

HAMMERSON plc – HALF YEAR 2024 RESULTS

Building on strong first half with transformational disposal to accelerate growth and value creation

Rita-Rose Gagné, Chief Executive of Hammerson, said:

"I am pleased to report we've had a strong first half. We are realising the benefits of our investments in recent years and with the agreed disposal of Value Retail, we now have the capacity and capability to accelerate growth and value creation. Our leading city centre destinations are in high demand, supported by our ongoing investment and repositioning. This is evidenced by another year-on-year increase in leasing, up 24%. This is driving top line growth with more to come.

At the same time, we have delivered another outperformance on costs, down 16% year on year. In the first half, we also completed our £500m disposals programme, realigning our core portfolio to leading city centre destinations, whilst further strengthening the balance sheet. We now have a strong, scalable platform as we look to drive further operating leverage.

I am excited by the opportunity ahead and confident we will continue to grow the top-line and earnings off our new base, reflected in the 5% increase in the interim dividend."

Strong first half and transformational £1.5bn¹ transaction generating cash proceeds of c.£600m

- Adjusted earnings of £50m (HY 23: £56m), reflecting impact of disposals. Adjusted EPS 1.0p (HY 23: 1.1p)
- Disposal of non-controlling and yield dilutive interest in Value Retail announced 22 July 2024 ensures clean exit from complex structure at an attractive price, generating c.£600m in cash proceeds
- The Company intends to use proceeds for a combination of: immediate significant deleveraging; reinvestment into higher yielding assets; and a return of up to £140m to shareholders via a share buy back
- Loss for the period (IFRS) of £517m (HY 23: £(1)m), predominantly reflecting impairment of investment in Value Retail from carrying value of £1.1bn. Loss per share (10.4)p (HY 23: (0.0)p)
- Managed Group portfolio value of £2.6bn broadly flat excluding disposals, with revaluation gains in UK and France due to ERV growth. Irish revaluation loss due to yield expansion
- NTA per share 38p (FY 23: 51p)
- Headline LTV of 39% and net debt:EBITDA of 8.0x. On a pro forma basis, reflecting the disposal of the Group's interest in Value Retail, LTV falls to 25% with net debt:EBITDA of 5.3x

Continued operational and leasing momentum driving top line growth; costs further reduced:

- Like-for-like ('LFL') GRI +2%, LFL NRI +2%. Excluding Cabot Circus, in repositioning, LFL GRI +4%; LFL NRI +5%
- Leasing value up 24% year-on-year to £23m, or £13m at share, from 140 deals
- Positive leasing spreads maintained: permanent deals signed +61% vs previous passing (+29% excluding nil previous passing rent); net effective rent +10% vs ERV
- Robust 94% occupancy whilst undertaking proactive repositioning
- Footfall up +1% year-on-year (+2% excluding Cabot Circus); new occupier sales densities c.20% higher than previous occupiers
- Continued cost reduction outperformance with gross administration cost -16% year-on-year, which will deliver in excess of 30% cost reduction since FY 20 by FY 24

Dividend

The Board today declares an interim dividend in respect of 2024 of 0.756p pence per share, up 5% year-on-year and a payout ratio of 76% reflecting the Board's confidence in future earnings growth and which will be paid as a PID. The Board intends to increase the policy payout ratio from its current policy of 60-70% to 80-85% following the completion of the sale of Value Retail. The dividend declaration will be released as a separate announcement.

Medium-term financial framework

After three years of intensive turnaround, we have entered a new phase with the capacity and capability to invest to accelerate growth. We have realigned our portfolio to ten dominant city centre destinations, 93% of which are A rated by Green Street and are highly attractive to both visitors and best-in-class occupiers. We continue to reposition our assets, alongside enhanced placemaking, commercialisation and digital marketing, responding both to visitor and occupier demand and to stay ahead of evolving trends and the competition. We have a strong platform with long-term visibility of income. This backdrop informs our medium term financial framework², announced on 22 July 2024, following the disposal of the Group's interest in Value Retail:

- GRI CAGR: 4-6%
- EPS CAGR: 6-8%
- DPS CAGR: 6-8%
- Annualised TAR: c.10% (assuming stable yields)

Share consolidation and Capital Reduction to increase distributable reserves

As announced on 22 July, Hammerson is proposing to simplify its share capital through a 1 for 10 share consolidation, and to increase distributable reserves by reducing the Company's share premium account. A Circular with more detail, and a notice convening a general meeting, will be sent to shareholders in due course.

