10
ERV (£m)					
30 Jun 2016	177.4	85.1	107.3	13.4	383.2
31 Dec 2015	166.2	90.9	101.0	13.6	371.7
LfL change (%)	0.5	−0.1	0.1	−1.2	0.2

Components of valuation change

Components of valuation change in H1 2016 – total portfolio (£m)



Note: The total portfolio movement includes the movement in the UK Other interests portfolio where valuations changed by a total of £3m during H1 2016

On site and major developments

On-site developments[1]	Lettable area m²	Potential completion	Value 30 Jun 2016 £m	Estimated cost to complete[2] £m	Estimated annual income[3] £m	Let[4] %
Victoria Gate, Leeds	35,400	Q4 2016	170	45	11	74
WestQuay Watermark, Southampton	17,000	Q1 2017	58	43	6	91
Total	**52,400**		**228**	**88**	**17**	

Major developments	Ownership %	Lettable area m²	Earliest start	Potential completion	Estimated cost to complete £m
Brent Cross extension, London NW4	41	90,000	2017	2021	475-550
Croydon town centre, South London	50	200,000	2017	2020/21	650-700
The Goodsyard, London E1[5]	50	270,000	2017	Phased	140-160
Total		**560,000**			**1,265-1,410**

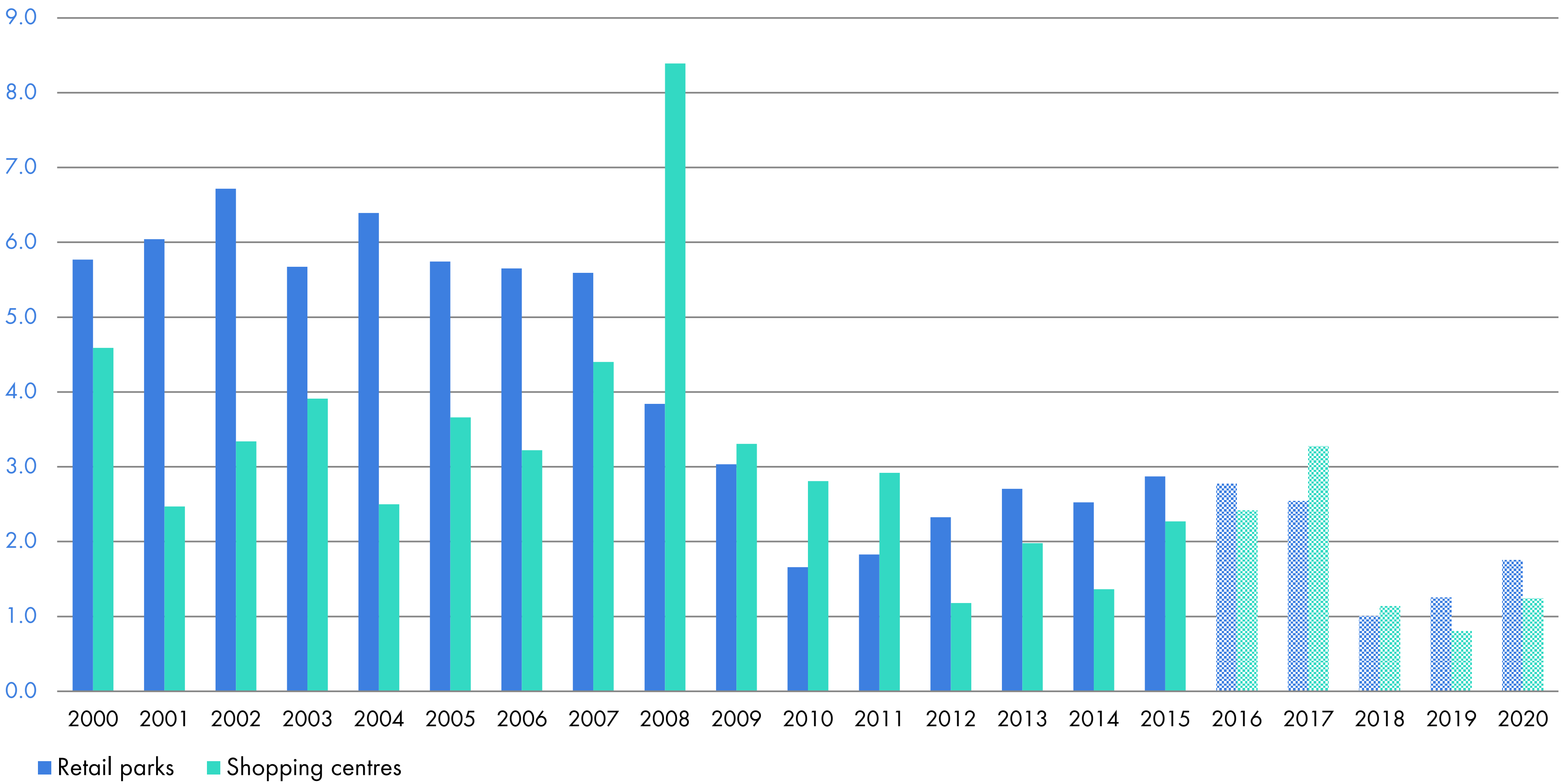
(1) Group ownership 100% for all on-site schemes
(2) Incremental capital cost including capitalised interest
(3) Incremental income net of head rents and after expiry of rent-free periods
(4) Let or in solicitors' hands by income at 22 July 2016
(5) Cost reflects phase 1 only. Due to residential component of scheme, area is gross external and income is not applicable
(6) € converted at £1 = €1.208

