Today’s agenda

01 Introduction – Hammerson in Ireland
   David Atkins – CEO, Hammerson

02 Economic backdrop and the Irish consumer
   Conall MacCoille – Chief Economist, Davy

03 The retail property market
   Marie Hunt – Head of Research, Ireland, CBRE

04 Value creation across the portfolio
   Simon Betty – Director of Retail, Ireland, Hammerson
Hammerson invests in prime retail assets throughout Europe

Diversified portfolio

- UK shopping centres: 34%
- UK retail parks: 15%
- Premium outlets: 14%
- Ireland retail: 10%
- Other/developments: 6%

Gross asset value:
- £9.9bn
- £3.3bn
- £2.1bn
- £1.5bn
- £1.4bn
- £1.0bn
- £0.6bn

Pan-European assets:
- UK shopping centres: 34%
- France: 21%
- UK retail parks: 15%
- Premium outlets: 14%
- Ireland retail: 10%
- Other/developments: 6%

(1) As at 30 June 2016, pro-forma including value of Irish portfolio
Hammerson’s exceptional Irish platform

**Leading market share**
220,000m² of prime retail space

**Europe’s fastest growing economy**
2016 GDP growth c.5%;
nominal retail sales growth c.4% (1)

**Trophy asset**
Dundrum is Ireland’s largest and foremost super-prime retail and leisure scheme

**Apply Hammerson best in class**
Significant value upside in asset management

**Future development pipeline**
Extensions and unique 5-acre central-Dublin site

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(1) Davy forecasts
### Transaction in-line with Hammerson’s strategy

<table>
<thead>
<tr>
<th>Hammerson strategic goal</th>
<th>High-quality property</th>
<th>Income generation</th>
<th>Capital strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction feature</td>
<td>Dundrum adds 140,000m² of super-prime retail space</td>
<td>Incremental capital invested into high-growth end-market</td>
<td>Transaction funded through disposals and new debt</td>
</tr>
</tbody>
</table>

#### Strategic rationale

**Retail is polarising towards large, well-located, prime retail**
- Retailers more selective with store footprint
- Physical space needs to be appealing (eye-catching, well-located, mix of stores and services, food and leisure etc.)
- Scarcity value for best prime retail
- Enduring returns: Bullring 10-year average LfL NRI 3.4% p.a. (vs IPD flat)

**Create platform for future earnings growth**
- Position shopping centre portfolio towards fast-growing cities (Dublin, London, Birmingham, Paris, Leeds, Marseille)
- Pro-active approach to asset management
- Focused on consistent LfL NRI

**European diversification**
- At least 40% of assets now located outside UK

**Disciplined use of capital**
- Target completion of £500m disposal programme before end of 2016 (£380m to date)
- Disposals from all parts of portfolio
- Maintain appropriate leverage to match diversified, resilient income profile

**Continuous capital recycling (c.£300m disposals p.a.)**
- Fund future growth opportunities
- Lift quality of portfolio
Overview of portfolio financials

Ireland portfolio in figures (1)

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face value of loans (100%)</td>
<td>€2.57bn (£2.2bn)</td>
</tr>
<tr>
<td>Loan purchase price (100%)</td>
<td>€1.85bn (£1.6bn)</td>
</tr>
<tr>
<td>HMSO portfolio acquisition cost (2)</td>
<td>€1.23bn (£1.0bn)</td>
</tr>
<tr>
<td>Total retail space</td>
<td>220,000m²</td>
</tr>
<tr>
<td>Number of shoppers p.a.</td>
<td>48 million</td>
</tr>
<tr>
<td>Development land</td>
<td>27 acres</td>
</tr>
<tr>
<td>Passing rent (HMSO share)</td>
<td>€45m (£38m)</td>
</tr>
<tr>
<td>Portfolio NIY (3)</td>
<td>4.0%</td>
</tr>
<tr>
<td>Dundrum NIY (3)</td>
<td>3.7%</td>
</tr>
<tr>
<td>Dundrum NEY (3)</td>
<td>4.0%</td>
</tr>
<tr>
<td>Asset management fee: Hammerson receives an asset management fee for Dundrum in line with other properties</td>
<td></td>
</tr>
<tr>
<td>Projected 5-year ungeared IRR (ex developments)</td>
<td>7 – 8%</td>
</tr>
</tbody>
</table>

Split of portfolio by passing rent (HMSO share) (2)(4)

Portfolio synergies

High overlap with UK retail tenant mix
Familiar consumer profile and preferences
Shared overhead cost base
Marketing and digital roll-out

(1) FX rate GBP-EUR 1.18 (as at 16 September 2016)
(2) Ilac and Pavilions ownership subject to pre-emption. Irish Life waived pre-emption at the Ilac Centre. Now commencing Pavilions pre-emption process. Both schemes also subject to EU competition clearance
(3) Excluding development land. Yield on Dundrum excluding Phase 2 development site. See appendix page 39 for details of Hammerson portfolio
(4) ‘Other’ includes income from development sites at Pavilions and Swords
An experienced management team on the ground

Simon Betty
Director of Retail, Ireland

Kevin Nolan
Finance Director

Rob Van Vliet
Asset Manager

Claire-Ann Minogue
Asset Manager

Andrew Diggins
Asset & Development Manager

Neil McDermott
Financial Controller

Laura Bergin
Commercialisation Manager

Kevin McGowan
Facilities & Development Manager

Jean Lawrie
Team Administrator

Don Nugent
Centre Director, Dundrum Town Centre

Hammerson in Ireland
Davy Hammerson Site Visit Presentation
September 2016
Making sense of Ireland’s GDP figures

