There are a few key themes that I would like you to take away from today's presentation.

First, our operational performance is sound with income growth this year and beyond.

Second, we are not dependent on a single market or sector and we have continued to benefit from our substantial investment in France.

Finally, the strategy that we have followed for several years, focusing on high quality assets and maintaining a strong financial position, means that we are well placed despite the current difficult markets.

FINANCIAL PERFORMANCE

Six months to 30 June 2008

Adjusted profit before tax	£60.5 million	+10.4%
Adjusted earnings per share	20.3 pence	+10.3%
Interim dividend per share	12.6 pence	+5.0%
NAV per share (EPRA basis)	£13.92	- 9.9%

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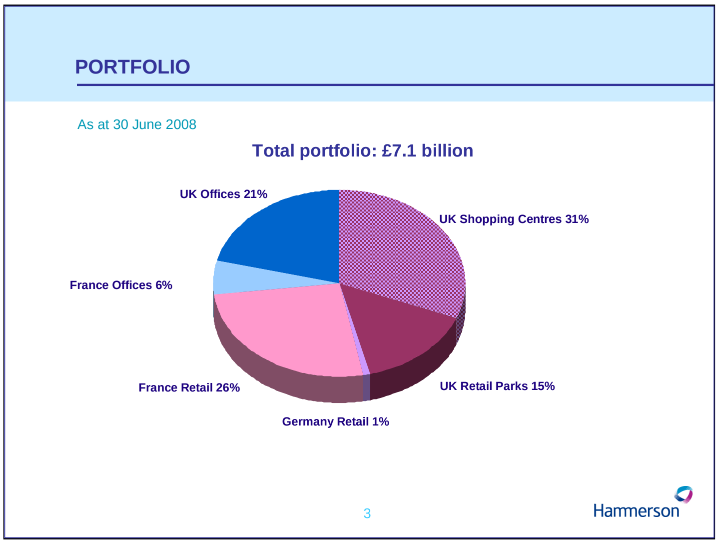
Adjusted profits and earnings were both up by around 10%. We have increased the interim dividend by 5%.

Net asset value per share declined by 9.9%, reflecting an underlying fall in the value of the portfolio of 6.4%.



The portfolio was valued at £7.1 billion at 30 June with investment properties accounting for £5.9 billion of the total.

We believe there are clear benefits of diversification, by geography and by sector, but we have been careful to ensure that we are not spread too thinly.

Nearly 75% of the portfolio is in the retail sector in the UK and France. This is complemented by our investment in the more cyclical office markets in London and Paris.

PORTFOLIO DATA

As at 30 June 2008

		Occupancy %	Unexpired lease term years
UK	Shopping Centres	98.0	10.4
	Retail Parks	97.1	14.2
	Offices	99.6	14.2
France	Retail	97.0	4.5
	Offices	93.7	5.4
Group		97.7	10.1

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Hammerson

This chart reflects the very high quality of our portfolio and its income stream.

We have maintained the high occupancy level in our investment portfolio at 97.7% and the average unexpired lease term is over ten years.

Our rent collection record remains very good. For the most recent quarter, 96.5% of the total rent was received within seven days of the due date. That was marginally better than for the same period last year.

We benefit from having a broad spread of tenants. For the first half of 2008 the cost of bad debts was £957,000.

CURRENT MAJOR DEVELOPMENTS

- Six schemes underway – total cost £960 million
- Costs to 30 June £700 million
- Value at 30 June £864 million
- Forecast income £72 million
- Estimated yield on cost 7.5%
- Five projects completing in H2 2008; one in H2 2009

5 Hammerson

At 30 June six major schemes were underway at a total cost of £960 million. Of this £260 million remains to be spent.

Overall the surpluses on these schemes amounted to £164 million at 30 June.

Our projected income from these schemes is £72 million, equivalent to a 7.5% yield on cost.

Five of these schemes will have completed by the end of this year. So at that time developments will account for around 8% of the total portfolio.

As you have seen from the summary, the first six months of 2007 saw a weakening of values in the UK but a resilient operational performance.

NET RENTAL INCOME

Six months to 30 June	2008 (£million)	2007 (£million)
Properties owned throughout	134.6	128.9
Acquisitions	8.4	2.2
Developments	1.9	1.0
Properties sold	0.9	11.6
Exchange translation and other	-	(5.4)
Net rental income	145.8	138.3

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Hammerson

For properties owned throughout 2007 and 2008, rental income increased by £5.7 million to £134.6 million, giving a like-for-like increase of 4.4%. We benefited both from indexation in France and new lettings in the UK.

Developments added little income in the first half of the year, but we can look forward to a strong contribution in 2009 and 2010, following this year's completions.

ADJUSTED EARNINGS

Six months to 30 June	(£ million) 2008	2007
(Loss)/Profit before tax	**(417.1)**	367.8
Adjustments:		
Loss on the sale of investment properties	**2.1**	0.5
Revaluation losses/(gains) on investment properties	**407.4**	(323.4)
Revaluation losses on development properties	**55.2**	-
Bond redemption costs	**-**	0.1
Asset impairment	**17.0**	-
Change in fair value of derivatives	**(4.1)**	9.8
	477.6	(313.0)
Adjusted profit before tax	**60.5**	54.8
Current tax and minority interests	**(1.6)**	(1.7)
Adjusted earnings	**58.9**	53.1

Adjusted earnings per share	**20.3p**	18.4p
Dividend per share	**12.6p**	12.0p

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This slide reconciles the reported loss for the six months to adjusted profits. On the sixth line you will see the costs of £17 million associated with the St. Alphage site.

