Hammerson

2016 Full-year results

20 February 2017

Victoria, Leeds

Agenda

2016 highlights

Strong growth profile

EPS +8.6% (1)
DPS +7.6%
NAVPS +4.1% (2)

Consistent rental income growth

LfL NRI +3.2% (3)

Adding differentiated high-growth space

Dundrum, Grand Central,
Victoria Leeds, Westquay Watermark

Premium outlets exposure materially increased

Value Retail ownership now 40%
5 new centres in VIA Outlets

Refinancing and annual target disposals achieved

£1.2bn new debt issuance
£635m disposal proceeds

(1) Adjusted EPS
(2) EPRA NAVPS
(3) Including premium outlets (excluding premium outlets +2.2%)

Retail landscape is evolving; our strategy is designed to benefit

Trends in our retail markets

Multichannel

Polarisation

Experience

Convenience

Retail tourism

Urbanisation

Globalisation

Core pillars of our strategy

Focus on growing consumer markets

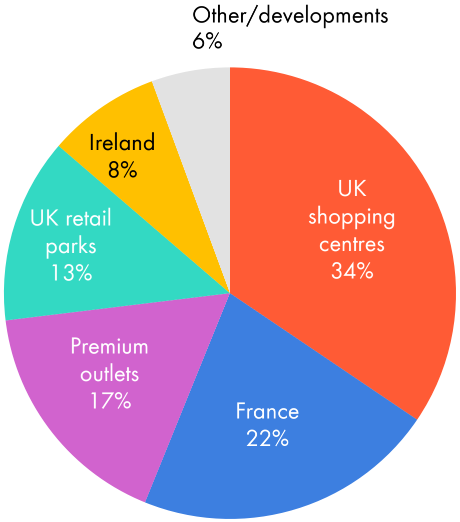
Create differentiated destinations

Promote financial efficiency and partnerships

Consistent income-focused returns

£10 billion leading pan-European retail platform

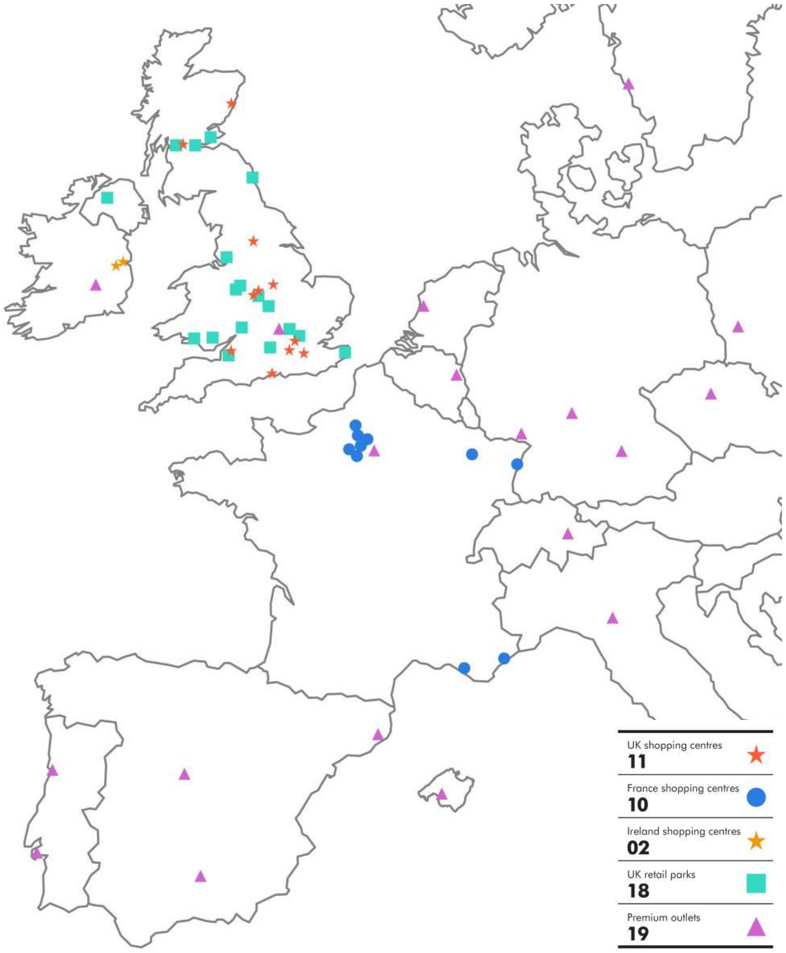
Sector overview (1)



Gross Asset Value	**£10.0bn**
UK shopping centres	**£3.4bn**
France	**£2.1bn**
Premium outlets	**£1.7bn**
UK retail parks	**£1.3bn**
Ireland	**£0.8bn**
Other/ developments	**£0.7bn**

13 countries
42% non-UK assets
Top-3 market position in all chosen sectors

Our assets



(1) As at 31 Dec 2016, including £54m Irish loan interests and VIA Outlets announced acquisitions

Strategy in action in 2016

Focus on growing consumer markets

Dundrum, Dublin

Direct ownership of Dundrum

Asset management delivering rental growth

+9% Dundrum 2016 ERV growth

Create differentiated destinations

Victoria, Leeds

Exceptional design at Victoria, Leeds

Largest concentration of aspirational and luxury brands

17 retailers new to Leeds

Promote financial efficiency and partnerships

Zweibrücken, Germany

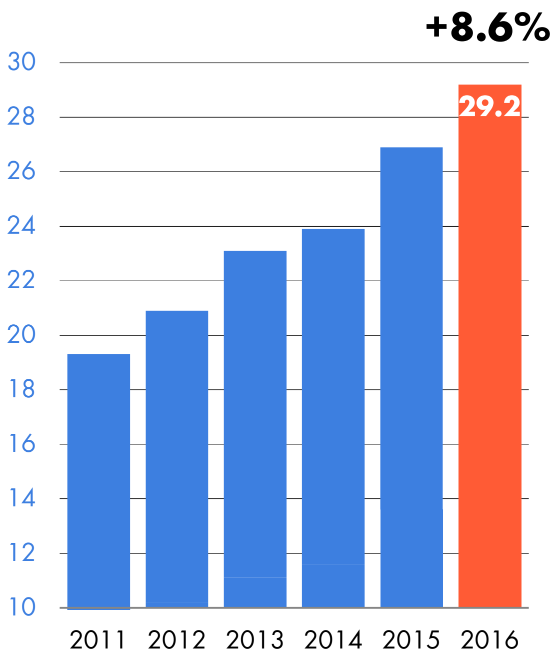
Access to one of the fastest growing retail sectors – premium outlets

Largest outlet platform in Europe

+8% premium outlets 2016 sales growth

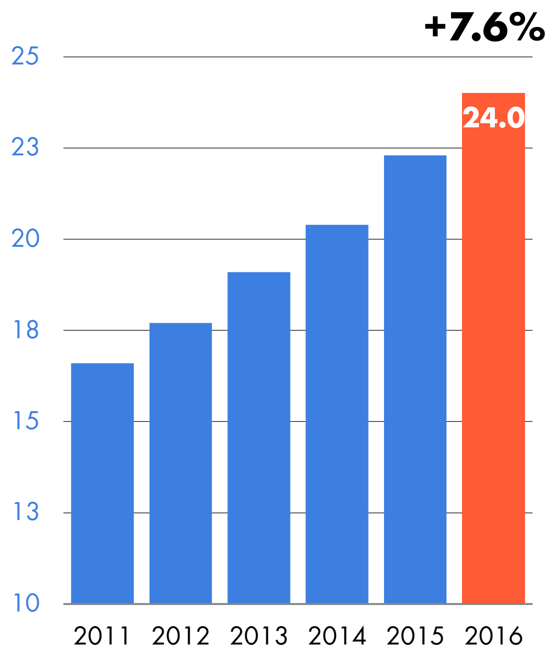
A strategy that delivers consistent income-focused returns

EPS (pence) [1]



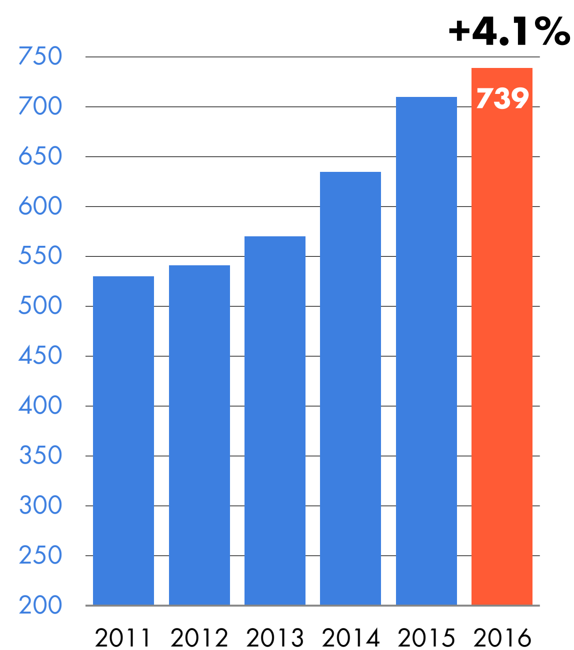
CAGR +8.6%

DPS (pence)



CAGR +7.7%

NAVPS (pence) [2]



CAGR +6.9%

(1) Adjusted EPS
(2) EPRA NAVPS

02 Financial results

Timon Drakesmith – CFO

Review of 2016 financial performance
Analysis of valuation trends
Credit ratios and financing
Funding capacity
Drivers of future growth

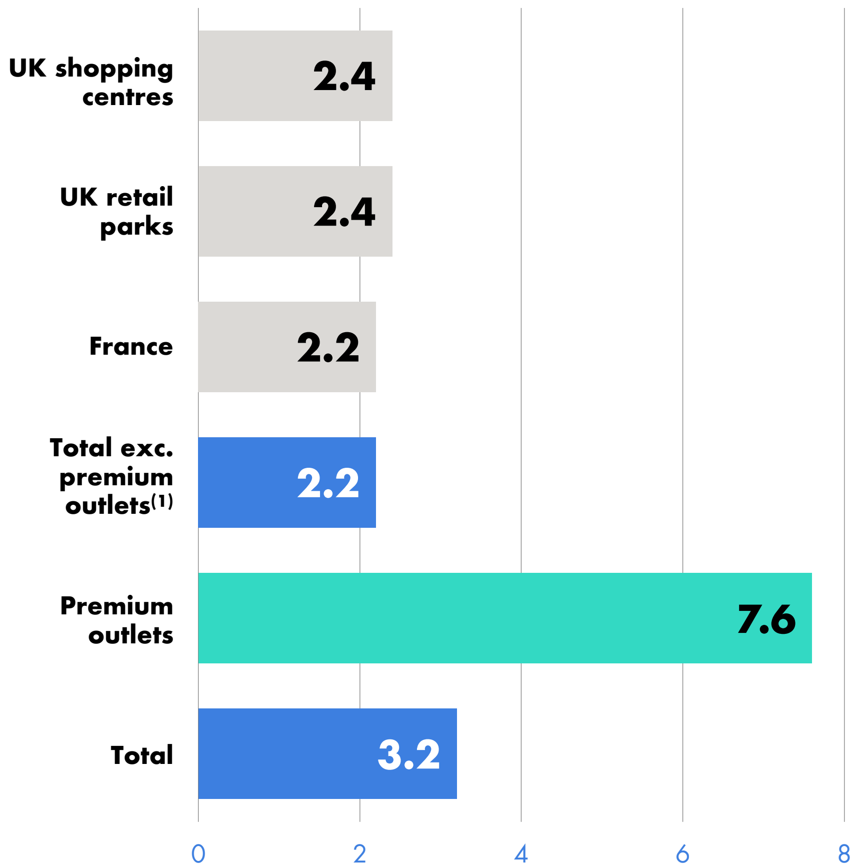
Headline results

Income statement	31 Dec 2016	31 Dec 2015	Change
Net rental income (£m)	346.5	318.6	+8.8%
Adjusted profit (£m)	230.7	210.9	+9.4%
Adjusted EPS (p)	29.2	26.9	+8.6%
Total dividend (p)	24.0	22.3	+7.6%
Balance sheet			
Portfolio value (£m) [(1)]	9,971	8,374	+1.1%
EPRA NAVPS (p)	739	710	+4.1%
LTV (%)	41	38	+3p.p.

