

News Release

30 January 2018

Hammerson footfall outperforms in 2017, driving record leasing activity, with growth from leisure, sports goods and men's fashion

Hammerson's annual footfall across its UK shopping centres rose +0.4% during 2017, outperforming the industry benchmark which was down -2.8%¹. A similar rise was seen in France where Hammerson's centres delivered growth in footfall of +1.6% against an industry benchmark of -1.8%².

During 2017, Hammerson welcomed over 300 million visitors to its European shopping centres, with footfall at UK shopping centres outperforming the market benchmark every month in 2017.

By deploying its expertise in creating highly desirable retail, dining and leisure destinations, as well as a seasonal calendar of interactive events, innovative pop-ups and targeted activities, the business was able to directly and positively impact footfall and sales. At the Christmas light switch on, footfall at Cabot Circus increased +4% year on year and the centre welcomed over 22,000 shoppers between 5-8pm, boosting sales by +11%. The "SKATE" ice rink at Westquay welcomed over 46,000 skaters and upon opening footfall at the centre was up +9% week on week. The Oracle saw footfall up +6% year on year during The Riverside relaunch in September featuring a Las Vegas style light & fountain show. As retailers continue to prioritise physical space in specific high-footfall destinations, Hammerson's portfolio is ideally placed to benefit.

Over the Christmas period, Hammerson's retail sales across its UK and French shopping centres outperformed the market. December store sales fell -1.3% in the UK portfolio versus the market which was down -2.7%³ and grew +0.5% in France against a market fall of -1.0%⁴.

Department stores across Hammerson's UK portfolio reported a strong Christmas, up +3.7% in December, highlighting consumers' preference for flagship stores in larger high-footfall centres versus other locations.

¹ Tyco shopping centre footfall index data

² CNCC shopping centre footfall index (December index data not yet disclosed, estimated from BdF data)

³ VISA Sales Index (face-to-face)

⁴ Estimated from Banque de France data, December CNCC index not yet disclosed

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Consumer spending patterns for 2017 showed a divergence between certain categories and brands, and demonstrated retailers' outperformance within Hammerson's high-footfall centres. Across the Hammerson portfolio as a whole, retail sales in 2017 decreased -2.6% in UK and increased +0.1% in France, again outperforming their respective markets (2017 retail market sales down -3.0% in UK and down -0.8% in France). Including major extensions opened at Westquay, Southampton, and Victoria Gate, Leeds, retail sales were up +3% across Hammerson's UK portfolio in 2017.

The well-publicised challenges in mainstream women's fashion continued to impact headline numbers. However, reflecting the trend for well-being and ath-leisure, sales of sports fashion were up +1.8% (UK) in the year and there was a growing appetite for men's fashion, with the category growing +3.8% (UK) across Hammerson's centres. Consumers also continued to demand experiences, with leisure sales up +6.9% (UK) further supporting Hammerson's strategy of enlivening retail destinations with events and experiences.

Taking advantage of growth in these particular sectors, Hammerson secured numerous leasing deals in 2017 with expanding brands such as Cotswold Outdoor, North Face, Skechers, JD Sports and Levi's.

In 2017, the volume of leasing at Hammerson shopping centres was up in every sector and up 34%⁵ in total, representing a record year of leasing volume for the business. This reinforces that Hammerson's leading locations are in strong demand by retailers as part of their strategy to drive total sales, brand impact and customer interaction in a multichannel retail environment.

David Atkins, CEO of Hammerson, commented: "Our shopping centres performed well at the end of 2017 with strong footfall and leasing. Consumers are spending more discerningly; exciting brands are winning market share; and footfall is drawn to centres which offer the full line-up of retail brands alongside entertainment. It is no coincidence that we have purposely positioned our shopping centres to respond to these trends, dedicating our time to carefully curating the right brands, adding more leisure space and creating an engaging environment for consumers. Our strategy is aligned with that of retailers and we have continued to see strong momentum in leasing in Q4 as we will update in February."

⁵ Total leasing as measure by rent across Hammerson shopping centres in UK, France and Ireland

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Hammerson will release Full Year 2017 Results on Monday 26 February 2018.

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Notes to Editors

UK and France retail sales data stated as at time of publication.

Hammerson is a FTSE 100 owner, manager and developer of retail destinations in Europe. Our portfolio of high-quality retail property has a value of around £10.5 billion and includes 23 prime shopping centres, 17 convenient retail parks and investments in 20 premium outlet villages, through our partnership with Value Retail and the VIA Outlets joint venture. Key investments include Bullring, Birmingham; Bicester Village, Oxfordshire; Dundrum Town Centre, Dublin; and Les Terrasses du Port, Marseille