I would draw your attention to the adjusted profit before tax of £60.5 million, an increase of £5.7 million, or 10.4% on the first half of 2007.

The main reasons for this increase were:	£m	£m
New leases	3.0	
Indexation in France	2.4	
Reduced overhead	1.0	
Disposals in 2007 net of acquisition	4.0	
		10.4
These were partially offset by:		
Interest on REIT conversion tax	(2.7)	
Exchange loss on interest accrued	(2.3)	
		(5.0)
		5.4

CASH FLOW

Six months to 30 June		2008		2007
		(£ million)		
Cash generated from operations		160		150
Net interest		(134)		(103)
Tax		(112)		(1)
Cash flows from operating activities		(86)		46
Property and corporate acquisitions	(123)		(112)	
Capital expenditure	(191)		(153)	
Investments	-		(20)	
Disposals	73		-	
		(241)		(285)
Dividend		(47)		(44)
Net cash flow before financing		(374)		(283)

Hammerson

The first half of the year saw a cash outflow of £374 million.

There were three principal elements to this:	£m
Tax payments including the REIT conversion charge	112
Capital expenditure on developments	191
Acquisitions including the City Corporation's interest in Bishops Square	123
	426

These were partly offset by asset disposals of £73 million.

Looking ahead, future commitments under the development programme are £285 million of which around £130 million is likely to be spent in 2008 and the balance in 2009.

BALANCE SHEET

(£ million)

	30 June 2008	31 Dec 2007
Property assets	**7,093**	7,275
Net debt	**(3,006)**	(2,496)
Other net liabilities	**(56)**	(324)
	4,031	4,455
Deferred tax	**(111)**	(100)
Equity shareholders' funds	**3,920**	4,355

EPRA NAV per share	**£13.92**	£15.45
Gearing	**77%**	57%

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Net debt in the first six months increased by £510 million to £3,006 million. This reflected the cash outflow of £374 million and the effect of the strengthening of the Euro, which caused net debt to increase by £123 million.

There was an underlying decline in value of the group's properties of nearly £500 million and that was the main reason for the reduction in net assets to £3.9 billion.

The combination of increased debt and lower net assets resulted in an increase in gearing to 77% at the end of June.

CAPITAL RETURNS

Six months to 30 June 2008

	Shopping Centres		Retail Parks		Offices		Total	
	Value £m	Capital return %	Value £m	Capital return %	Value £m	Capital return %	Value £m	Capital return %
UK	2,185	(8.0)	1,097	(13.1)	1,470	(8.1)	4,752	**(9.2)**
France	1,712	2.9	144	(4.0)	393	(7.8)	2,249	**0.3**
Germany	92	(4.0)	-	-	-	-	92	**(4.0)**
Total	**3,989**	**(3.6)**	**1,241**	**(12.1)**	**1,863**	**(8.1)**	**7,093**	**(6.4)**

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Overall the capital return was a negative 6.4 % in the first half of 2008. The value of our French retail assets increased by 2.3%, but otherwise all sectors showed negative capital returns. These were almost entirely due to higher valuation yields.

INVESTMENT PORTFOLIO YIELD MOVEMENTS

		Yield Change H1 2008	Yield Change H2 2007	Equivalent Yield 30 June 2008
UK	Shopping Centres	**+50 b.p.**	+35 b.p.	5.6%
	Retail Parks	**+75 b.p.**	+55 b.p.	6.0%
	Offices	**+45 b.p.**	+75 b.p.	6.2%
France	Retail	**unchanged**	unchanged	4.5%
	Offices	**+40 b.p.**	unchanged	4.8%
Group		**+35 b.p.**	+40 b.p.	5.4%

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This slide summarises the changes in yield for the first half of 2008 and also shows the changes in the second half of 2007.

Overall increased yields reduced values by £504 million.

Comparing the first half of this year with the second half of last year, there was an acceleration in the rate of decline in the value of our UK retail assets. Rental values in the UK retail portfolio were generally unchanged, although there were some reductions for certain assets. For London offices we saw a decline in rental values overall.

Turning to France, you will see that yields increased for our two principal office investments. As far as French shopping centres are concerned we saw continued increases in income and unchanged yields.

NAV ANALYSIS

	EPRA shareholders' funds[1] (£ million)	EPRA NAV[1] (£ per share)
31 December 2007	4,474	15.45
Revaluation - equity changes	(2)	(0.01)
- income changes	(463)	(1.60)
Retained profit (excl. revaluations)	36	0.12
Dividend	(44)	(0.15)
Exchange and other movements	37	0.11
30 June 2008	4,038	13.92