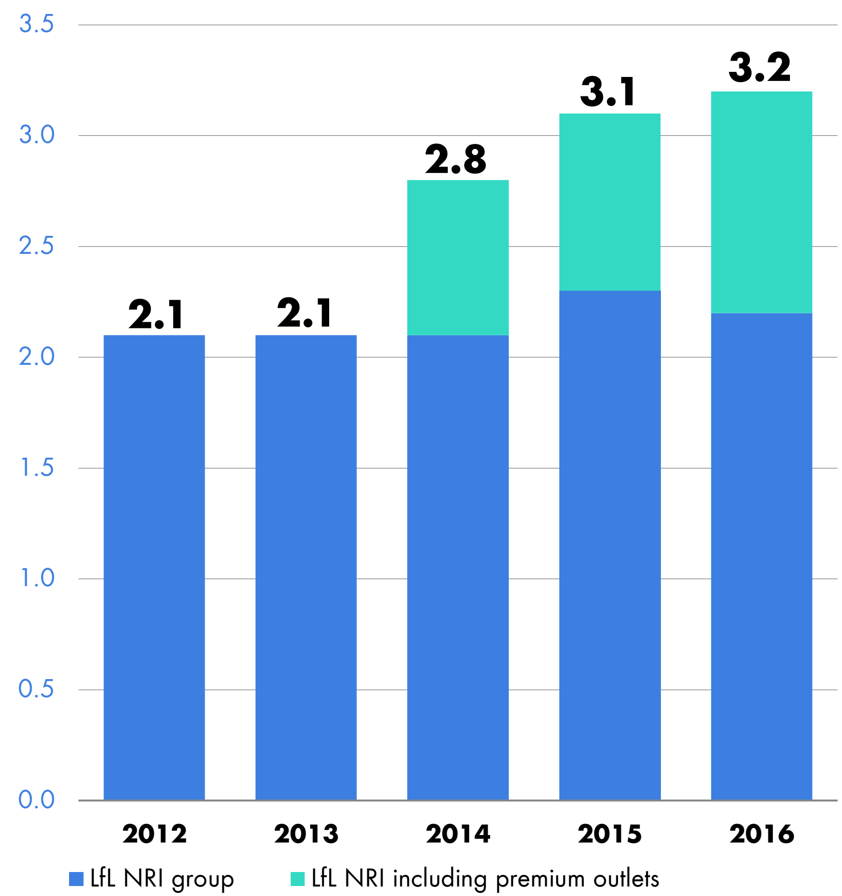
(1) Valuation for total portfolio including premium outlets. Change reflects capital return

Positive LfL net rental income growth

2016 LfL NRI drivers by sector (%)

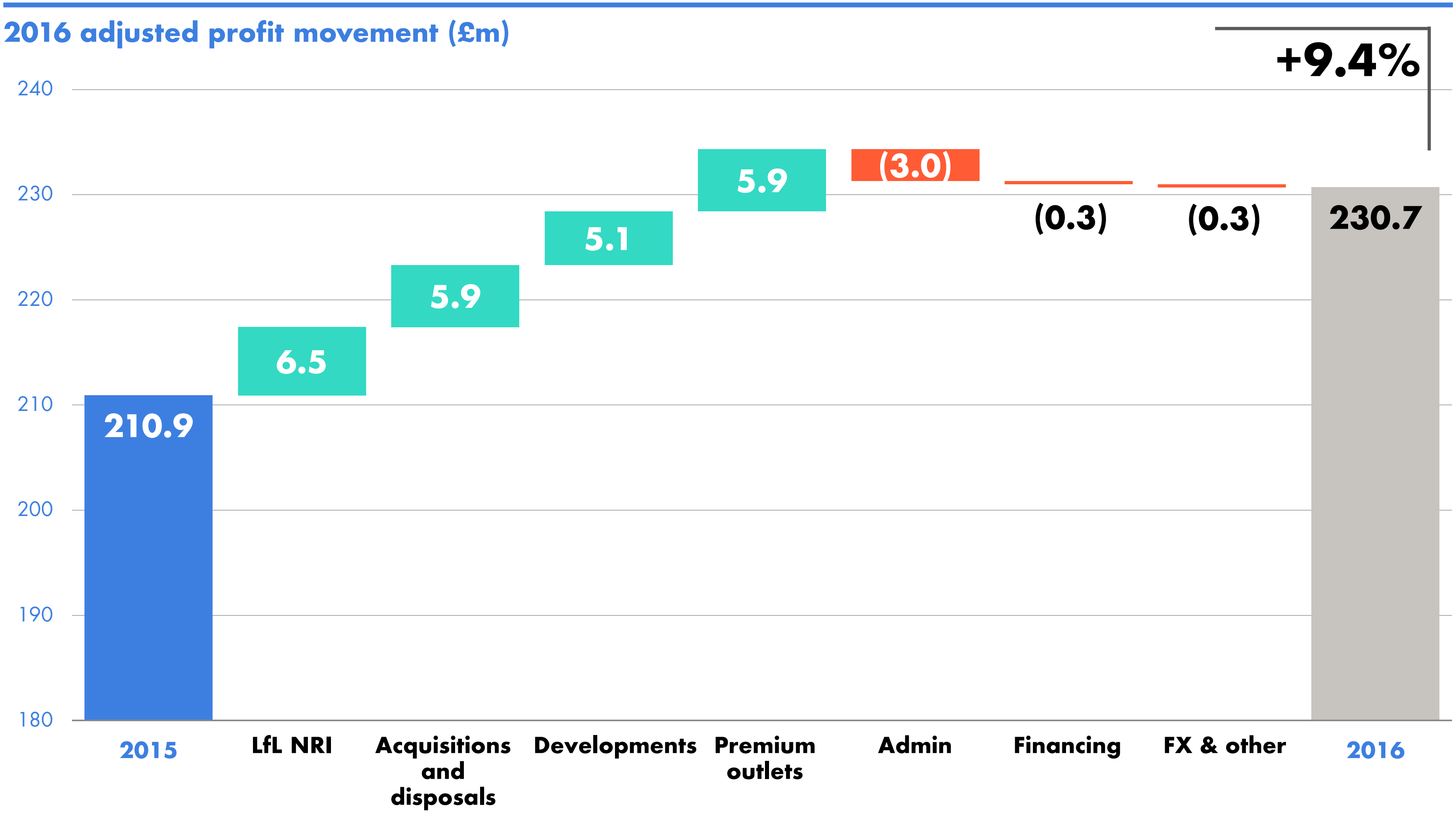


Consistent LfL NRI growth (%)



(1) Includes UK Other portfolio

Strong profit growth

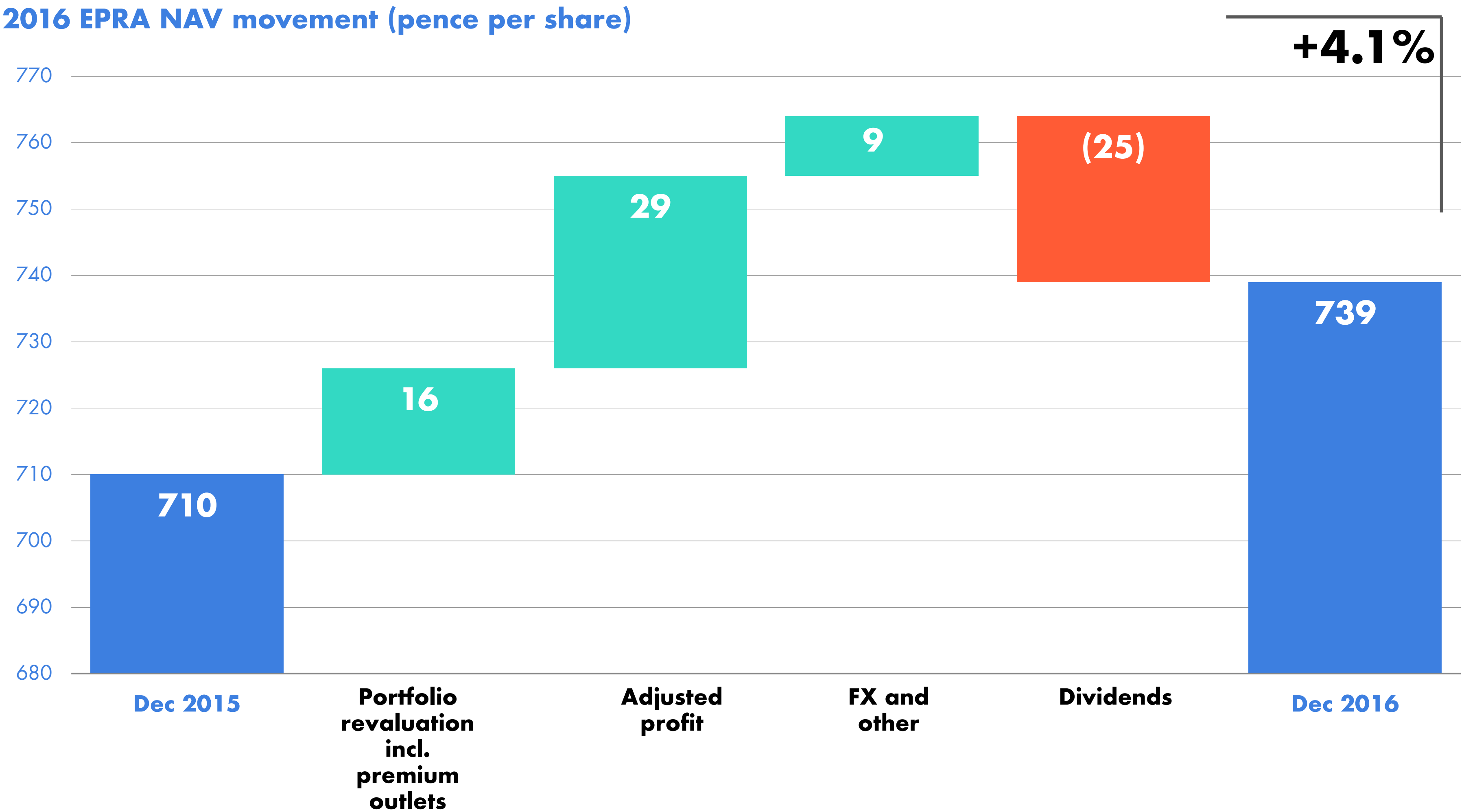


Valuation analysis

	2016 capital return [1] (%)	Drivers of underlying valuation change			Value at 31 Dec 2016 [2] (£m)
		Yield shift (%)	Income (%)	Other (%)	
UK shopping centres	−0.2	−0.3	+1.4	−1.3	3,437
UK retail parks	−8.9	−7.9	+0.6	−0.5	1,320
France	+3.6	+5.5	−1.3	−0.7	2,160
UK other interests [3]	+2.5	+0.6	−1.2	+2.0	163
Developments	+7.2	-	-	+7.2	397
Premium outlets	+9.6	+2.6	+5.9	+0.3	1,689
Ireland [4]	+0.4	-	+6.6	−6.3	805
Total	**+1.1**	**+0.3**	**+1.8**	**−0.8**	**9,971**

(1) At constant exchange rates
(2) Figures on a proportionally consolidated basis
(3) Principally assets held for redevelopment and non-core
(4) Excluding Pavilions, Swords residual loan £54m

NAVPS uplift



Financing ratios

	Financing policy	31 Dec 2016	31 Dec 2015
Net debt	-	**£3,413m**	£2,968m
Gearing	<85%	**59%**	54%
Loan to value (old, excl. premium outlets)	<40%	**41%**	38%
Loan to value (new, incl. premium outlets)	<40%	**36%**	34%
Cash and undrawn facilities	-	**£592m**	£931m
Weighted average cost of finance	-	**3.1%**	3.8%
Interest cover	>2.0x	**3.5x**	3.6x
Net debt/EBITDA	<10x	**9.5x**	9.6x
Fixed rate debt	>50%	**70%**	61%
GBP/EUR FX balance sheet hedging	70% - 90%	**79%**	90%

