

29 July 2019

Hammerson sells major stake in Italie Deux for £423m **Over 90% of 2019 disposal target reached**

Hammerson plc (“Hammerson”) has exchanged contracts with AXA Investment Managers - Real Assets (“AXA IM - Real Assets”), a global leader in real asset investments and the leading real estate portfolio and asset manager in Europe, acting on behalf of clients, for the sale of a 75% stake in the Parisian shopping destination Italie Deux, and the forward sale of 75% of the Italik extension for a total of £423m (€473m).

The disposal reflects a 4.1% net initial yield on Italie Deux. The total sale price represents a 8.5% discount to December 2018 book value and marginally below end of June 2019 book value.

As part of this transaction Hammerson will complete the Italik extension, with a projected cost to complete of £18m as at 30th June 2019, in addition to other committed refurbishment works.

Italie Deux is located on the left bank of Paris and provides a unique mix of retail, leisure and cultural space. Welcoming over 12m visitors a year, leading brands within the flagship destination include Printemps, Fnac, Zara, Sephora and Carrefour. A 1,000-seat theatre, Le 13^{ème} Art, also opened in the centre in September 2017, offering a new cultural scene in Paris. A partnership has recently been signed with one of the main theatres in Paris, le Théâtre de la Ville.

The 6,400m² Italik extension, will deliver a further 1,900m² of retail, 1,800m² of F&B, 1,500m² of co-working and innovative activities, and 1,200m² of events and leisure space. Italik is due to open in September 2020 and is already 41% pre-let. Closing of the transaction relating to the extension will take place 18 months after the extension completes.

News Release

The new joint venture follows the creation of the first partnership with AXA IM - Real Assets in 2014 at Hammerson's flagship destination, Cabot Circus. As with the existing joint venture in Bristol, Hammerson will continue to manage the French flagship destination.

The latest transaction takes Hammerson's total disposals in 2019 to £456m and over 90% of its £500m target for the year. This follows the sale of £33m of retail park assets in the first half of the financial year.

The Italie Deux element of the transaction is expected complete in autumn 2019 and the proceeds will be used to reduce debt and build further balance sheet strength. Following the deal, Hammerson's net debt stands at £3.1bn on a pro forma basis.

David Atkins, Hammerson Chief Executive, said: *"This transaction provides an opportunity to realise substantial disposal proceeds whilst also retaining an interest in a high quality European destination with a long term partner."*

"Our number one priority is to reduce debt and build balance sheet strength. This transaction means we have reached over 90% of our 2019 disposal target. We are in advanced negotiations on additional asset sales and the creation of this joint venture once again highlights the appetite for investors to partner with skilled sector specialists."

John O'Driscoll, European Head of Transactions at AXA IM - Real Assets added: *"This transaction provides us with a fantastic opportunity to secure access, on behalf of clients, to a prime central Paris retail destination. Italie Deux is a major, well anchored shopping centre with an attractive catchment and strong track record of performance located in a key global city."*

News Release

“While we have seen a build-up of increasingly negative sentiment toward the retail sector where all assets, regardless of their operational performance and other compelling fundamentals, are viewed similarly, we believe that shopping centres with characteristics such as these will maintain their relevant position in the retail universe over the long term. We are delighted to be working with the Hammerson team to realise the significant future potential of this asset.”

ENDS

Hammerson has its primary listing on the London Stock Exchange and a secondary inward listing on the Johannesburg Stock Exchange.

Press Contacts

Hammerson

Catrin Sharp, Head of Corporate Communications

Tel: +44 20 7887 1063

Catrin.sharp@hammerson.com

FTI Consulting (for Hammerson)

Dido Laurimore

Tel: +44 20 3727 1000

Dido.Laurimore@FTIConsulting.com

Notes to Editors

Hammerson

Hammerson create vibrant, continually evolving spaces, in and around thriving European cities, with a focus on flagship retail destinations and Premium Outlets. As of 30th June 2019, our portfolio of high-quality venues had a value of £9.5 billion and includes 21 flagship destinations, 12 convenient retail parks and investments in 20 premium outlet villages, through our partnership with Value Retail and the VIA Outlets joint venture. Key retail venues include, Bullring & Grand Central, Birmingham, Bicester Village, Oxfordshire, Freeport Lisboa Fashion Outlet, Lisbon, Dundrum Town Centre, Dublin; and Les Terrasses du Port, Marseille. We manage over 2,000 brand relationships and during trading hours, over 80,000 people visit our shopping centres hourly across our flagship destinations in the UK, France & Ireland.