- Headline GDP figures indicate 26.3% GDP growth in 2015
- Splitting out multinational sector companies indicates output grew by 100%, Underlying GDP growth rate closer to 6%
- Core domestic demand measure grew by 4.6%, but this understates contribution to growth from export sector
- Whereas GDP now well above previous peak, retail sales now approaching peak, employment 6.7% below

Source: Central Statistics Office

<table>
<thead>
<tr>
<th>Year</th>
<th>Multi-national</th>
<th>Indigenous sector</th>
<th>GDP</th>
<th>Core domestic demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>8.4</td>
<td>1.4</td>
<td>2.0</td>
<td>-4.4</td>
</tr>
<tr>
<td>2011</td>
<td>-2.3</td>
<td>-0.9</td>
<td>0.0</td>
<td>-0.9</td>
</tr>
<tr>
<td>2012</td>
<td>-2.8</td>
<td>-0.9</td>
<td>-1.1</td>
<td>-1.9</td>
</tr>
<tr>
<td>2013</td>
<td>-0.4</td>
<td>1.2</td>
<td>1.1</td>
<td>1.8</td>
</tr>
<tr>
<td>2014</td>
<td>9.2</td>
<td>8.0</td>
<td>8.5</td>
<td>5.9</td>
</tr>
<tr>
<td>2015</td>
<td>99.7</td>
<td>6.0</td>
<td>26.3</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Source: Central Statistics Office
Short-term indicators still consistent with strong expansion

- Short-term indicators still consistent with 4-5% GDP growth
- Composite PMI was 56.5 in July, still the strongest across developed economies surveyed
- Rebound in the domestic economy borne out by labour market and tax revenues, but with some slowdown in the export and manufacturing sectors evident in 2016

**Annual Irish GDP growth and PMI readings**

**Source: Thomson Reuters Datastream**
Irish labour market continues to improve

- Employment up 1.0% in Q1 2016 and 2.9% on the year.
- Broad based jobs gains, with construction now adding to employment growth
- Ireland’s unemployment rate now 8.3%, Private sector wage growth muted at 1.5%
- Key turning point is that net migration in year to April 2016 was positive for the first time since 2008

Irish Employment Growth

Irish Net Migration

Source: Central Statistics Office
Irish export sector has led Ireland out of recession

- Irish exports continued to expand through 2009-2015, leading Ireland’s economy out of recession
- In contrast, domestic demand contracted up until 2011
- Ireland is specialised in pharmaceuticals, ICT and services exports
- FDI key in sustaining Irish export base
- Sterling exchange rate at 85p against the euro challenge for indigenous manufacturers and agriculture

Irish Export Growth and Domestic Demand

Shares of Irish exports by sector

- Chemicals & Pharma 27%
- Machinery & Transport 6%
- Financial Services 9%
- Other Goods 9%
- 25% Computer Services
- 10% Business Services
- 9% Other Services
- 5% Food & Beverages
- 10% Other Goods

Source: Central Statistics Office
Source: Central Statistics Office, ONS
• Investment spending by foreign multinationals has led the recovery in capital expenditure
• Dwellings investment now bouncing back from exceptionally low base
• Bank lending to Irish SME’s contracted by 10.2% in year to Q1 2016 as de-leveraging continued
• Further room for recovery in capital expenditure as momentum in domestic demand builds

Irish Core Investment Spending

Contributions to growth in core investment
Record year for FDI in 2015, strong H1 in 2016

- Multinational enterprises constitute 25% of GDP and over 10% of private sector employment
- 50% of multinational sector jobs are in Dublin and mid-East, ICT Services (36%), Pharmaceuticals (27%), Other Manufacturing (26%), Financial Services (10%)
- Following on from OECD BEPS project, increasing trend to locate intellectual property onshore.
- So far in 2016 IDA jobs announcements have outpaced previous years
- Focus on opportunity to attract FDI from the UK, but lack of residential & office space near-term constraint

**Leading FDI Investments in 2016**

**IT Sector:** Oracle, First Data, Facebook, Hubspot, Amazon, SiteMinder

**Pharmaceutical & Medical Devices:** Shire, Search Optics, OPKO, Eurofins Lancaster

**Leading FDI Investments in 2015**

**IT Sector:** Apple, Facebook, Uber, Zalando

**Pharmaceutical & Medical Devices:** Alexion, Amneal, DePuy Synthes, Zimmer

Source: Industrial Development Agency (IDA)
We expect consumer spending to grow by 3.7% in 2016 and 2.5% in 2017. This is 4% in nominal terms on average through 2015-2017, less CPI inflation picking-up to 1.4%

Employment and wage growth will help consumer, tax cuts in Budget 2017 should help household spending

Savings remain high, debt fallen to 149.5% of disposable income, down from 180% end-2014

At this pace Irish household debt should fall to UK levels by 2017, but concentrated in 35+ year olds.

Source: Central Statistics Office

Source: Central Statistics Office, ONS
Irish Consumer Confidence has improved

- Irish consumer confidence has rebounded – but savings remain high as deleveraging continues
- Retail sales volumes finally surpassed previous peak in July 2016
- However, the recovery has been concentrated in car sales & electronics
- Sales volumes still down in many sectors.

Irish Consumer Confidence

Irish Retail Sales, % change from peak 2007 levels

Source: Central Statistics Office, ONS
The housing market continues to tighten amidst constrained supply.