New LTV methodology

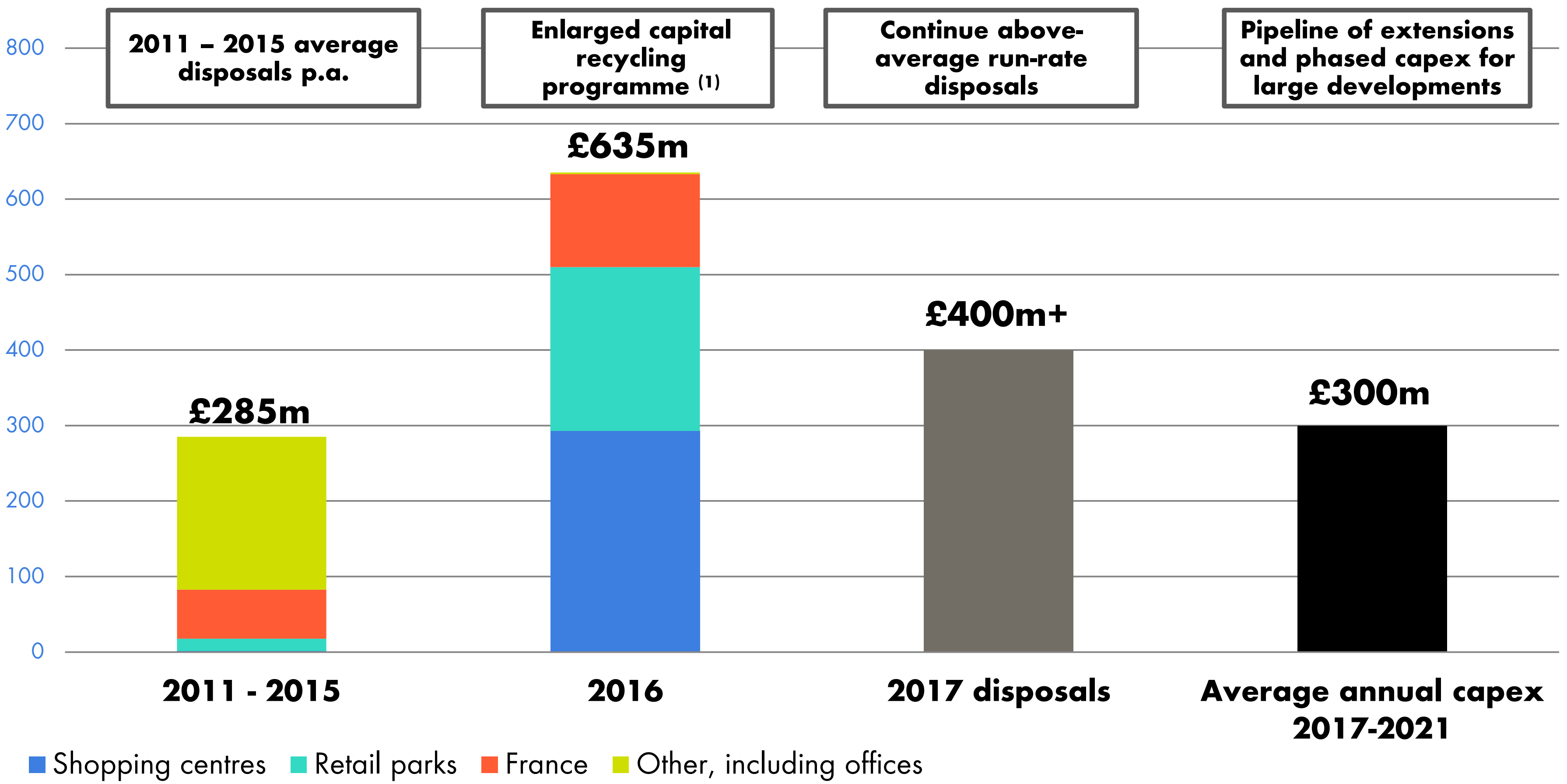
Change of LTV methodology: includes £1.2 billion of premium outlets net assets

31 December 2016	Old methodology (£m)	New methodology (£m)	Fully proportionally consolidated (£m)
Net debt			
Group	3,413	3,413	3,413
VIA Outlets			54
Value Retail			413
Loan	**3,413**	**3,413**	**3,880**
Property values			
Group [1]	8,336	8,336	8,336
VIA Outlets			302
Value Retail			1,387
VIA Outlets net assets		222	
Value Retail net assets		959	
Less minority interest		(81)	(81)
Value	**8,336**	**9,436**	**9,944**
LTV	**40.9%**	**36.2%**	**39.0%**

(1) Includes residual Irish loans of £54.1m

Funding flexibility

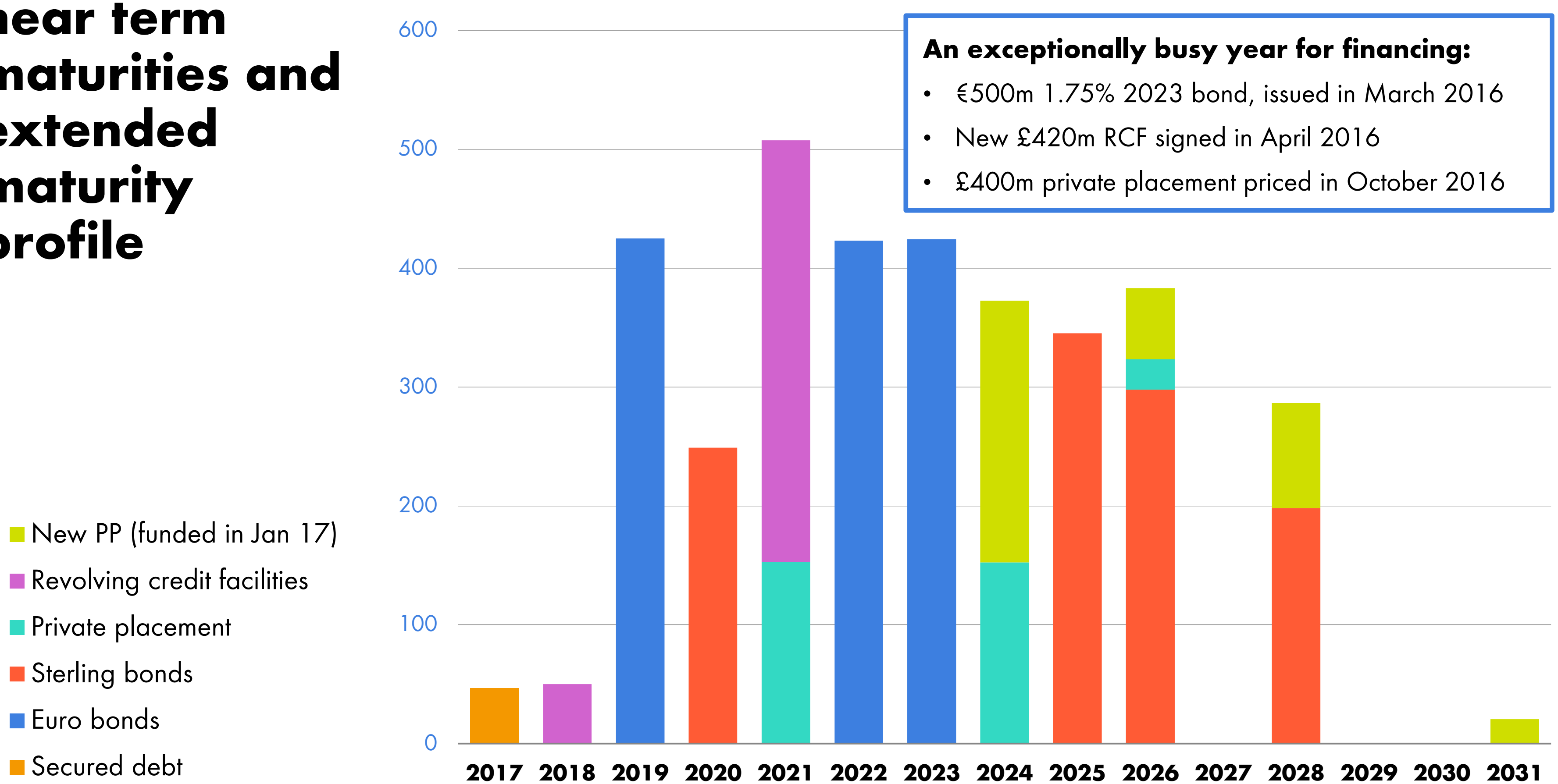
Completed enlarged disposal programme: continue above-average disposal run-rate (£m)



(1) See appendix for full list of disposals

No significant near term maturities and extended maturity profile

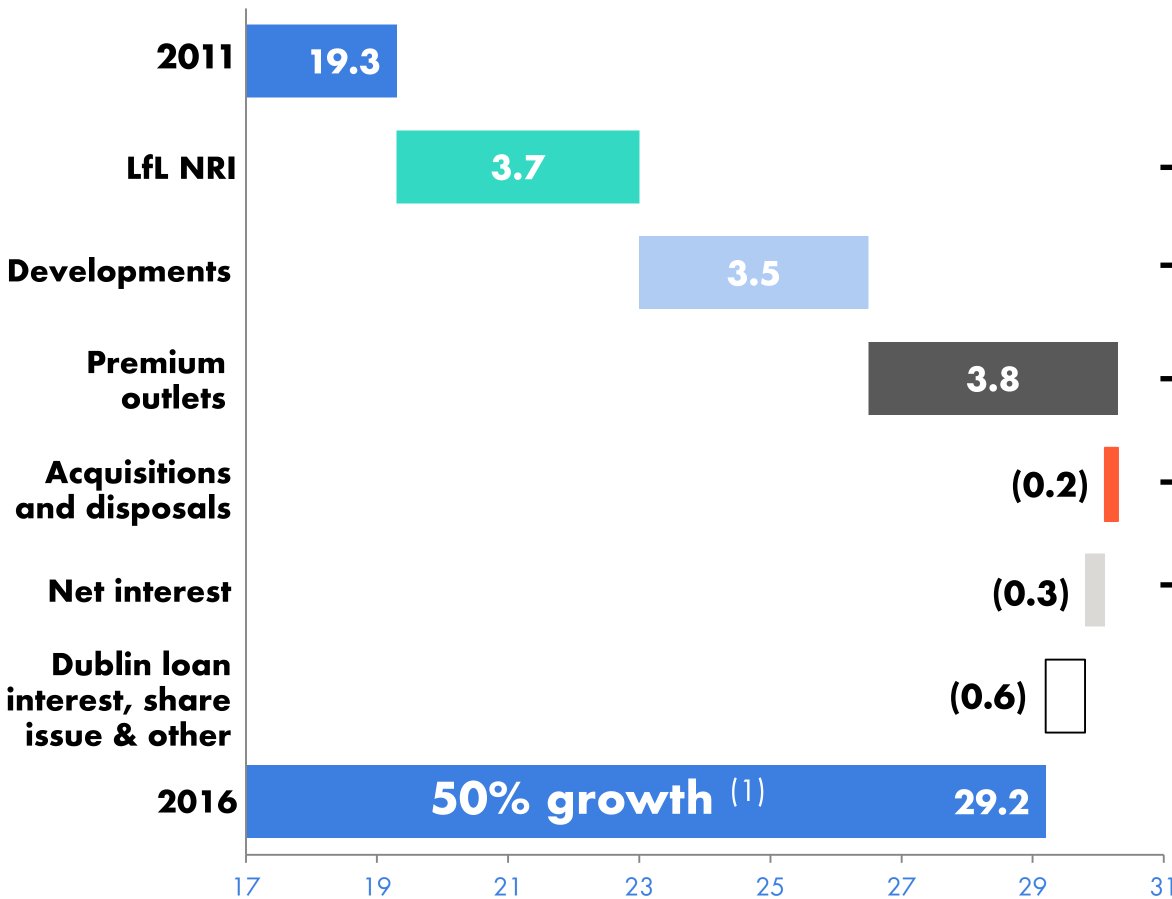
Debt maturity profile, proforma private placement (£m) (1)



(1) As at 31 December 2016 shown on a proportionally consolidated basis and proforma for USPP which was priced in October 2016 and funded in January 2017

Levers to drive consistent EPS growth

Movement in adjusted earnings 2011-2016 (pence per share)



Drivers/outlook

- At least 2% p.a. target. Enhanced quality of portfolio
- Retail parks 8% YoC. Near-term projects c.6% YoC
- Strong market sales growth (c.10% p.a.)
- Disposals £400m+, ahead of future developments
- Further deleveraging and refinancing in low interest rate environment

