

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EC NO. 596/2014) ("MAR")

21 February 2020

Hammerson disposes of retail parks portfolio

Total disposals of £975m since start of 2019

Hammerson plc ("Hammerson") has exchanged unconditional contracts on the sale of a portfolio of seven retail parks to Orion European Real Estate Fund V ("Orion") for a headline price of £400m with expected net proceeds of £395m.

This transaction is the largest UK retail parks portfolio sale in the past decade. The sale follows Hammerson's strategic decision, announced in July 2018, to exit the retail parks sector over the medium term to create a focused portfolio of flagship assets, premium outlets and City Quarters across major European cities.

Separately, Parc Tawe, Swansea and Abbey Retail Park, Belfast have been sold individually generating proceeds totalling £55m. Combined with today's portfolio sale of seven retail parks, this final tranche of disposals totals £455m and represents a net initial yield of 8.7%, with a discount to a June 2019 book value of 22.2%.

In total, Hammerson has sold 14 retail parks since July 2018, generating sales proceeds of £764m to reduce the Group's debt and further strengthen the balance sheet. The Group has an interest in one remaining retail park, Brent South, part of the Brent Cross estate, which is held in a joint venture with Aberdeen Standard Investments and is marked for sale.

David Atkins, Hammerson's Chief Executive, said: "Against a challenged retail and investment backdrop we have exited the retail parks sector. Having achieved disposals of close to £1bn since the beginning of 2019, our focus remains on strengthening our balance sheet to create further resilience. The completion of this strategic disposal enables us to create a more concentrated portfolio of flagship venues, premium outlets and City Quarters which we expect will deliver greater levels of both income stability and growth over the medium term."

Details on the retail parks portfolio disposal

The seven asset portfolio of UK retail parks comprises 205,000m² of space which generates a net rental income of £36m per annum.

The parks included in the portfolio transaction are:

- Central Retail Park (Falkirk)
- Cleveland Retail Park (Middlesbrough)
- Cyfarthfa Retail Park (Merthyr Tydfil)
- Elliott's Field Shopping Park (Rugby)
- Forge Shopping Park (Telford)
- Ravenhead Retail Park (St Helens)
- The Orchard Centre (Didcot)

The total sale price of the portfolio transaction represents a net initial yield of 8.9% and is 22.8% below the last reported book value as at 30 June 2019. The headline price of £400m is subject to an adjustment for rent free periods and rental guarantees and as a result the transaction is expected to generate net proceeds of £395m.

Together with the sale of a major stake in its Italie Deux flagship destination in Paris for £363m which completed in December 2019, and further retail parks disposals in 2019, this latest transaction takes Hammerson's total disposals since the start of 2019 to £975m.

Further information on the disposals, including the impact on Group earnings, credit ratios and liquidity will be incorporated as part of Hammerson's FY19 results due to be announced on Tuesday 25 February 2020.

Hammerson was advised by Morgan Stanley and Herbert Smith Freehills.

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Notes to editors**Hammerson**

Hammerson creates vibrant, continually evolving spaces, in and around thriving European cities, with a focus on flagship retail destinations and premium outlets. 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 venues hourly across our flagship destinations in the UK, France & Ireland.

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