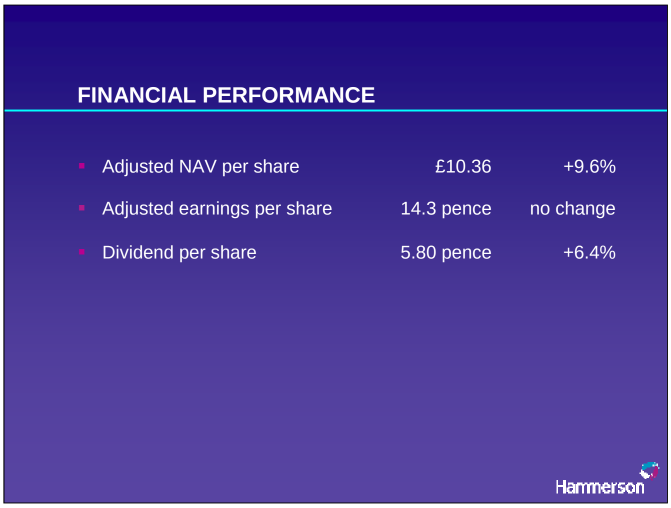
Good morning and welcome to our 2005 interim results presentation.

I think these are a good set of results. We have further improved the growth potential of the portfolio by some appropriate asset switching. We have brought forward the development projects and some future schemes. We have a strong balance sheet to take advantage of them.

Here are the headline numbers.

Click



In the first half of the year, adjusted NAV per share increased by nearly 10% to £10.36.

Earnings per share were unchanged at 14.3 pence and reflecting the Board's continuing confidence in the future, the interim dividend has been increased by 6.4%.

Now some key points on our operations.

Click

Hammerson showed a strong valuation performance in the first six months of the year, with an increase of 5.1%. The increase would have been 6.2% but for the withdrawal of the exemption from stamp duty in disadvantaged areas.

The group showed good underlying rental growth, with a like-for-like increase of 8%.

We made progress in letting some of the vacant office space in the City and secured a major pre-let at 9 place Vendôme in Paris.

We completed our first retail park development at Merthyr Tydfil and since 30 June, the Bishops Square scheme in London. We advanced the two major retail-led developments…in Bristol and Leicester and achieved improved planning consents for the schemes at 125 Old Broad Street and 60 Threadneedle Street, both on the former London Stock Exchange site.

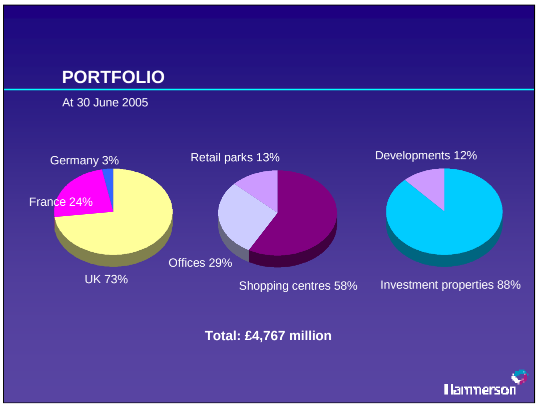
Looking more specifically at portfolio activity…

Click

We invested a total of £183 million on acquisitions and developments

We raised a total of £217 million from disposals, the principal of which was the sale of Néo, 14 boulevard Haussmann in Paris for £179 million in June.

Click



The chart on the left shows the geographic split. The UK content increased by four percentage points to 73% during the first six months of the year. The retail weighting increased by two percentage points to 71%.

This was not a strategic rebalancing. The increases in the UK and the retail weightings primarily reflected acquisitions and disposals in the first six months of the year.

Click

FINANCIAL REVIEW

Hammerson

ADJUSTED PROFIT

	30 June 2005 £m	30 June 2004 £m
Profit before tax	**247.3**	**203.3**
Adjustments:		
Profit on sale of investment properties	31.5	22.4
Revaluation gains on investment properties	169.2	138.9
Movement in fair value of interest rate swaps	3.8	-
Adjusted profit before tax	**42.8**	**42.0**
Adjusted earnings per share	14.3p	14.3p
Dividend per share	5.80p	5.45p

