Hammerson

Les Terrasses du Port

Capital Markets Day

Thursday 12th June 2014

Today's agenda

1.	Introduction	David Atkins
2.	France overview	Jean-Philippe Mouton
3.	Marseille	Renaud Mollard
4.	Les Terrasses du Port	Renaud Mollard/Alice Roudaut/ Edouard Detaille Sandra Chalinet

BREAK

5.	Anticipated retailer performance	Michaël Farbos
6.	Pipeline	Michaël Farbos/David Atkins
7.	Product of the future	Jean-Philippe Mouton
8.	Conclusion	David Atkins

The Hammerson team

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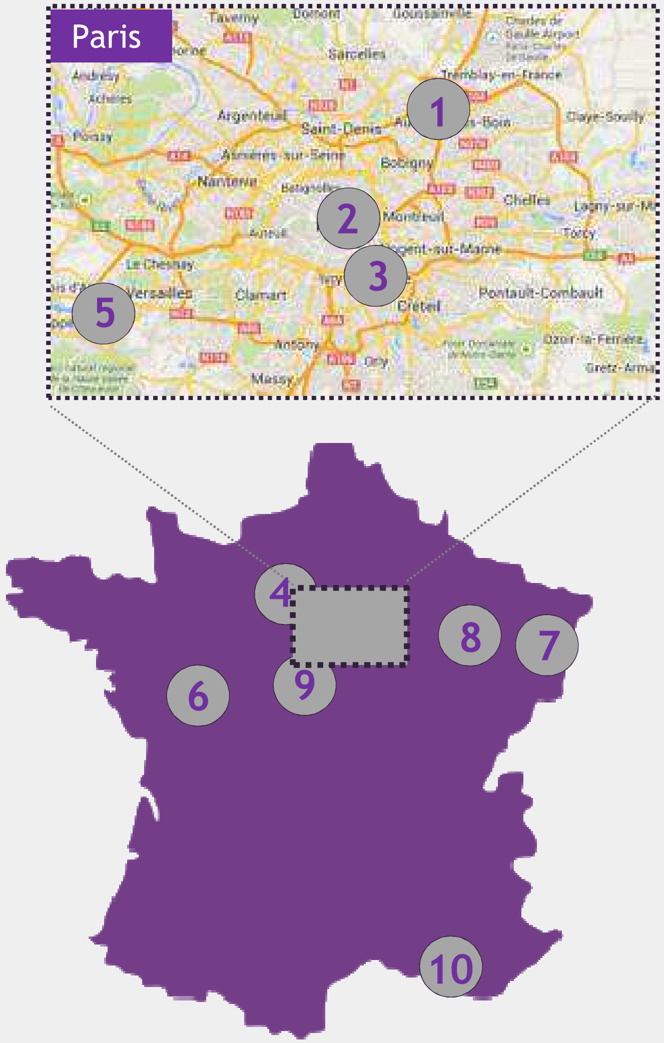
Renaud Mollard
Project Leader, France

Alice Roudaut
Deputy Director Retail Letting, France

Sandra Chalinet
Centre Manager, Les Terrasses du Port

Our trading assets in France



1 O'Parinor, Aulnay-sous-Bois
Acquired 2002, refurbished/extended 2013-2014
Occupancy 96.8%
Key tenants: C&A, Primark, UGC

2 Italie Deux
Acquired 1998, refurbished 2013
Occupancy 99.1%
Key tenants: Printemps, Sephora, FNAC, Carrefour

3 Bercy 2
Acquired 2000, refurbished 2012
Occupancy 93.6%
Key tenants: H&M, Go Sport, La Grande Recré

4 Les 3 Fontaines, Cergy
Acquired 1995
Occupancy 99.3%
Key tenants: H&M, Darty, Mango

5 Espace Saint Quentin, Saint Quentin-en-Yvelines
Acquired 1994, reconfigured 2007
Occupancy 98.5%
Key tenants: C&A, H&M, Sephora

6 Grand Maine, Angers
Acquired 2007, refurbished 2013
Occupancy 95.9%
Key tenants: Carroll, Etam, Yves Rocher

7 Place des Halles, Strasbourg
Acquired 1998, refurbished 2013
Occupancy 97.1%
Key tenants: Darty, H&M, Zara, Go Sport

8 Saint Sébastien, Nancy
Acquired 2014
Occupancy 99%
Key tenants: C&A, Sephora, Monoprix, Intersport

9 Villebon 2
Acquired 2005
Occupancy 98%
Key tenants: Armand Thierry, Darty, C&A

10 Les Terrasses du Port, Marseille
Opened 2014
Occupancy 97%
Key tenants: Printemps, Darty, Citadium, H&M

Retail property landscape

Existing shopping centre stock

680 shopping centres, representing 15,000,000 m^2

Retail space per inhabitant is in line with the EU average

Existing stock is ageing with 50% opened before 1980

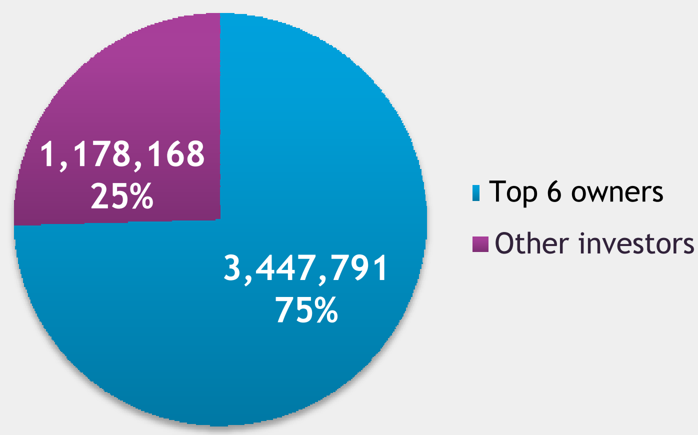
Regional sized shopping centres (>40,000 m^2) represent 30% of the total GLA.

Market participants

Highly concentrated sector with 6 players (Unibail-Rodamco, Klepierre, Hammerson, Corio, Altarea and Immochan) controlling 75% of the dominant shopping centres

Hammerson ranks 3rd with 6 regional shopping centres

Shopping centres > 40,000m² GLA



Section 2

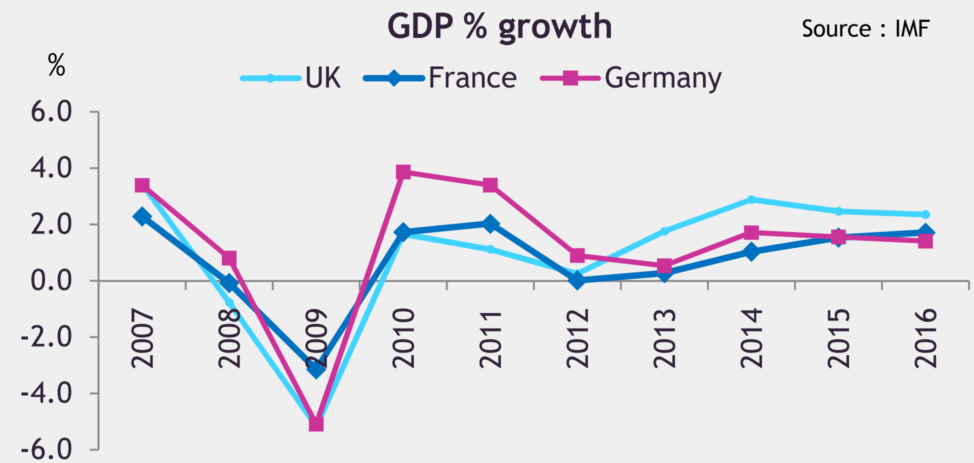
Hammerson

France overview

Italie Deux, Paris

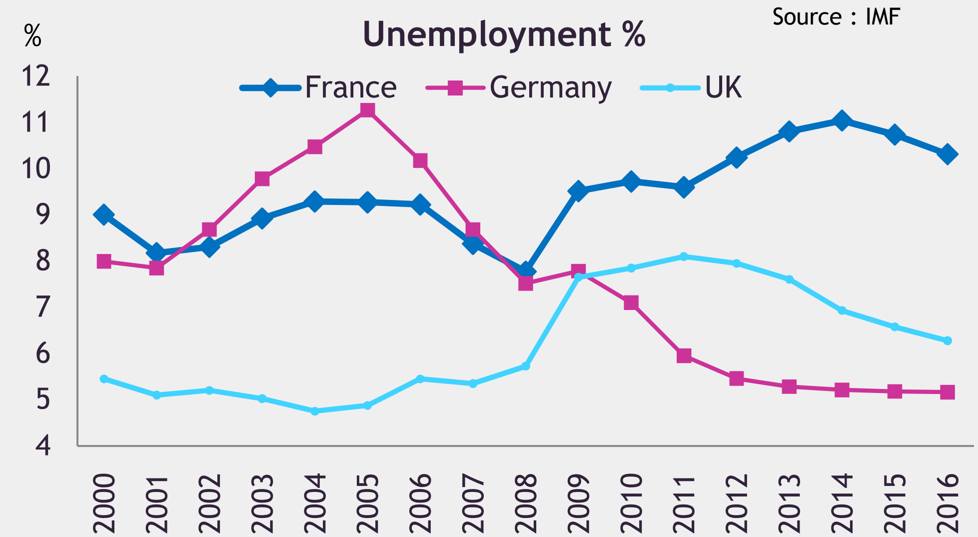
Growth anticipated despite high unemployment

