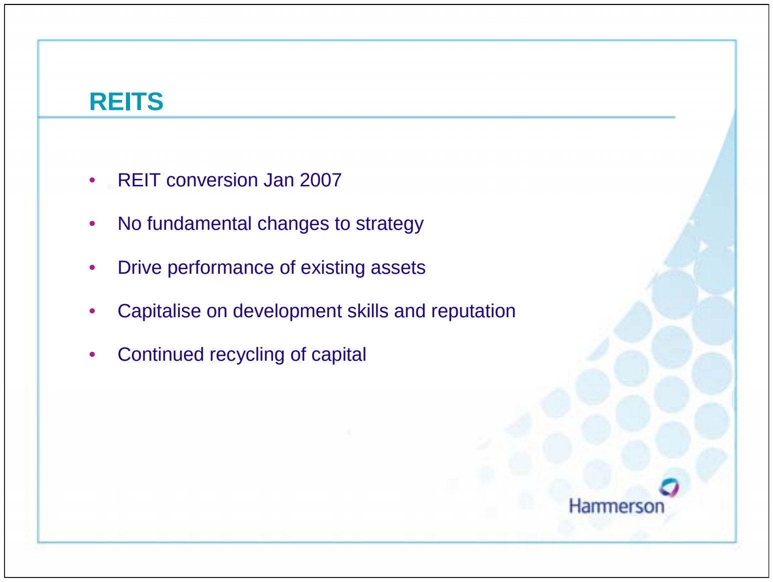
Good morning and welcome to Brent Cross. It's good to see such a large turnout today.

I am going to say a few words about Hammerson, before Bruce Isles talks in more detail about Brent Cross and our major development opportunity at Cricklewood.

First of all though, I'd like to comment briefly on REITs.



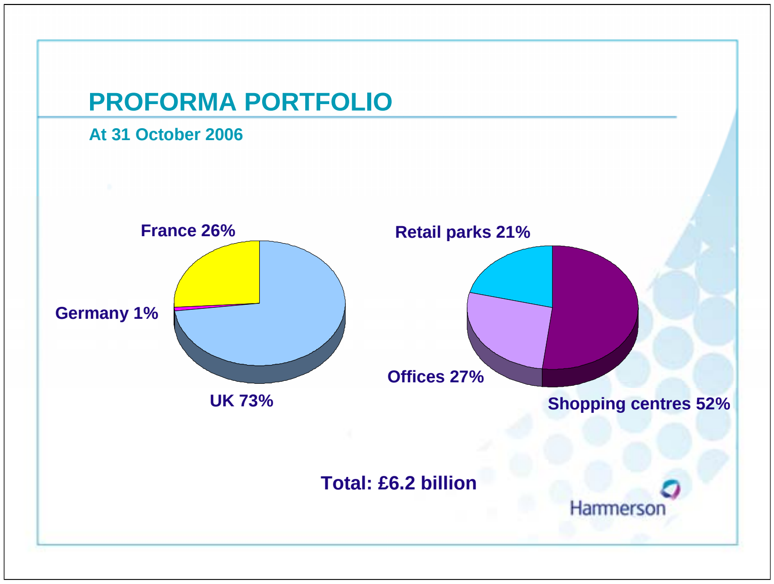
In only five weeks Hammerson will be a REIT. We shall be holding an EGM on 13th November to seek shareholder approval to some necessary changes to our Articles of Association.

In a REIT world we do not envisage any fundamental change to our strategy, which is well suited to the new environment.

We shall continue to drive value from the business by rigorous management of the existing assets to enhance rental income.

We shall capitalise on our development skills to generate NAV uplifts and attractive yields on cost from newly created assets.