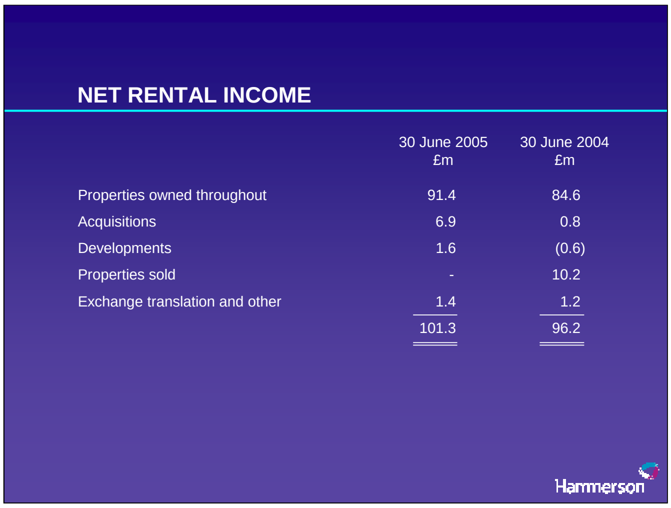
This slide starts with the reported profit before tax under International Accounting Standards. We have then made three adjustments to this number in order to derive the adjusted, or underlying, profit before tax. Firstly, we have removed the profit on sales of investment properties, secondly, the revaluation gains on investment properties and finally, the movement in the fair value of interest rate swaps.

The adjusted profit before tax in the six months ended 30 June 2005 was £42.8 million, a slight increase on the equivalent period last year.

I believe this was a creditable performance, particularly bearing in mind that the finance and void costs associated with Moorhouse reduced profits by £5 million compared with last year. This was more than offset by contributions from other developments totalling £3 million and the additional income from rent reviews in the UK and indexation in France totalling another £3 million.

Adjusted earnings per share was unchanged due to a very slightly increased tax charge.

Click



NET RENTAL INCOME

	30 June 2005 £m	30 June 2004 £m
Properties owned throughout	91.4	84.6
Acquisitions	6.9	0.8
Developments	1.6	(0.6)
Properties sold	-	10.2
Exchange translation and other	1.4	1.2
	101.3	96.2

On a like for like basis, shown on the first line of this slide, rental income increased by 8%. As well as the benefit of rent reviews and indexation that I just mentioned, we received £2.5 million in respect of surrender premiums at a number of properties.

Looking forward, we can expect a significant contribution to rental income over the next two years from the development programme.

Turning to cash flow.

Click

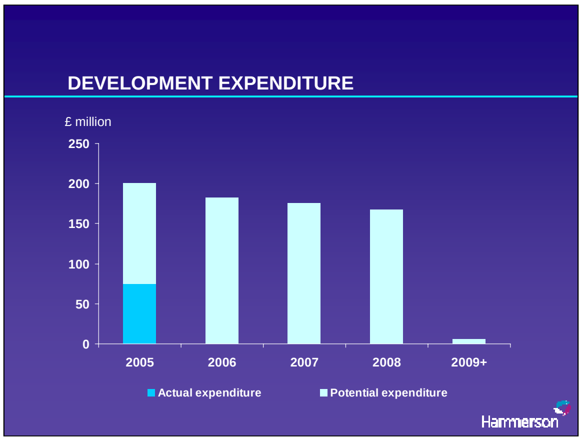
CASH FLOW

	30 June 2005 £m	30 June 2004 £m
Operating cash flow after interest	47	14
Tax	(2)	(2)
Dividends	(35)	(32)
	10	(20)
Property disposals	217	245
Acquisitions	(87)	(8)
Capital expenditure	(96)	(110)
Other cash flows	-	1
Net cash flow before financing	44	108

Hammerson

Overall there was a modest cash inflow in the half year totalling £44 million. The proceeds from the disposal of 14 boulevard Haussmann and a property in Sittingbourne exceeded money spent on acquisitions and other capital expenditure. The biggest acquisition was the purchase of a retail park in Kircaldy for £75 million, whilst capital expenditure, principally on the development programme, totalled £96 million.

Click

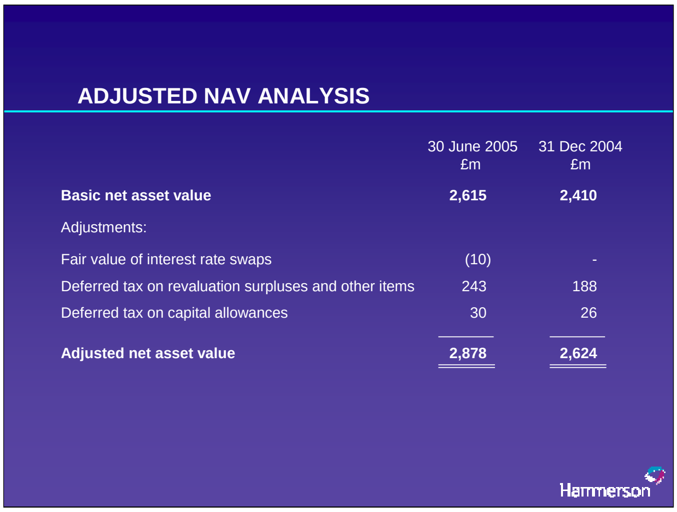


This slide shows the actual and potential expenditure both on the current developments and the six developments that could start during the course of the next 15 months. It does not include smaller projects nor expenditure on the longer term development pipeline.