Notes
1) Excluding deferred tax and fair value of derivatives

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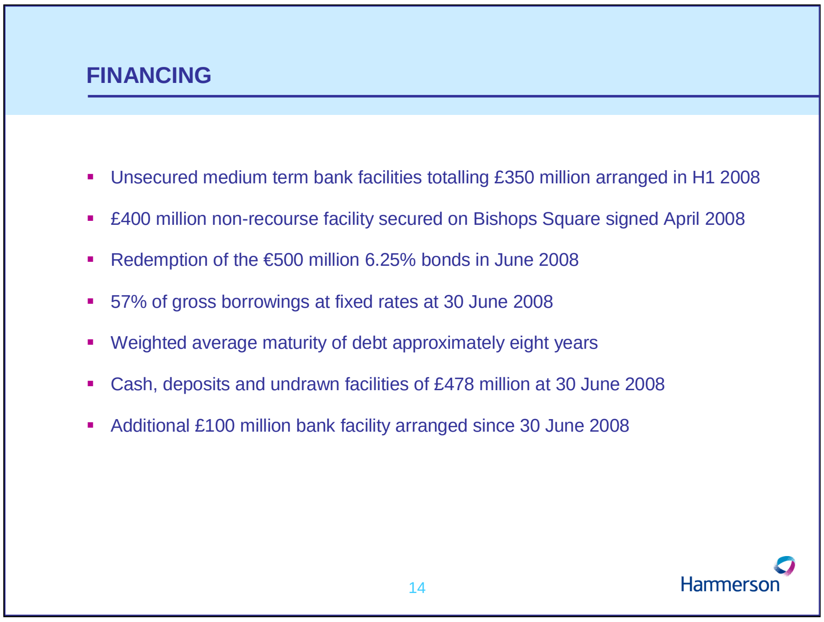
The reduction in net asset value per share is summarised here and highlights the effect of the portfolio revaluation.

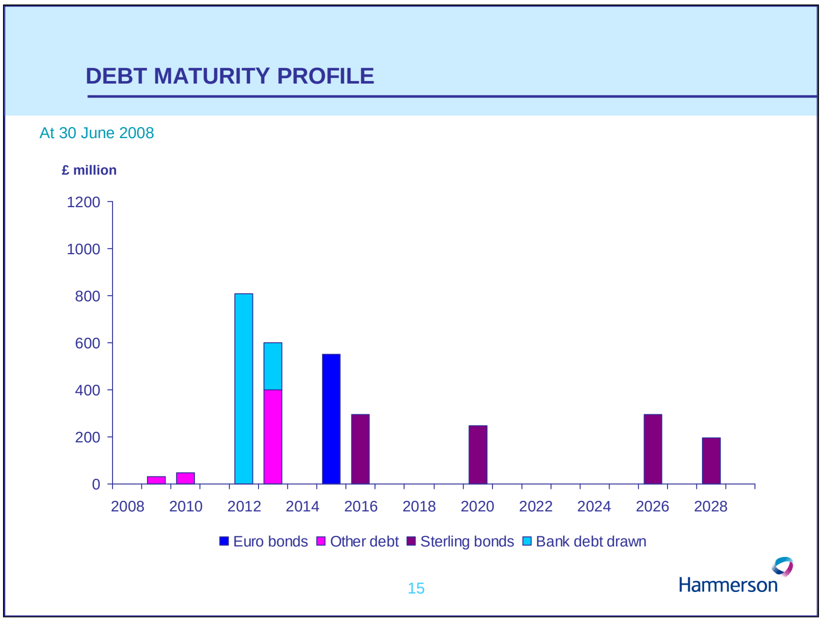
We derived some benefit from the strength of the Euro which increased net assets per share by 11 pence.



We have approached our financing on the basis that the current restrictive debt markets will continue at least until the end of 2009.

We have been successful in raising additional debt during the last seven months, refinancing the Eurobonds that matured in June and ensuring that the commitments under the development programme can be met comfortably.

At the end of June the group had undrawn facilities and cash of £478 million, whilst an additional facility of £100 million has been completed since then.



Looking at our debt maturity profile, the first significant maturities for drawn debt do not occur until 2012, when the principal bank facilities mature. Other debt maturities range from 2013 to 2028.

In conclusion, the considerable uncertainties in the financial markets have directly affected the value of Hammerson's property portfolio. However, it is encouraging that we are both in a strong financial position and seeing underlying profits growth.