Development pipeline opportunities

Scheme	Lettable area m^2	Key Facts
Silverburn (Phase 4), Glasgow	50,000	• Consent granted in October 2015 for a masterplan for a future extension of existing centre • Masterplan includes retail, hotel and leisure uses
Union Square, Aberdeen	27,800	• Extension of existing shopping centre for retail, leisure and catering. Including additional car parking and a hotel and reconfiguration of part of existing centre • Planning application submitted in February 2016
Victoria Gate, Leeds (Phase 2)	73,000	• Planning consent for retail-led scheme, including up to 2,700 car park spaces • Freehold control of site obtained
WestQuay Watermark, Southampton (Phase 2)	58,000	• Outline planning consent for mixed-use scheme • Council-owned land, with joint review of scheme under way
Elliott's Field, Rugby (Phase 2)	9,000	• Land adjacent to existing site acquired in June 2016 for future homeware-led retail park development
Oldbury, Dudley	10,900	• Planning for new retail park development approved in April 2016
Orchard Centre, Didcot	10,000	• £45 million expansion of existing centre with M&S Food Hall anchor • Planning approval in July 2015 and pre-letting ongoing
Parc Tawe, Swansea	20,000	• Refurbishment and modernisation of existing retail park • Planning dispute successfully appealed in September 2015
Italie Deux, Paris 13ème	6,900	• Retail extension of existing shopping centre • Progressing necessary consents to enable start-on site
Les 3 Fontaines, Cergy Pontoise	24,800	• Retail and leisure extension as part of wider city centre project • Submission of a number of consent applications and agreement with a number of co-owners achieved in 2015 • Awaiting confirmation of consents and final co-ownership agreements
SQY Ouest, Saint-Quentin-en-Yvelines	32,000	• Opportunity to reposition existing shopping centre, creating a leisure-led destination
Total	**322,400**	