These cashflows assume that these six new developments will start shortly. Clearly final decisions remain to be made over start dates in the light of market conditions.

In respect of these developments, these anticipated cash outflow over the next three and a half years totals some £650 million, with expenditure of £125 million in the second half of 2005 and the balance spread fairly evenly over the next three years. With the start dates assumed, these developments would complete in 2008, with just a small amount to spend in 2009.

Click



ADJUSTED NAV ANALYSIS

	30 June 2005 £m	31 Dec 2004 £m
Basic net asset value	**2,615**	**2,410**
Adjustments:		
Fair value of interest rate swaps	(10)	-
Deferred tax on revaluation surpluses and other items	243	188
Deferred tax on capital allowances	30	26
Adjusted net asset value	**2,878**	**2,624**

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The first line of this slide shows equity shareholders' funds or basic net asset value at the end of June and last December, as reported in the IFRS balance sheet. I have then shown a series of adjustments to arrive at the adjusted net asset value, a figure that is very close to the old UK GAAP number for adjusted net assets, except that provision is no longer made for proposed dividends.

The first adjustment removes the mark to market on derivatives; the second, deferred tax on revaluations; and the third, deferred tax on capital allowances.

It is this adjusted net asset value that we have used as the basis for calculating NAV per share.

Click

BALANCE SHEET

	30 June 2005 £m	31 Dec 2004 £m
Property assets	4,767	4,603
Net debt	(1,651)	(1,746)
Other net liabilities	(228)	(234)
Deferred tax provision	(273)	(213)
Shareholders' funds	2,615	2,410

Adjusted NAV per share	£10.36	£9.45
Loan to value ratio	42%	46%
Gearing	63%	72%

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Adjusted NAV per share is shown in the maroon coloured box. The half year NAV per share of £10.36 represents an increase in the first half of the year of 9.6% with this uplift mainly due to the revaluation of the property portfolio.

Click

VALUATION MOVEMENTS

Six months to 30 June 2005

	Shopping Centres		Retail Parks		Offices		Total	
	Value £m	% change	Value £m	% change	Value £m	% change	Value £m	% change
UK	1,868	4.1	621	7.7	1,004	6.2	3,493	5.3
France	757	5.5	-	-	376	8.9	1,133	6.6
Germany	141	(10.6)	-	-	-	-	141	(10.6)
Total	**2,766**	**3.6**	**621**	**7.7**	**1,380**	**6.9**	**4,767**	**5.1**

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The valuation movements are shown here by sector and by country. Overall there was an underlying increase of 5.1%. However, this was after taking account of the effect of the withdrawal of stamp duty relief in disadvantaged areas. Without this change the overall increase would have been 6.2% and the increase in the UK, 6.9%.

In broad terms the uplift in value can be analysed into three components.

First, just over one half of the increase in value can be attributed to lower market yields.

Second, in the UK retail sector we saw an improvement in rental values, whilst the French retail assets benefited from both the indexation of rents and a modest increase in rental values.

Finally, and excluding the effects of market yield and rental value changes that I have just referred to, the development programme and active management of the investment portfolio added some £90 million of value in the six month period.

These factors helped to produce a good performance for Hammerson in the first half of 2005.

Click

PROPERTY MARKETS

Both in the UK and France, there has been sustained demand from a broad range of investors. That has been reflected in an increase in transaction volumes. For example, in the City of London office market, transactions worth around £2 billion were completed during the first six months of the year, compared with £1.6 billion in the same period last year.

Yields for prime retail and office assets providing a secure income stream from good quality tenants continued to decrease. Prime shopping centre and City office yields in the UK both declined by around 20 to 25 basis points during the first six months of the year.