France suffered less during the financial crisis and shows modest capacity for growth in the short term



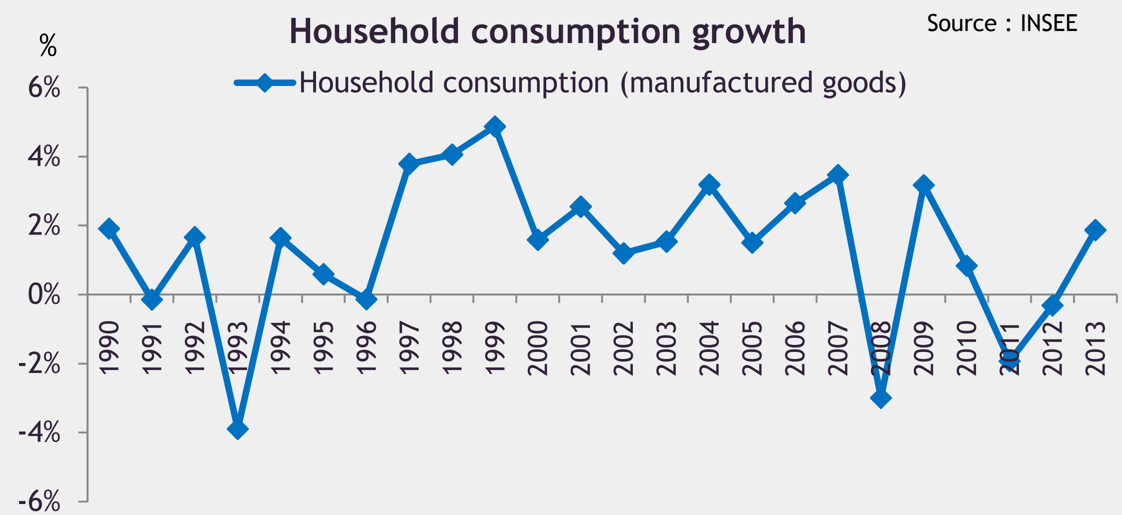
Rising unemployment since 2008 despite

- government stated commitment
- 100k / 150k subsidised jobs

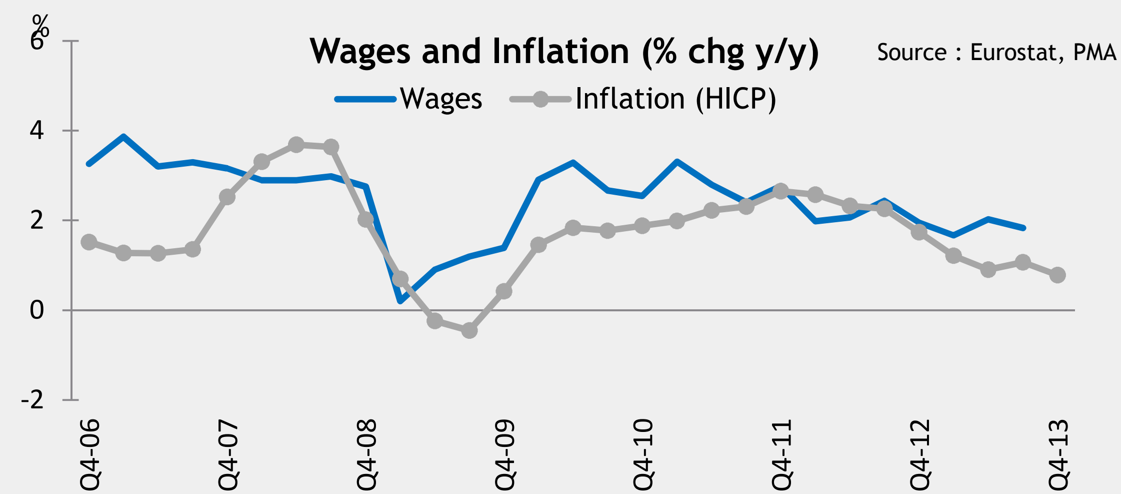


Strong fundamentals for customer spending

Consumption growth has been steady throughout the last three decades…

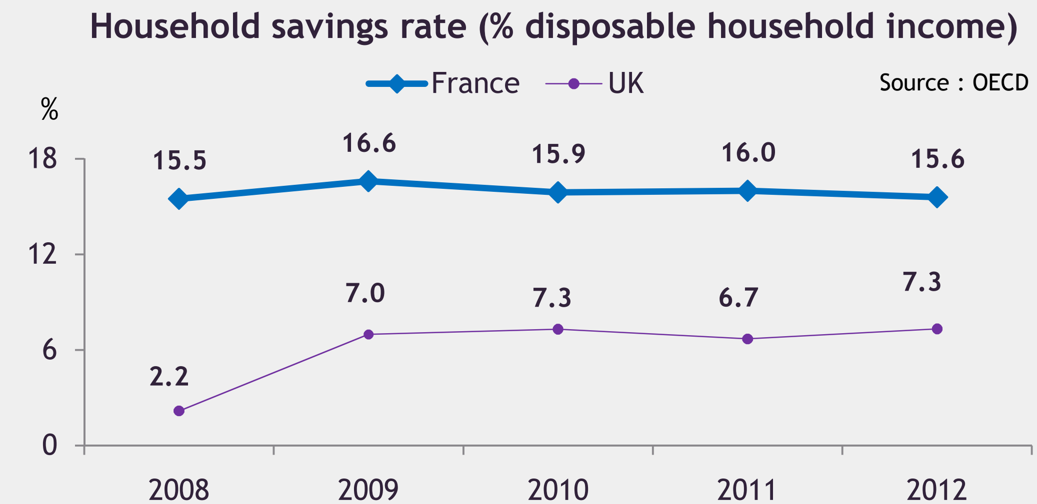


…and disposable income still rising with falling inflation

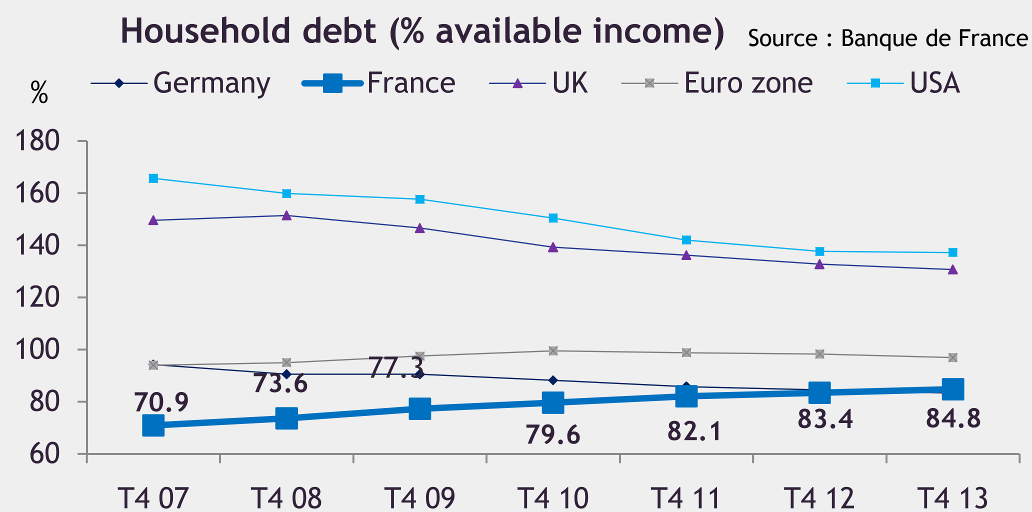


And healthy levels of household debt and savings

French households have maintained their historically high savings rate



...and still have a relatively low level of household debt compared to peers



Recent reforms in progress

Need for structural reforms

Labour market regulations an obstacle to job creation

French welfare state is costly and perceived as increasingly inefficient: not sustainable in the long term (medical, pensions, unemployment benefits)

Local governments are numerous and often with overlapping responsibilities and staff