Results presentation today:

Hammerson will hold a virtual presentation for analysts and investors to present its financial results for the six months ended 30 June 2024, followed by a Q&A session.

Date & time: Thursday 25 July 2024 at 08.30 am (BST)

Webcast link: <https://hammerson-2024-hy-results.open-exchange.net>

Conference call: Quote Hammerson when prompted by the operator, access code 178798

Please join the call five minutes before the booked start time to allow the operator to transfer you into the call by the scheduled start time

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The presentation and press release will be available at: <https://www.hammerson.com/investors/reports-results-presentations> on the morning of results.

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Disclaimer

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1 £1.5bn transaction reflects enterprise value, see separate transaction announcement dated 22 July 2024 on www.hammerson.com for details

2. Assuming timely reinvestment of net proceeds and completion of the share buy back. Outcomes for shorter periods will be highly dependent on activity levels and prevailing market conditions, with variances across different segments of the Group's portfolio.

Index to key data

Six months ended	30 June 2024	30 June 2023	Note/Ref ¹
Income			
Gross rental income ²	£94.4m	£106.3m	2
Adjusted net rental income ²	£72.7m	£85.1m	2
Adjusted earnings – Value Retail	£11.7m	£13.4m	2
Adjusted net finance costs ²	£(18.7)m	£(25.1)m	2
Adjusted earnings ³	£49.5m	£55.9m	2
Revaluation losses – Managed portfolio ²	£(47.8)m	£(43.8)m	2
Loss for the period (IFRS)	£(516.7)m	£(1.2)m	2
Adjusted earnings per share ³	1.0p	1.1p	11B
Basic loss per share	(10.4)p	(0.0)p	11B
Interim dividend per share (cash)	0.756p	0.72p	18
Operational			
Like-for-like gross rental income change ²	2.1%	3.1%	Financial Review
Like-for-like net rental income change ²	1.7%	2.3%	Table 3
Occupancy – flagships ²	94.3%	95.1%	Table 5
Leasing value ²	£13.3m	£10.7m	n/a
Leasing v ERV (principal leases) ²	+10%	+8%	n/a
Leasing v Passing rent (principal leases) ²	+61%	+20%	n/a
Passing rent ²	£170.0m	£184.5m	Table 4
Like-for-like passing rent change ²	0.7%	4.2%	n/a
ERV ²	£178.3m	£183.0m	Table 4
Like-for-like ERV change – flagships ²	0.9%	0.1%	Financial Review
Capital and financing			
As at	30 June 2024	31 December 2023	
Valuation – Managed portfolio ²	£2,579m	£2,776m	3B
Total accounting return ³	(23.4)%	(2.1)%	Table 15
Total property return - Managed portfolio ²	0.6%	1.6%	Table 9
Capital return – Managed portfolio ²	(2.2)%	(4.1)%	Table 9
Net debt ²	£1,220m	£1,326m	Table 13
Gearing ²	65%	55%	Table 18
Loan to value – headline ²	39%	34%	Table 20
Liquidity	£1,138m	£1,225m	Financial Review
Interest cover ²	4.21x	3.91x	Table 17
Net debt:EBITDA (rolling 12 months) ²	8.0x	8.0x	Table 16
Net assets	£1,908m	£2,463m	Balance sheet
EPRA net tangible assets (NTA) per share ³	38p	51p	11C
Key pro forma metrics for Value Retail disposal⁴	30 June 2024	31 December 2023	
Net debt ²	£637m	n/a	Financial review
Liquidity	£1,721m	n/a	Financial review
Loan to value ²	25%	n/a	Table 20
Gearing ²	34%	n/a	Table 18
Net debt:EBITDA ²	5.3x	n/a	Table 16

1 Note/Ref to notes in the interim financial statements, tables in Additional Information or other sections of this release.

2 Figures presented on a proportionally consolidated basis, excluding Value Retail, as per management reporting. See 'Presentation of financial information' section of the Financial Review for explanation.