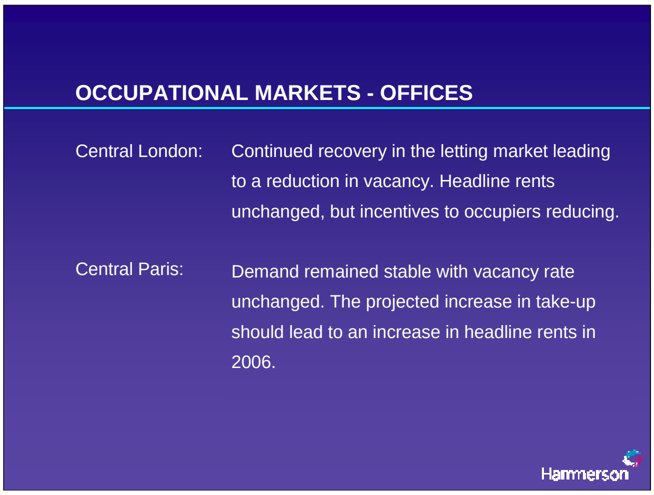
Looking ahead, I believe that the weight of money will continue to exert some further downward pressure on UK yields in the second half of 2005, particularly at the prime end of the market.

In France, the low Euro interest rate, scarcity of investment product and anticipated growth in rents, also point towards a further reduction in yields in both the office and retail markets.

Indeed the investor appetite for exposure to real estate has already resulted in successful SIICs trading at substantial premia to their underlying net asset values.

Turning now to the occupational markets, starting with offices…

Click



In central London take-up of office space remained variable quarter to quarter in the first half of 2005, much as experienced during 2004. However, overall letting volumes are continuing to recover from the very low levels seen in 2002 and 2003. A limited amount of new space is now being added to the market, resulted in overall vacancy falling from 12.3% at the end of 2004 to 10.5% by the middle of this year.

In the City, there are now few buildings available to meet a 10,000 m² requirement. Headline rents have so far remained stable in 2005, but we expect to see some growth in headline rents next year and a further reduction in letting incentive packages.

In central Paris, the rate of office take-up was also similar to that seen during 2004. Vacancy was stable at 5.5% and prime headline rents were unchanged during the first half of the year. Additional take-up is projected to lead to a reduction in vacancy and an increase in rents during 2006.

So…in both London and Paris, I think we can look forward to improved conditions with a degree of optimism.

Now the retail markets….

Click

In the UK, many retailers experienced a marked slowdown in sales growth in the first half of 2005 and as we have all seen in the press some are in financial difficulties.

With the environment likely to remain competitive, I believe retailers will focus on prime shopping centres offering high turnovers and on lower cost retail parks, in both instances supporting continued rental growth.

In France, retail sales continued to grow in the first half of 2005, though the rate of growth reduced during the second quarter of the year. Nonetheless, there has been demand for space in shopping centres, leading to a modest increase in rental values.

In Germany there are now signs of economic recovery, but this has not yet been reflected in higher consumer spending. Demand from retailers for space remains weak.

Click

Hammerson’s shopping centres in the UK and France account for just over half the group’s total portfolio and provide a very high quality income stream.

They have an average unexpired lease term of ten years and a vacancy rate below 3%.

I referred a minute ago to the more difficult trading conditions for retailers in the UK. During the first half of the year, 33 units in Hammerson’s shopping centres became vacant or were occupied by retailers which went into administration. Of these units, new leases have since been agreed in respect of 27, giving rise to an increase in rents of £360,000 per annum and there is good interest in the six remaining units. This supports my earlier comments on the continuing demand for well configured space in the best locations.

At The Oracle shopping centre in Reading, nearly all the rent reviews have now been agreed, resulting in rents overall being approximately one third higher than the previous passing rents. The first rent reviews at WestQuay, Southampton, are also in progress and should result in good rental uplifts.

In France, rents are subject to annual indexation which contributed to an increase in retail rents of £2.2 million or 11% over the comparable figure for 2004.

Now looking at retail parks…*Click*

…which account for 13% of the group's total portfolio.

The average unexpired lease term is 17 years, with a vacancy rate of just over 5%. The portfolio is also 11% reversionary.

The group has made two major retail park acquisitions this year. As Simon mentioned earlier, we acquired the freehold interest in Fife Central Retail Park in Kirkcaldy for £75 million. The 27,000 m² scheme has significant reversionary potential, with further opportunities to add value through active asset management and an extension.

Since 30 June 2005, the group acquired its first retail park in France, Villebon 2, near Paris for £104 million. The 40,300 m² scheme, which adjoins an Auchan hypermarket, is one of the largest and most successful retail parks in France. It offers good rental growth prospects and has planning approval for an extension of 5,500 m².

Earlier this year, the group's first retail park development was opened at Cyfarthfa in Merthyr Tydfil at a total development cost of £35 million. With the three remaining units now in solicitors' hands, the park is anticipated to produce an annual rental income of £4.1 million. At 30 June 2005, the scheme was valued at almost double its cost.