The Responsibility Pact

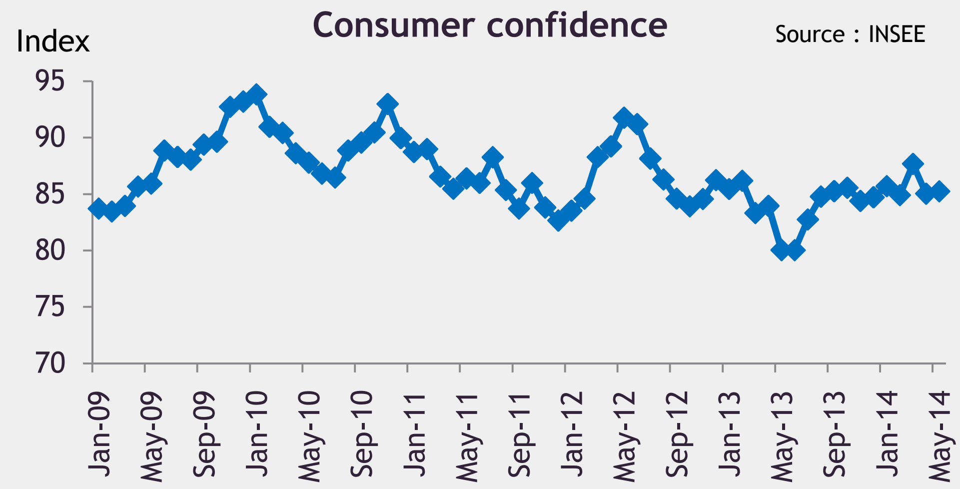
Early 2014 a more ambitious program announced:

- €30bn tax breaks for companies through wage tax reductions and corporate income tax breaks
- €50bn spending cuts though rationalising the number of local governments and cuts in social welfare and public expenditure
- Simplification of regulation

Tough reforms to implement and will take time to unfold

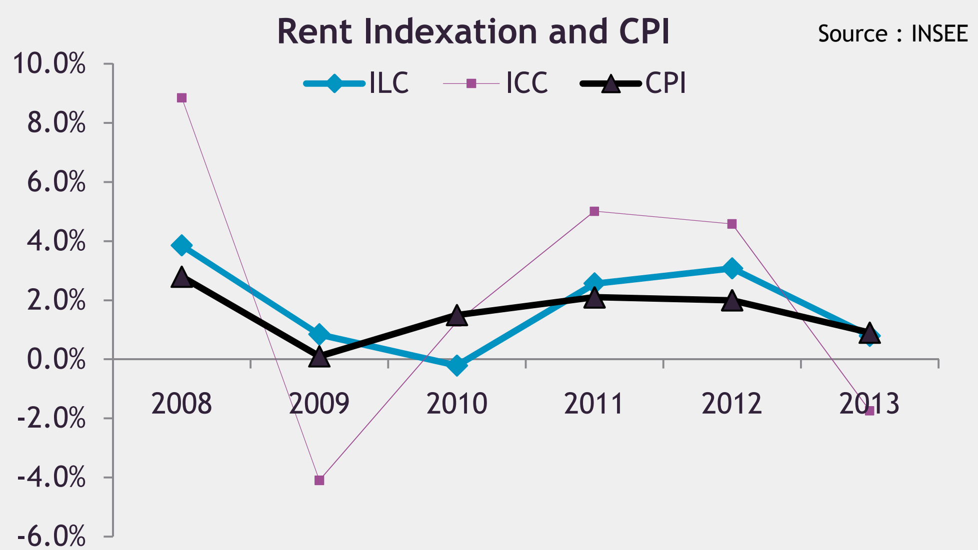
Steady consumer sentiment and indexation positive

Steady consumer confidence through the crisis, and rising over LTM



Indexation positive and moving with inflation

90% of French portfolio based on ILC, a less volatile indicator based on CPI and retail sales



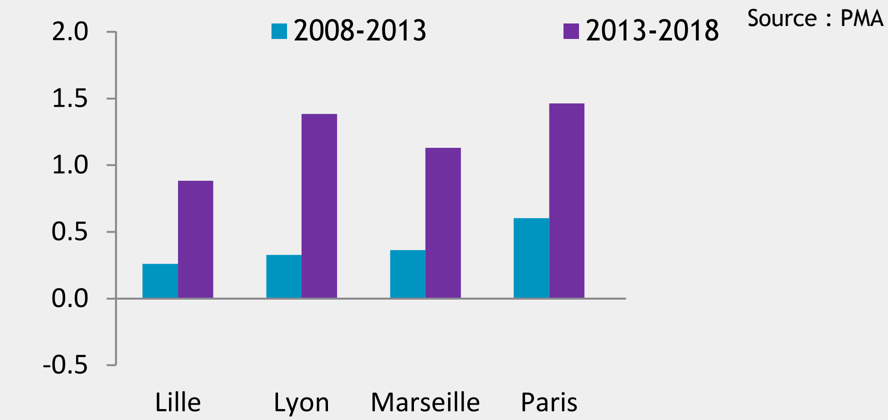
Retailer interest still strong but more selective on location

Better growth perspective for Paris, Lyon and Marseille

French portfolio largely in major population areas, 7 assets in the Paris region

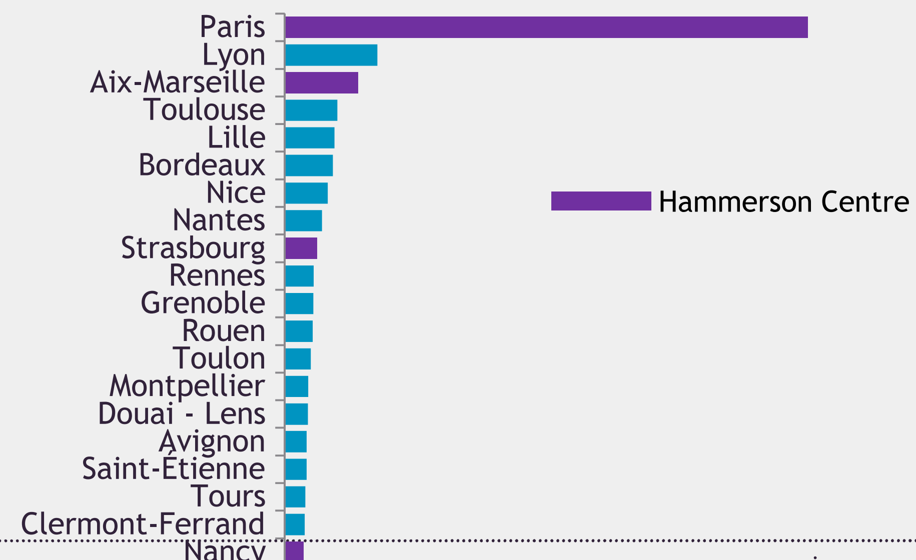
Well positioned to capture retailer demand

Local consumer spending outlook (% pa)