Retail supply

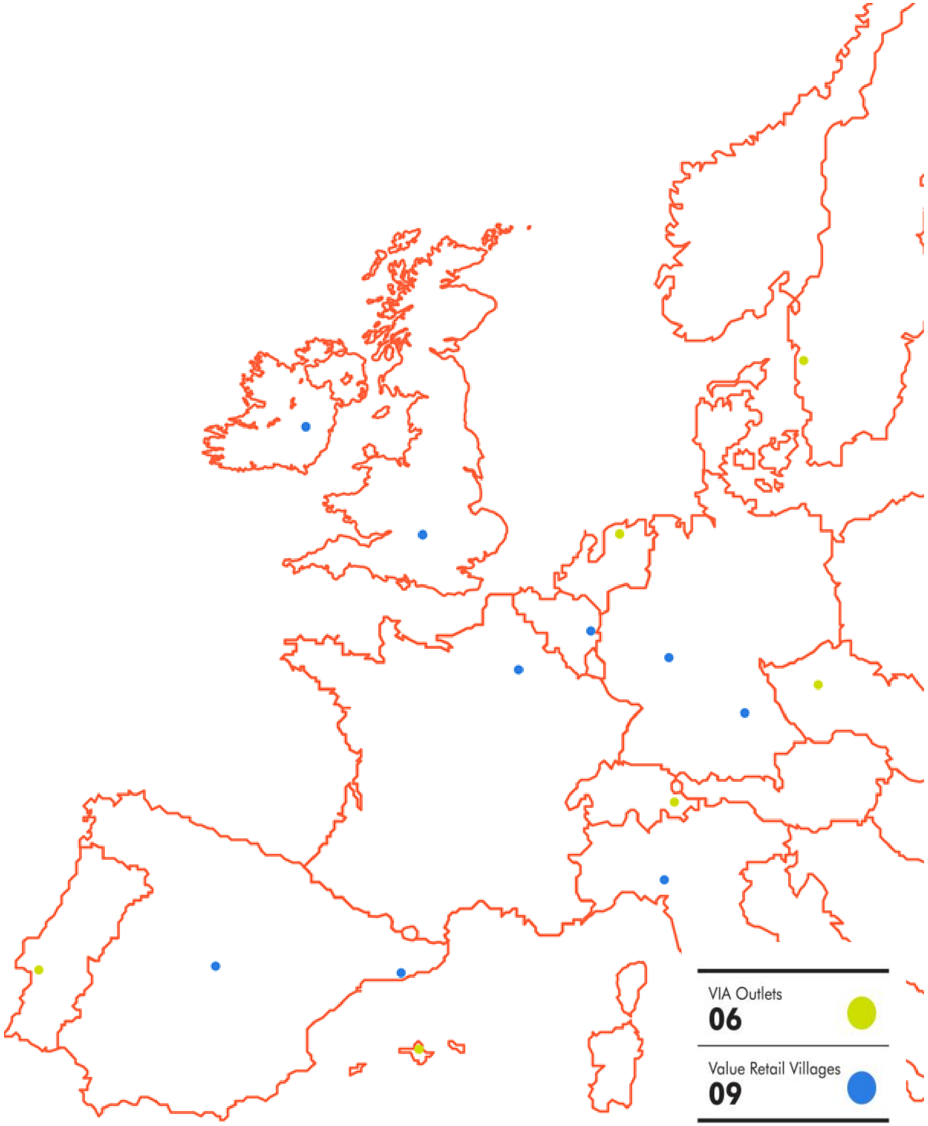
Retail completions (net additional space, mil sq ft)