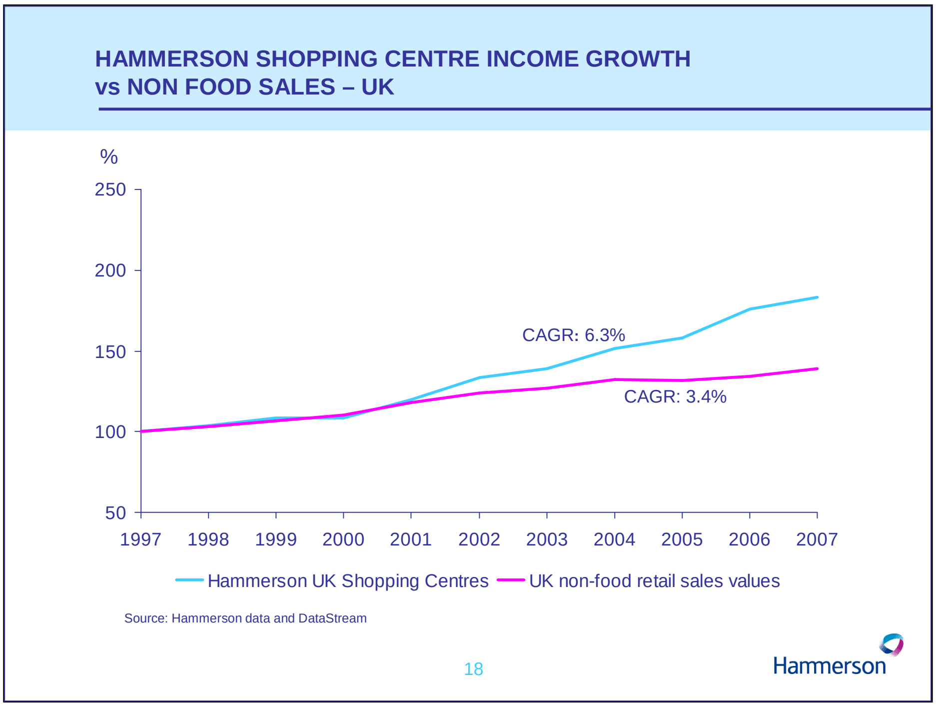

MARKETS AND PORTFOLIO REVIEW
John Richards

Consumer confidence is still declining, which is affecting their willingness to spend. We anticipate that consumer spending will remain constrained and that conditions for retailers will remain challenging well into 2009.

However, I should remind you that our business is retail real estate, not retailing. In the short term, retailer trading performance has only a marginal effect on the rents we receive. Our spread of investments and the UK lease structure insulates us from the economic impact of the month-to-month fluctuations in sales experienced by individual retailers. Over the long term, prime retail rents have shown a consistent upward trend.

As mentioned, rental values at our shopping centres have proven resilient. When we have had a unit to let within our existing schemes, the rent-free period has generally been around six months. Whilst for major shopping centre developments, retailers are looking for a rent-free period of about two years.

I want to show you a graph showing the performance of Hammerson's shopping centres in the UK.



Over the last ten years, on a like-for-like basis, income at our major UK centres has risen at an annual average compound rate of growth of 6.3%. This compares with growth of 3.4% per annum for non-food retail sales.

This is one of the reasons why our portfolio has a high allocation to dominant regional shopping centres. They provide a broad and attractive mix of retailers, which particularly appeal to fashion shoppers, together with restaurants and leisure facilities.

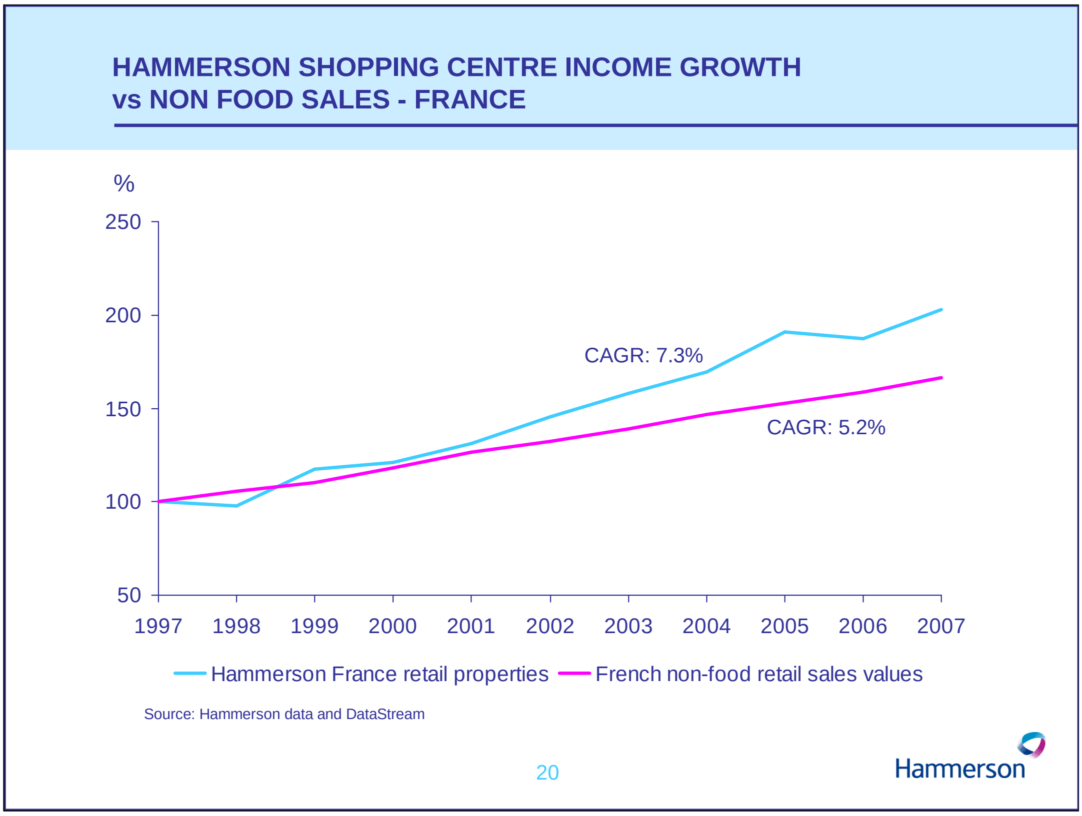
Our objective remains to invest in those locations where we can expect to achieve above average growth in our income.

In France, consumer confidence has also fallen, reflecting higher food, fuel and energy prices. Consequently, non-food retail sales growth softened in the first half of 2008.