- The Residential Property Price Index (RPPI) has picked up modestly through H1: -0.2% in Q1, +0.7% in Q2.
- However, 2% gain in asking prices in Q1, +5% in Q2, suggests transaction prices will start to rise later in 2016.
- Average mortgage approval €208,700 in June 2016, up from €179,300 in Q1 2015, pointing to further gains.
- The stock of home available for sale, and average time to sale agreed continue to fall.
- Residential transaction volumes in 2016H1 were 5.0% lower than in 2015, homebuilding now a constraint.

CSO residential property prices

MyHome: Stock for Sale and Average Transaction Times

Source: Central Statistics Office

Source: MyHome
Focus on address housing supply to help bank lending

• Mortgage lending contracted by 2% in year to June, but by 3.7% including securitised loans.
• Owner-occupier lending fell by just 0.5% in year to Q1, but Buy-to-Let lending contracted by 9.4%, owner-occupier tracker loans by 5.0%
• Repayments on mortgage debt remain close to €8bn per annum, vs gross lending €5bn in 2016.
• Lending to NFCs fell by 5.8% in year to June, SME lending by 10.2% in year to Q1 2016
• Corporate lending has fallen back to 2003 levels, albeit with debt transferred via NAMA to other holders

Stock of Bank Lending

Irish Housing Completions and Mortgage Lending
Irish public finances continue to improve

- Official forecast for deficit worth £2bn deficit in 2016, falling to £1bn in 2017
- Debt GDP ratio revised down to 78% in 2015 from 88% on GDP revisions, will fall to 72-75% in 2016
- First seven months of 2016 show exchequer returns ahead of target, but extra €500m of health spending
- At present we would expect deficit worth 0.2% of GDP in 2016, key issue is corporation tax performance late in the year. Current expectation of €1bn giveaway in Budget 2017, close to 0.5% of GDP.

Irish Government Deficit and Debt Projections

Irish Government Debt/GDP ratio

Source: Department of Finance
Government housing plan: mix of demand & supply measures

<table>
<thead>
<tr>
<th>Key policy measures</th>
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<tbody>
<tr>
<td>Help-to-Buy Scheme</td>
<td>Full details to be announced in October 11th Budget for 2017. Reported €10,000 size.</td>
</tr>
<tr>
<td>4-year planning fast-track</td>
<td>Skipping Local Authorities on &gt;100 unit sites will take 6-12 months off planning process on this type of site</td>
</tr>
<tr>
<td>National Planning framework (NPF)</td>
<td>Helpful rhetoric around increased use of SDZ’s and shortened timelines, but little detail</td>
</tr>
<tr>
<td>Infrastructure fund (LIHAF)</td>
<td>€200m fund to address infrastructural deficits. Will be very helpful in increasing housing supply, particularly on larger sites</td>
</tr>
<tr>
<td>Cost benchmarking</td>
<td>Would be very helpful, BC(A)R costs stick out as a major headwind to efficiency</td>
</tr>
</tbody>
</table>

What do we know about the Help-to-Buy Scheme?

- Ministers indicated support in the form of a tax rebate
- Anonymous government sources reported by media that minimum support will amount to €10,000 per couple
- This compares with average mortgage loan of €197,000.
- The scheme will not be an equity loan scheme similar to the UK.
- Limited to first time buyers, with value caps.
- Scheme will be limited to new build
- Ministers have indicated any scheme will be backdated to July 19th to ensure no disruption to residential market
- Temporary VAT cut from 13% to 9.5% for new build and government top-up savings scheme also mooted
- Action Plan for Housing implies plan similar to UK Help-to-Buy mortgage guarantee, but would conflict with Central Bank lending rules.

- Housing action plan to tackle supply-side issues: [http://rebuildingireland.ie/](http://rebuildingireland.ie/)
- Tax incentives will be outlined in October Budget – possible supports for FTBs, developers
Dublin’s Importance for the Irish Economy

- Dublin accounts for 43% of Irish GDP, and together with mid-East commuter belt counties 51.4%
- Similarly, Dublin and Mid-East accounts for 42% share of total employment, still 5% off pre-recession peak
- Census 2016 results showed population growth in greater Dublin area 5.6%, double 2.5% in rest of Ireland
- Growth in the Dublin has inevitably lead to bottlenecks, evident in falling residential and commercial office and rising rents, now back to peak levels.

Irish Employment by Region

Shares of Ireland GDP by region, 2014
Impact of Brexit onto the Irish economy

Spillovers from weaker UK GDP growth
- Short-term impacts from uncertainty onto consumer & business confidence difficult to quantify
- A 1% reduction in UK GDP tends to reduce Ireland’s GDP by 0.3%, ESRI Hermes model

Additional trade channels could hurt Irish economy
- Trade: UK share in Irish goods now close to 15%, but higher in labour intensive sectors such as agriculture, food & beverages, textiles and base metals. UK share 20% in services exports.
- ESRI envisaged worst case scenario of 20% drop in trade with UK, in event of no free trade agreement, accompanied by additional non-tariff measures
- Short-term negative impact of sterling depreciation will hurt Irish exports

Foreign Direct Investment
- Ireland could see some benefit if uncertainty on EU membership hurts FDI inflows into UK
- UK attractive to FDI due to range of factors (markets, technology, tax) which will persist
- Planned cuts in UK corporation tax rate to 15% would offset negative impact of EU exit