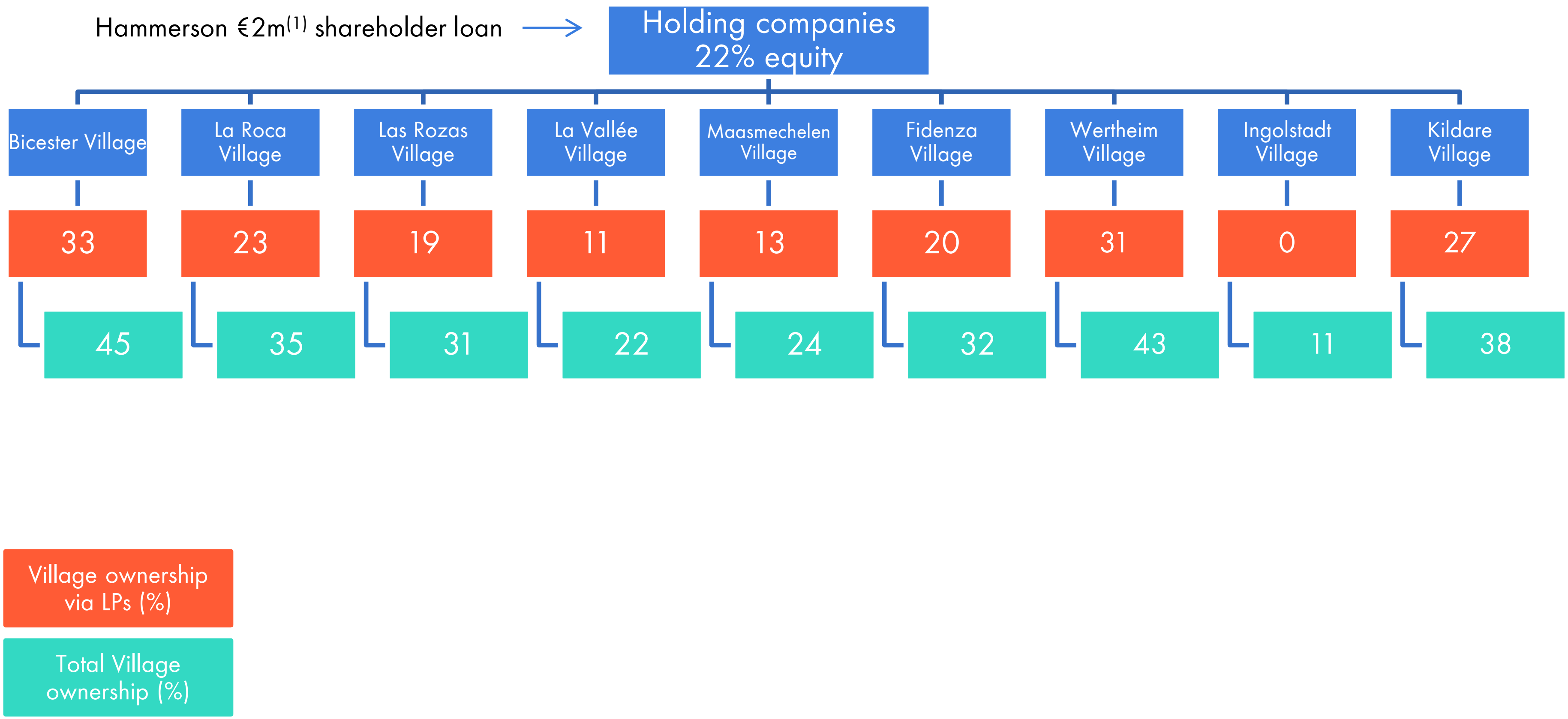
Source: PMA

Premium outlets overview

Value Retail Villages	VIA Outlet centres
Bicester Village, UK	Hede, Gothenburg
Kildare Village, Dublin	Batavia Stad, Amsterdam
Maasmechelen Village, Brussels	Fashion Arena, Prague
Wertheim Village, Frankfurt	Festival Park, Majorca
La Vallée Village, Paris	Landquart, Zurich
Ingolstadt Village, Munich	Alcochete, Lisbon
Fidenza Village, Milan	
La Roca Village, Barcelona	
Las Rozas Village, Madrid	



Hammerson's investment in Value Retail



(1) Excludes €46m of additional loans secured against various Value Retail assets

Premium outlets share of results

Income statement	30 Jun 2016			30 Jun 2015		
	Value Retail £m	VIA Outlets £m	Total £m	Value Retail £m	VIA Outlets £m	Total £m
Profit for the year	38.9	6.6	45.5	64.1	5.2	69.3
EPRA adjustments	(30.8)	(4.3)	(35.1)	(57.0)	(1.5)	(58.5)
Adjusted earnings of premium outlets	8.1	2.3	10.4	7.1	3.7	10.8
Interest receivable from Value Retail loans	2.4	-	2.4	2.6	-	2.6
Total contribution to adjusted profit	10.5	2.3	12.8	9.7	3.7	13.4