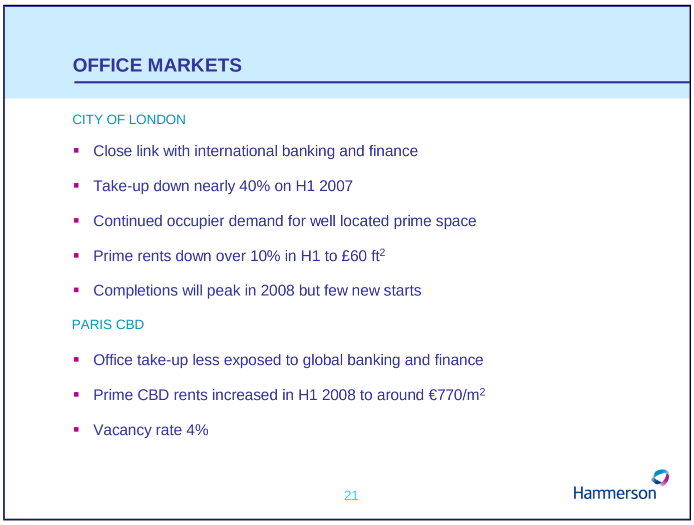
However, with recent falls in unemployment and less personal debt, French consumers appear better placed to maintain spending during a period of economic weakness.

With an indexation rate of 5.1% applying to most leases from 1 January 2008, French retail rents continued to grow in the first six months of the year. The French parliament has recently approved a package of reforms which included a new basis for indexation of retail leases and a slight relaxation of the system for retail planning consents.

Our retail business in France has a similar story of out-performance to that in the UK.



Over the last ten years our income has grown at 7.3% per annum compound, whilst non-food retail sales in France have risen at a compound rate of 5.2% per annum.



London remains one of the key global financial and business centres. So the problems being experienced by the financial sector are having a direct adverse impact upon the London office market, particularly in the City. Occupier take up was quite good in Q1 but fell significantly in Q2, accompanied by a slight reduction in rents. Rent-free periods increased and now average around 30 months for a 15-year lease. Nevertheless, high quality office space in the best City locations continues to attract occupiers.

With less exposure to the financial sector, demand for space in central Paris has been less affected than London, and prime rents increased in the first half of 2008 to around €770/m^2. The relatively short duration of French office leases also encourages turnover as occupiers seek to move to better quality space. In central Paris, little new space has come onto the market and vacancy rates remain low.

Our strategy for offices is to exploit the cycles. However, given the inherently more volatile nature of the office markets we would not expect to commit more than 30% of the total portfolio to the office sector.

We remain alert to the opportunities that may be presented by the weaker market. I should remind you that some of Hammerson's most successful schemes in the past have come about as a result of well-timed purchases in distressed markets.

INVESTMENT MARKETS

- Continuing problems in the international debt markets
- Debt finance available on more restrictive terms
- Equity investors generally on sidelines
- UK values have fallen by around 20% since June 2007
- France less affected but values softening

22 Hammerson

The problems within the international banking community are having an adverse impact on real estate markets globally. There is significant equity capital available, but these investors are tending to remain on the sidelines until there is greater visibility in the market.

Looking at the UK investment market, the first half of 2008 saw limited availability of capital and falling property prices discouraging both actual investor demand and vendors. Investors are increasingly focusing on the initial income from a property and have a preference for “clean assets”. Less value is being attributed to the potential for increased income through rent reviews and asset management.

In the UK, the monthly IPD all-property equivalent yield moved out a further 60 basis points to 6.7% over the first half of 2008, contributing to a fall in capital values of approximately 8%. Overall therefore, market values have fallen by around 20% over the last 12 months. Prime assets have suffered less than secondary.

The French market has proved more resilient than that in the UK, but has not been immune from the problems of international financial markets. Overall, yields for CBD Paris offices increased by around 85 basis points in the first six months of the year and there are now indications that the values of French shopping centres are beginning to soften.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DEVELOPMENTS

LONDON OFFICE DEVELOPMENT

125 Old Broad Street, London EC2

60 Threadneedle Street, London EC2

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As I mentioned earlier, at 30 June, we had six major schemes underway at a total cost of just under £1 billion. One of these, the office building at 125 Old Broad Street, shown on the left, completed in July and is now 35% let by income with a further 10% under offer.

Our development of 60 Threadneedle Street is approaching completion. This is a nine-storey office building which will provide high quality accommodation in one of the best locations in the City. We have some encouraging dialogues underway for prospective occupiers, illustrating the continuing demand for high quality space.

SHOPPING CENTRE DEVELOPMENT COMPLETIONS

Highcross, Leicester

O'Parinor, near Paris

Cabot Circus, Bristol

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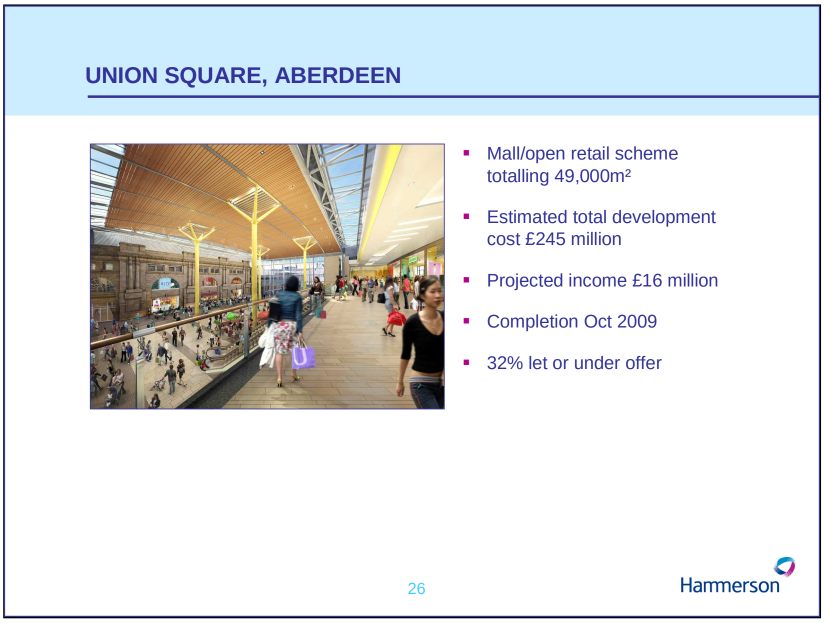
Turning to our three major retail developments which complete in September this year. Our scheme with Hermes at Highcross, Leicester will more than double the size of the existing Shires centre, which has also been completely refurbished and is fully integrated within the overall scheme. This will drive rental growth from the existing retail units. Currently 86% of the rental income has been secured or is in solicitors' hands.