(1) CAGR 8.6%

03 Portfolio update

David Atkins - CEO
Timon Drakesmith - CFO

Prime shopping centres
UK retail parks
Premium outlets
Developments

Portfolio update: Prime shopping centres

Cabot Circus, Bristol

Good occupier demand for our prime shopping centres

Retailers are investing in innovative new concepts

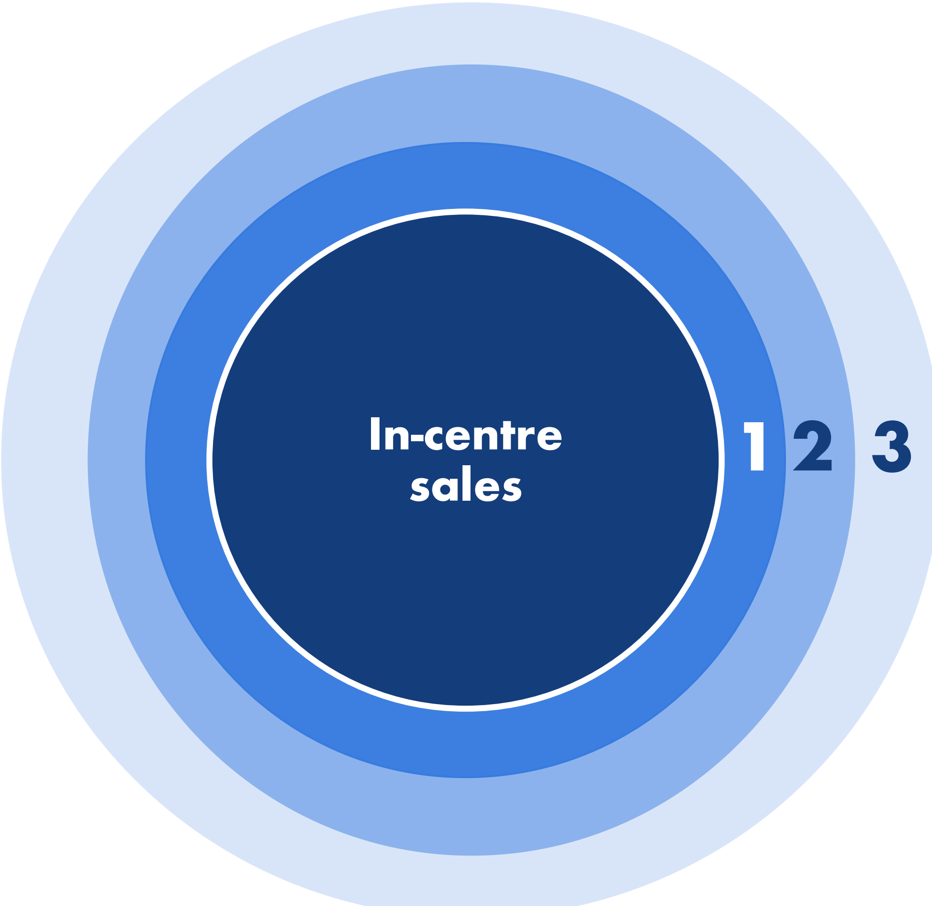
Cereal Killer Café, LinkStreet

Monki, Cabot Circus

	UK	France	Ireland
Leasing activity (£m)	9.0	9.0	0.8
Leasing vs ERV (%)	+6	+5	n/a
ERV growth (%)	+1.6	−2.2 (1)	+9.0

(1) +0.2% excluding Jeu de Paume, Beauvais and Villebon 2

Shopping centres are the ultimate multichannel destination



1. Instore multichannel
Additional click & collect sales, 'instore online' channel and net effect of online returns

+10% (1)

2. Retail halo
Incremental market share of online sales in catchment

+5% (2)

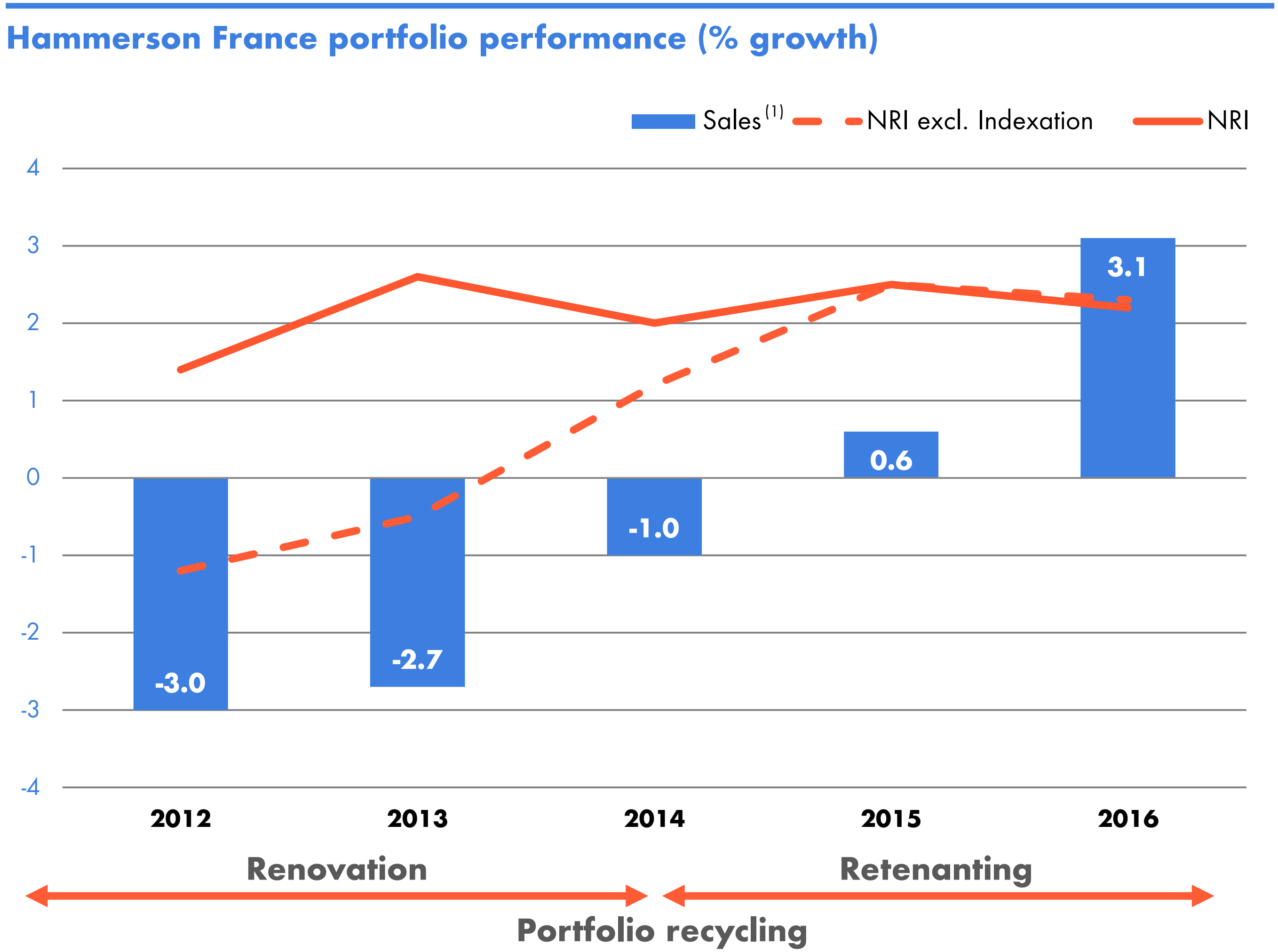
3. Collection kiosks
Integrate pure online retailers into centre

+1-2% (3)

Productivity of the centre extends by a further 17%

(1) Source: Global Data, Hammerson
(2) Source: CBRE/IPF research
(3) Pure-play online sales (predominantly ASOS, very.com, boohoo.com and Amazon.com) fulfilled in shopping centre via Collect+ kiosk

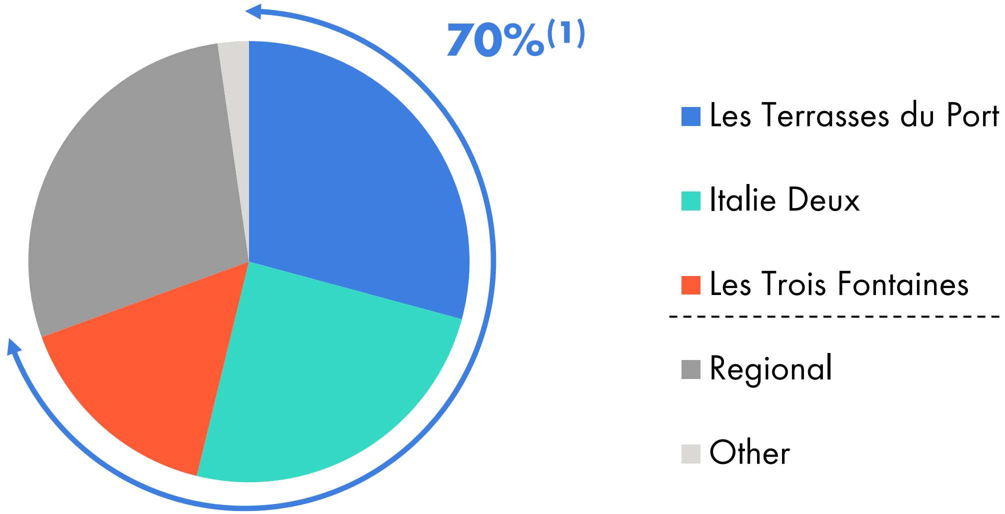
Turnaround in French portfolio performance



(1) Hammerson France same-centre retail sales growth. Includes all shopping centres, excludes extensions and developments

A core asset strategy in France

Focus on attractive and resilient prime centres



Average asset size vs. 2011 [1]

+58%

Leasing vs previous passing [2]

+17%

Les Terrasses du Port
Marseille

Opened Apple, Armani Exchange and Coach

Retail sales +12%

New foodcourt

Italie Deux
Paris

Positive sales despite tough backdrop

Reopening of iconic theatre

Planning submitted for 6,500m^2 extension

Les Trois Fontaines
Cergy Pontoise

Opened first MAC in portfolio

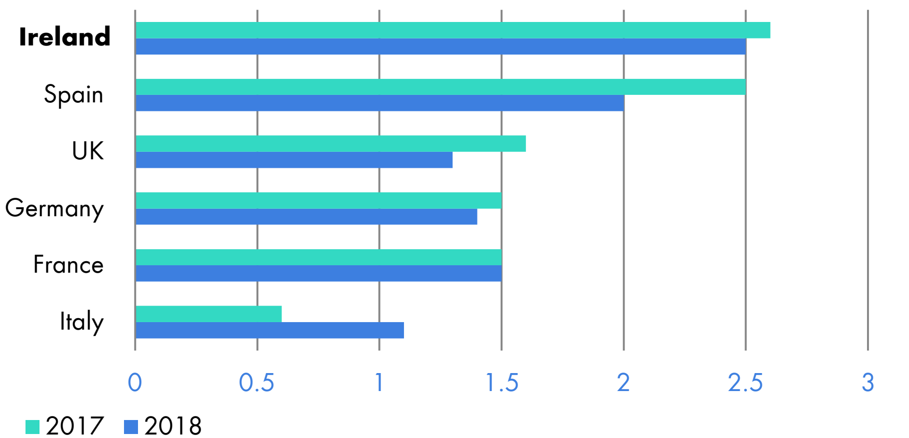
Completed refurbishment

28,000m^2 retail and catering extension

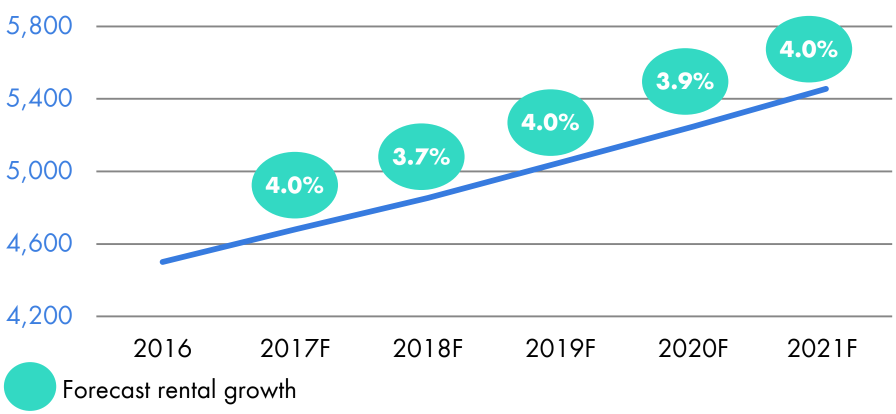
(1) By value
(2) 2016 leasing versus previous passing at Les Terrasses du Port, Italie Deux and Les Trois Fontaines

Ireland: Europe's fastest growing economy

European economic growth forecast (%) [1]



Ireland forecast shopping centre rents €/m² [2]



(1) Source: Oxford Economics
(2) Source: CBRE

Integration of Irish platform nearing completion

Progress to date

October 2015

Acquired Irish loan portfolio

July 2016

Secured ownership of:

Dundrum [1]

Dundrum Village phase II [1]

Dublin Central development site [2]

Pavilions development site [2]

December 2016

Secured Ilac Centre ownership [3]