Balance sheet	30 Jun 2016			31 Dec 2015		
Share of net assets	819.4	131.5	950.9	743.8	110.8	854.6
EPRA adjustments	80.4	9.4	89.8	59.9	6.8	66.7
EPRA adjusted investment	899.8	140.9	1,040.7	803.7	117.6	921.3
Investment in VR China (within Other investments)	6.7	-	6.7	4.8	-	4.8
Loan to Value Retail	39.5	-	39.5	76.4	-	76.4
Total impact of balance sheet – EPRA basis	946.0	140.9	1,086.9	884.9	117.6	1,002.5

Our sustainability vision: creating retail destinations that deliver positive impacts economically, socially and environmentally

2015 highlights

- 4% reduction in Group CO_2e emissions intensity
- Four industry sustainability awards
- Delivered net zero energy EcoPod for Costa
- £2m saved through waste management
- 3% reduction in electricity demand in UK
- £174k savings in electricity costs
- Retained GRESB Green Star and improved scores in all industry benchmarks
- £2m+ Community investment

2016 Plans

- 6% Reduction in electricity consumption
- 5% reduction in landlord water intensity
- 3% reduction in CO_2e emissions
- 98% diversion of waste from landfill
- Install renewable technology on one existing asset
- Update True Value of Shopping Centres research
- Further senior management sustainability training

Our sustainability targets and performance

Our 2015 targets	Our 2015 performance	Our 2015 – 2020 targets
Reduce like-for-like carbon emissions by 20% v. 2010 baseline by 2015	-20%	20% reduction in carbon emissions v 2015 baseline
45% of suppliers by value to be engaged with on sustainability, annually	87%	Introduce refreshed sustainable supplier survey in 2016 in the UK and France and continue to improve supplier engagement on sustainability
Increase waste recycling to 85% by 2015	UK 75% France 41%	100% diversion from landfill in the UK, 98% in France
Biodiversity action plans at retail assets by 2015	25/31 in place for L4L portfolio (83% coverage)	Work with partners to trial pioneering, restorative approaches to biodiversity at six managed assets
All employees to complete CR training biennially	51% employees trained 2015	100% of Hammerson employees employed for 12 months or more to receive sustainability training
Reduce water consumption from 2010 by 12% by 2015	UK +28% France -29%	Reduce landlord water intensity by 10%

Management of leverage

	Actual 31 Dec 2015 (1)	Actual 30 Jun 2016 (1)	Proforma post further acquisitions and disposals (2)
Net debt	£2,968m	**£3,360m**	£3,218
LTV	38%	**40%**	39%
Gearing	54%	**59%**	57%

(1) Value denominator includes €936m (£775m; Dec 15: £690m) acquisition cost of Irish loan portfolio
(2) Reflects cash inflows from: announced disposals of Cramlington (£78m) and Folkestone (£7m); other future disposals (c.£120m); and contracted sale of 50% Grand Central (£175m); as well as cash outflows from payment of conversion of Irish loan property which is phased over H2 2016 subject to pre-emption process on Ilac and Pavilions

Debt covenants

Description	Tightest covenants	Actual 30 Jun 2016
LTV	None	40%
Gearing	150%	59%
Interest cover ratio	>1.25x	3.8x
Secured debt/net tangible assets	<50%	1%

Keeping all other variables constant, values would have to fall by 38%[1], or 57% for UK values only, before first breach of gearing covenant

(1) Based on the Group's property portfolio, including premium outlets at 30 June 2016

Tenants in administration

		% of passing rents
30 June 2016		
	71 units in administration	1.4
	5 units unoccupied	0.1
31 December 2015		
	51 units in administration	1.1
	4 units unoccupied	0.1
30 June 2016		
	52 units in administration	1.0
	10 units unoccupied	0.3