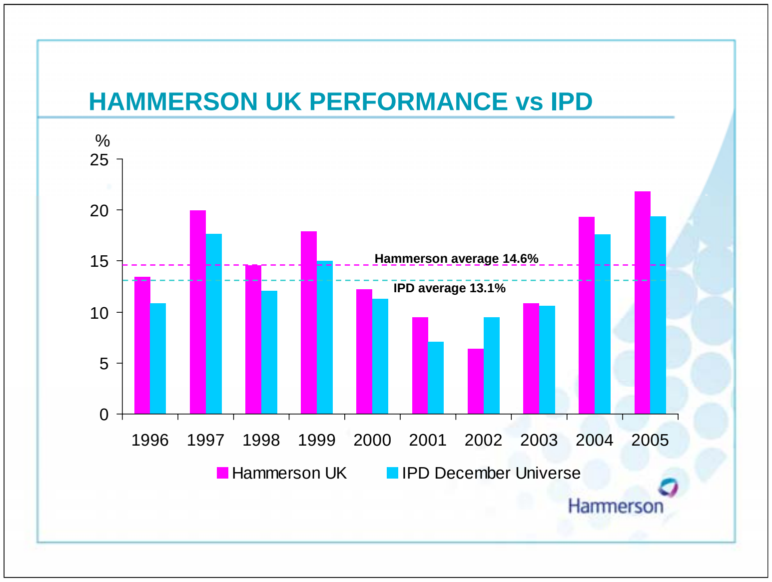
We shall continue to seek better returns by recycling capital.



For those of you who are not that familiar with Hammerson, this is how our portfolio looks.

Major shopping centres in the UK and France account for just over half our assets. Overall, some 73% of our portfolio is in the retail sector. The principal change this year has been the increase in the retail parks sector to 20%, reflecting the acquisition of LxB three months ago.

Just a few words on asset performance. I do believe that one of the consequences of a REIT environment is that investors will focus increasingly on the underlying returns we generate from our investment and development activities.



This bar chart shows Hammerson's underlying portfolio performance in the UK with the IPD (Investment Property Databank) benchmark index.

As you can see, our UK business has exceeded the benchmark in nine out of the last ten years – on average by around 150 basis points.

One of the reasons for Hammerson's outperformance has been our focus on development.

This shows three of the major schemes we have completed over the past two years – in this case, offices in the City of London and the Paris CBD.

Together these three schemes produced a development profit of £306 million and a yield on cost of 8.6%.

Turning now to our current schemes…

CURRENT DEVELOPMENTS

Current projects	Ownership interest %	Area m²	Cost at 30 June 2006(1) £m	Value at 30 June 2006 £m	Estimated total development cost(1) £m	Projected annual income £m	Let or under offer %	Forecast completion date
Shopping centres			(2)	(2)	(2)	(2)	(3)	
Broadmead, Bristol	50	140,000	61	84	230	17	42	Sep 2008
Highcross Quarter, Leicester	60	60,000	43	60	200	13	38	Sep 2008
Parinor, Aulnay-Sous-Bois	100	24,000	14	14	75	5	8	Apr 2008
Union Square, Aberdeen	50(4)	50,000	9	17	95	7	40	H2 2009
Offices								
125 Old Broad Street, London EC2	100(5)	30,700	64	116	160	18	-	Dec 2007
Total		304,700	191	291	760	60		

Notes
(1) Capital costs including capitalised interest
(2) Indicates Hammerson's share of costs, value and income
(3) Amount let or under offer by income at 31 August 2006
(4) A further 50% interest was acquired by Hammerson for £20 million in July 2006
(5) 50% interest was sold for £75m in November 2006