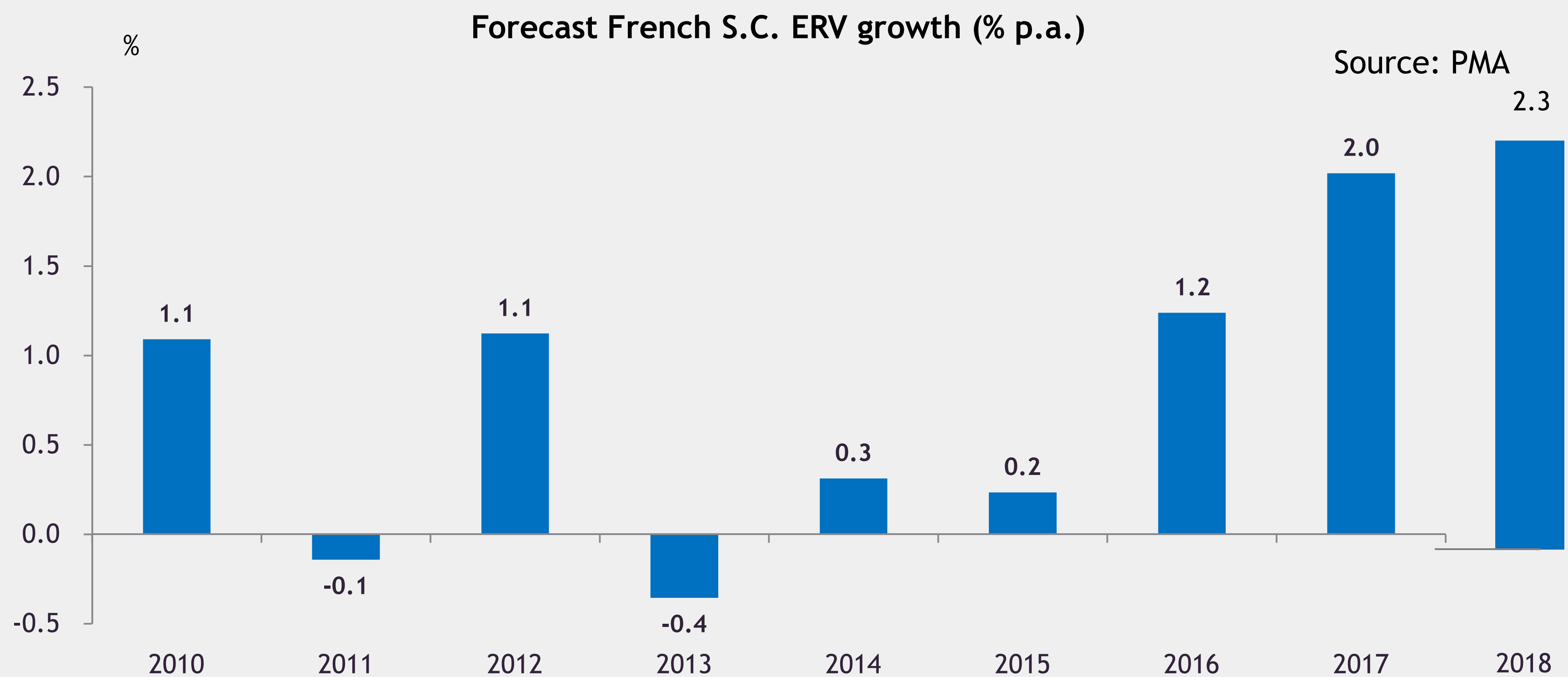


New foreign brands opening in French malls, 2011-13

Main 25 French urban areas by population



Anticipated market ERV growth



Section 3

Hammerson

Marseille

Les Terrasses du Port, Marseille

Wealthy, vibrant region

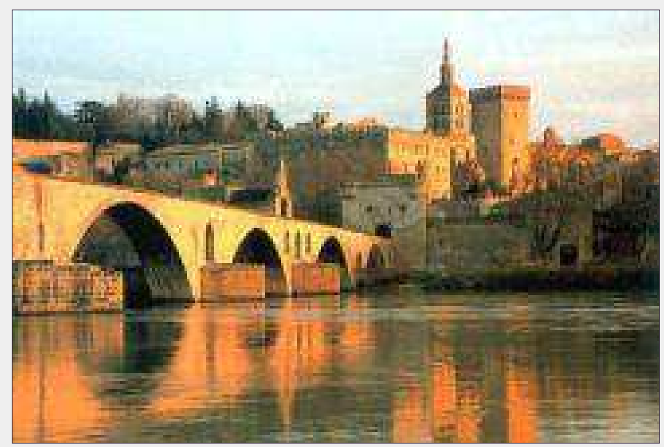
Provence-Alpes-Cote d'Azur region population of 5 million

4 major cities: Marseille, Nice, Toulon and Avignon

90 % of the population live in urban areas

3rd largest economic region in France

34 million visitors per annum



Strong local catchment

1.5 million inhabitants (less than 35 min drive)

2 million passengers through the port including 600,000 for Corsica

1,200,000 cruise passengers (+30% YoY)

1.5m cruise passengers estimated for 2015

€5 billion spent by Marseille inhabitants per annum, €600 million spent outside the city

Marseille: France’s second city

Population of 850,000

Exceptional location and weather

Intense tourist activity

Largest port in the Mediterranean sea

European capital of culture 2013 – 900 new projects and 10 million visitors throughout the year

Third largest economic region in France – 4,500 companies and 35,000 new employees

Euroméditerranée: transforming Marseille

The largest urban regeneration project in Southern Europe representing €7bn of investment

By 2020 Euroméditerranée will deliver

- 24,000 residential units
- 1,000,000m^2 office space
- 200,000m^2 Public infrastructure
- 40 hectares parks and public space

Les Terrasses du Port

Section 4

Les Terrasses du Port, Marseille

Les Terrasses du Port

190 shops and restaurants | 61,000 m^2 | 260m restaurant terrace | 1,500m^2 food hall

4 shopping levels | Open 7 days a week | 1,200m^2 event terrace | 2,600 car park spaces

Project background

Tender offer launched in 2003 by the Port of Marseille and won in 2006 by Forum Invest (FIF)

A 70-year lease signed between FIF and the Port of Marseille

Purchased in December 2009 for €35 million (including Beauvais)

Hammerson implemented major scheme design changes

Enabling works August 2010, main construction started March 2011

Total development cost	€485 million
Net rental income	€34 million
IRR	14.5%
Yield on cost	7%

Highly accessible

Car
Highway A7 / A55 / A50

Bus
13 lines

Tramway
3 stations (T2)

Metro
3 stations (M2) : Joliette / Désirée Clary / Jules Guesde

Train
Train station Marseille Saint-Charles

Air
Airport Marseille Provence
(25km -20 min.)

Our customers

Local office workers

Visit Monday to Friday

Peak hours during lunchtime and after office hours

Families

Visit at the weekend

Creches and frequent workshops for children

Young urbanites

Visit throughout the week

Peak hours during afternoon and evening

Tourists

Cruise passengers passing through nearby terminal

Peak during holiday season

LES TERRASSES DU PORT

Aspirational and exclusive retailers

Aspirational brands

maje
PRINTEMPS
BOSS HUGO BOSS
COMPTOIR DES COTONNIERS
sandro
The Kooples
American Vintage
Villeroy & Boch 1748

International brands

PULL&BEAR
H&M
ALDO
ZARA
Bershka
MANGO
Desigual

30 brands new to Marseille

cop. copine PARIS
ELEVEN PARIS
KUSMI TEA PARIS
DALLOYAU PARIS
citadium
UNIQLO
Karl Marc John
intimissimi
MICHAEL MICHAEL KORS

22 brands taking first shopping centre store

NÃO Do Brasil
TED BAKER LONDON
LA SAVONNERIE MARSEILLAISE FABRICATION ARTISANALE
havaianas
Carmen Steffens
TUMI

Structured approach to each level

LEVEL 3 : SKY LEVEL
Event Terrace

LEVEL 2 : TERRACE LEVEL
Aspirational brands and dining

LEVEL 1 : DECK BRIDGE
Fashion and beauty

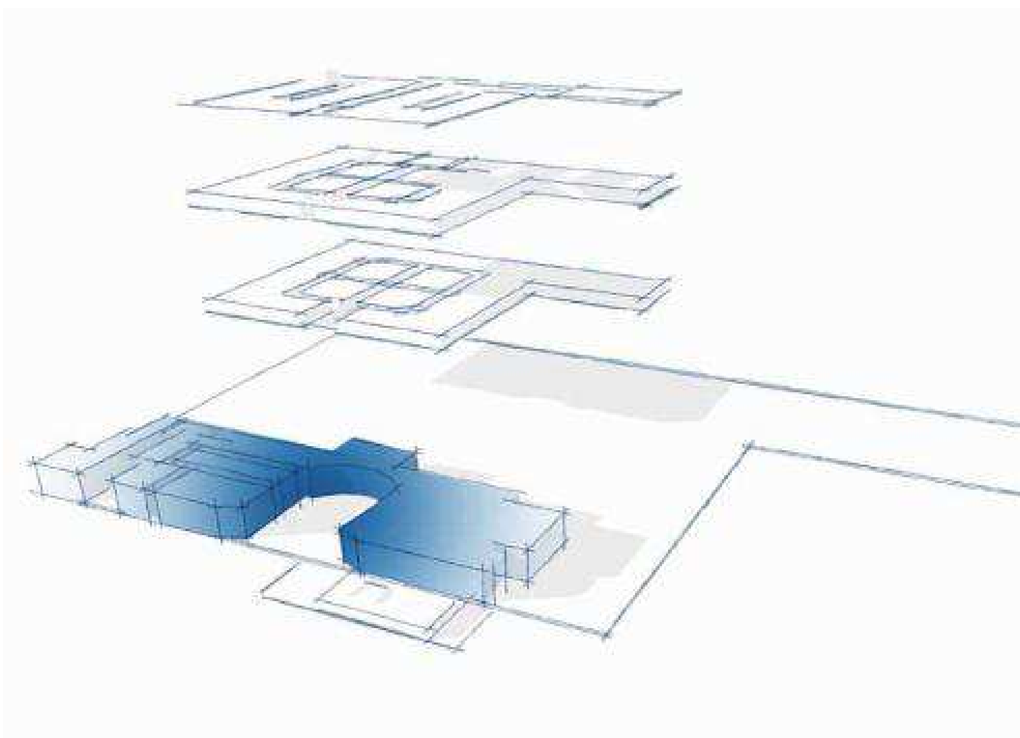
GF LEVEL : DECK LEVEL
Food hall and services