3 These results include discussion of alternative performance measures (APMs) which include those described as Adjusted, EPRA and Headline. These are described on page 9 of the Financial Review and reconciliations for earnings and net assets measures to their IFRS equivalents are set out in note 10 to the interim financial statements.

4 Reflects the impact of the disposal of the Group's interest in Value Retail announced on 22 July 2024, see note 9 to the interim financial statements for details.

CHIEF EXECUTIVE'S REVIEW

We have delivered another strong half year of operational and strategic progress and announced on 22 July 2024 the sale of the Group's interest in Value Retail. This disposal builds on Hammerson's track record and momentum of the last three years to accelerate strategic and financial delivery. Going forward, Hammerson is a retail-anchored, specialist cities business well positioned for growth and value creation, with its entire portfolio comprising leading city centre destinations and strategic land, 93% of which are A rated by Green Street.

The exceptional environments we create for our occupiers and visitors is reflected in strong operational fundamentals, which underpin continued high demand for our destinations. Like-for-like gross rental income and net rental income both increased by 2%. Excluding the temporary effect of the repositioning of Cabot Circus, like-for-like gross rental income was up 4% and like-for-like net rental income 5%.

Flagship footfall and like-for-like sales in the UK were up 1% and down -3% respectively, predominantly reflecting the amount of activity we've undertaken in repositioning assets in recent years where either we've proactively taken vacant possession of space and/or new occupiers are not yet in the like-for-like sample. Notwithstanding, the total spend, based on our banking data, in the UK portfolio was up 1%, and around 2% points ahead of the national footfall index (ShopperTrak). Moreover, our data shows that new offers are performing strongly with sales densities c.20% above the prior occupiers, so we expect this to flow through into the like-for-like figures as the new occupiers roll into the sample. We are starting to see this, for example in Cergy where like-for-like sales were up 5%. In France, flagship footfall and like-for-like sales were up 4% and 3%. Footfall in Ireland was up 1%.

Flagship occupancy remained strong at 94%, or 96% excluding Cergy which remains in lease up. In the UK, Brent Cross, Bullring and Westquay are all over 95% occupied, as are our three destinations in Ireland. In France, Les Terrasses du Port is 96% occupied, whilst Les 3 Fontaines, Cergy is the only destination currently with less than 90% as we ramp up leasing of the extension.

We signed 140 leases representing £23m of headline rent, £13m at our share, up 24% year-on-year. This included marquee deals with best-in-class existing occupiers, and new entrants and concepts, all of whom in turn make significant investments in their physical footprint. Rental levels are growing with permanent deals signed 10% ahead of ERV on a net effective basis, and 61% ahead of previous passing rent, or 29% ahead excluding units with nil previous passing rent. This equates to additional annualised passing rent of £4m on our £162m flagship rent roll. Importantly, we continue to provide solid leasing evidence to our valuers, which is gradually being reflected in our values where all territories now have positive reversion for the first time since FY 18. Just over half of leasing was to best-in-class fashion occupiers demanded by our customers, and the balance to non-fashion and services (34%) and F&B and leisure (11%).

After three years of intensive turnaround, we have entered a new phase with the capacity and capability to invest to drive further growth. We are in the final stages of the implementation and embedding of our operating model, having reshaped our organisation to focus our energies on value creation. On-site property management and associated accounting services in the UK, France and Dundrum have largely been consolidated with proven scale strategic partners. The realignment of our IT and digital platform in areas where speed and data quality is critical is materially complete. Today we are a more agile, resilient and market facing asset-centric organisation, one that continues to evolve and reshape our destinations to be fit for the future. We have again reduced gross administration costs, down 16% year-on-year, and since 2020 will see gross administration costs reduced in excess of 30% by the end of 2024.

Net finance costs improved 25% to £19m, largely reflecting the higher interest rates on higher cash balances. Adjusted earnings were down 11%, due to the impact of disposals, to £50m, or 1.0p per share.

Despite ERV growth at all flagships excluding Brent Cross, which was broadly flat, property values were slightly down due to 50bps of yield expansion in Ireland. UK and France yields were flat.