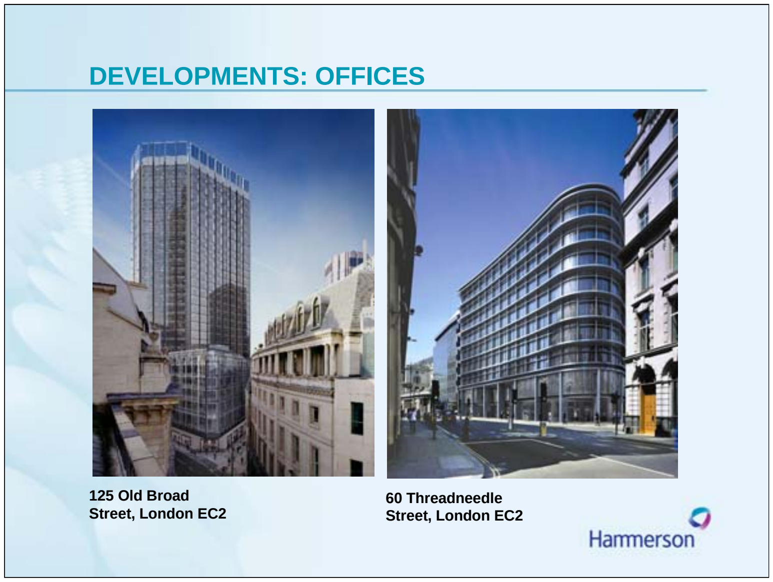
Hammerson

Five developments are currently underway. These have an estimated total cost of £760 million. The valuation surplus on these schemes was around £100 million at the half year.

Looking at these in more detail.

The three UK retail schemes are shown here. Bristol and Leicester will create strong city centre schemes. Aberdeen is a hybrid scheme combining a retail park and mall space in an edge of centre location. It creates cost effective space for retailers.

Bristol and Leicester will complete in September 2008 and Aberdeen in September 2009. Letting is progressing well and illustrates continuing retailer demand for modern, efficient space in strong schemes.



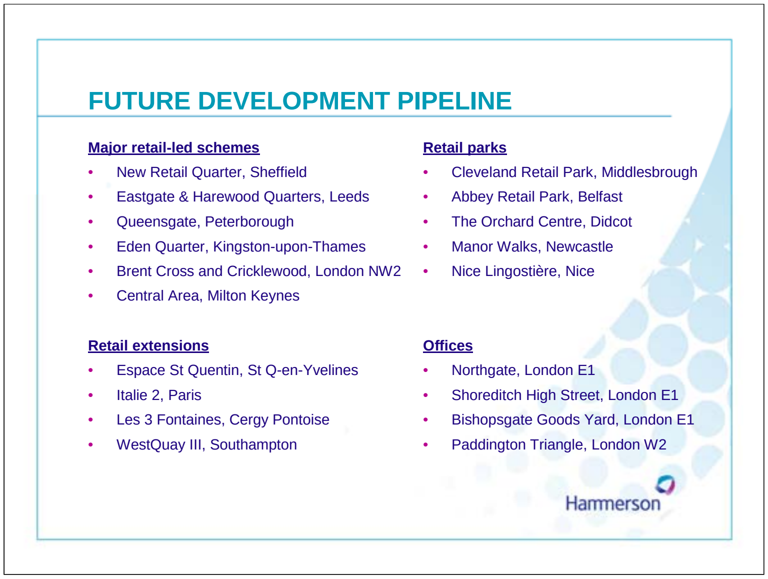
We also have a strong City office development programme.

We bought the site of the former London Stock Exchange for £68 million in June 2004. This is now the site of two projects at 125 Old Broad Street and 60 Threadneedle Street. We began work on the 26-storey tower at 125 Old Broad Street in February this year and will complete the building in December 2007.

In November we sold a 50% interest in the project at 125 Old Broad Street to two investors for £75 million. At completion, this joint venture arrangement will give us a total net development cost of £32 million for our 50% interest. Our share of the forecast rent is £9 million… giving an estimated yield on cost of over 25%.

We are now considering the development of 60 Threadneedle Street, which is 100% owned by Hammerson, and which we could complete by the end of 2008.

I think this demonstrates the way Hammerson is generating excellent returns from the cyclical office market.