Migration and Labour Markets
- Net migration between Ireland and UK was 60,000 through 2011-13.
- Econometric evidence reversal of outflow could have pushed down wages by 4%
- 400,000 born in ROI now resident in the UK, 230,000 born in the UK now in ROI.
**Importance of UK for Irish Trade**

- UK has been steadily declining in importance as a trading partner for Ireland
- 107,000 jobs in agriculture and 160,000 jobs in traditional manufacturing exposed to UK
- Irish exports in defensive sectors (e.g. food) that should eventually be able to push through £ price rises
- Indigenous companies also export a higher share (43%) than foreign-owned firms (11%) to the UK

### Shares of UK in Irish Goods Trade

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>Total</th>
<th>UK export share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>4.5</td>
<td>9.9</td>
<td>45%</td>
</tr>
<tr>
<td>Beverages and tobacco</td>
<td>0.3</td>
<td>1.3</td>
<td>26%</td>
</tr>
<tr>
<td>Crude materials</td>
<td>0.5</td>
<td>1.8</td>
<td>27%</td>
</tr>
<tr>
<td>Fuels and lubricants</td>
<td>0.5</td>
<td>0.8</td>
<td>59%</td>
</tr>
<tr>
<td>Chemicals and related products</td>
<td>4.1</td>
<td>64.2</td>
<td>6%</td>
</tr>
<tr>
<td>Semi-manufactures</td>
<td>1.1</td>
<td>2.1</td>
<td>54%</td>
</tr>
<tr>
<td>Machinery and transport</td>
<td>2.7</td>
<td>16.4</td>
<td>16%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1.3</td>
<td>14.2</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total goods exports</strong></td>
<td><strong>15.5</strong></td>
<td><strong>111</strong></td>
<td><strong>14%</strong></td>
</tr>
</tbody>
</table>

Source: Central Statistics Office
Key Points

Where is the Irish economy now?

- Underlying GDP growth still close to 5%, evident in employment, retail sales growth
- Ireland still at least 2-3 years behind the UK in the cycle, output gap still negative
- Employment still 6.8% off previous peak level.
- Households and companies still de-leveraging, hurting opportunities for bank lending

Homebuilding now key focus for government

- Stimulating housing supply now key focus for government to address bottlenecks in housing market, banking sector, labour market and resolving mortgage arrears
- Details of Help-to-Buy scheme and supply side initiatives due in October 11th Budget for 2017.

Impact of Brexit

- Based on past estimates flat UK GDP growth in 2017 (vs 2% baseline) could push Irish GDP growth down by 0.6pp. Additional negative impact from sterling depreciation & uncertainty could mean overall impact 1-2 percentage points.
- We had forecast Irish GDP to expand by 6% in 2016, 4% in 2017
- Direct UK export exposure diminished over time, still important in indigenous sectors. Defensive nature of Irish exports will limit the damage.
Davy Hammerson Site Visit
Presentation
September 2016

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Conall MacCoilie
conall.maccoilie@davy.ie
IRISH RETAIL PROPERTY MARKET UPDATE

September 2016
IRISH CRE PERFORMANCE

Total returns +25% in 2015 vs 19.5% YTD 2016

Source: MSCI
IRISH CRE PERFORMANCE

Strong correlation between different sectors

Source: MSCI
RELATIVE PERFORMANCE OF RETAIL
1997 – 2016(H1) – Strong correlation also between retail sectors

Retail High Street
Retail Warehouse
Retail - Shopping Centre
GROWTH IN SHOPPING CENTRE & RETAIL PARKS

No new construction in the last five year period
RENTAL GROWTH VS GDP & RETAIL SALES

Strong correlation between GDP, retail sales & rental value growth
• Excludes online retailing which in Ireland accounts for approximately 9% of sales compared with 13.2% in the UK

• Internet penetration in Ireland still lower than elsewhere in Europe
HIGH STREET VACANCY

Source: CBRE Research
RETAIL MARKET SUMMARY

- Retail recovery becoming more firmly established as evidenced by latest MSCI index for Q2 2016

- Increase in transactional activity - particularly strong demand for prime high streets and shopping centres

- Scarcity of supply a recurring theme in some locations which is frustrating new entrants and those wishing to upsize

- Food & beverage and beauty sectors particularly active

- 10-15 year term leases now the norm for prime schemes
DEALS IN NEGOTIATION

DEALS TRANSACTED
YTD 2016
DUBLIN PRIME ZONE A RETAIL RENTS

Source: CBRE Research
PRIME GRAFTON ST ZONE A RENT FORECAST

Source: CBRE Research
IRISH INVESTMENT VOLUME 2001 – 2016 (H1)

Source: CBRE Research
IRISH INVESTMENT BY INVESTOR TYPE
2006 – 2016 (H1)

- INSTITUTIONAL FUND
- INVESTMENT FUND
- PROPERTY COMPANY
- PRIVATE
- REIT
- CONFIDENTIAL
- OTHER

Billions


2006: 10% 36% 29%
2007: 20% 30% 28%
2008: 5% 75% 7%
2009: 10% 34% 4%
2010: 7% 22% 11%
2011: 25% 31% 6%
2012: 13% 7% 5%
2013: 10% 48% 4%
2014: 31% 5% 6%
2015: 13% 20% 4%
2016: 71% 48% 6%
EMEA PRIME HIGH STREET YIELDS Q2 2016

Source: CBRE Research
PRIME SHOPPING CENTRE YIELDS

Source: CBRE Research

Prime Yield  Cyclical Low (2004 - 2008)