At the beginning of the presentation I mentioned that we were making progress in letting the office buildings in central London.

Click

In June of this year, a lease was signed with HVB Group, the international bank, for 9,300 m^2 of office accommodation, representing over 30% of the office space in the 30,100 m^2 building.

Moorhouse is one of only three buildings in the City core capable of providing in excess of 10,000 m^2 of Grade A space and has now been shortlisted by a number of prospective tenants.

Click

Since 30 June, the group has signed a 15 year lease with the law firm, Maclay Murray & Spens, for 2,300 m² of offices at an average rent of £44 per ft².

Following this transaction the building is over 60% let and we have some encouraging discussions for most of the remaining space.

Our experience is that the occupational market has been tough in the City of London, but you will gather from my comments earlier, we are now seeing an improvement.

Click

DEVELOPMENTS AT 30 JUNE 2005

	Size m²	Cost at 30/6/05 £m	Estimated total development cost £m	Amount let or under offer	Anticipated completion date
Offices					
Bishops Square, London E1 (75%)	75,900	221*	285*	98%	Jul 2005
19 Hanover Square, London W1	2,900	20	22	nil	Aug 2005
9 place Vendôme, Paris 1er (50%)	27,700	68*	86*	66%	Apr 2006
Retail Parks					
St Oswald's, Gloucester (Phase I)	20,200	47	60	89%	Sep 2005
The Avenue Retail Park, Cardiff	4,500	20	25	78%	Jan 2006
B&Q, Dallow Road, Luton	8,700	19	28	100%	Mar 2006
Westwood & East Kent, Thanet	8,400	9	17	81%	Mar 2006

* Hammerson's share of costs shown for joint ventures

Hammerson

Seven developments, with an estimated total cost of £523 million, were in progress at the half year. These seven properties showed a valuation surplus of £142 million above their cost at 30 June 2005…a significant profit for shareholders. As you can see from the table, most of the space has already been leased, so the risk of these projects is very low.

Four of the seven developments are in the retail parks sector.

St Oswald's, Gloucester, is a mixed-use scheme, the first phase of which provides 20,200 m² of retail space and leisure facilities. It was 89% let at 30 June and will officially open next month. The estimated development cost of this element of the scheme is £60 million.

During the first six months of 2005 work started on three smaller retail park schemes or extensions and a substantial proportion of the potential income has already been secured.

Click

In July of this year, Hammerson reached practical completion of Bishops Square and handed over the building for fitting out works to Allen & Overy, the leading international law firm. I am also pleased to be able to tell you that 18 of the 21 retail and restaurant units are now let or under offer.

Hammerson's share of the estimated total development cost, which includes a fitting out contribution to Allen & Overy, is £285 million, whilst our share of the projected net rent roll at the expiry of rent free periods is just over £25 million.

Practical completion of 19 Hanover Square has also been achieved since 30 June and marketing of this office building will commence during September.

Click

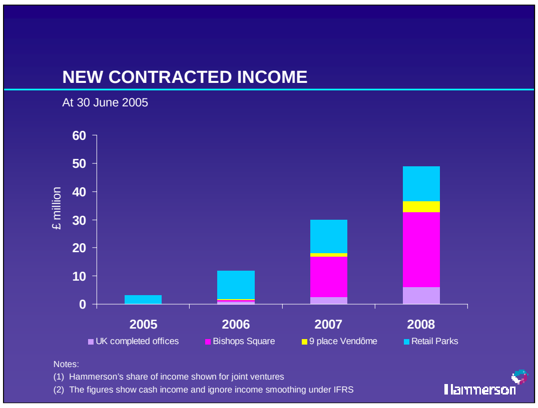
Work is progressing well at 9 place Vendôme and in June, a pre-let agreement was signed with Clifford Chance, the major international firm of lawyers, in respect of 13,000 m² of the new office accommodation.

Hammerson’s share of the income from this lease, after the expiry of rent free periods, will amount to £3.4 million per annum. With leases for five of the eight retail units agreed, the scheme is now 66% let overall.

I should add that the valuation yield at 30 June was 6% on the unlet space and 5.6% on the leased space. Given the location and specification of this prime asset, I believe that there is further upside potential from the building.

Both from these current developments and the recent London office schemes we have secured a substantial future cash flow.

Click



Hammerson's share of the future rental income from the recently completed office schemes in London and the current developments as at 30 June 2005, for which leases have already been signed or agreed, amounts to £49 million per annum. A further £15 million of annual rental income is anticipated when the properties are fully let.