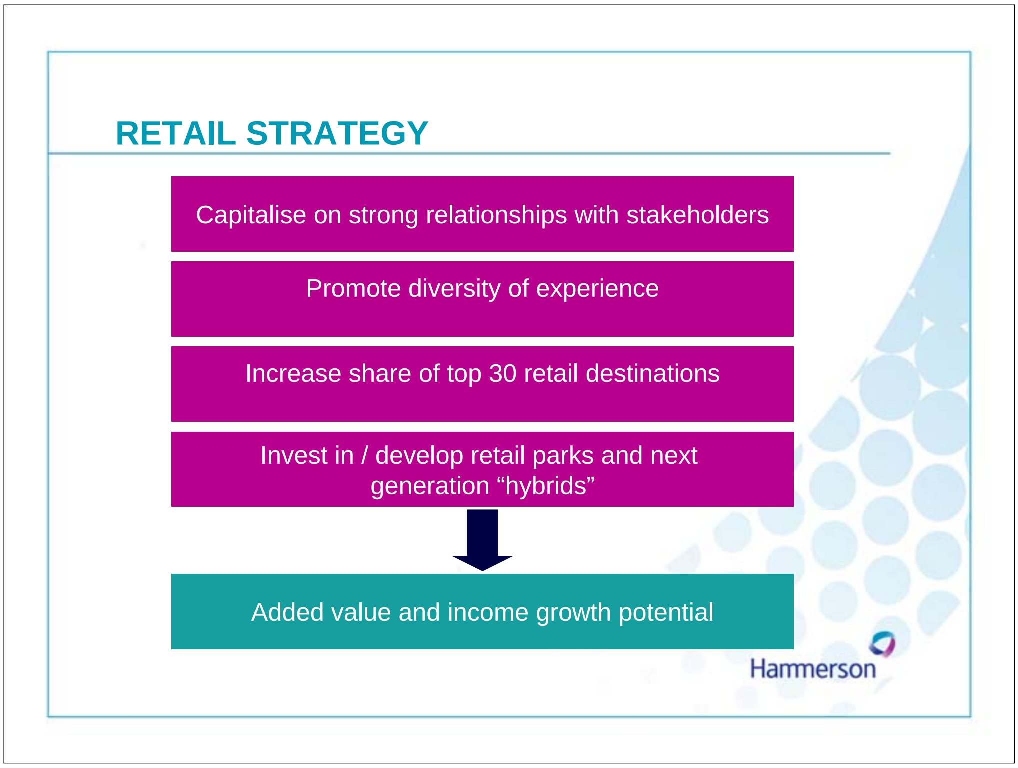


We have an excellent pipeline of future development opportunities. These cover all areas of our business and include major retail-led schemes; extensions to existing retail centres; retail parks; and offices. We have made good progress this year in bringing these forward, through the various feasibility, site purchase and planning stages.

The total investment made by Hammerson to secure these opportunities amounts to approximately £170 million and these assets currently generate an interim income of around £5 million per annum.

I am very confident that we shall continue to add value by our development activities and generate attractive future income streams. This remains important in the context of the current highly competitive environment for investment assets.

I shall now hand over to Bruce Isles, who will talk in more detail about our retail development strategy.



Through the developments we have carried out in recent years, we have an excellent reputation with local authorities and city councils. We also enjoy strong relationships with retailers. By aligning ourselves with the public sector, with anchor retailers like John Lewis and with major direct property investors, we have become the "partner of choice" for the regeneration of many of the UK's towns and cities.

Our development strategy is focused on the top 30 retail destinations which capture the key regional and sub regional cities, where we believe future comparison retail spend will be concentrated.

We are seeking to establish dominant positions in our target cities where we can create the prime retail offer, but also control and manage the public realm and the whole customer experience. This is about creating a "managed estate" environment.

In addition, through our retail parks team, we are establishing ourselves in the next tier of towns as we begin to bring forward a new generation of hybrid schemes, emphasising "convenience".

We are creating assets which are scarce commodities and sustainable long term investments with good growth potential.