Country: France, UK, Switzerland, Germany, Austria, Belgium, Finland, Norway, Denmark, Sweden, Ireland, Italy, Spain, Netherlands, Czech Rep, Portugal, Poland, Turkey, Slovakia, Hungary, Romania, Croatia, Serbia, Bulgaria, Greece, Russia, Ukraine

Yield: 0.0, 2.0, 4.0, 6.0, 8.0, 10.0, 12.0, 14.0
10 YEAR GOV BONDS VS PRIME YIELDS

10 Year Gov Bond Yields
Super Prime Shopping Centre Yields
INVESTMENT MARKET SUMMARY

- €2.9 billion of investment spend in H1 2016 skewed by a number of large transactions
- More secondary trading of assets & off-market trades
- Demand now increasingly focused on prime opportunities
- Focus shifting towards income generation, development opportunities and rental growth
- Continued appetite from overseas buyers and potential new entrants following Brexit
- Growing demand for development and ‘alternative’ sectors
SUMMARY

• Healthy volumes of occupational activity in all sectors against positive economic backdrop…

• Retail sales and consumer sentiment improving…

• Continued upward movement in rental values…

• Strong returns expected albeit somewhat lower than record returns achieved in the last few years…

• Investor profile continuing to evolve, greater appetite for prime – shortage of prime stock proving challenging…

• Investment remains very compelling, particularly considering the arbitrage between prime yields and Government bonds…

• Increased signs of development activity emerging but not in all sectors yet…

• Biggest threats are external…
QUESTIONS?
Value creation across the portfolio

Simon Betty  – Director of Retail, Ireland
Hammerson
Dublin
platform

KEY

DUNDUM TOWN CENTRE
DUNDUM PHASE 2 DEVELOPMENT SITE
PAVILIONS, SWORDS
ILAC CENTRE
DUBLIN CENTRAL DEVELOPMENT SITE
BLANCHARDSTOWN SHOPPING CENTRE
LIFFEY VALLEY SHOPPING CENTRE
GRAFTON STREET
THE SQUARE TALLAGHT
Pipeline of value creation

1. Immediate value-add
   Crystalising immediate income opportunities

2. Drive rental growth
   Demonstrate higher rental tone and capture income growth through new lettings; lift quality of retail and catering offer

3. Deliver development profits
   Development and extension opportunities to further strengthen centres and amplify returns
Immediate value-add

Additional income of €4.3m p.a. created since ownership

Car parking
Revised tariff structure
Cost efficiency measures

Immediate leasing deals
Units leased to Zizzi and Five Guys
Food court re-let to Aramark

Portfolio integration
On-board and train staff
Roll-out digital infrastructure
Implement best-practice customer facilities
Meaningful scope to lift rental tone

Prime Zone A rents (£/sq ft)

Footfall (million)

- Hammerson Ireland
- Other Ireland retail
- UK retail

Value creation across the portfolio
Delivering development profits

**Dundrum Village**

**Dublin Central Development site**

**Pavilions, Swords extension**

**Under-supply of residential creates opportunities**

**Planning permission already extended to 2022 (130,000m²)**

**Planning permission extended for 272,000m² space (64,000m² retail)**

27 acres of prime development land, all located in greater Dublin area

Adjacent to existing assets with good retailer and catering demand

Strong residential, office and hotel end markets

Optionality over scheme design and pace of execution

Drives long term returns and accretive to Irish platform
Dundrum Town Centre
Dundrum Town Centre is Ireland’s premier retail and leisure destination

<table>
<thead>
<tr>
<th>Opened</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenants</td>
<td>170+</td>
</tr>
<tr>
<td>Occupancy</td>
<td>99%</td>
</tr>
</tbody>
</table>

Anchor tenants:

A crown jewel in Hammerson’s portfolio

**Size:** 140,000m²

#1 in shopping centre portfolio

**Footfall:** 18.3m

#2 in shopping centre portfolio

**Centre sales:** £360 million p.a.

#3 in UK shopping centre portfolio

**LfL sales growth:** +5% (H1 2016)

**Unexpired lease-term:**
To expiry: 13.8 years (Hammerson UK SC 9.2 years)
To break: 11.2 years (Hammerson UK SC 6.3 years)

**Capital value:** £9,200 psm

#6 in shopping centre portfolio

Value creation across the portfolio: Dundrum
Dundrum has a young, affluent, international catchment

1.96 million residents (307,000 primary)
Affluent catchment (72% ABC1 category)
50% of city population is aged under 25
Main employers in catchment: RSA, Allianz, Salesforce, Microsoft, Vodafone
Higher average spend than any other regional shopping centre in Ireland

Two LUAS tramline stops (13 mins city centre)
Car access from M50

Greater Dublin population (‘000)

+5% increase; c.20,000 p.a.