We showed a bar chart similar to this in March this year, at the time of our full year results, which showed £48 million of contracted income. Since then, Néo has been sold, the contracted income from which was nearly £11 million and this is not now reflected in the chart above. We have been successful in securing an additional £12 million of income this year at other properties.

These figures show cash income and ignore income smoothing under IFRS. To help you with your income forecasts, the effects of income smoothing are shown as one of the slides in the Appendix.

Click

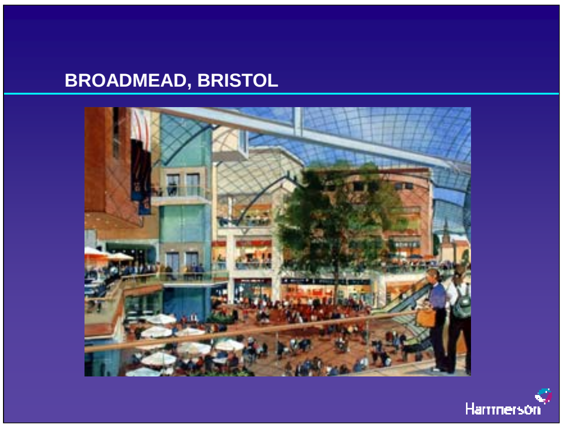
POTENTIAL DEVELOPMENTS 2005/06

	Size m²	Ownership interest %	Indicative total development costs £m
Retail schemes			
Broadmead, Bristol	140,000	50	230*
New Shires, Leicester	60,000	60	190*
Union Square, Aberdeen	50,000	50	80*
Offices			
125 Old Broad Street, London EC2	32,000	100	160
60 Threadneedle Street, London EC2	20,600	100	110
Opéra Capucines, Paris 2ème	10,200	50	35*
Total			**805**

* Hammerson's share of costs shown for joint ventures

Six further development projects could start during the remainder of 2005 and 2006. These include major retail-led, mixed-use schemes in Bristol and Leicester. They also include Opéra Capucines in Paris, a 50:50 joint venture with MAAF.

Click

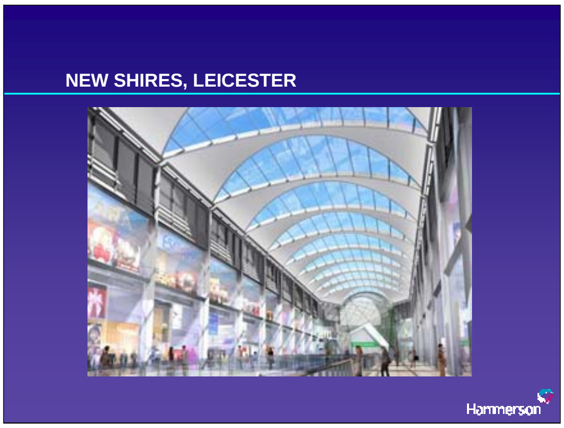


Broadmead in Bristol, a mixed-use retail-led scheme of around 140,000 m², is being developed by the Bristol Alliance, a 50:50 joint venture between Hammerson and Land Securities Group PLC.

Earlier this year the department store was let to House of Fraser. An unconditional development agreement with Bristol City Council is now in place and a start on site is imminent.

Hammerson’s estimated total development cost in respect of the Broadmead redevelopment is £230 million and the group’s share of the projected income is around £16 million.

Click



Hammerson is working with Hermes in a 60:40 joint venture to carry out a major expansion of the existing shopping centre, The Shires.

The New Shires scheme will include 60,000 m² of additional retail space, which is to be anchored by John Lewis Partnership, leisure facilities, and residential units. It will increase the overall size of The Shires to nearly 110,000 m².

Hammerson’s 60% share of the estimated total development cost of New Shires is £190 million and its share of the projected income is around £12 million.

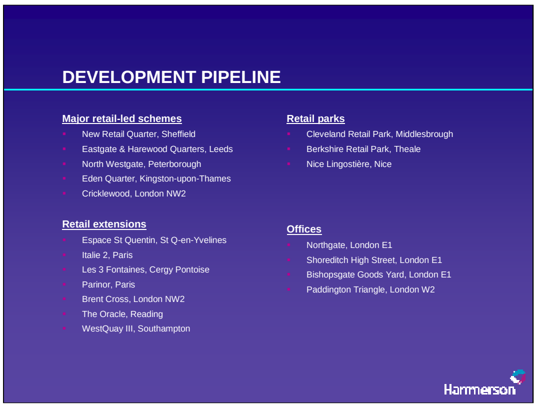
Click

Since acquiring the freehold of the buildings in 2004, Hammerson has been successful in obtaining enhanced planning consents for two schemes now totalling 52,600 m², an increase of 7,100 m².