BASEMENT : SEA LEVEL
Destination brands

LES TERRASSES DU PORT

Ground level

Food hall, restaurants and services



BARBARAC

CLEAN City

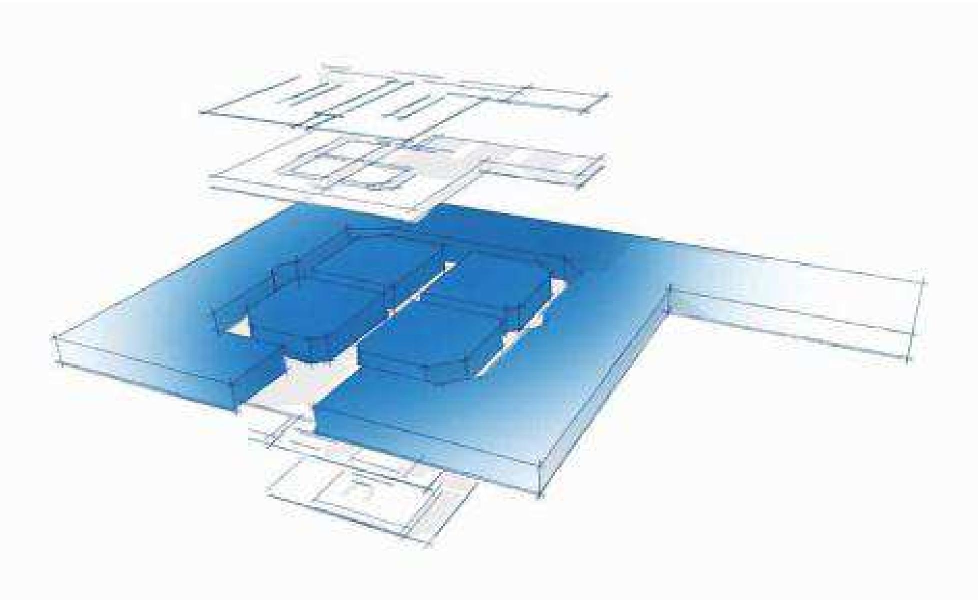
mas.Moudi

dailymonop'

maisondelapresse

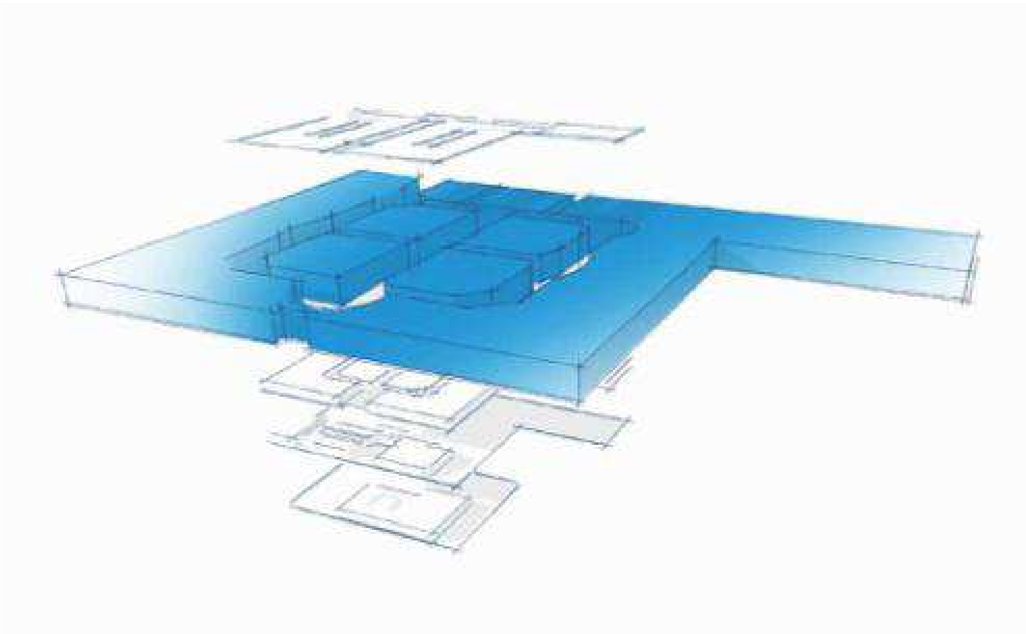
First level

Fashion and beauty



Second level

Aspirational brands and dining



Designed to facilitate multichannel retail

Shopping patterns are changing forever

Internet, click & collect, heavily researched purposes

Retailers are changing the way they interact with shoppers

The store remains at the heart of the multichannel journey

Centres need to facilitate new ways of shopping

Investment in digital infrastructure

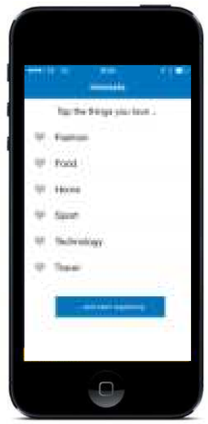
Free wi-fi available to consumers

Leading edge IP infrastructure

New web and mobile applications

Digital enlivenment

Introducing PLUS




User registration

Offer redemption

‘Shop window’ offers and Plus-exclusive offers

Personalised shopping centre guide

Geolocalistion technology

Benefits to consumers, retailers and Hammerson

A multichannel customer engagement programme designed to deliver a highly personalised shopping experience for every Hammerson centre visitor

Retailers and Hammerson
Driving footfall, frequency of visit and dwell time
Data regarding our visitors profile
Improving targeting offers and promotions with unprecedented insight
Market leading in-centre iBeacon technology (largest in Europe) that will allow us to track individual customer behaviour in the centre
A dedicated B2B online access to share data

Consumers
Promotions and unique Plus offers
Geolocalisation
Premium information
Sharing with friends
Interact live with the digital Wall
Get a multichannel integration
- Mobile app
- Website
- Directory boards
- Digital entertainment innovations