Commenced refurbishment

Assessing masterplanner candidates for Dundrum phase II

H1 2017

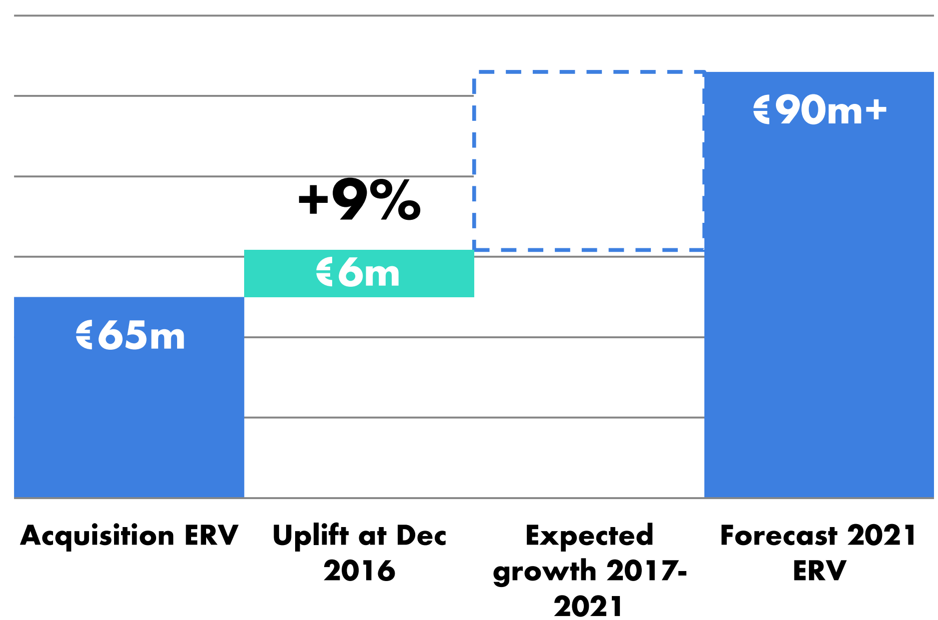
Secure Pavilions ownership [4]

Hammerson Dublin office moves to Dundrum

(1) 50% JV with Allianz
(2) 100%
(3) 50% (Co-owners are Irish Life)
(4) 50% (Co-owners are Irish Life (25%) and IPUT (25%))

Dundrum: putting asset management plan into action

Dundrum ERV (€m)



Enhancing the differentiated destination

Introducing new retailers to Ireland

Enhanced food and beverage: new food court

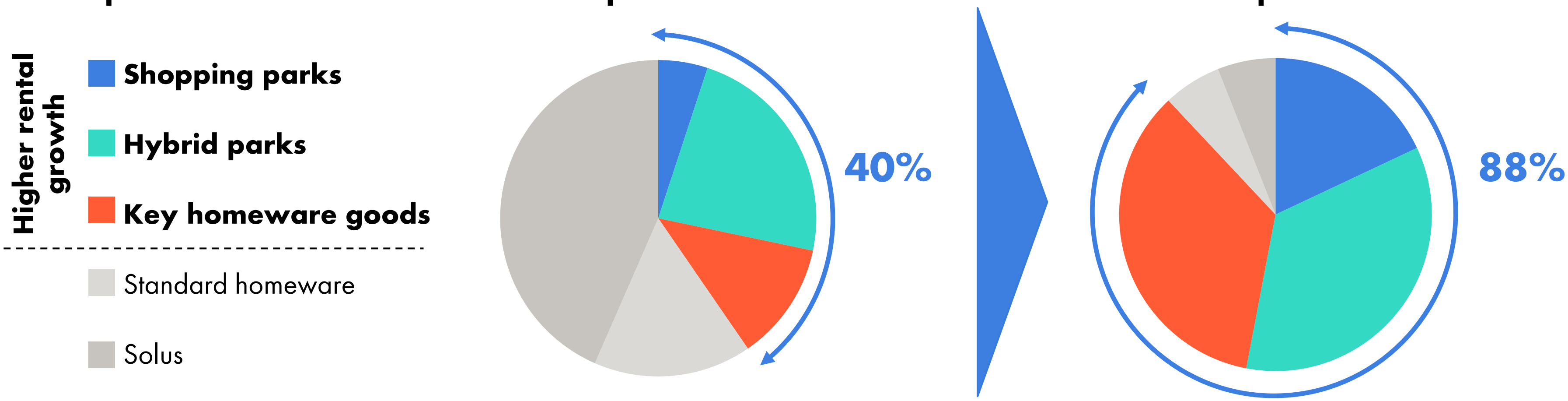
Customer experience: digital, commercialisation, car park

Portfolio update: UK retail parks

Cyfarthfa, Merthyr Tydfil

Hammerson invests in higher-growth retail park assets

Retail park subsectors | **UK retail parks market** | **Hammerson portfolio**



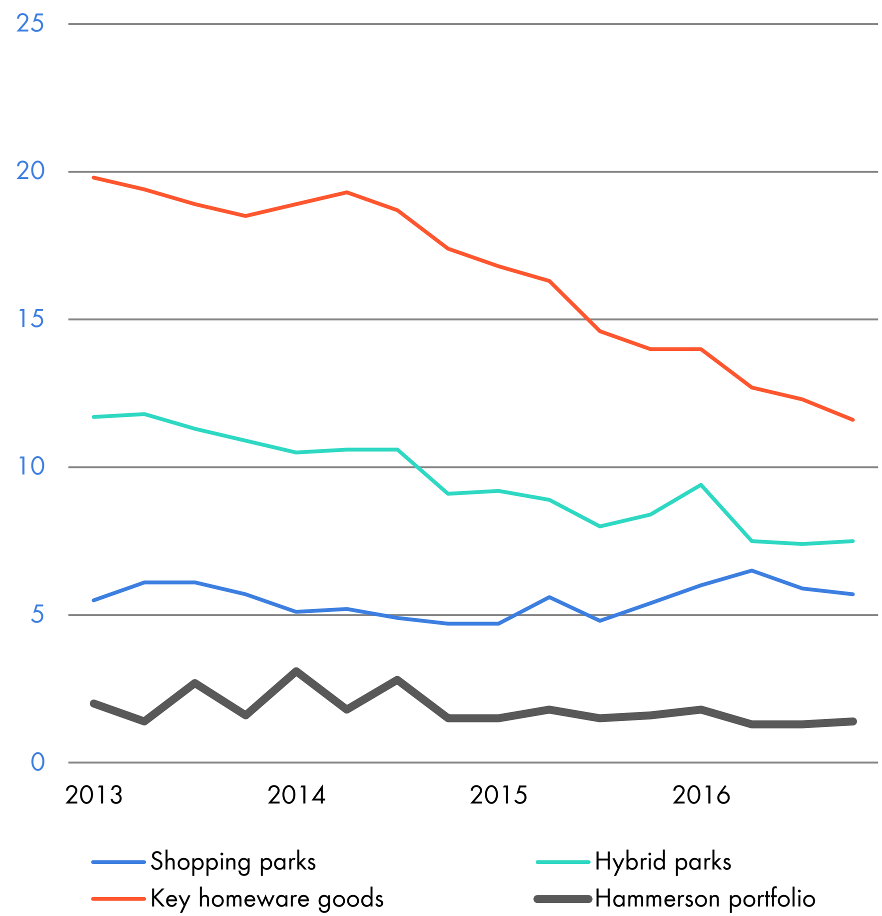
2016 Hammerson UK retail parks

Customer visits (YoY uplift, %)	+2.2 [1]
Dwell time (YoY uplift, %)	+8
Leasing vs ERV (%)	+4
ERV growth (%)	+0.2
LfL NRI (%)	+2.4

(1) Springboard Retail Parks Benchmark -0.7%

Strong occupier demand

Falling retail parks vacancy, (%) [1]



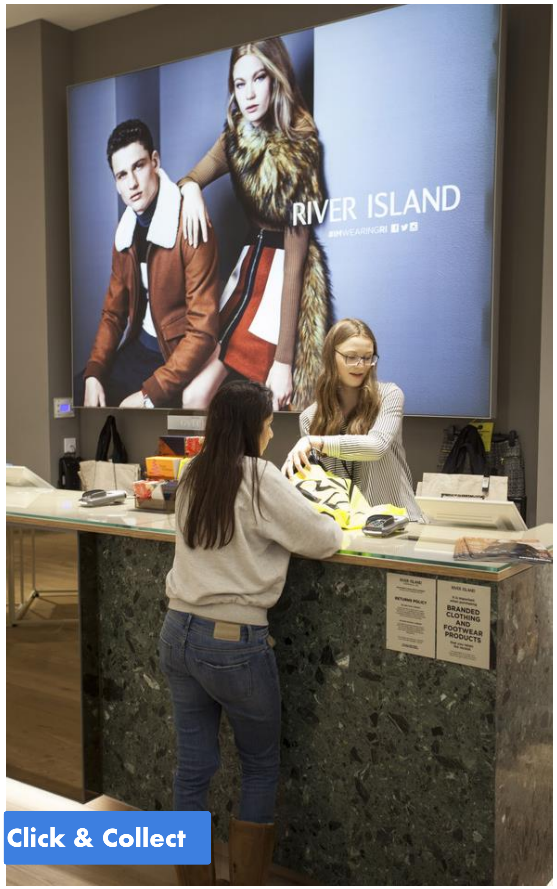
(1) Source: Property Market Analysis LLP

Retail parks: convenient for shoppers, showrooms for retailers

- Essential convenience
- Click & Collect
- New store formats
- Retailer in-fill showrooms
- Catchment online penetration

Catering & leisure

Convenient services



Click & Collect

Instore ‘Inspiration Station’, Sofology

Amazon lockers

Low-risk developments offer attractive returns

On-site developments in 2017

Elliott's Field, Rugby (Phase 2)

TDC £30m
YOC 8%

Orchard Centre, Didcot

TDC £42m
YOC 7%

Fife Central, Kirkcaldy

TDC £10m
YOC 8%

Parc Tawe, Swansea

TDC £16m
YOC 11%

Total investment
£98m

Total yield on cost
8%

Note: TDC (total development cost) includes financial interest cost

Portfolio update: Premium outlets

Polo Ralph Lauren, Fashion Arena

Premium outlet platform – a leading market position

Hammerson's premium outlets portfolio

Value Retail

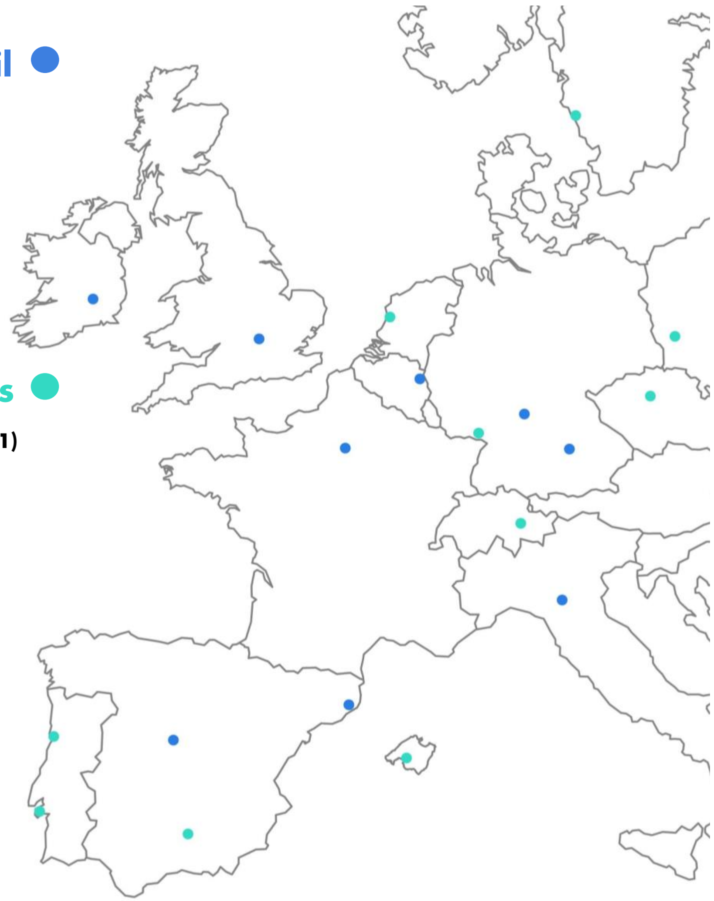
9 Villages

£4.1bn GAV

VIA Outlets

10 centres (1)

£1.0bn GAV



Activity in 2016

VIA Outlets acquisitions

5 centres added

Hammerson share £183m (1)

Achieved goal for portfolio size (Hammerson share 47%)

Increased VR ownership

Additional investment £41m

Stake in Value Retail now 40% (2)

Rationalised interests

Sold VR China stake

Repayment of loans to VR

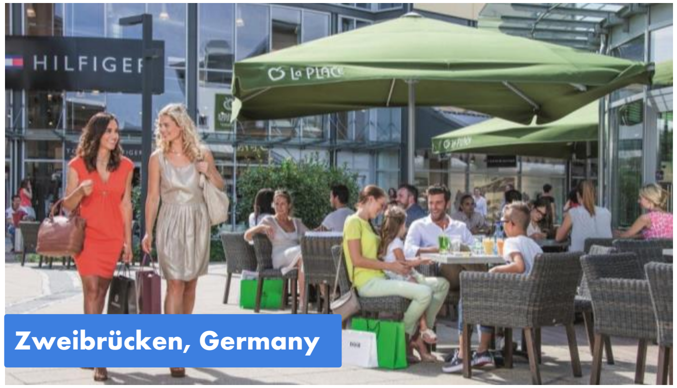
Proceeds part-fund acquisitions

Improved management platform

(1) Includes acquisitions of Zweibrücken, Porto, Seville, Wroclaw and Festival Park
(2) Hammerson share of Value Retail net asset value, excluding goodwill

Another year of strong operational performance

	Value Retail	VIA Outlets
GAV Hammerson share (£bn) (1)	**1.4**	**0.5**
Sales growth YoY (%) (2)	+7.7	+7.4
Sales density (€/m²) (2)	15,100	3,900
Sales density growth YoY (%) (2)	+5.6	+19.0
Footfall (%) (2)	+4.0	+2.3
Total return (%) (3)	+15.0	+15.2



Zweibrücken, Germany

Fashion Arena, Prague

(1) Includes acquisitions of Zweibrücken, Porto, Seville, Wroclaw and Festival Park
(2) 100% portfolio
(3) Hammerson share

What are the drivers of strong performance?