Value creation across the portfolio: Dundrum
The gateway to Ireland for many retail and catering concepts

Dundrum has 30+ retail 'firsts' for Ireland

Value creation across the portfolio: Dundrum
Strong rental growth prospects

Immediate re-rating, then forecast 4-5% p.a. ERV growth

- Supportive market backdrop
- Asset management initiatives
- Rent reviews

Value creation across the portfolio: Dundrum
Deploy Product Experience Framework

Commercialisation

Leverage UK experience and relationships

UK SC commercialisation 6% NRI vs. 3%
Dundrum (8% Ilac; 3% Pavilions)

Limited focus during NAMA ownership

+€1m p.a. from 2017 onwards

Digital and marketing

Launch Hammerson Plus App

Install iBeacons to communicate relevant, personalised offers

Strategic, insight-driven marketing

Multichannel partnerships not yet present in Dublin (e.g. Amazon lockers, Doddle kiosks)
Dundrum sits at the heart of the local community

**Selected retail centre Facebook likes**

<table>
<thead>
<tr>
<th>Centre</th>
<th>Facebook likes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westfield London</td>
<td>355,000</td>
</tr>
<tr>
<td>Westfield Stratford</td>
<td>209,000</td>
</tr>
<tr>
<td>Bullring, Birmingham</td>
<td>198,000</td>
</tr>
<tr>
<td>Dundrum Town Centre</td>
<td>178,000</td>
</tr>
<tr>
<td>Les Quatre Temps, Paris</td>
<td>166,000</td>
</tr>
<tr>
<td>Bluewater</td>
<td>132,000</td>
</tr>
</tbody>
</table>

*200-seat Mill Theatre*  
*Christmas 2015*  
*Sponsor of Ladies Day at Dublin Horse Show*  
*Runway Rules 2014*  
*Christmas 2013*  
*Autumn/Winter Fashion Show 2014*
Dundrum Village development: large strategic site adjacent to Dundrum Town Centre

- **Land area**: 6 acres
- **Investment stake**: 50% (JV with Allianz)
- **Contracted rent from existing retailers** (e.g. Lidl, Post Office, Dealz)
- **€1.4m** (100%)

- Major Town Centre designation
- Zoned for mixed-use development
- Highly desirable residential location
- Helpful topography supports density

Value creation across the portfolio: Dundrum
Pavilions, Swords
Pavilions, Swords: asset initiatives

**Immediate asset opportunities (1-2 yrs)**
Improve tenant mix with continued focus on international brands
Manage outstanding rent reviews in 2016/2017
Commence restaurant/cinema development – 100% pre-let

**Medium term asset opportunities (3-5 yrs)**
Improve first floor integration through rightsizing existing retailers

**Opportunities for development (1)**
A 2-level retail-led scheme with new restaurant units and 1,000 parking spaces
Potential for c.400 residential units
Government commitment to Metro north a potential game-changer

(1) 16 acre site for development adjacent to The Pavilions shopping centre would be owned 100% by Hammerson, outside of the co-ownership with IPUT and Irish Life
Ilac Shopping Centre
## Ilac Shopping Centre: asset initiatives

### Immediate asset opportunities (1-2 yrs)
- Improve tenant mix focusing on value-driven fashion brands and homeware
- Commence Moore Mall South - 77% (4 out of 5 units) under offer
- Drive additional commercialisation revenue

### Medium term asset opportunities (3-5 yrs)
- Reconfigure central square and combine with first floor library to create high quality MSU accommodation
- Completion of Luas works

### Long term opportunities (+5 yrs)
- Integrate with Dublin Central
Dublin Central
Central Dublin retail
Dublin Central: a unique development site adjoining the Ilac Centre

---

**Rare opportunity**
One of the largest and best-positioned urban development sites in Europe

**Prime location**
Over 230m of frontage onto Henry / O’Connell Street
30 million footfall
Established public transport system and planned extension

**Enviable scale and irreplaceable opportunity**
Unique >5 acre site assembled over a decade

**Planning**
Permission granted for a large scale (130,000m²) mix of uses
Flexibility to pursue numerous development scenarios sympathetic to the neighbourhood's history
Planning permission extended to 2022

**Upside drivers**
Opportunity for Hammerson to leverage its city centre development expertise
John Lewis recently opened in Arnotts

---

(1) Chartered Land has an option to purchase 50% of Dublin Central that expires June 2017

---

Value creation across the portfolio: Dublin Central 71
Conclusion

High quality portfolio concentrated in greater Dublin area

Positive macro backdrop grounded in solid fundamentals

“Anchored” by Dundrum, Ireland’s premier retail centre

Embedded rental value growth being captured by leasing deals and rent review settlements

Development profits to boost medium term performance
Asset details
## Summary of Hammerson’s Dublin Portfolio

<table>
<thead>
<tr>
<th>Asset</th>
<th>Description</th>
<th>Size</th>
<th>Hammerson ownership</th>
<th>Passing rent p.a. as at 30 June 2016 (Hammerson share)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dundrum</strong></td>
<td>Ireland’s premier retail and leisure destination</td>
<td>140,000m²</td>
<td>50% JV with Allianz</td>
<td>€29.9m</td>
</tr>
<tr>
<td><strong>Dundrum Village</strong></td>
<td>Strategic development opportunity adjoining Dundrum with previous planning for a 110,000m² retail-led scheme</td>
<td>6 acres</td>
<td>50% JV with Allianz</td>
<td>€0.6m</td>
</tr>
<tr>
<td><strong>Pavilions, Swords</strong></td>
<td>Well-connected regional shopping centre in Northern Dublin</td>
<td>46,000m²</td>
<td>50% co-ownership (1)</td>
<td>€7.2m</td>
</tr>
<tr>
<td><strong>Pavilions development site</strong></td>
<td>Large plot with planning consent for 110,000m² mixed-use development</td>
<td>16 acres</td>
<td>100%</td>
<td>€0.7m</td>
</tr>
<tr>
<td><strong>Ilac Centre</strong></td>
<td>High-footfall centre in heart of Henry Street retail area</td>
<td>27,000m² (4)</td>
<td>50% co-ownership (2)</td>
<td>€4.9m</td>
</tr>
<tr>
<td><strong>Dublin Central</strong></td>
<td>Significant urban development site in core Dublin retail zone, adjacent to Henry Street and O’Connell Street</td>
<td>5 acres</td>
<td>100% ownership (3)</td>
<td>€2.0m</td>
</tr>
</tbody>
</table>