We have completed our £500m disposal programme set out at FY 21, in doing so realigning our portfolio to ten dominant city centre destinations in growing catchments, 93% of which are A rated by Green Street, highly attractive to both visitors and best-in-class occupiers. We continue to reposition our assets, alongside enhanced placemaking, commercialisation and digital marketing, both anticipating, and responding, to visitor and occupier demand and to stay ahead of evolving trends and the competition.

The disposal of the Group's interest in Value Retail announced on 22 July 2024 for gross proceeds of c.£600m will accelerate the delivery of our strategy, providing capital to maintain balance sheet strength and flexibility, further invest for growth, and enhance distributions for shareholders. We expect the disposal to complete in the second half of the year. At 30 June 2024, the Group's investment had been reclassified as an asset held for sale resulting in the recognition of an impairment of £483m. The lower property values and Value Retail impairment resulted in an IFRS loss of £517m (HY 23 £1m loss) and an EPRA NTA of 38p per share, 13p lower than at FY 23.

As previously announced, Hammerson intends to use the disposal proceeds from Value Retail for a combination of:

- significant and immediate deleveraging with pro forma LTV of 25% and net debt: EBITDA of 5.3x;
- reinvestment into higher yielding assets, with a priority on JV consolidation and repurposing asset enhancement initiatives; and
- a return of capital to shareholders via a share buy back of up to £140m, representing 10% of the pre-announcement market cap.

In addition, the Board of Hammerson announced its intention to adopt an enhanced payout ratio policy for ordinary dividends of c. 80-85% of adjusted earnings.

In the medium term, Hammerson expects to deliver an annualised total accounting return (“TAR”) of c.10% (assuming stable yields) whilst maintaining its commitment to a sustainable capital structure and an investment grade credit rating.

After three years of intensive turnaround, a material portion of the strategy laid out to the market at HY 21 has been successfully implemented:

- the balance sheet has been fixed;
- the Company is focused on a core portfolio of city centre destinations;
- ways of working have been overhauled, digitised and automated, and costs reduced;
- and rents are increasing off a new base, while we are investing for growth.

We still have work to do, however, and our focus remains on:

- completion of the repurposing of obsolete and underutilised space;
- further asset repositioning and enhancement;
- the potential to consolidate JV partners, or in our core markets, in line with strategy;
- capital light investment to unlock optionality and value on our c.80 acres of strategic land;
- and the continued rotation of occupiers to strong, best-in-class brands most desired by the visitors in each of our unique catchments.

As we look ahead, we are confident that we now have the capacity and capability to drive top-line growth and continue to generate operating leverage to grow scale, earnings, dividends and total returns.

STRATEGIC PROGRESS

We own city centre destinations and adjacent land around which we can reshape entire neighbourhoods. Our strategy recognises the unique position that we have in our locations and the opportunities to leverage our experience and capabilities to create and manage vibrant 24/7, multi-use, urban ‘living spaces’ that realise value for all our stakeholders, connects our communities and delivers a positive impact for generations to come.

Our aim is simple and clear – to deliver strong income and total returns for shareholders through consistent execution against our strategic goals. We are investing for growth and value creation in our core assets. We are combining targeted leasing with repurposing and redevelopment opportunities, which are integral and complementary to our destinations, directing capital expenditure to our core estates, where we are able to realise high returns. This asset focus is underpinned by our now increasingly agile platform, our strong capital structure and by our commitment to ESG.

In HY 24, we made progress towards all our goals as follows:

Investment for growth and value creation

The key source of competitive advantage for Hammerson is the quality and location of our destinations in some of Europe’s fastest-growing cities and the focus it now has on these assets. We have some of the best assets in the very best prime city centre catchments and transportation hubs, and strong ties with the communities in which we operate and the local authorities. Additionally, our strategic land represents a considerable set of unrealised long term opportunities which we can selectively draw upon.

We continue to invest in our assets to partner with best-in-class occupiers, increasingly employing physical space for a diverse range of uses, to cater to the communities and catchments in which we operate, whether this be repurposing of obsolete department store space into leisure and modern retail, or redevelopment to residential, workspace, healthcare and lifestyle uses. Our investments to date have attracted some of the very best global brands and generated high returns.