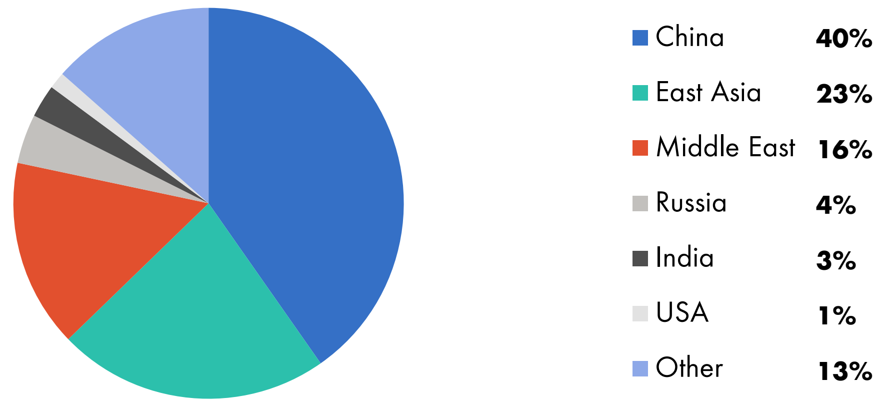
Breadth of international visitors

Growing attraction for retailers

Brand and retail management

Multi-phase extensions

2016 Total European tax refunded sales by nationality[1]



Outlet channel continues to grow in popularity

TIME & GEMS
MICHAEL KORS
LONGCHAMP PARIS
TUMI
MOLESKINE®
TED BAKER LONDON
JIMMY CHOO

(1) Source: Global Blue

Expanding outlets through extensions

Q2 2017

Batavia Stad, Amsterdam

6,900m^2

41 new boutiques

TDC €26m

YOC 11%

Q3 2017

Freeport, Lisbon

Major reconfiguration of 8,700m^2

51 new boutiques

TDC €26m

YOC 11%

Q4 2017

Bicester Village, Phase 4

5,800m^2

34 new boutiques

TDC £100m

YOC 15%

Note: TDC (total development cost) at 100%

Portfolio update: Developments

Watermark Westquay

Victoria Leeds: the premium retail destination in the north

Capturing regional retail spend

Iconic design

Density of luxury brands

Overwhelming retailer success

Premium brands introduced to Leeds
17

Creating a luxury retail estate [1]
56,300m²

Yield on cost
6%

(1) Total Victoria Estate including Victoria Quarter and Victoria Gate

Westquay, Southampton: the leading retail, dining and leisure destination on the south coast

Landmark centre, gateway for new brands

Extended GIC JV

Venue-making

Laser projection cinema, a UK first for Showcase

Attracted an all new restaurant line-up
+20 restaurants

Prime retail, catering and leisure space[1]
95,100m²

Yield on cost
6%

(1) Total Westquay shopping and leisure complex, including Watermark development

Advancing plans for extension of Brent Cross

2016 achievements

Commercial documentation completed

CPO Inquiry concluded

Advanced scheme design

2017 focus

Reserved matters planning application, spring 2017

Confirmation of CPO powers, during 2017

Sign lease agreements with key tenants

Earliest start on site summer 2018

Incremental retail space

90,000m²

Cost to complete [(1)]

£475-550m

(1) Hammerson share

Work on-going to prepare major developments

Les Trois Fontaines

Retail and catering extension as part of a wider city centre project

Co-ownership agreement, building permit and retail consent obtained

Good pre-letting

Contractor process started

Size

28,000m^2

Cost to complete [(1)]

£200m

Croydon

New outline planning application submitted October 2016

Revised design incorporates 3 levels of retail and leisure, including a new full-line M&S store

Planning application decision expected summer 2017

Croydon Partnership retail

200,000m^2

Cost to complete [(2)]

£650-700m

The Goodsyard

Mayor of London deferred planning application in April 2016

In consultation with GLA to redesign elements of proposed scheme

Remain committed to progressing the planning application

Target planning resolution by later this year

Size (gross external area)

270,000m^2

Total Phase 1 cost to complete [(2)]

£140-160m

(1) Excludes acquisition of additional property interests
(2) Hammerson share

04 Conclusion

Conclusion

Good financial performance

Successfully grown and enhanced portfolio

Multiple drivers of growth

Capital recycling provides headroom

Consistent income-focused 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.

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Appendices

Focus on growing consumer markets

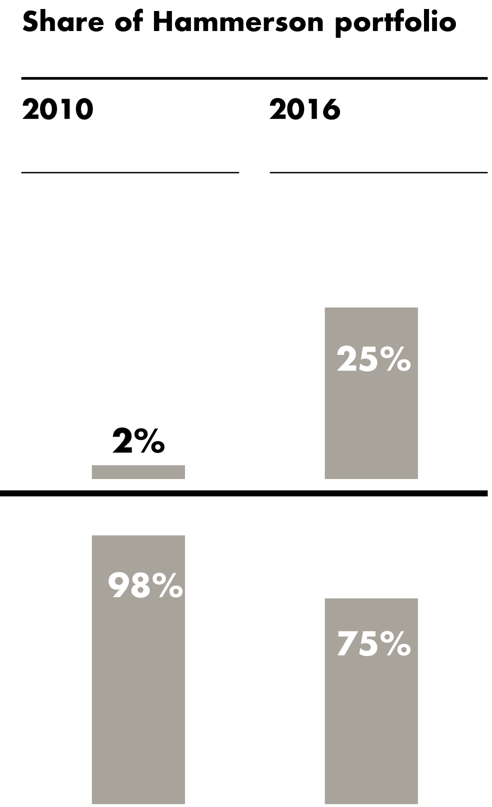
Our strategy is to focus on markets which take advantage of retail property trends

Retail formats	Matched to consumer behaviour in the **multichannel** world: **experience** (shopping centres), **convenience** (retail parks) and **retail tourism** (premium outlets)
Market position	Select prime property to benefit from **polarisation** in occupier demand
Location	Selected European countries or cities benefitting from **urbanisation** and **retail tourism** Growing catchments and markets where we can gain share

Focus on growing consumer markets

Rotating capital into faster-growth markets

	Relative total returns	Rationale
Premium Outlets	↑↑↑	Strong sales growth; yield compression; consolidation opportunity; VR operating expertise; breadth of international spend
Prime shopping centres		
Ireland	↑↑↑	Economic outperformance; new retailers entering market; leading market position; unrivalled national centre
UK	↑↑	Multichannel driving polarisation; place-making opportunities; resilient consumer; close retailer relationships
France	↑↑	Consistent performance; inflation-linked income; well-invested centres; capital-city weighting
Retail Parks	↑	Occupier demand strong; convenience; high operating margins; attractive developments



Create differentiated destinations

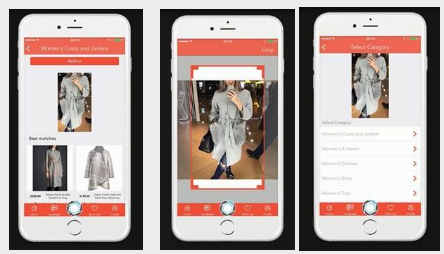
Our Product Experience Framework in action

Iconic destinations
Victoria, Leeds

Best at retail
LinkStreet,
Birmingham

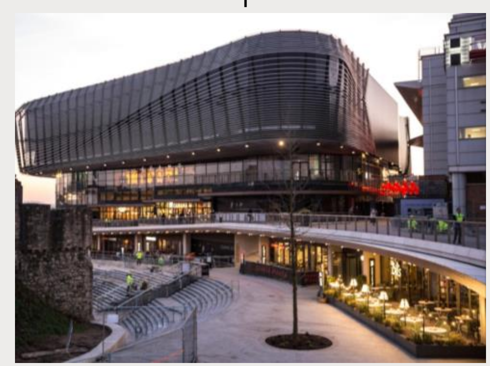
Convenient & Easy
Click & Collect services

Interactive & engaging
Developing the Plus App



Positive Places
Victoria Gate community interaction

Entertaining & Exciting
Watermark development, Southampton



Promote financial efficiency and partnerships

Financial efficiency

Flexible capital structure supports capital recycling strategy

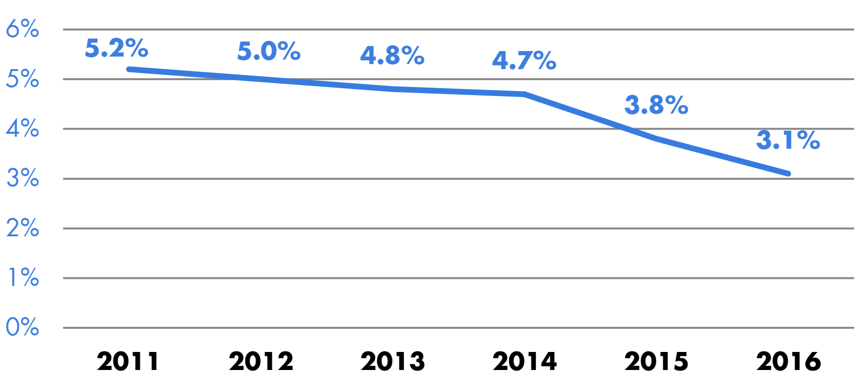
Diversified sources of debt

Actively reducing weighted average cost of debt

Declining cost:income ratio

Accessing global capital markets – JSE Listing

Active programme to reduce cost of debt (%)



Partnerships broaden our market reach, increase scale and strengthen our business

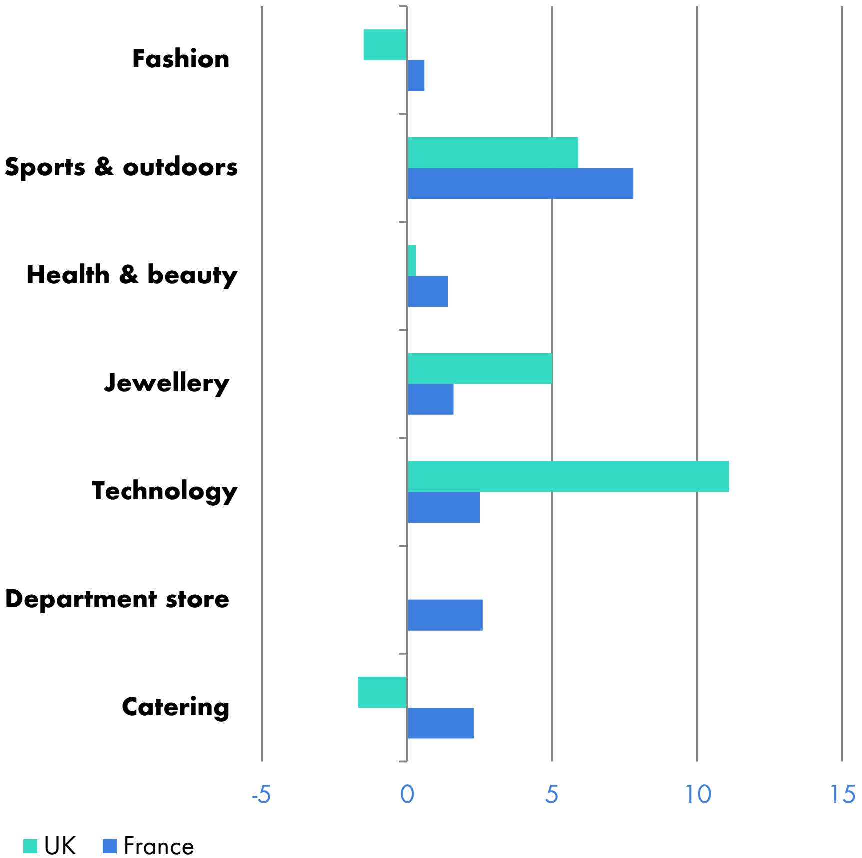
ADIA, CPP Investment Board, Allianz, apg, Standard Life, IPUT Irish Property Unit Trust, GIC, Irish Life, AXA Real Estate An AXA Investment Managers Company, TH Real Estate, Westfield, Value Retail, MeyerBergman, Ballymore