MAJOR SHOPPING CENTRES

The Oracle, Reading

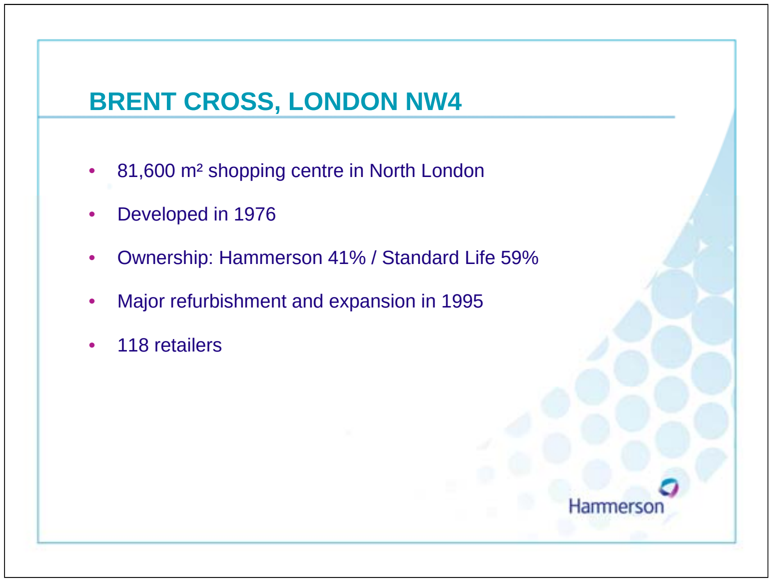
WestQuay, Southampton

Bullring, Birmingham

Here are three of the major retail developments that have helped build our reputation in recent years.

The Oracle in Reading, WestQuay in Southampton and Bullring in Birmingham. These have set the benchmark for future schemes.

I am going to turn now to our proposals for Brent Cross and Cricklewood.



Brent Cross is an example of the success of our long term investment approach to our major retail assets. It is owned jointly with Standard Life.

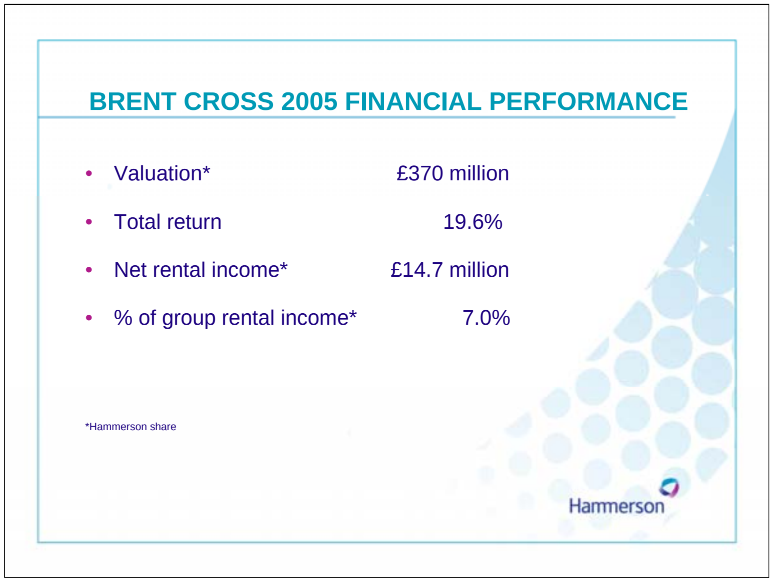
We developed Brent Cross in 1976 and, at that time, it was the first of its kind in Europe.

Over the last thirty years, it has shown consistently high returns, achieving some of the highest rents in the UK.

It has a proven reputation as a launch platform for international retailers seeking entry into the UK and Europe.

It is anchored by the UK's highest profile retailers with John Lewis, Marks & Spencer and Fenwick.

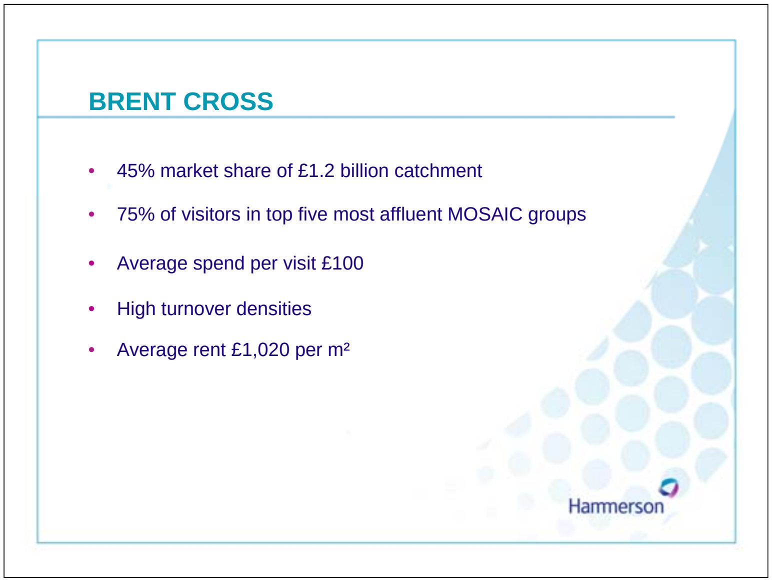
Since 2002, we have also enhanced the tenant mix to better reflect the upmarket catchment profile. One in three of the retailers you will see here today has arrived in the last four years.