Following our success at Bullring where M&S re-anchored the former Debenhams unit alongside TOCA Social and flagship Inditex brands, we signed a deal in HY 24 to bring M&S into former department store space in Cabot Circus where we had secured vacant possession. This is the fourth letting Hammerson has achieved with M&S as part of their store rotation programme and demonstrates how we continue to work closely with key brand partners to achieve a shared vision.

This is the latest in a string of deals that will enhance Cabot Circus by bringing high-profile brands and new uses including entertainment, dining, family and social concepts. Recent new openings include Stradivarius and sportswear brand, Lids, alongside German Doner Kebab, whilst a new golf experience at Treetop Golf is also set to open later this year. We are in advanced negotiations to bring a fresh leisure, cinema and restaurant offer to the former cinema box space, where we have also secured vacant possession. Taken together, we anticipate these two major projects will add c.£4m of NRI (at 100%) per annum to Cabot Circus, delivering double-digit IRRs above our cost of capital and a profit on cost of more than 20%. In the medium term, the repositioning of the Quakers Friars area also affords the opportunity to increase the mix of uses, including cultural and healthcare, at attractive returns.

Meanwhile, progress continues at The Oracle, where terms have been agreed with Hollywood Bowl and TK Maxx for around two-thirds of the former House of Fraser space, and we remain in detailed negotiations with other key brand partners for the remainder. At the other end of the scheme, we await the outcome of a planning application for the major regeneration of the eastern quarter, including the former Debenhams, with the potential to develop c.450 residential units, much in demand in this strong catchment, in phases alongside renewed landscaping and other commercial uses.

Other than those already mentioned key deals and openings in the first half of 2024 included:

- exchanges with Inditex to bring an upsized flagship Zara into Bullring to take the remaining former Debenhams space, and to bring Pull & Bear into Les Terrasses du Port, as the latter destination continues to outperform our expectations whilst celebrating its ten-year anniversary since opening;
- upsizes involving unit combinations and reconfigurations with JD Sports at Brent Cross and Dundrum;
- renewals with River Island at Brent Cross, and Sephora at Les Terrasses du Port, also leveraging that relationship to bring Sephora to Bullring, alongside other key aspirational non-fashion brands such as Rituals for Bullring whilst Space NK opened in Dundrum;
- bringing new concepts and regional firsts such as Garmin at Westquay, and brands outside of the norm tailored to local demand like Sapphire at Bullring and Suit Direct at Westquay;
- leveraging our success with leading bowling leisure brand, Lane 7 in Bullring to bring them into Dundrum as they expand outside of the UK, and increasing the leisure offer at Cabot Circus with King Pins, and at Pavilions with virtual reality operator Zero Latency in former storage space; and
- new leases and renewals with a diverse range of F&B operators including German Doner Kebab in Brent Cross, Honi Poke at Cabot Circus, Copper Branch at Les Terrasses du Port, Chikin Bang in Cergy, and Rongcheng and Zambrero in Dundrum, whilst March also saw the opening of EL&N in Bullring, its first site outside of London.

Looking into the second half, the pipeline remains strong and reflects the continued investment in repositioning and diversification of our offering, with key F&B and leisure deals at advanced stages of negotiation across our estate and forming a significant percentage of the pipeline.

Our approach to leasing works in parallel with our greater emphasis on placemaking and commercialisation. This not only serves to enliven space and enhance the experience and environment for customers and occupiers, but also increasingly contributes meaningfully in its own right in terms of incremental footfall, income, and engagement across all channels.

Key highlights in the first half included:

- Dizze Rascal album launches at Bullring and Cabot Circus;
- the returns of Charity Super.Mkt and Big Kids Circus to Brent Cross;
- the passing of the Olympic Flame by Les Terrasses du Port, which saw same-day footfall up 40% year-on-year;
- a strong motoring flavour at Dundrum with a three-month Volvo pop up, Specsavers 'crashed' van marketing stunt in the Millpond, and the Irish launch of the Tesla Cyber Truck;
- all alongside the start of our usual series of summer pop-up events and bars, with a particular focus this year on sport where we were delighted to be selected for three out of ten Team GB Fan Zones in Bullring, Cabot Circus and Westquay, whilst Cergy will host a sports village during the Olympic Games.