(1) Co-owners are Irish Life (25%) and IPUT (25%). Current loan interest: completion of Hammerson co-ownership subject to pre-emption and regulatory processes.
(2) Co-owners are Irish Life (50%). Current loan interest: completion of Hammerson co-ownership subject to pre-emption and regulatory processes.
(3) Development manager is Chartered Land which has an option over a 50% investment in the development project prior to 1 June 2017.
(4) Excluding two Dunnes stores and Debenhams not owned: 15,000m²
<table>
<thead>
<tr>
<th>Hammerson costs</th>
<th>€m</th>
<th>£m&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial loan acquisition (50%)</td>
<td>936</td>
<td>793</td>
</tr>
<tr>
<td>Balancing payment to Allianz, fees, transaction costs and taxes – phased through H2 2016</td>
<td>293</td>
<td>248</td>
</tr>
<tr>
<td>Total consideration</td>
<td>1,229</td>
<td>1,042</td>
</tr>
</tbody>
</table>
Ireland platform within Hammerson’s portfolio

### Hammerson shopping centres by size

<table>
<thead>
<tr>
<th>Shopping centre</th>
<th>Size (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dundrum Town Centre, Dublin</strong></td>
<td>140,000</td>
</tr>
<tr>
<td>Bullring, Birmingham</td>
<td>128,000</td>
</tr>
<tr>
<td>Cabot Circus, Bristol</td>
<td>109,600</td>
</tr>
<tr>
<td>Highcross, Leicester</td>
<td>106,000</td>
</tr>
<tr>
<td>Silverburn, Glasgow</td>
<td>99,800</td>
</tr>
<tr>
<td>Brent Cross, London</td>
<td>84,900</td>
</tr>
<tr>
<td>WestQuay, Southampton</td>
<td>76,500</td>
</tr>
<tr>
<td>The Oracle, Reading</td>
<td>70,700</td>
</tr>
<tr>
<td>O’Parinor, Aulnay-sous-Bois</td>
<td>67,700</td>
</tr>
<tr>
<td>Centrale, Croydon</td>
<td>64,700</td>
</tr>
<tr>
<td>Les 3 Fontaines, Cergy-Pontoise</td>
<td>64,000</td>
</tr>
<tr>
<td>Les Terrasses du Port, Marseille</td>
<td>63,000</td>
</tr>
<tr>
<td>Italie Deux, Paris 13ème</td>
<td>57,300</td>
</tr>
<tr>
<td>Espace Saint Quentin</td>
<td>53,700</td>
</tr>
<tr>
<td>Union Square, Aberdeen</td>
<td>51,700</td>
</tr>
<tr>
<td><strong>Pavilions, Swords, Dublin</strong></td>
<td>46,000</td>
</tr>
<tr>
<td>Place des Halles, Strasbourg</td>
<td>40,000</td>
</tr>
<tr>
<td>Grand Central, Birmingham</td>
<td>40,400</td>
</tr>
<tr>
<td><strong>Ilac Shopping Centre, Dublin</strong></td>
<td>27,000</td>
</tr>
<tr>
<td>Jeu de Paume, Beauvais</td>
<td>24,100</td>
</tr>
<tr>
<td>Saint Sébastien, Nancy</td>
<td>24,000</td>
</tr>
<tr>
<td>Nicetoile, Nice</td>
<td>19,600</td>
</tr>
<tr>
<td>Victoria Quarter, Leeds</td>
<td>19,100</td>
</tr>
<tr>
<td>SQY Ouest, Saint Quentin-en-Yvelines</td>
<td>17,600</td>
</tr>
</tbody>
</table>
Dundrum asset plan Level 1: aspirational retail offer and dining quarter
Dundrum asset plan Level 2: mainstream fashion brands
Dundrum asset plan Level 3: opportunity to improve catering offer and reposition food court
Pavilions, Swords: well-connected and convenient shopping centre in North Dublin

Investment stake \(^{(1)}\)
50% (IPUT (25%) and Irish Life (25%))

Size
46,000m\(^2\)

Catchment
1 million

Annual footfall
12 million

% leased
99%

WAULT to expiry/to break
11 yrs/7 yrs

Contracted rent (100% of centre)
€15 million

Prime location
Swords, North Dublin, adjacent to main regional motorway
Over 600m of prime road frontage, allowing excellent visibility
2,000 parking spaces

Loyal customer base
Average customer visits 59 times per year
Young, high spending demographic with 41% of visitors aged 24-44
Well-let tenant mix with 75 units and a cinema

Scope for expansion\(^{(1)}\)
Planning permission granted for a 1.2m sq ft mixed use (0.7m sq ft retail) extension that would make Pavilions a regional centre with a larger catchment area

Top tenants

<table>
<thead>
<tr>
<th>DUNNES STORES</th>
<th>next</th>
<th>T.K.MAXX</th>
<th>H&amp;M</th>
<th>River Island</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZARA</td>
<td>ARGOS</td>
<td>Mango</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Ownership subject to pre-emption with co-owners IPUT and Irish Life. Development site adjacent to The Pavilions shopping centre owned 100% by Hammerson
Pavilions, Swords: Lower level
Pavilions, Swords: Upper level
Ilac Centre: situated at the heart of Dublin’s retail core