A decision will be made shortly on the timing of the start on the first scheme, the 26-storey tower building at 125 Old Broad Street.

Earlier I mentioned our excellent pipeline of future developments. These fall into four categories.

Click



Major retail-led schemes; extensions to existing retail schemes; retail parks; and offices.

The total investment made by Hammerson to secure the potential development opportunities referred to above amounts to approximately £85 million. This excludes the costs of acquiring the existing investment properties where expansion works are planned. The projects currently generate an interim income of around £2 million per annum.

I am going to give you three examples of these ‘pipeline’ projects.

Click

In Sheffield, Hammerson has been working closely with the local authority as the preferred developer to bring forward the New Retail Quarter.

The proposal is for a 100,000 m² mixed-use development in the city centre, incorporating around 70,000 m² of retail accommodation. John Lewis Partnership has agreed to anchor the scheme.

It is anticipated that an outline planning application will be made shortly. Construction could begin towards the end of 2007 with completion of the first phase three years later.

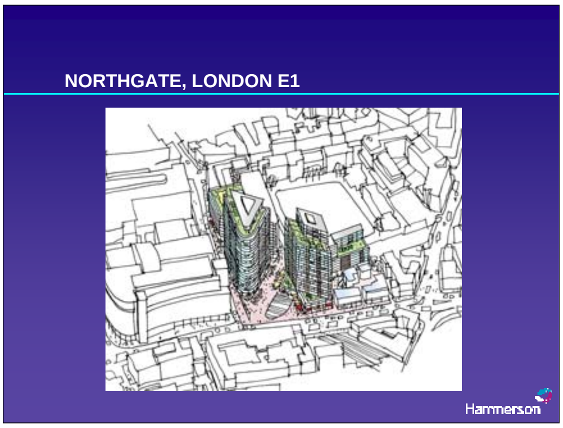
In France, we are progressing proposals for an extension at Espace Saint Quentin…

Click

Espace Saint Quentin is a 58,700 m² shopping centre to the south west of Paris. The group is currently working up plans with the local authority to extend the scheme by some 4,000 m².

The estimated cost of the extension could be between £10 to £15 million and we hope to make a start on site in 2007.

Click



In August we entered into an option agreement with Hackney Council to acquire the long term leasehold interest in Northgate, adjoining our existing Norton Folgate site on Bishopsgate, which we acquired through our acquisition of the Railtrack portfolio in 2002.

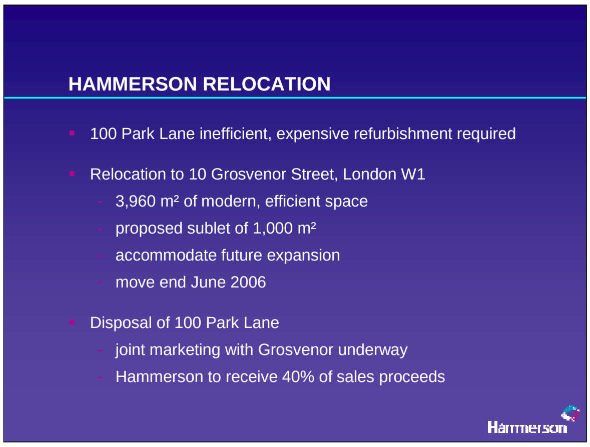
We saw the potential to develop a more exciting scheme through enlarging the site into Northgate. Hammerson's proposals are for a mixed-use development of 79,000 m^2, incorporating around 43,000 m^2 of office accommodation, residential units, a hotel and public spaces.

We are progressing the scheme proposals, with a view to submitting a planning application by the end of 2005.

In addition, Hammerson has two further potential office and mixed-use schemes in the area at Bishopsgate Goodsyard and on Shoreditch High Street.

Before concluding, there is one other thing I'd like to mention today and that is Hammerson's own office requirements.