Cabot Circus is a 92,000m² retail led mixed-use scheme we are developing in a 50:50 joint venture with Land Securities. On completion, Cabot Circus will firmly re-establish Bristol as a top ten UK retail destination. 88% of the forecast income has now been secured.

At both Bristol and Leicester, rent-free periods have remained at around 21-24 months. Rent levels on completion will be broadly in line with our original forecasts. Incidentally, we are planning a visit to Cabot Circus for investors and analysts at the end of this year.

O'Parinor is our third shopping centre opening in September. The programme has increased the size of the scheme to 90,000m², making it one of the largest shopping centres serving the north of Paris. Retail leasing is well advanced with 87% of the rental income now signed at rents a little above those in our original appraisal.



This is Union Square, Aberdeen, a city benefiting from the surge in oil and gas revenues but which has suffered from a very poor retail offer.

Our major development will be completed in October 2009 and 32% of the space is let or in solicitors' hands. This is slightly behind where we would have hoped to be, but we are continuing to make progress. Key tenants signed to date include New Look and Cine UK and we have recently signed Jurys Inn as the hotel operator.

This is the only scheme in Aberdeen which offers a critical mass of efficient space of the size that retailers are looking for, so I remain confident that Union Square will prove a long term success.

Besides our major developments, we usually have one or two smaller schemes within our retail portfolio.

FIFE CENTRAL RETAIL PARK, KIRKCALDY

- Phase 2 Extension – 11,000m^2 opening autumn 2009
- Restricted open A1 retail consent
- Anchored by J Sainsbury's, Homebase, B&Q, Next and Boots
- Estimated costs £24 million
- Estimated income £1.8 million
- Extension over 80% let or in solicitors' hands

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This is an extension of 11,000 m^2 to our retail park in Kirkcaldy which will increase it size to 28,000m$^{2.}$

We are now over 80% let or in solicitors' hands by income.

We are also planning expansion projects at five other retail parks, which we would hope to complete over the next 18 months. Capital expenditure will be around £35 million on existing site values of £29 million and prospective income is around £7 million.

DEVELOPMENT PIPELINE

- Current investment £261 million
- Current income £6 million
- Secure planning consents
- Control capital expenditure

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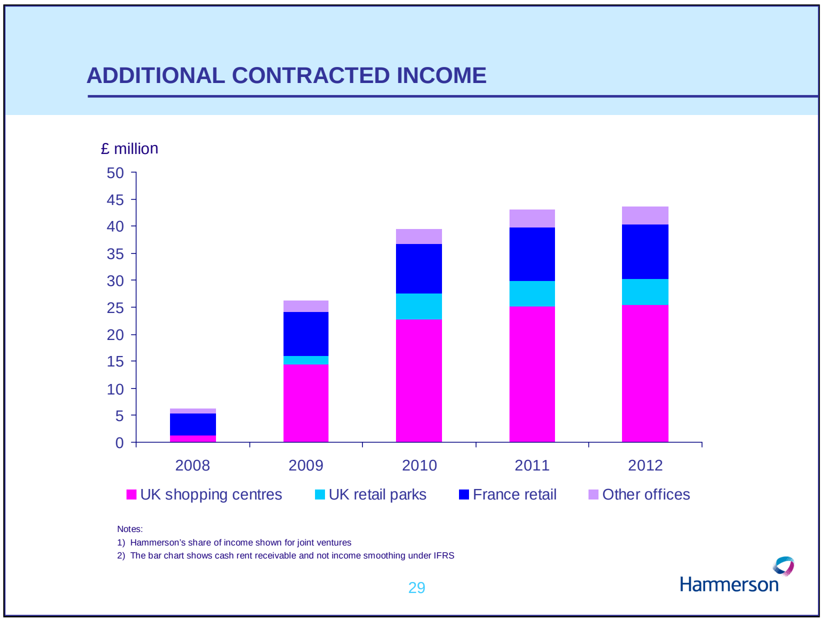
Hammerson

The book value of the pipeline was £261 million at 30 June and it currently generates an annual income of around £6 million.

Three projects, Sheffield, Leeds and Bishops Place in London account for £117 million of this total.