Digital initiatives

Interactive screens throughout the centre

Digital wall to share photos and find centre information

Interactive games dedicated for children and easily accesible

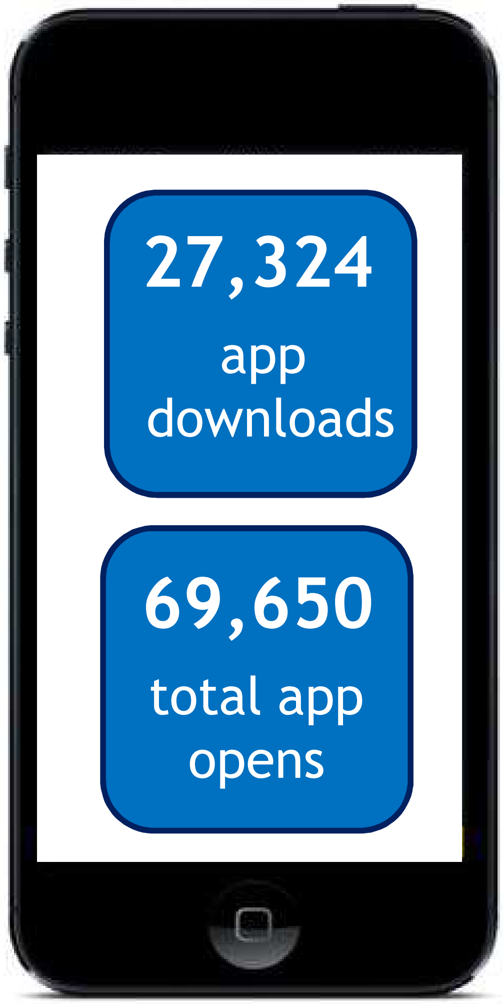
Strong social media presence

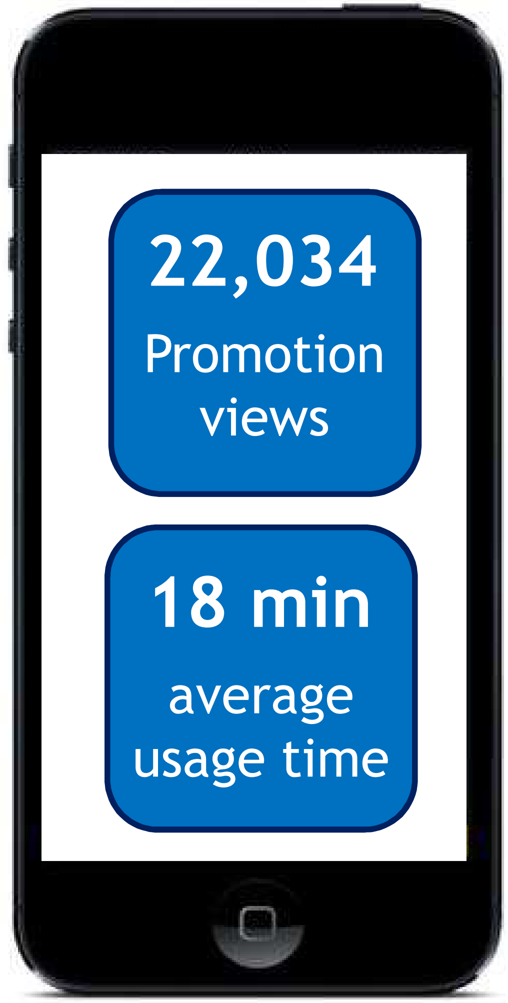
1,400 followers

41,000 fans

62,650 hits

Results





Rated in top ten lifestyle apps in France on the App Store

LES TERRASSES DU PORT

Industry leading sustainability

Green construction and design

BREEAM Excellent scheme

94.6% of construction site waste recycled

Green leases signed with 92% of retailers

Operationally sustainable

Target to recycle 75% of operational waste

Constant monitoring of energy and water consumption

30 recharging points for electric cars

Allocated parking spaces to customers who carpool

Les Terrasses de l'Emploi

France's first retail employment initiative with a property developer

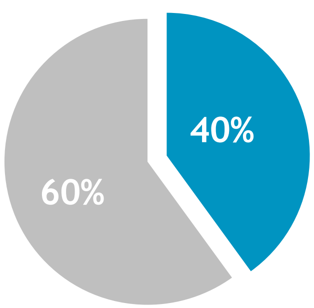
2,000 retail and operational vacancies

120 retailers

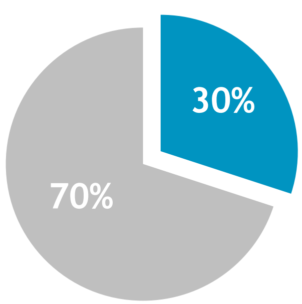
8 month initiative

6,000 applicants in 4 months

Over 1,000 positions filled to date



applicants aged under 25 and NEET

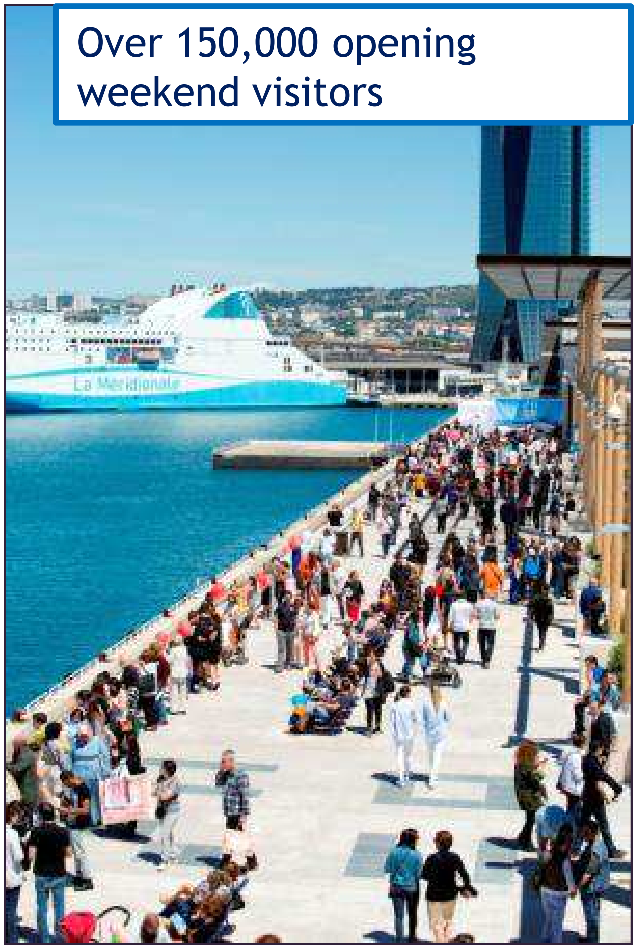


applicants from disadvantaged areas

LES TERRASSES DU PORT

Successful opening 24 May 2014

Over 150,000 opening weekend visitors



More than 500,000 visitors within first 10 days

Uniqlo doubled its first day sales target

First weekend 10,000 shoppers signed up to PLUS

A full events programme to drive footfall

SCHEDULE OF EVENTS MAY/ DECEMBER 2014

May | Jun | Jul | Aug | Sep | Oct | Nov | Dec

Cyclical events

- MOTHERS DAY 25/05
- FATHERS DAY 15/06
- SUMMER SALES 25/06-29/07
- CHRISTMAS 25/11-23/12

Bespoke events

- TERRASSES OF THE WORLD BRAZIL 12/06-13/07
- SUMMER FIZZ 19/07-21/08
- BLUE MOOD 13/09-05/10
- GEEK & CHIC 15/11-30/11

Regular events

- CHILDREN'S WORKSHOPS EVERY WEDNESDAY AND WEEKEND
- COOKING EVENTS AND DEMONSTRATIONS IN THE GRANDE HALLE
- MUSIC GROUPS, HAPPY HOURS AND BRUNCHES ON THE TERRACE

Anticipated retailer performance and analysis

Section 5

Les Terrasses du Port, Marseille

Marseille’s retail provision

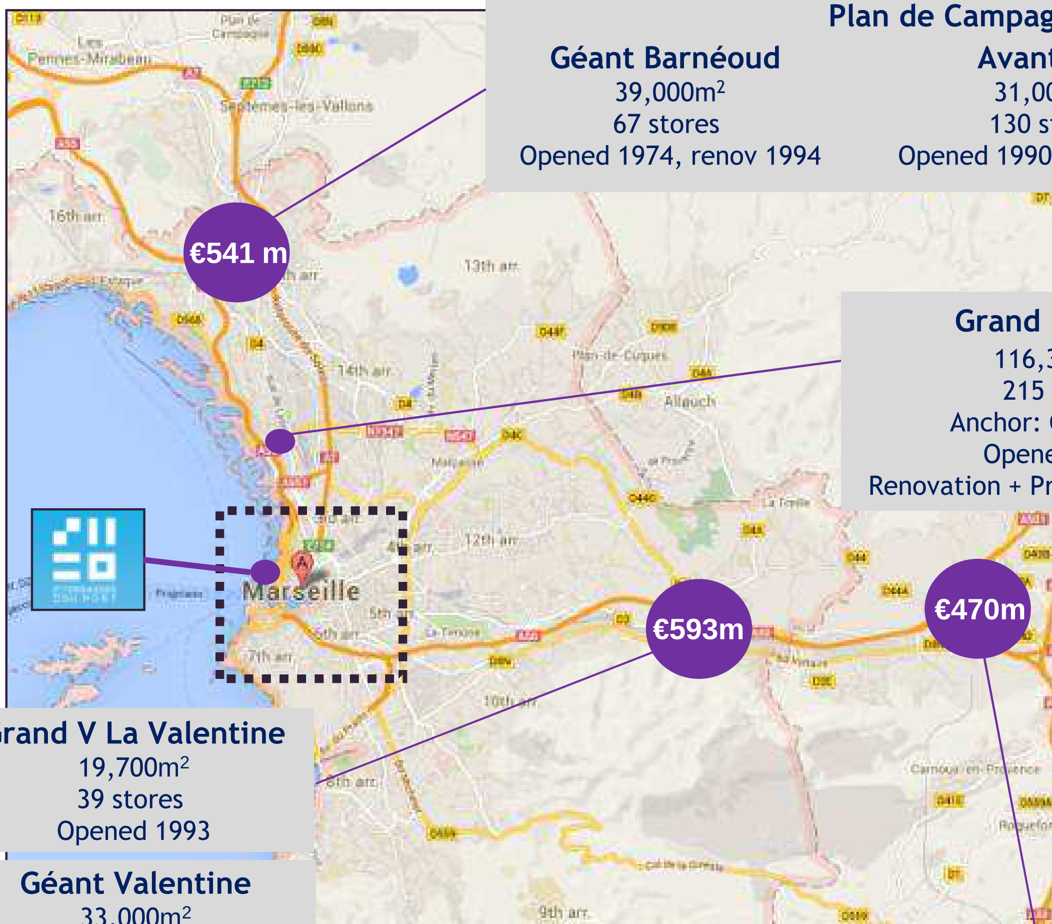
Plan de Campagne

Géant Barnéoud
39,000m²
67 stores
Opened 1974, renov 1994

Avant Cap
31,000m²
130 stores
Opened 1990, extnd 2013

Retail Park
93 MSUs + 122 stores

Centre Bourse
30,000m²
60 stores
Opened 1977, renov in 1997
Extension project : 5,000 m² (2015)



Grand Littoral
116,300m²
215 shops
Anchor: Carrefour
Opened 1996
Renovation + Primark 2014-2015

City Centre
33 MSUs + 1,475 stores
30,000 m² Rénovation Rue de la République

Grand V La Valentine
19,700m²
39 stores
Opened 1993

Géant Valentine
33,000m²
Opened 1970, renov 2011

Retail Park La Valentine
Ikea, Cultura, Leroy Merlin

La Valentine
30,000m²
57 stores
Opened 1982, renov 1999

Auchan Aubagne
31,900m²
79 stores
Opened 1980

Market gap analysis

- Regional catchment spend of €12bn.