Click



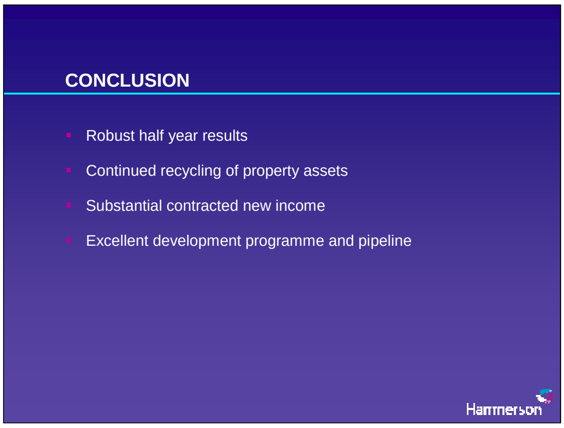
We have also announced today that we have signed a lease in respect of 3,960 m² of office space for our own occupation at 10 Grosvenor Street, London W1. This building was developed by Hammerson in a 50:50 joint venture with Grosvenor. We initially plan to sublet 1,000 m² of the space and this is already under offer.

Hammerson has shown substantial growth in the last few years and 100 Park Lane, which the group has occupied since 1970, no longer meets the group's space requirements and requires a major and costly refurbishment.

The relocation, scheduled for mid 2006, will provide Hammerson with modern, efficient space to meet both its immediate and future requirements.

The move also enables us to work with Grosvenor to unlock the value of 100 Park Lane. Hammerson and Grosvenor, which owns the freehold of the building, will jointly market the long leasehold interest, with Hammerson receiving around 40% of the proceeds from this sale.

Perhaps I could draw my remarks to a close…



This is a good set of figures. We have added significant value to the portfolio over and above that from yield shift.

We’ve continued to focus on financial returns, recycling capital from properties such as boulevard Haussmann into more attractive assets such as Fife Retail Park and Villebon 2.

Whilst there are some uncertainties in retail trends in the UK, Hammerson’s properties are well positioned in the best sectors of this market. Office markets are recovering, which should enable us to benefit from letting up the vacant office space.

We have a substantial amount of income already contracted from the existing development programme. And we have what I believe to be the best development pipeline of any company in the sector.

I have every confidence in Hammerson’s future.

Appendices Follow

APPENDIX

NAV ANALYSIS

	Shareholders' funds* (£ million)	Adjusted NAV* (pence per share)
31 Dec 2004	2,624	£9.45
Revaluation	232	£0.83
Retained profit (excluding revaluations)	72	£0.26
Exchange loss	(9)	(£0.03)
2004 final dividend	(35)	(£0.13)
Other movements	(6)	(£0.02)
30 June 2005	2,878	£10.36

* Excluding deferred tax and fair value of interest rate swaps

Hammerson

GROSS RENTAL INCOME SECURED

New contracted income		2005 £m	2006 £m	2007 £m	2008 £m
Retail parks	- cash flow	3.3	10.0	11.8	12.3
	- IFRS basis	5.4	11.1	12.3	12.3
Bishops Square	- cash flow	-	0.5	14.1	26.7
	- IFRS basis	-	6.7	25.8	25.8
UK completed offices	- cash flow	-	1.0	2.7	6.1
	- IFRS basis	3.1	4.4	4.8	5.5
9 place Vendôme	- cash flow	-	0.4	1.3	3.8
	- IFRS basis	-	2.3	3.9	3.9
Total	**- cash flow**	**3.3**	**11.9**	**29.9**	**48.9**(1)
	- IFRS basis	**8.5**	**24.5**	**46.8**	**47.5**

(1) Of the £48.9m cash flow shown in 2008, £9.6m is included in the total rents passing of £219.9m in the Property Portfolio Review on page 12 of the Interim Statement.

Hammerson

DISCLAIMER

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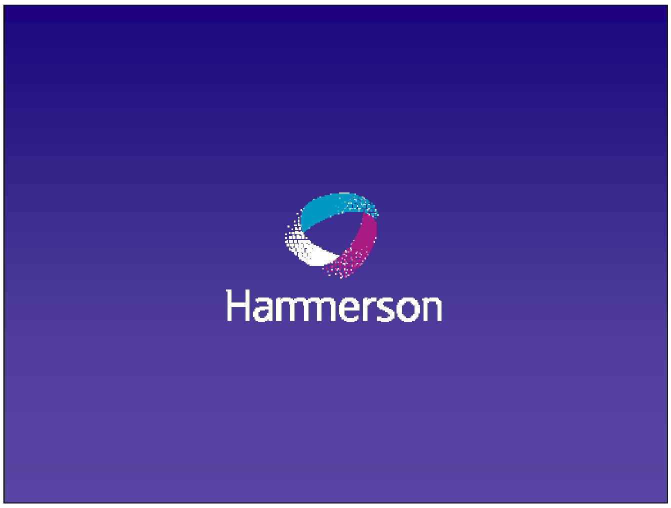
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