NEWS RELEASE

For immediate release 10 November 2008

Interim Management Statement for the period from 1 July 2008 to 10 November 2008

Key points

- Four major developments completed since 30 June 2008.

- Current development programme nearing completion.

- Contracted income from recently completed developments will boost rental income.

- Group's 67% interest in Moorhouse, London, sold in September for £152 million.

- Sound balance sheet and financing structure.

John Nelson, Chairman said:

"Hammerson has a portfolio of the highest quality which generates a robust income stream. This will increase as rents flow from recently completed developments. In addition, Hammerson's balance sheet and financing structure remain sound.

The unprecedented conditions in financial markets worldwide have had a major impact on real estate markets leading to caution on the part of occupiers and a sharp decline in investment activity.

These challenging conditions are likely to persist for some time. Nevertheless, I believe that Hammerson's strengths and its experienced management team mean that the group is in a good position to weather the current environment and benefit when conditions in real estate markets improve".

Investment portfolio

- Hammerson's investment portfolio continues to generate a robust income stream from a broad spread of tenants, both in the UK and France. The average unexpired lease term is approximately 10 years.

- The occupancy rate in the investment portfolio at 30 September 2008 was 95.5% compared with 97.7% at 30 June 2008. The lower occupancy level is attributable principally to the completion of four developments in the third quarter.

- The Group's collection rates remain excellent. In the UK, 97.3% of rents were collected within 14 days of the last quarter day on 29 September 2008. This compares with 97.5% both for the previous quarter and the equivalent period in 2007. In France, the collection within 14 days of the due date was 93.9% compared with 96.1% in the previous quarter. At 30 September 2008, 25 retail units were let to tenants in administration in the UK and seven in France, with total passing rent of just over £1.6 million.

- In September, Hammerson sold its 67% interest in Moorhouse, a 30,100m^2 office building in the City of London. The Group's net proceeds were £152 million compared with its total development cost of £142 million and the book value of its interest at 30 June 2008 of £169 million.

Developments

- The office development at 125 Old Broad Street was completed in July. The 30,900m^2 building is currently 47% let. Contracted rents now exceed the interest cost associated with this project.

- Three major retail schemes opened in September 2008: Highcross in Leicester; Cabot Circus in Bristol; and O'Parinor in Paris. The centres were respectively 86%, 91% and 94% let by rental income and the additional income from them will increase annual rents by £30 million over the next few years.

- Highcross attracted over 125,000 visitors on the first day of trading and over one million customers within a fortnight. Retailers reported strong trading figures with footfall up over 200% from last year at the refurbished part of the centre.

- Cabot Circus also attracted over one million visitors in the first fortnight. The scheme provides a strong retail offer that includes young aspirational, mid-market, high street and designer fashion. The centre is the first major shopping centre to be awarded with a BREEAM "Excellent" environmental rating.

- At O'Parinor, located north of Paris, the major extension opened in September, increasing the total number of stores to 220. The shopping centre attracted over 125,000 visitors during the opening weekend.

- The 20,600m^2 office development at 60 Threadneedle Street, London EC2, is scheduled for completion in January 2009. Discussions continue with a number of prospective occupiers. The scheme was awarded a BREEAM "Excellent" environmental rating in October 2008.

- At Union Square, Aberdeen, a major retail-led development of 49,000m^2, letting progress remains slow with around 32% of the potential income currently let or in solicitors' hands. The development is due to open in late 2009.

- Capital expenditure required to complete the six major developments underway during 2008 totalled £200 million at 30 September.

- Three retail park extensions are currently underway at an estimated total development cost of £37 million of which £14 million has already been incurred. The schemes, described below, are largely pre-let and are forecast to generate aggregate rent on completion of £2.9 million, a prospective yield on cost of 7.8%.

  - A 11,000 m^2 extension to Fife Central Retail Park, Kirkcaldy commenced in August 2008, and will complete in June 2009. Five of the six units have been pre-let to B&Q, Toys 'R' Us, Argos, PC World and Harveys.