This summarises some of the key statistics for the centre.

It is Hammerson’s third largest asset, accounting for around 7% of the group’s total income.

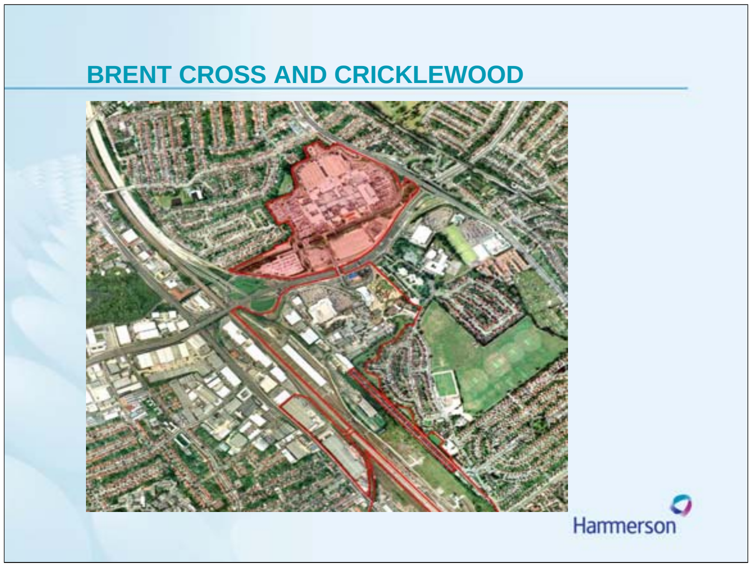
The total return, at 19.6% in 2005, was comfortably above the IPD UK shopping centres total return of 16.2%.



It is positioned at the heart of one of the wealthiest catchments in the UK, with very good accessibility, certainly by London standards.

The centre takes almost half the comparison spend in its catchment, and dominates the five wealthiest MOSAIC groups.

The high average spend per visit and the high sales per square foot seen by the retailers support high average rents of £1,020 per m^2 and leaves room for further growth.