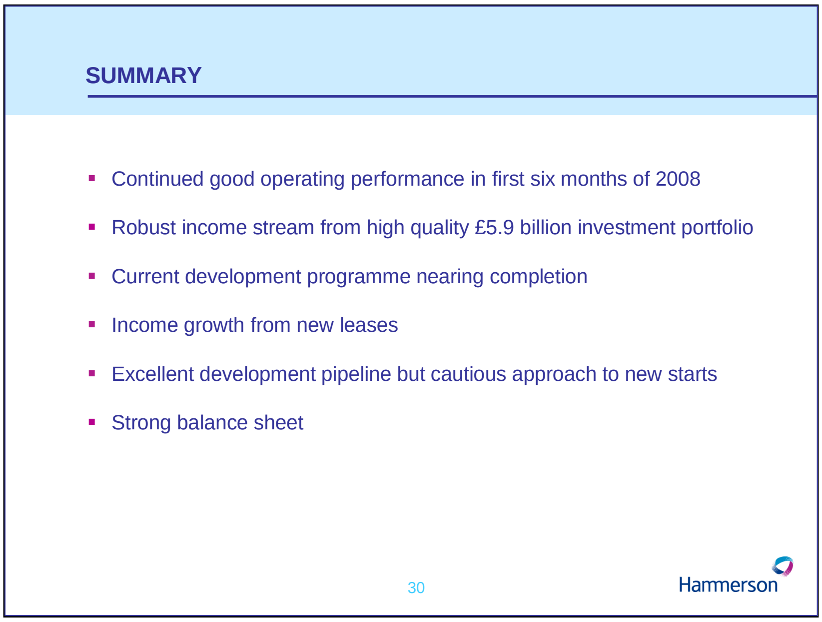
Over time, the pipeline offers us some extremely attractive potential developments in both the retail and office sectors. We are taking a prudent approach to new development and it is unlikely that any major schemes will start before summer 2009. We are continuing to advance the schemes through site assembly, planning and pre-letting activity.



We have substantial new contracted income – around £26 million of additional annual rent next year, rising to £44 million in 2012.

Over and above this, there is a further £31 million of income, to come from current developments. This has not yet been secured and is not reflected in the chart above.

I am therefore very confident of continued strong income growth over the next few years.



To summarise. We showed a good performance in the first six months of the year. Against a background of weakness and uncertainty in financial markets Hammerson is well placed.

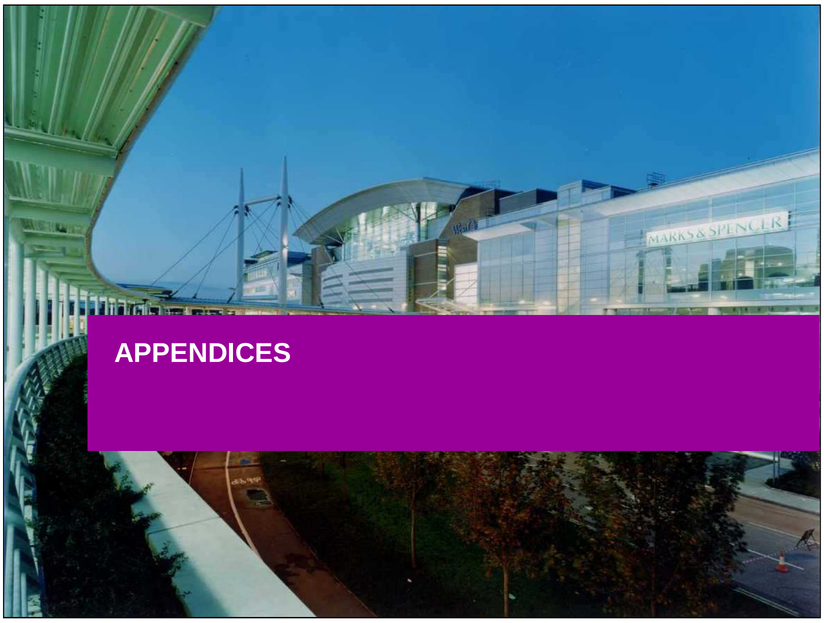
Our investment portfolio benefits from diversification and generates a robust and growing income stream.

The current development programme is nearing completion and we are continuing to make progress in securing occupiers.

We have an excellent development pipeline, where we can bring forward the schemes at the time of our choosing.

Finally, we have a strong balance sheet enabling us to take advantage of opportunities that arise.

I have every confidence in Hammerson’s future.



APPENDICES

EARNINGS PER SHARE (EPS)

Six months to 30 June 2008

	Pence per share
Adjusted EPS	**20.3**
Revaluation movement on investment and development properties	(159.7)
Loss on disposal of investment properties	(0.7)
Change in fair value derivatives	1.4
Deferred tax	0.8
Asset impairment	(5.9)
Minority interests in respect of the above	(1.6)
Diluted loss per share	(145.4)

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NET ASSET VALUE (NAV)

As at 30 June 2008

	£ per share
Basic NAV per share	**13.48**
Effect of exercise of options and ESOP shares	0.05
Diluted NAV	**13.53**
Fair value of derivatives	0.01
Deferred tax	0.38
EPRA NAV	**13.92**
EPRA triple net NAV	**14.15**