  - At Cleveland Retail Park in Middlesbrough, a 5,800 m^2 restructuring project will create seven units, four of which have been pre-let to Next, Brantano, ScS and Peacocks. Work started on site in October 2008 and will complete in June 2009.

  - At Victoria Retail Park in Nottingham, an extension started in July 2008 is scheduled for completion in December this year. The two units, each of 700 m^2 with a 330m^2 mezzanine level, are pre-let to Brantano and Boots and follow the imminent opening of a Tesco Homeplus store.

- It is anticipated that no major new developments will start before the end of 2009. However, we continue to progress planning and design stages of several schemes and seek pre-lets, whilst limiting further capital expenditure.

Financing and costs

- Hammerson's balance sheet remains strong. Borrowings were £3,061 million at 30 September 2008 and cash balances were £73 million to give net debt of £2,988 million (£3,006 million at 30 June 2008). No borrowings mature in the remaining months of 2008 or in 2009 and only £54 million matures in 2010.

- Undrawn committed facilities at 30 September 2008 totalled £527 million, of which £300 million expires at the end of 2009. We are confident that these will be renewed prior to expiry.

- A staff reorganisation and cost reduction programme should result in savings in the company's administration expenses of the order of £3 million per annum. The one-off costs of implementing the programme are estimated at just over £1 million, which will be reflected in the Company's accounts this year.

Occupational markets

In the retail sector, potential tenants are taking a cautious stance to signing leases at new schemes. However, the Group's established dominant shopping centres continue to attract retailers, particularly international chains, and low vacancy rates have been maintained.

With regard to offices, the problems within international financial markets have substantially reduced the demand for accommodation, leading to a reduction in rental values in the City of London generally of approximately 15% during 2008. Rent levels in Paris have shown a more modest decline.

Investment Markets

Real estate investment markets continue to be affected by the turmoil in financial markets and the reluctance of banks to lend to the real estate sector. This has resulted in a substantial reduction in the number of investment transactions. It is apparent that there has been further weakening in real estate investment values in the third quarter of the year in both the UK and France.

Conference call

There will be a conference call for investors at 9.30 a.m. today. To participate in the call, please dial:

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Financial information

The financial information contained in this statement is based on unaudited management accounts for the nine months ended 30 September 2008.

Forward-looking statements

This document contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking in nature and are subject to risks and uncertainties. Actual future results may differ materially from those expressed in or implied by these statements. Many of these risks and uncertainties relate to factors that are beyond Hammerson's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Hammerson does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document. Information contained in this document relating to the Company should not be relied upon as a guide to future performance.

Notes to Editors

Hammerson plc

Hammerson plc is a FTSE-100 Real Estate Investment Trust with operations in the UK and France. The group's core business is investing in, managing and developing prime properties, principally city centre shopping centres and major office buildings. Its high quality portfolio, valued at £7.1 billion at 30 June 2008, includes 14 major shopping centres, 19 retail parks and eight office properties.

Details of the Group's current developments are set out below:

Union Square, Aberdeen

Size:	49,000 m²
Completion:	End 2009
Developers:	Hammerson
Pre-lets:	New Look, Next, Cine UK, Arcadia, Jurys Inn
Architects:	BDP

Hammerson is currently developing a nine-hectare site adjacent to Aberdeen's central railway station to provide a combination of traditional mall shopping and retail park. On completion it will be the largest scheme of its type in Scotland, providing 21,000m² of retail units, a 16,000m² retail terrace, a 4,200m² multiplex cinema, 7,800m² of leisure and catering accommodation, 1,700 parking spaces and a new civic square.

60 Threadneedle Street, London EC2

Size:	20,600 m²
Completion:	January 2009
Ownership:	Hammerson 100%
Architects:	Eric Parry

Construction work is nearing completion on a 20,600m² nine-storey building adjacent to the group's development at 125 Old Broad Street. The scheme, which forms part of the site previously occupied by The London Stock Exchange, incorporates 1,000m² of retail space.