We also continue to invest in data insights to provide transparent and robust evidence of the true brand value of our high footfall destinations for both occupiers and advertisers in an increasingly media oriented world. These initiatives include a UK market-leading AICCTV customer engagement tracking system to highlight the brand building value generated through impressions, store visits, customer journeys to help grow rents and media income and attract increasingly digitally native tenants.

Alongside this we are using the latest open banking data to track headline sales, share of wallet and leakage to competitors to help develop more targeted leasing and place-making strategies. This will allow us to move towards a series of KPIs that are easier to track, benchmark and commercialise in a multichannel world whilst evolving away from legacy single-channel orientated KPIs (e.g. OCRs) that are increasingly less relevant or robust.

We maintain our discipline with our resourcing and capital expenditure on our development projects and strategic opportunities; focusing on those initiatives which give short term routes to value, and those integral projects which have most synergy with and add most value to our wider estate. We have continued to advance planning consents, land assembly agreements and preparatory works across the portfolio, maintaining the potential to unlock significant future development and value.

In Ireland, work continues at The Ironworks, a 122 unit BTR development in Dundrum, where the concrete frame will be completed shortly, albeit with a short delay, having recently replaced the main contractor. We remain optimistic about the rental value when we complete in Autumn 2025, given the continued demand across the city.

In France, we continue to progress incremental repurposing of the final underutilised space at Les 3 Fontaines, Cergy, following the opening of the extension in March 2022, and are in discussions on heads of terms with two retail partners and preparing consents with the local authority.

Elsewhere in the portfolio, we continue to work with planning authorities in both the UK and Ireland for major consents. Other than those mentioned above, we continue to await the decisions of ABP in Ireland for our Dublin Central and Dublin Village proposals. In the period, we have commenced the planning process for a residential opportunity to redevelop the existing Edgbaston Street car park on our Birmingham Estate as we anticipate the future needs of the city.

At Martineau Galleries, part of the wider Birmingham Estate and adjacent to the new HS2 terminus, we remain closely engaged with Birmingham City Council and other stakeholders to ensure that we have a route to development for this important multiuse estate, which will complement and benefit from our other holdings in the city.

At Bishopsgate Goodsyards, we continue to prepare the development, including the detailed planning process and the initial demolition works, which includes obtaining vacant possession of the Boxpark site later this year. Finally, at Eastgate, Leeds, we are working with Leeds City Council to unlock the value of the site by updating the extant development agreement and working with potential sources of new capital.

Agile platform

As previously reported, FY 23 was a pivotal year for the transformation of our platform and the transition is largely complete. In the first half of 2024 we continued to embed and benefit from new efficiencies and ways of working, both in terms of systems and automation, and greater cross-team collaboration.

We also retain a relentless focus on fixed costs including insurance and work space, further reducing our footprint in France in the first half. At the same time, we continue to increase our efforts on employee engagement and talent management as part of our strategy to retain and develop key talent and are investing in, and promoting, key talent to be fit for the future. We are creating a high performance, high engagement culture with an emphasis on strategic value creation focused on asset management and delivery, placemaking and the repositioning of our assets.

At FY 22, we committed to reduce our gross administration costs by 20% for FY 24, and delivered a 14% reduction in FY 23. We have delivered a further 16% year-on-year reduction in HY 24 and are well on target to achieve our guidance, which will take our cumulative reduction to over 30% since FY 20.

Sustainable and resilient capital structure

Our capital allocation framework is consistent. We will maintain a stable and resilient capital structure, with an IG credit rating, to maintain access to capital markets. We are committed to a sustainable and growing cash dividend, covered by cashflow, and balanced with our total returns focus. We are mindful of our cost of capital, but will remain opportunistic on capital deployment. After strengthening of the balance sheet, our priority is to invest for growth and value creation, and enhance distributions for shareholders.

Throughout FY 23 and HY 24 we have maintained our IG credit rating and strong liquidity. In the first half of 2024, we concluded the £500m disposal programme set out at FY 21, taking total proceeds received to date to £950m since FY 20.

In the first half of the year, we have repaid £109m of USPP notes, and extended the maturity of our undrawn 2022 RCF from 2026 to 2027. Following the buy-out of the Group's defined benefit pension scheme in December 2022, the wind-up of the scheme was completed in the first half, removing the corporate guarantee and ongoing running costs.