Activity	Market in the catchment area (€)
Grocery	3,781,240,000
Fashion	1,827,752,000
Homeware	1,386,922,000
Services	1,641,849,000
Catering	1,090,929,000
Tobacco	466,803,000
Culture and leisure	2,004,404,000
Grand Total	12,199,899,000

- Over 350,000 households within the city
- €5 billion spent by Marseille inhabitants per annum, €600 million spent outside the city

Source: Assembly of French Chambers of Commerce & Industry. Marseille-Aix-en-Provence metropolitan area

Merchandising mix

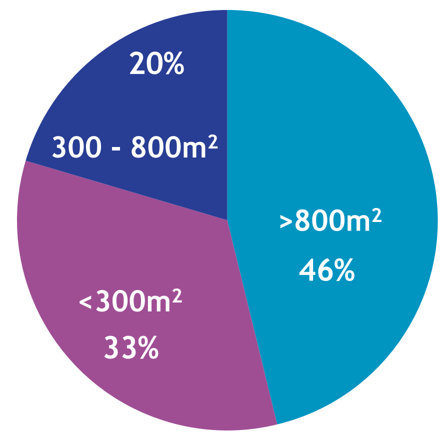
Floorspace per retail category

Fashion	22,737m²	40%
Department store	9,507m²	17%
Culture, gift and leisure	8,120m²	14%
Catering	6,220m²	11%
Homeware	4,714m²	8%
Grocery	3,127m²	5%
Health & beauty	2,296m²	4%
Services	153m²	1%
TOTAL*	56,874m²	100%

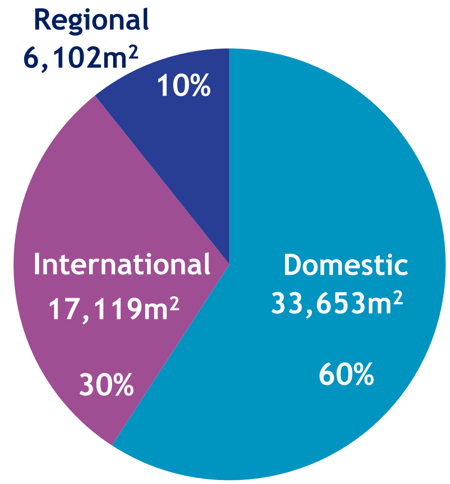
*Including storage total is 61,000m²

- Average rents €500/m² (€150 - €1500)

Breakdown of units by size

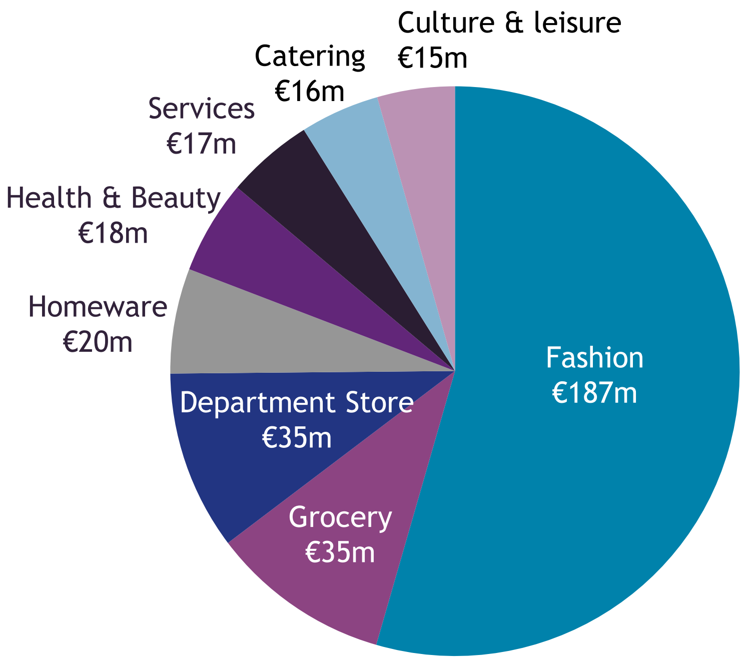


Origin of brands by floorspace



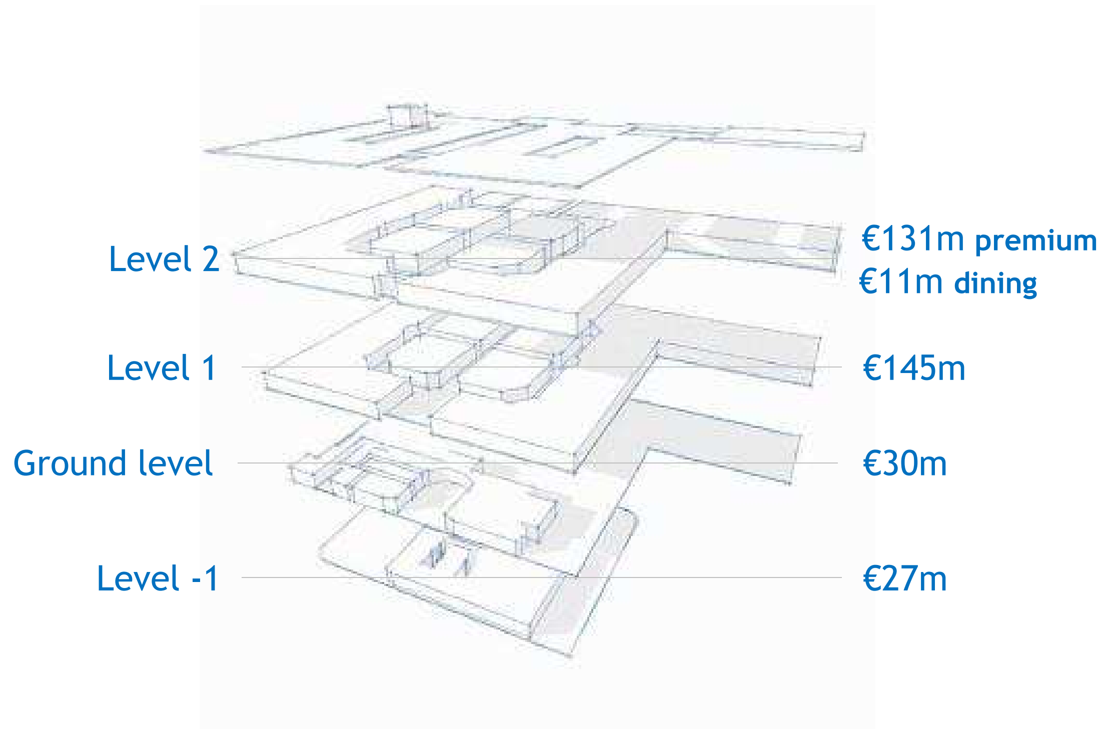
Turnover estimates

Retailer turnover estimate per retail category



Total: €344m

Turnover estimate per level



Total: €344m

Note: Totals are excluding tax

Project outlook and opportunities

City and Port improvements:

Combined efforts to improve traffic flow through the Port

Modernization of the Port

Improve the links between the City and the Port (passenger shuttles)

Southern docks (close to Les TDP) dedicated to Corsica/Sardigna Shuttles and high-end Cruises

Shuttles towards North Africa to be moved North (2017). This will lighten and even remove identity controls

Extension opportunities :

Opportunity to refurbish the areas immediately adjacent to the scheme with further leisure and catering

Opportunity to extend the scheme at the North

Longer term potential to acquire the freehold

Section 6

Pipeline

Silverburn, Glasgow

Future investment in French portfolio

Le Jeu de Paume, Beauvais

24,000 m^2 development

86 shops and restaurants

50% pre-let

Total project cost €83m

Completion Q4 2015

O'Parinor, Aulnay-sous-bois

90,000m^2 including 29,000m^2 Carrefour hypermarket anchor store + Primark (1st shop in the Paris Region)

14 screen cinema

Total development cost €50m

Completion
Catering area extension: 2013
Interior renovation: April 2014
Exterior renovation: summer 2014
Opening of the UGC multiplex: October 2014

Italie Deux, Paris 13ème

4,780m^2 extension

9 additional retail units

Construction independent from existing building

Total development cost €32m

Completion 2017

Saint-Sébastien, Nancy

24,000m^2 scheme

Acquired by Hammerson on 5 February 2014

Renovation programme: works to be launched 2015

Extension projects under study

Progressing major UK schemes

Victoria Gate, Leeds

34,300m² luxury retail venue

John Lewis anchor store

28% pre-let

Completion Q3 2016

Total development cost £150m

Brent Cross

100,000m² extension

Completion 2019

Total development cost £370m

Whitgift, Croydon

200,000m²

Completion 2018

Total development cost £500m

Land assembly ongoing for CPO

The Goodsyard

10 acre site in heart of Shoreditch

Planning submission Summer 2014

19,000m² retail space (90 shops)