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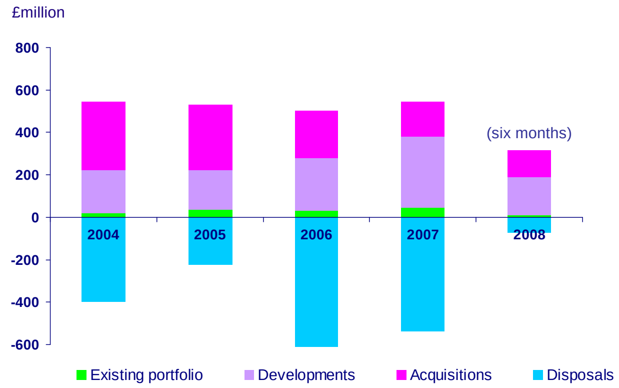
CAPITAL ALLOCATION AND RECYCLING



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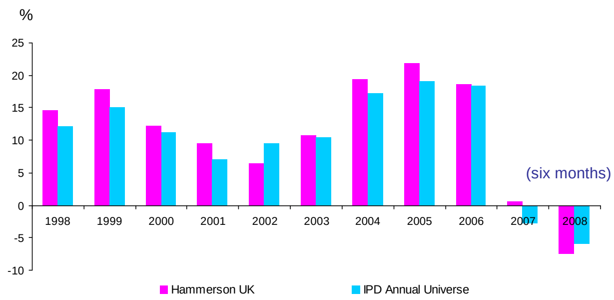
TOP TEN PROPERTIES

Property	Valuation 30/6/08 (1) £m	Valuation 31/12/07 (1) (2) £m	Passing rent (1)(3) £m	Let by income (4) %
Bishops Square, London E1	560	597	34.6	100
Italie 2, Paris 13ème	396	389	17.2	99
Brent Cross, London NW4	357	394	18.0	99
Bullring, Birmingham	288	313	15.4	97
Les 3 Quartiers, Paris 1er	275	297	14.4	93
O'Parinor, Paris (excl. extension)	270	265	11.8	96
The Oracle, Reading	257	275	13.6	98
WestQuay, Southampton	256	280	13.4	99
Espace St. Quentin, St Quentin-en-Yvelines	232	230	10.8	97
Les 3 Fontaines, Cergy-Pontoise	217	212	10.0	100

Notes
(1) Hammerson's share of valuation and passing rent shown in respect of joint ventures
(2) Valuations for French properties restated at 30/6/08 exchange rates
(3) Passing rents are following rent free periods
(4) Percentage let or in solicitor's hands at 30 June 2008

HAMMERSON UK PERFORMANCE vs IPD



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CURRENT MAJOR DEVELOPMENTS

	Ownership interest %	Lettable area m²	Forecast completion date	Cost to 30/6/08 £m (1)	Value at 30/6/08 £m	Cost to complete £m (1)	Forecast total cost £m (1)	Let at 1 August 2008 % (2)	Estimated annual income when fully let £m (4)
Retail									
Cabot Circus, Bristol	50	92,000	Sept 2008	225	254	25	250	88	18
Highcross, Leicester	60	61,000	Sept 2008	171	171	39	210	86	11
Union Square, Aberdeen	100	49,000	Oct 2009	108	74	137	245	32	16
O'Parinor extension, Aulnay-sous-Bois	100	24,000	Sept 2008	73	150	12	85	87	7
Offices									
125 Old Broad Street, London EC2(3)	50	30,900	July 2008	33	111	12	45	35	9
60 Threadneedle Street, London EC2	100	20,600	Nov 2008	90	104	35	125	-	11
TOTAL				**700**	**864**	**260**	**960**	**55**	**72**

Notes
(1) Capital cost including capitalised interest
(2) Amount let or in solicitors' hands by income at 1 August 2008
(3) Cost shown net of £46 million profit arising on disposal of 50% interest in 2006
(4) Includes estimates of non-rental income.
(5) Hammerson's share of costs, value and income for joint ventures

Hammerson

ADDITIONAL CONTRACTED INCOME

Rents Passing	**2008 £m**	**2009 £m**	**2010 £m**	**2011 £m**	**2012 £m**
Offices – UK	0.9	2.1	2.7	3.2	3.2
Shopping centres - UK	1.3	14.4	22.8	25.2	25.5
Retail parks - UK	-	1.9	4.7	4.7	4.7
Shopping centres – France	4.0	6.3	7.2	7.9	8.2
Retail parks - France	-	1.7	2.0	2.0	2.0
Total - cash flow	**6.2**	**26.4**	**39.4**	**43.0**	**43.6**
- accounting basis	**11.6**	**35.6**	**41.6**	**41.7**	**41.7**

Note: Figures show Hammerson's share of rents for joint ventures.

FUTURE DEVELOPMENT PIPELINE

Major retail-led schemes

- Brent Cross and Cricklewood, NW London
- Central Area, Milton Keynes
- Eastgate Quarters, Leeds
- Martineau Galleries, Birmingham
- Sevenstone, Sheffield
- Swansea City Centre

Retail parks

- Abbey Retail Park, Belfast
- Manor Walks, Cramlington
- Nice Lingostière, Nice
- Parc Tawe, Swansea
- The Orchard Centre, Didcot
- Cleveland Retail Park, Middlesbrough
- Westwood Retail Park, Thanet

Retail extensions

- Espace St Quentin, St Quentin-en-Yvelines
- Italie 2, Paris
- Les 3 Fontaines, Cergy Pontoise
- North Westgate, Peterborough
- Watermark WestQuay, Southampton

Office-led mixed-use

- Bishopsgate Goodsyard, London E1
- Bishops Place, London E1
- Shoreditch High Street, London E1
- Victoria Regeneration, London SW1

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