Chosen operator for global capital

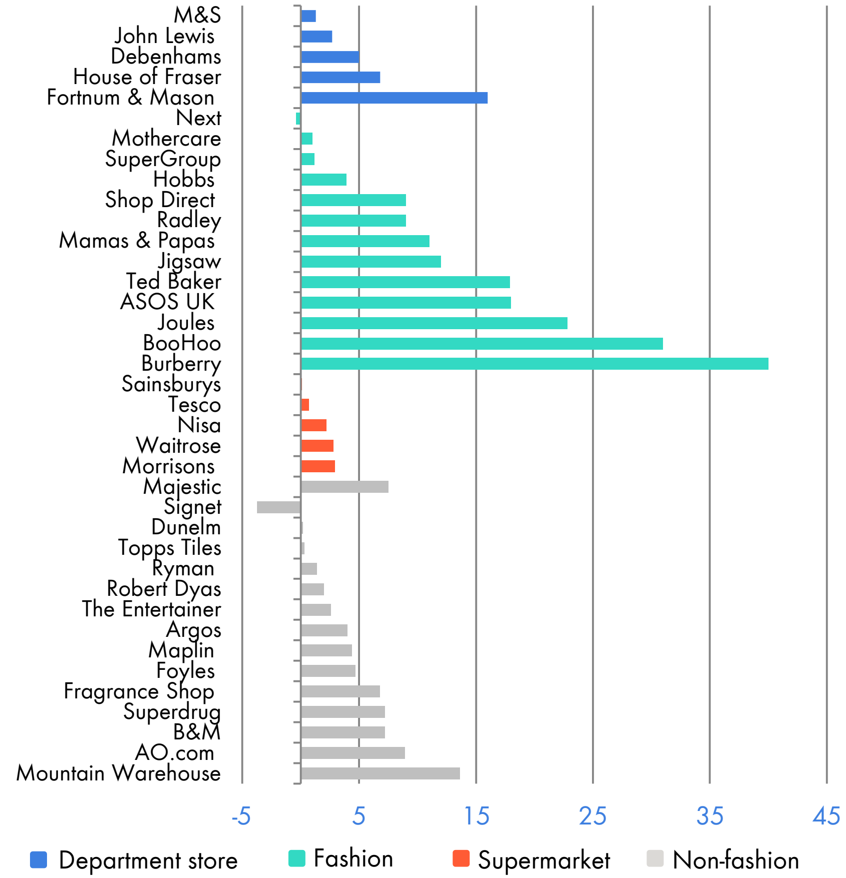
£17bn total European property platform through partnerships

2016 sales trends

Hammerson sales growth by category in UK and France (%)



UK LfL retailer performance Christmas 2016 (%)



2016 operational statistics

	UK shopping centres	France
Sales [1]	−1.1%	+3.1%
Footfall	−0.5%	+2.8%
Rent:sales [2]	12.8%	10.8%
OCR[2]	20.1%	13.7%

Sales densities[2]	UK £/ft²	France £/ft²
2016	320 - 590	395 - 690
2015	310 - 620	220 - 620
2014	290 - 590	200 - 610

Occupancy (%)	UK shopping centres	UK retail parks	France	Ireland	Group
31 December 2016	97.8	98.6	96.5	99.5	97.5
30 June 2016	97.4	98.7	96.3	n/a	97.2
31 December 2015	98.3	98.4	96.9	n/a	97.7

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

2016 portfolio leasing overview

	Leasing vs previous passing	Leasing vs ERV	ERV growth	Rent secured from new leases
UK shopping centres	+6.3%	+6%	+1.6%	£9.0m
UK retail parks	+27.7%	+4%	+0.2%	£4.9m
France	−5.0%	+5%	−2.2%	£9.0m
Group [1]	+3.1%	+5%	+0.0%	£24.9m

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

UK shopping centre investment

Hammerson UK shopping centre cash flow statement	2016 £m	2015 £m	2014 £m	
Gross rental income	174.2	162.0	149.4	
Service charge income	34.0	28.7	27.0	
Total income	**208.2**	**190.7**	**176.4**	B
Service charge expenses (excl. investment)	−32.9	−25.3	−23.4	
Other property expenses (Hammerson NRI) 1	−22.4	−20.6	−19.4	
Net cash flow before maintenance capex	**153.0**	**144.9**	**133.5**	
Investment spend (service charge maintenance projects) 2	−4.6	−6.1	−5.6	A
Investment projects (capex on maintenance or 'value-add' projects) 3a + 3b	−12.6	−9.6	−9.7	A
Net cash flow from Operations	**135.8**	**129.2**	**118.2**	
Maintenance capex: total income, %	**8%**	**8%**	**9%**	A/B

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

Recycling capital in 2016

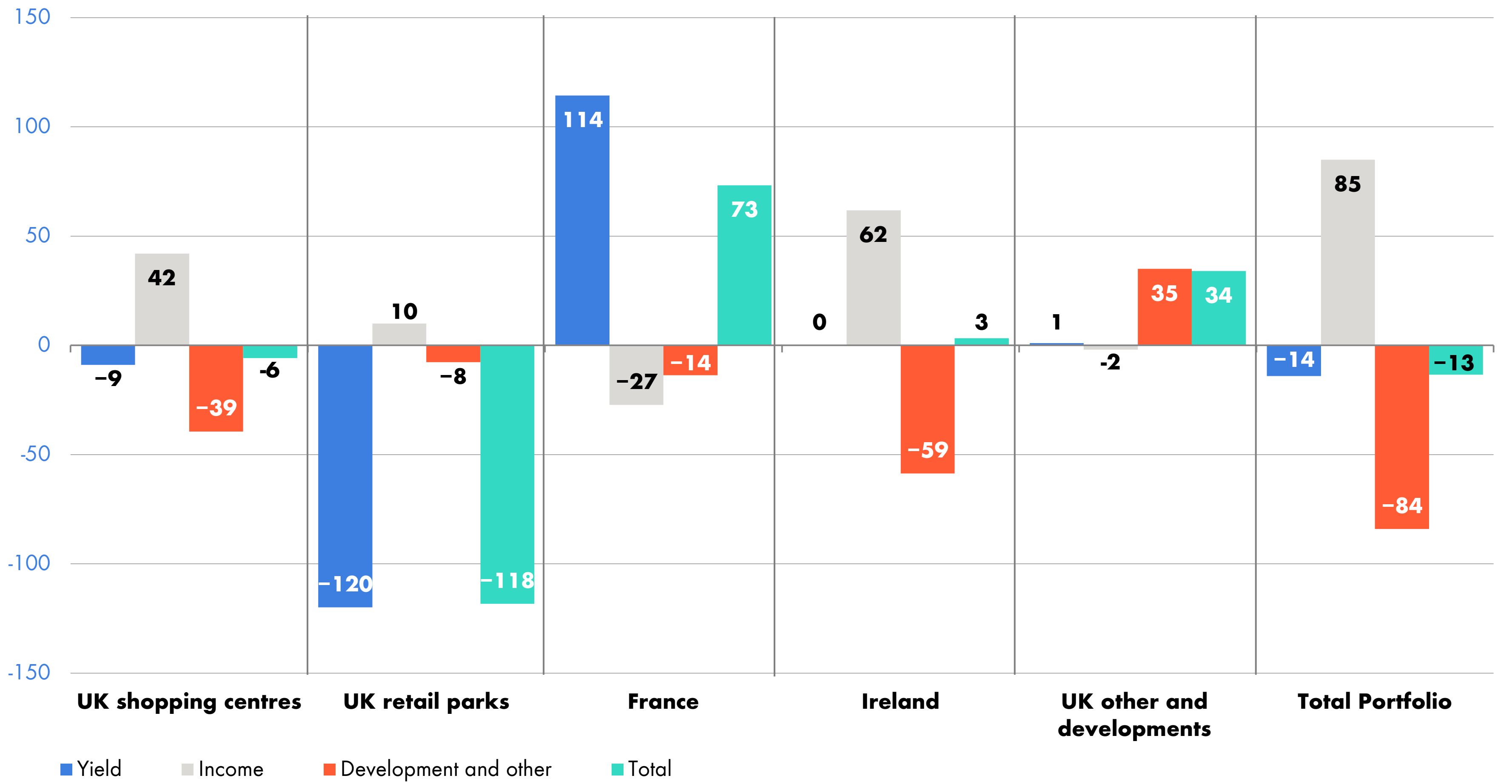
2016 Disposals	Date of disposal	Value £m
Monument Mall, Newcastle	January 2016	75
Villebon 2, Paris	April 2016	124
Thurrock Shopping Park, Essex	June 2016	93
Manor Walks Shopping Centre, Cramlington	August 2016	78
Westmorland Retail Park, Cramlington	November 2016	36
Grand Central, Birmingham (50%)	December 2016	175
Westquay Watermark, Southampton (50%)	December 2016	47
Other		7
Total		**635m**

2016 valuation data

	UK shopping centres	UK retail parks	France	Ireland	UK other interests	Total portfolio
True equivalent yield (%)						
31 Dec 2016	5.1	6.1	4.4	4.3	7.4	5.1
31 Dec 2015	5.2	5.6	4.7	n/a	7.6	5.2
ERV (£m)						
31 Dec 2016	186.8	77.1	107.9	34.8	13.4	420.0
31 Dec 2015	166.2	90.9	101.0	n/a	13.6	371.7
LfL change (%)	+1.6	+0.2	−2.2	n/a	−1.2	0.0

2016 components of valuation change

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



Note: Development and other includes the movement in the UK Other interests portfolio where valuations increased by a total of £2m during 2016

2016 valuation analysis – H1 vs H2

	2016 capital return [1] (%)	Valuation split in 2016		Value at 31 Dec 2016 [2] (£m)
		H1 (%)	H2 (%)	
UK shopping centres	−0.2	−0.4	+0.2	3,437
UK retail parks	−8.9	−3.0	−6.1	1,320
France	+3.6	+3.2	+0.4	2,160
UK other interests [3]	+2.5	−0.7	+3.2	163
Developments	+7.2	+4.9	+2.2	397
Premium outlets	+9.6	+3.4	+6.0	1,689
Ireland	+0.4	-	+0.4	805
Total	**+1.1**	**+0.7**	**+0.4**	**9,971**

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

Sensitivity to FX movements

Income statement	As reported	Weaker GBP	Change	Stronger GBP	Change
GBP/EUR	**1.224**	1.113	-10%	1.346	+10%
Net rental income (£m)	**346.5**	356.8	+3%	337.1	−3%
EPS (p)	**29.2**	29.8	+2%	28.7	−2%
Balance sheet					
GBP/EUR	**1.171**	1.065	-10%	1.288	+10%
NAVPS (p)	**739**	749	+1%	729	−1%
Net debt (£m)	**3,413**	3,706	+9%	3,146	−8%
LTV (old, excl. outlets)(%)	**40.9**	42.5	+160bps	39.4	−160bps