60,000m² office space

1,400 residential units

Advancing UK extensions and refurbishments

Silverburn, Glasgow

10,900m^2 extension

14 screen cinema

84% pre-let

Total development cost £13m

Completion Q1 2015

Cyfarthfa Retail Park, Merthyr Tydfil

14,500m^2 extension

4,300m^2 Marks and Spencer anchor store

46% pre-let

Total development cost £23m

Completion Q1 2015

Abbotsinch Retail Park, Paisley

5,000m^2 extension

5 retail units in adjacent existing retail park

87% pre-let

Total development cost £9m

Completion Q2 2014

Elliott's Field, Rugby

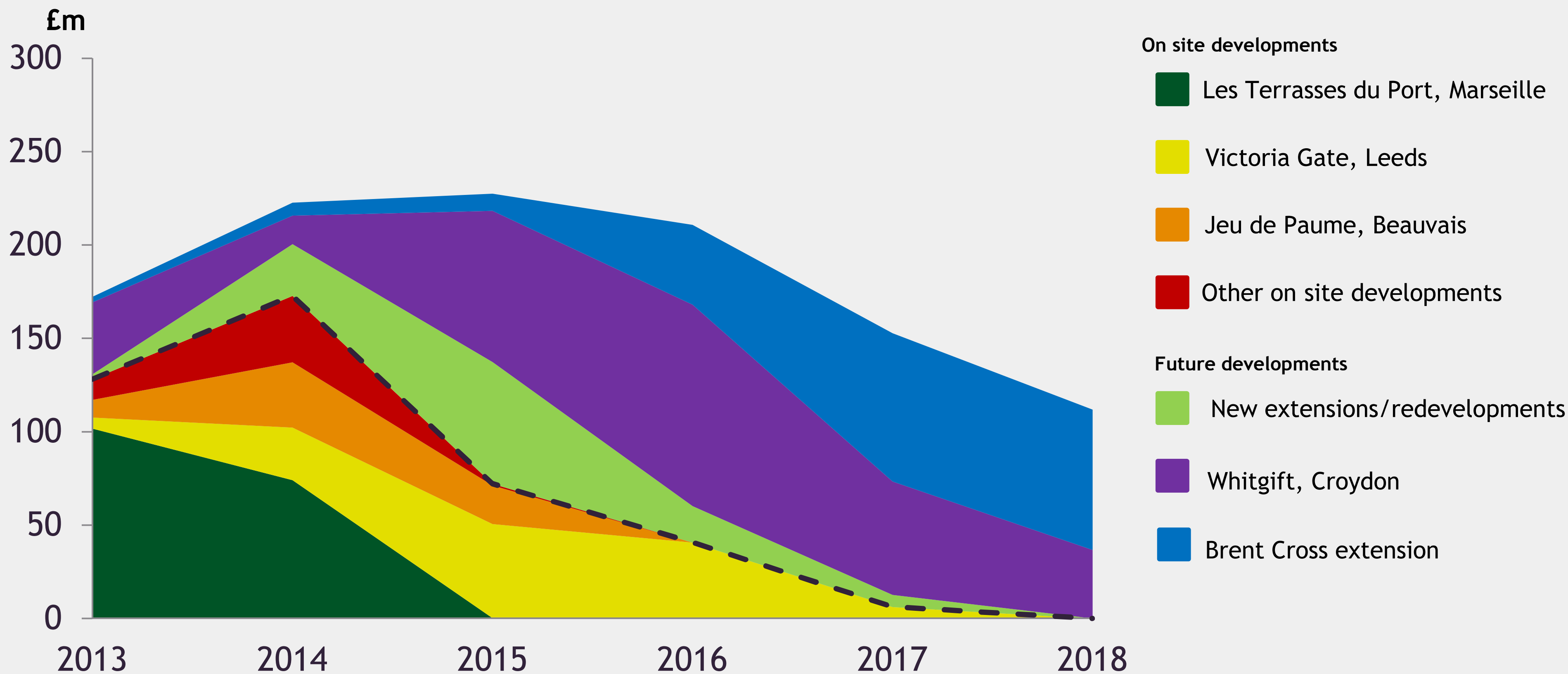
17,200m^2 new retail floor space

Debenhams anchor store

Completion June 2015

Total development cost £37m

Forecast development expenditure



Note: Croydon expenditure in 2013 and 2014 reflects property acquisitions
Other on site developments: Abbotsinch Retail Park, Paisley; Cyfarthfa Retail Park, Merthyr Tydfil; Silverburn, Glasgow; O'Parinor, Paris
New extensions/redevelopments: Elliott's Field Retail Park, Rugby; Watermark WestQuay, Southampton; Brent Cross leisure extension

Section 7

Hammerson

Product of the future

Bullring, Birmingham

Product framework

Hammerson brings together physical and digital to enable exceptional retail experiences

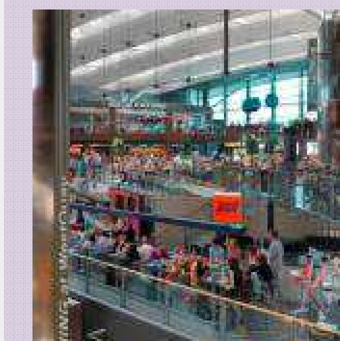
Product proposition 1

Iconic destination

Product proposition 2

Best@retail

Product proposition 3



Convenient & easy

Product proposition 4

Supportive & engaging

Product proposition 5

Entertaining & exciting

Aim of driving footfall and revenue in our centres and parks

Propositions benchmarked against our global peers

Product proposition 1: Iconic destinations

Mission: to lead the market in developing iconic, regionally-dominant destinations, combining architecture, heritage, infrastructure and sustainability to create amazing buildings that work for retailers and shoppers, now and in the future

Hammerson POSITIVE PLACES

World class architecture

- Distinctive shopping districts
- Outdoor & indoor working together
- External ‘social’ space

Seamless technology

- Connected shoppers
- Bleeding edge
- Every surface a screen

Heart of the community

- Sustainability
- Easy transit
- ‘Of the city’

Product proposition 2: Best @ retail

Mission: To be a partner to our retail customers, driving ongoing and incremental footfall and revenue; combining the best infrastructure with a range of tools, advice and support to make it easy for them and enable them to get the best return from their space

Optimal merchandising mix
- Zoning
- Merchandising mix continually refreshed
- Drop-in, multichannel enabled pop-up stores
- New retail concepts

Flexible stores
- Flexible construction techniques
- Digitally enabled, double height storefronts
- Alternative space options – blurring the boundaries between retail and mall
- Digital walls – retail enabled

Shared resources
- Loyalty and shopper data
- Decentralised facilities
- Click & collect

Product proposition 3: Convenient & easy

Mission: To provide facilities and services that not only meet, but exceed, retailer and shopper expectations; being brilliant at the basics and constantly striving to improve and renew

Food & beverage
- Diversified food courts
- Central dining plaza with options throughout
- Segmented approach

Shopping centre services
- Valet parking
- Machines in the mall
- Hands free shopping

Facilities
- Car parking
- Toilets
- Parents room
- Cleaning
- Safety & security

Product proposition 4: Supportive & engaging

Mission: To create the best environment to support shoppers in achieving their missions, making our centres and parks comfortable, enjoyable and sociable spaces, which are constantly renewed and reinvigorated – spaces where people want to spend more time and money

Face to face customer service
- Customer service desks (welcome desk/concierge)
- Customer service ambassadors/floor walkers
- Customer service training
- Fashion advice/stylists

Digital infrastructure
- Wifi
- Bluetooth
- Apps and websites
- Contactless payment

Reasons to dwell
- Rest & lounge areas
- Creches
- VIP areas
- Faith rooms
- Ambience (smells/sounds)

Product proposition 5: Entertaining & exciting

Mission: To make Hammerson centres a destination for leisure, shopping and entertainment, harnessing new technologies & innovations to excite and surprise our shoppers, and push the boundaries of what a shopping centre can be.

Integrated leisure
- Cinema/bowling etc
- Kids play areas
- New concepts, e.g., Kidzania

Highly programmed centres
- National promotional programmes
- In-centre 'theatres'
- Brand partnerships

Integration of culture & arts
- Performance, theatre and art spaces

Best in class– Bullring and Les Terrasses du Port

	BULLRING BIRMINGHAM	
Iconic destinations	Step change architecture/externally aligned with the city	Stunning sea front location with terrace overlooking the sea
Best @ retail	Nexus digital promotional walls Re-merchandising Level 7 East (Michael Kors, Whistles, Ted Baker) Ocado shopping wall Pop up Britain	Nexus digital prmotional walls New shoping centre retailers Retail pop up store concepts New stores - Printemps Shop fit excellence
Convenient & easy	Spiceal St food quarter New service standards to be included in new security contract Toilets upgrade programme Automatic number plate recognition	Variety food & beverage offer - including food market with unique retailers Advanced car park technology High spec parent/child offering Children's entertainment area
Supportive & engaging	New customer service desk (portfolio standard) Meeters & greeters with ipads - trial Q4 Furniture upgrade - Level 7 East Q4 Digital infrastructure launch	Concierge providing hotel lobby services Meeters and greeters High end furniture pods Digital infrastructure launch Creche
Entertaining & exciting	Programme of events in plaza Spring Fashion Fix Cirque du Spiceal Big Positive	Theme based and interactive in-centre promo activity Kids digital play Fashion shows Entertainers

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Conclusion

- Significant player in French market, with quality assets and future pipeline
- Anticipated market ERV growth, with outperformance at selected locations
- Marseille has a wide, wealthy catchment with current spend bleeding out of the city
- Les Terrasses du Port creates an iconic venue for the whole region
- New brands and phenomenal catering offer
- Developments to enhance asset quality and drive income over medium term
- Product template will dictate standards of asset quality and customer services for the future

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Questions