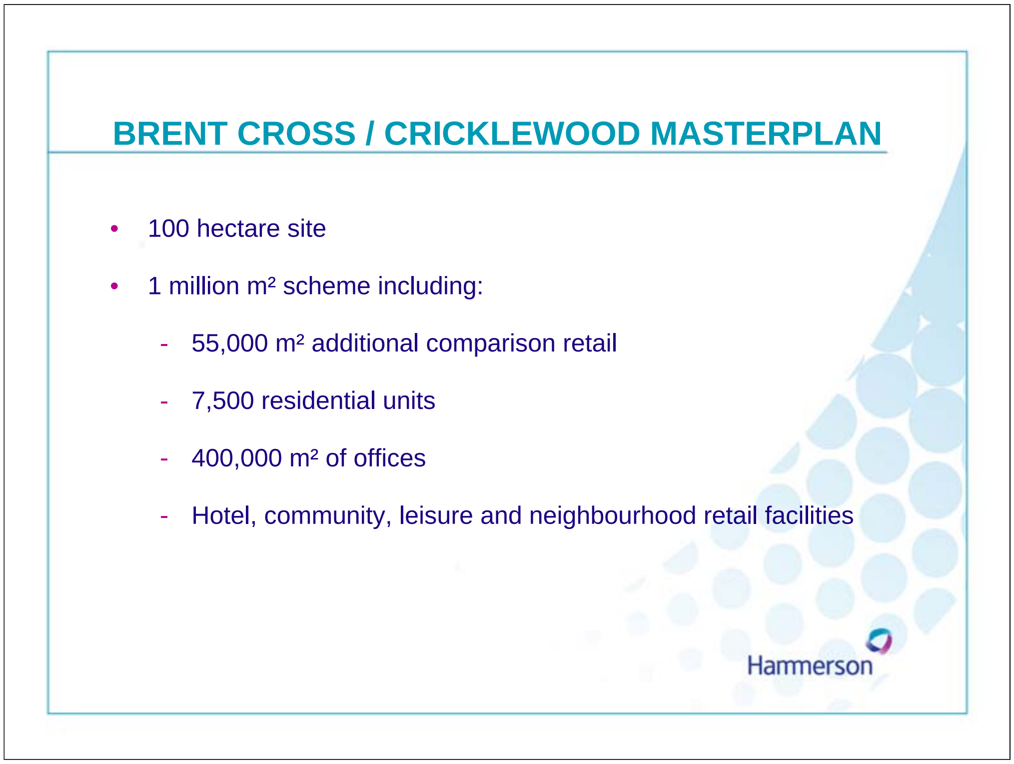
With its unique market positioning and strategic location, the opportunity to expand and evolve Brent Cross is obvious. As you may have seen when you arrived, the centre is positioned at the junction of the M1 motorway and London’s inner orbital route, the North Circular.

We have progressively acquired the land between the existing centre and the North Circular over the last decade.

In 2002, we purchased a portfolio of property and development opportunities from the rail infrastructure provider, Railtrack. This opened the door to controlling the redevelopment of over 100 hectares of partially derelict and under-utilised land to the south of the North Circular. The development rights are currently held in partnership with Multiplex.

Then, in 2004 we purchased the Brent South Retail Park, also in conjunction with Standard Life, which previously sat outside the redevelopment land. This is a key asset in its own right and complementary to Brent Cross.

Taken in the round, we have both direct ownership and key strategic interests in the whole of the Brent Cross and Cricklewood redevelopment area.

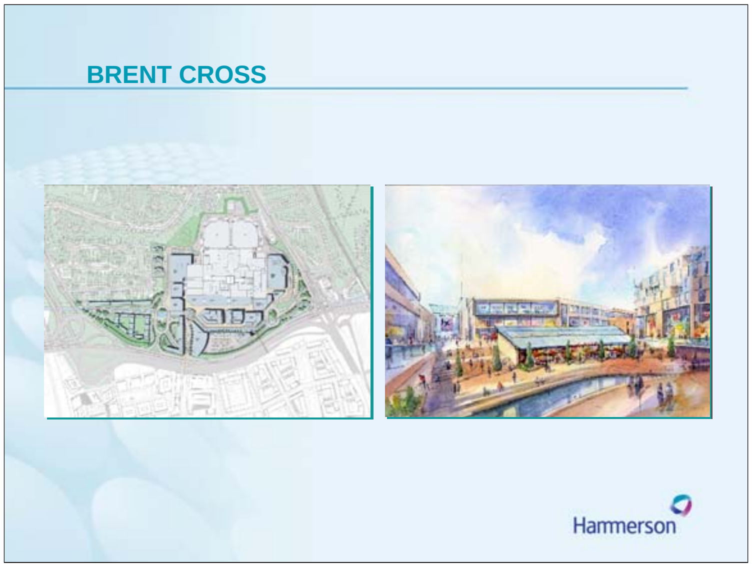


The masterplan for the whole of the regeneration area envisages the creation of a new town centre, with Brent Cross as its cornerstone.

Brent Cross itself will double in terms of its overall offer, including a significant new leisure and restaurant quarter and residential apartments.

Across the whole of the site, there will be some 7,000 residential units developed out over a 15 – 20 year period. This will include major new public spaces and amenities and significant investment in transport and infrastructure.

Further down the line, the masterplan envisages a commercial phase of some 400,000 m² of offices centred around a new main line railway station. The masterplan will be delivered in phases, progressively bringing forward infrastructure alongside commercial development.