<table>
<thead>
<tr>
<th>Investment stake</th>
<th>50% (Irish Life (50%))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>27,000m²</td>
</tr>
<tr>
<td>Annual footfall</td>
<td>18 million</td>
</tr>
<tr>
<td>% leased</td>
<td>99%</td>
</tr>
<tr>
<td>WAULT to expiry/to break</td>
<td>10 yrs/5 yrs</td>
</tr>
<tr>
<td>Contracted rent (100% of centre)</td>
<td>€10 million</td>
</tr>
</tbody>
</table>

Prime location
In the heart of Dublin’s premier shopping area on Henry Street
Frontage onto Dublin Central development site

Diverse mix of 80+ retailers and catering units
Footfall supported by two large anchors (Dunnes stores and Debenhams (3))

€60m refurbishment
Carried out in 2008 to improve internal design, external frontages and lighting

Easily accessible
Bus; Luas; 1,000 space car park

Upside drivers
Improve tenant mix leveraging expertise and 5 years WALT to break
Refurbish Moore Mall, untouched in 2008

Top tenants

(1) Ownership subject to pre-emption with co-owners Irish Life
(2) Excluding two Dunnes stores and Debenhams not owned: 15,000m²
(3) Dunnes Stores and Debenhams are not within portfolio ownership
Ilac Centre
The team in Dublin

Simon Betty
Director of Retail, Ireland

Simon joined Hammerson in 2006 with responsibility for a number of retail regeneration projects. In 2011 he took on responsibility for Investor Relations and Corporate Strategy activities, and subsequently was responsible for improving business performance and efficiency.

Simon was appointed Retail Director for Ireland in 2015, following the Company’s acquisition of the Project Jewel loan portfolio from NAMA.

Simon is a Chartered Surveyor and has an MBA from Cass Business School.

Kevin Nolan
Finance Director, Ireland

Kevin joined Hammerson in February 2016. Kevin is an FCCA and comes to Hammerson with 20+ years international experience in finance and accounting, having worked for the last 14 years in global energy conglomerate Royal Dutch Shell PLC with assignments in London, Dublin and Aberdeen.

Kevin brings a proven track record in delivering performance management outcomes across multi-billion dollar business operations and complex project development environments.

Robert Van Vliet
Asset Manager

Robert joined Hammerson in 2011 on the inaugural graduate programme. Following 2.5 years of rotations around several departments in the business he qualified as a member of the RICS in April 2014.

After his qualification he became the asset manager of The Oracle Shopping Centre in Reading.

In February 2016 he relocated to Dublin to work as asset manager on the acquisition and onboarding of Project Jewel.
The team in Dublin

Claire-Ann Minogue  
Asset Manager

Claire-Ann has worked in the property industry for over 15 years, beginning her career at Crossridge Investments limited, the owners and developers of Dundrum Town Centre.

She joined Chartered Land in 2010 and moved into retail and office asset management. She is currently the asset manager of Dundrum Town Centre.

Claire-Ann is a member of the Institute of Chartered Accountants, RICS and the SCSCI and is a graduate of University of Limerick (B. Acc & Fin).

Andrew Diggins  
Asset & Development Manager

Andrew has worked in the retail property industry for over 25 years. He began his career at Primark, managing their largest Irish stores for 10 years. He then moved into shopping centre management, then shopping centre asset management.

Andrew currently is the asset manager for the Dublin Central development site, the Ilac Centre and Pavilions, Swords.

Andrew has a Diploma in Shopping Centre Management, a Masters in Real Estate and an MBA in Retail. He is a member of RICS and the SCSI.

Laura Bergin  
Commercialisation Manager

Laura joined Hammerson in September 2016, having previously held marketing positions at two of Dublin’s most iconic department stores, Clerys and Arnotts.

She has a BA in Media Studies and English, along with a PRII Diploma in Public Relations. Laura’s experience spans events, advertising, digital media and brand partnerships.
The team in Dublin

**Neil McDermott**
Financial Controller

Neil joined Hammerson in September 2016, from KPMG Ireland, where he undertook an ACA training contract.

Neil holds degrees in structural engineering and business, and has previously worked in engineering and management consulting in the UK and Ireland.

**Kevin McGowan**
Facilities & Development Manager

Kevin has over 35 years’ experience working in the private healthcare and commercial retail sectors, providing seamless integration between low energy conscious design and economic application of services.

A graduate in engineering, he has worked on projects such as Dublin’s Blackrock Clinic, Grand Canal Theatre Offices and Dundrum.

He recently joined Hammerson where he is responsible for the group facilities portfolio, focussing on energy conservation, sustainability and development.

**Jean Lawrie**
Team administrator

Jean has worked in the property industry for over 10 years.

She was PA/ Administration Assistant to Joe O’Reilly and the Chartered Land team from 1996, and joined Hammerson in July 2016 as PA/ Administration assistant to Simon Betty and the Irish team.
The team in Dublin

Don Nugent
Centre Director, Dundrum Town Centre

Don started his career at Brown Thomas on the sales floor before progressing to General Manager. He was appointed Centre Director of the Square, Tallaght and subsequently held roles at Clerys and Dunnes.

Don became Centre Director of Dundrum Town Centre in October 2003. Don has a qualification in marketing and received the Sceptre UK & Ireland Shopping Centre Manager of the Year Award.

Don is also a regular retail commentator in the Irish media and is a council member of Retail Ireland.