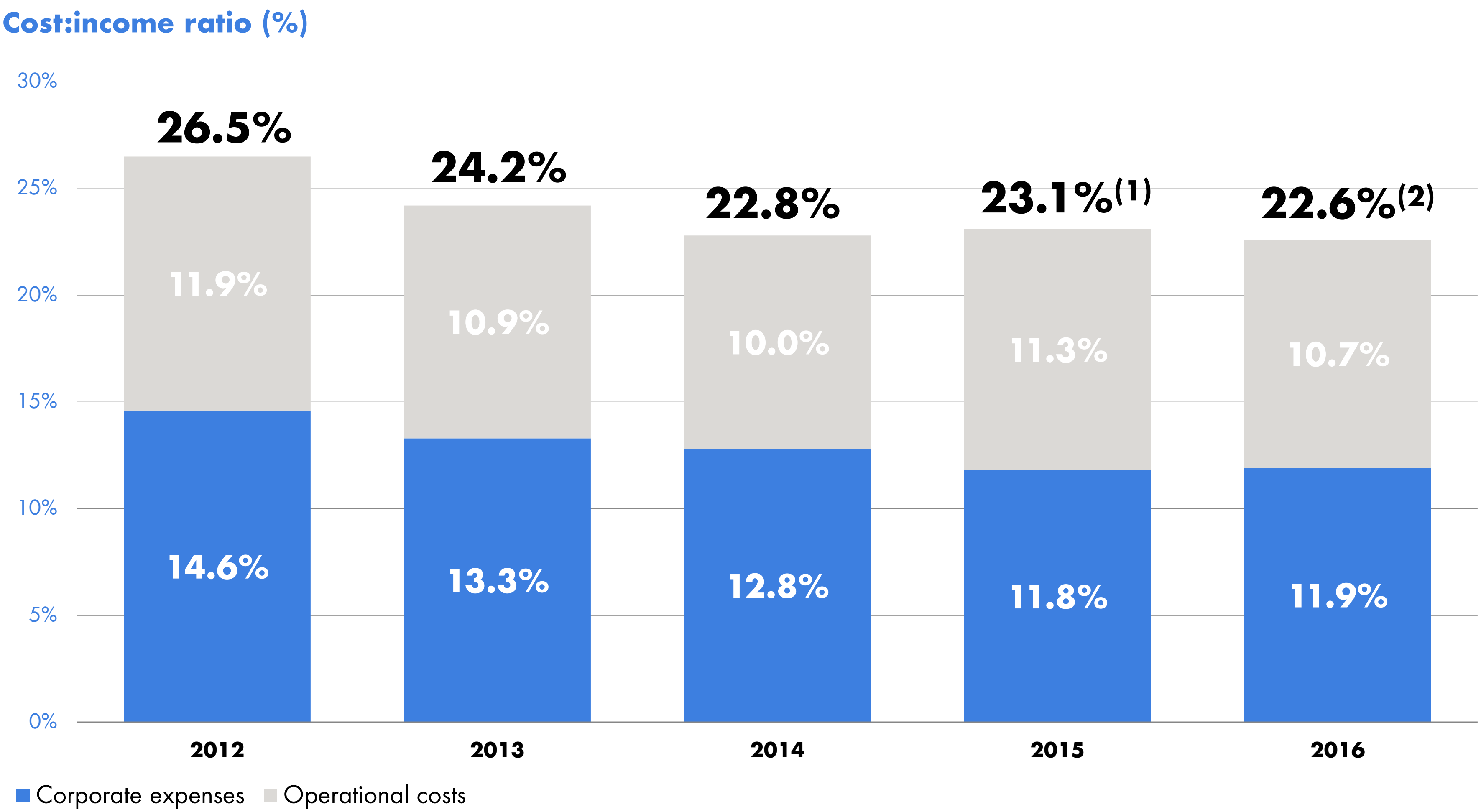
Debt covenants

Description	Tightest covenants	Actual 31 Dec 2016
LTV	None	41%
Gearing	150%	59%
Interest cover ratio	>1.25x	3.5x
Secured debt/net tangible assets	<50%	2%

Keeping all other variables constant, values would have to fall by 35%[1], or 60% for UK values only, before first breach of gearing covenant

(1) Based on the Group's property portfolio, including premium outlets at 31 December 2016

Cost:income ratio



(1) Excluding car park costs (£9.3m in 2015) cost:income ratio would be 21.1%
(2) Excluding car park costs (£9.5m in 2016) cost:income ratio would be 20.7%

LTV methodology

Net debt	2016 New methodology	2016 Fully proportionally consolidated	2016 Old methodology	2015 New methodology	2015 Fully proportionally consolidated	2015 Old methodology
Group	3,413	3,413	3,413	2,968	2,968	2,968
VIA Outlets		54			27	
Value Retail		413			335	
Loan	**3,413**	**3,880**	**3,413**	**2,968**	**3,330**	**2,968**
Property values						
Group	8,282	8,282	8,282	7,131	7,131	7,131
Ireland (loans)	54	54	54	690	690	690
VIA Outlets		302			149	
Value Retail		1,387			1,095	
Less minority interest	(81)	(81)		(69)	(69)	
VIA Outlets net assets	222			111		
Value Retail net assets	959			744		
Value	**9,436**	**9,944**	**8,336**	**8,607**	**8,996**	**7,821**
LTV	**36.2%**	**39.0%**	**40.9%**	**34.5%**	**37.0%**	**37.9%**

On site developments

Scheme	Lettable area m²	Expected completion	Current value(2)	Estimated cost to complete(3) £m	Estimated annual income(4) £m	Let(5) %
Parc Tawe, Swansea	21,200	Q4 2017	n/a	14	2	53
Elliott's Field Shopping Park (Phase 2), Rugby	7,900	Q4 2017	10	23	3	44
Orchard Centre, Didcot	8,700	Q1 2018	11	31	3	39
Total	**37,800**			**68**	**8**	

(1) Group ownership 100% for all on-site schemes
(2) Valuation as at 31 December 2016
(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 17 February 2017

Development pipeline opportunities

Scheme	Area (m²)	Key Facts
Brent Cross extension	90,000	• Extension and refurbishment of centre forming part of wider Brent Cross Cricklewood regeneration plans • Reserved matters planning application to be submitted in spring 2017
Bristol investment properties	74,000	• New planning application submitted December 2016 for 3.5ha site adjoining Cabot Circus • Masterplan includes up to 74,000m² retail and leisure, 900 car parking spaces, residential units and a hotel
Croydon Town Centre	200,000	• Redevelopment of Whitgift centre and refurbishment of Centrale shopping centre • New outline planning application submitted in October 2016 with decision expected in summer 2017
Silverburn Phase 4	50,000	• Consent granted in October 2015 for masterplan for future extension of existing centre
Union Square, Aberdeen	27,800	• Extension of existing shopping centre for up to 11,000m² of retail, 12,000m² of leisure and catering, plus up to 435 car parking spaces and a hotel. Planning application due for determination by summer 2017
Victoria Gate, Leeds (Phase 2)	73,000	• Phase 2 masterplanning underway to deliver phased retail/leisure mixed use scheme. Revised planning application submission anticipated end of 2017. Freehold control of site obtained
WestQuay Watermark, Southampton (Phase 2)	58,000	• Council-owned land, with outline planning consent achieved in 2014 for 8,000m² of retail and leisure, 260 residential units and one or more hotels, • Joint review of scheme underway including a proposed development agreement to bring the scheme forward
Oldbury, Dudley	10,900	• Planning secured in May 2016 for new development of up to 11 retail and catering uses. Leasing underway
The Goodsyard, London	270,000	• 4.2ha site on edge of City of London. Work ongoing to submit amended planning application in 2017.
Italie Deux, Paris 13ème	6,500	• Extension of existing shopping centre offering new façade in addition to retail, leisure and innovative concepts • Land disposal approved by the City of Paris. Consents submitted
Les 3 Fontaines, Cergy Pontoise	28,000	• Retail and catering extension as part of wider city centre project. Co-ownership agreement, building permit and retail consent obtained. Pre-letting and contractor process started
SQY Ouest, Saint-Quentin-en-Yvelines	32,000	• Opportunity to reposition existing shopping centre, creating a leisure-led destination
Dundrum phase II, Dublin	100,000	• Six acre site located adjacent to Dundrum Town Centre • Opportunity to create a retail-led mixed used scheme; masterplanning process underway
Dublin Central, Dublin	158,000	• Extension of duration of planning consent granted until May 2022 to create a retail-led city centre scheme
Swords Pavilions Phase III, Dublin	272,000	• Extension of duration of planning consent granted until August 2021. Consent in place to create 124,000m² retail-led scheme with additional residential. Pending completion of loan to own process for Phases I and II.
Total	**1,450,200**	

Development timing

Well-ordered pipeline of projects
Funded through internal sources

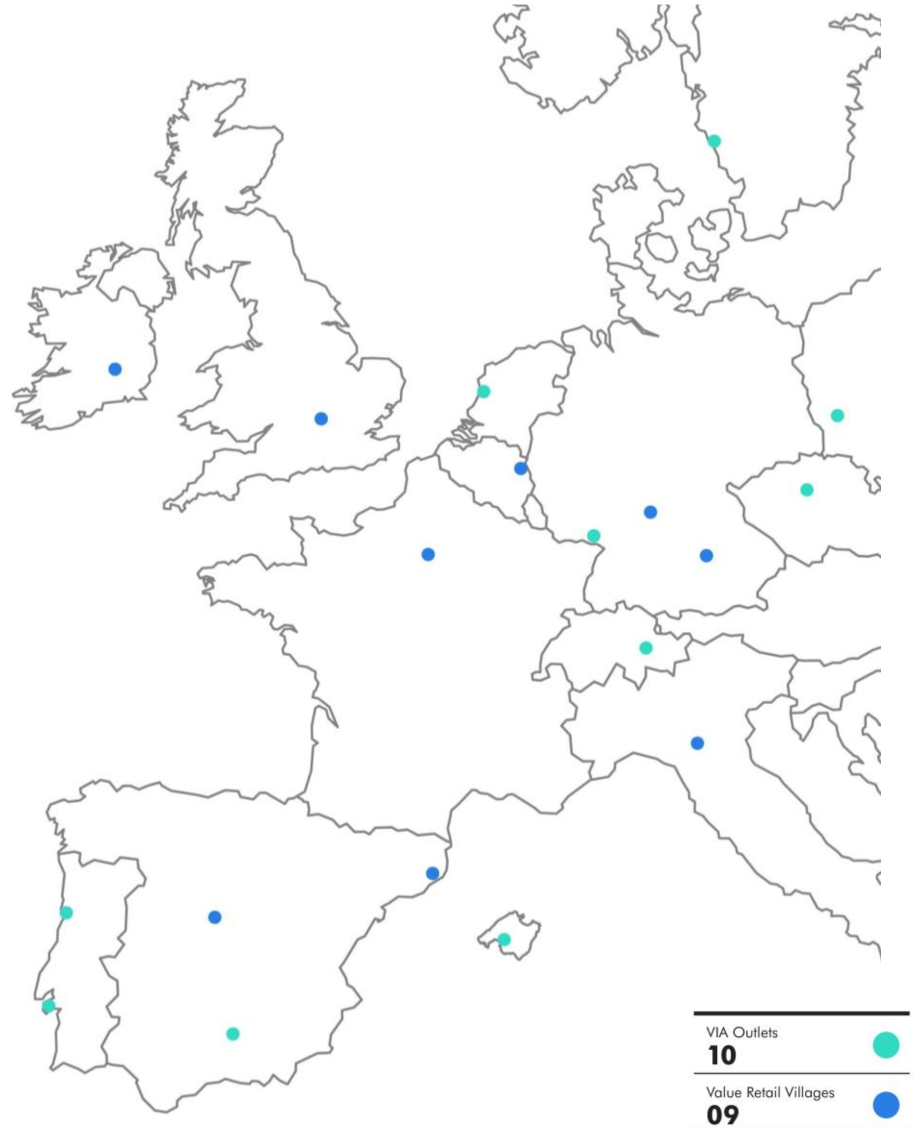
	Estimated development cost	Projects
Committed and onsite (2017) Onsite, completion within 18 months	**c.£100m**	Onsite retail parks
Near-term projects (2017 – 2020) Decision in 2017	**c. £250m**	France extensions (Cergy, Italie 2) Other retail parks (Oldbury) Work-up costs Brent Cross and Croydon
Pipeline (2018+) Progressing planning and pre-lets to arrive at commitment point	**c. £1.2bn-1.4bn**	Brent Cross Croydon The Goodsyard

Tenants in administration

		% of passing rents
31 December 2016		
	44 units in administration	0.7
	9 units unoccupied	0.1
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

Premium outlets overview

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



Hammerson's total investment in Value Retail: 40% (1)

Hammerson €2m(2) shareholder loan → **Holding companies 25% equity**

Village	Village ownership via LPs (%)	Total Village ownership (%)
Bicester Village	33	46
La Roca Village	23	36
Las Rozas Village	19	32
La Vallée Village	11	23
Maasmechelen Village	13	26
Fidenza Village	20	33
Wertheim Village	31	44
Ingolstadt Village	0	12
Kildare Village	27	40

Village ownership via LPs (%)

Total Village ownership (%)

(1) Hammerson's share of Value Retail's net assets, excluding goodwill
(2) Excludes €23m loans secured against Fidenza

Creating Positive Places: highlights of our Sustainability outcomes for 2016

2016 Targets	2016 Outcomes
3% reduction in CO_2e emissions	9% reduction in CO_2e emissions
6% Reduction in electricity consumption	4% reduction, £180k savings in electricity costs
98% diversion of waste from landfill	100% achieved in UK and Ireland 77% achieved in France £2m+ saved through waste management initiatives
Install renewable technology on one existing asset	130 kWp installed at Westquay 2 further installations underway
Update True Value of Shopping Centres research	Update commissioned and to be published in Q1 2017
Senior management sustainability training	3 more senior management team members trained

Additional achievements

Retained GRESB Green Star and improved scores in all industry benchmarks

On track to eliminate EPC risk from the portfolios

Produced and published research on Natural Capital with Sir Robert McAlpine

2016 Pop-up Business School

Creating Positive Places: highlights of our Sustainability priorities for 2017

2017 plans

Update Hammerson Sustainability strategy

Deliver a carbon neutral development project

Deliver 2nd EcoPod

Install one further PV array on an existing asset

6% reduction in electricity consumption across managed assets

5% reduction in landlord water intensity

4% reduction in group CO_2e emissions intensity

98% diversion of waste from landfill

Publish carbon and socio economic impact footprints

Continue senior management sustainability training

Develop in-house sustainability training package for all employees

Continue retailer engagement through Retailer Forum and Positive Growth Awards

Continue investor engagement through conferences, investor platforms and direct comms

2016 Partnership with Teenage Markets