As for Brent Cross itself, this is an opportunity to reposition the asset for the next thirty years.

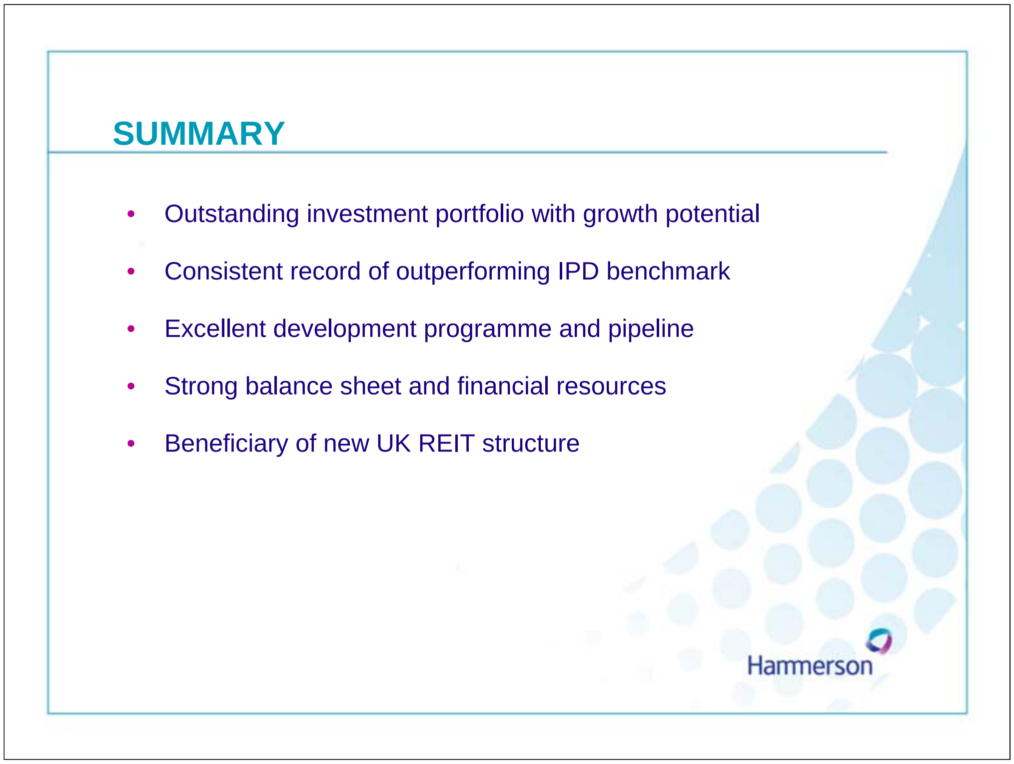
We plan to add a further 55,000 m^2 of comparison retail; an external retail and leisure environment, building on the concept which has proven so successful at The Oracle in Reading; optimising accessibility and car parking to achieve a total of 7,600 parking spaces; and around 850 residential units as part of the mixed-use environment.

All contributing to turning the exisiting centre “inside out” and creating a customer “experience” which is not just about shopping, but also a leisure and lifestyle destination.

As I have said, the Cricklewood proposals to the south of the North Circular are a joint venture with Multiplex. This is a longer term project and it is envisaged that this will be brought forward in partnership with specialist developers for each phase.

In taking these proposals forward, significant progress has been made in advancing planning policy support. We are continuing to work through the planning process with the objective of submitting an outline Planning Application for the combined scheme next year, which could enable us to be on site with the early phases from 2010.

The combined scheme represents one of the largest regeneration projects in Europe and offers enormous potential to bring forward phased development in a managed environment, and to underpin the future performance of an outstanding asset.



So in summary, Hammerson has an outstanding investment portfolio which offers substantial growth potential.

We have consistently outperformed the IPD benchmark in both the UK and France.

We have an excellent development programme and pipeline of future schemes.

We have a strong balance sheet.

Finally, I believe that Hammerson is extremely well placed to benefit from the new REIT regime.


Hammerson