The refinancing of our only secured debt, in the Dundrum JV, is in advanced stages and we expect to sign a new facility in early August 2024.

Overall, net debt reduced 8% to £1,220m at 30 June 2024 with net debt:EBITDA unchanged at 8.0x and LTV of 39%. The Group also had liquidity of £1.1bn in the form of cash balances (£538m) and undrawn committed RCFs (£600m). Reflecting the sale of Value Retail, these metrics improve with pro forma net debt of £637m, net debt:EBITDA of 5.3x and LTV of 25%. Pro forma liquidity increases to £1.7bn, including pro forma cash of £1,121m. The Group will also not have any unsecured refinancing requirements until 2027 not covered by cash balances.

Environmental, Social and Governance

In the first half of 2024 we continued to deliver against our ESG strategy and Net Zero commitments. Following the development of our Net Zero Asset Plans (NZAPs) in 2022, in the first half of 2024 we developed revised Physical Climate Risk Reviews and Nature Assets Plans (NAPs). These assessments combined to offer a holistic asset centric approach to managing Climate and Nature risks and opportunities, the two halves of the global environmental emergency.

We have also further progressed with the delivery of our NZAP programme and commenced work on multiple projects including renewable energy generation in France and improving building management systems, lighting, heating and ventilation in the UK and Ireland. For the first half of 2024, this ongoing commitment to energy efficiency has resulted in a 5% year-on-year reduction in carbon emissions (scope 1, 2 and selected 3), calculated on a like-for-like portfolio basis.

Our social value agenda and activities continue to grow with delivery through community work, placemaking and charitable giving across all destinations. In June, we held our annual Giving Back Day with colleagues across the Group supporting 15 local charities and organisations. This event saw over 150 colleagues and property management partners, deliver 600+ hours of volunteering, support 500+ beneficiaries and build stronger links to our communities. We are proud that for the first time all corporate offices and destinations had dedicated events and 97% of our Hammerson colleagues participated.

In recognition of the impact of our social value activities, Bullring and Grand Central won the Gold Award in the Health category for their mental health support and awareness project in collaboration with Birmingham Mind at the International CSR Excellence Awards, run by the Green Organisation. This award demonstrates how our charitable partnerships are impactful and deliver positive impacts for the communities we serve.

FINANCIAL REVIEW

OVERVIEW

The Group had a strong first half in which we completed our £500m disposal programme with the sale of Union Square and benefited from the investments made in recent years. Following the announcement on 22 July 2024 of the disposal of the Group's interests in Value Retail for c. £600m (€705m) we now have the capacity and capability to accelerate growth and value creation.

Adjusted earnings for the six months ended 30 June 2024 of £50m were £6m, or 11% lower than the prior year, with the impact of disposals reducing net rental income by £7m. Net rental income on the retained portfolio was £1m higher, equivalent to like-for-like growth of 2%. Gross administration and net finance costs were, in total, £11m lower, this was partly offset by £3m lower fee income due to disposals. The Group's share of adjusted earnings from Value Retail was £2m lower with gross rental income growth offset by higher costs, including interest following recent refinancing activity. Given confidence in future earnings growth the directors have declared an interim cash dividend of 0.756p per share, a 5% increase on the 2023 interim dividend.

The IFRS loss for the period was £517m (HY 23: £1m), the principal difference to adjusted earnings being an impairment loss on the reclassification to an asset 'held for sale' of the Group's investment in Value Retail of £483m; revaluation losses of £73m (Managed portfolio: £48m, Value Retail: £25m), with the most significant factor being 50bps outward yield shift in Ireland.

Net assets at 30 June 2024 were £1,908m (FY 23: £2,463m). EPRA NTA per share was 38p (FY 23: 51p), equivalent to a total accounting return of -23.4% (FY 23: -2.1%). Each of the measures being adversely impacted by the Value Retail impairment loss.

Net debt of £1,220m at 30 June 2024 was £106m, or 8%, lower than at 31 December 2023 principally due to the sale of Union Square. The Group has ample liquidity in cash and undrawn committed facilities of £1.1bn (FY23: £1.2bn). Headline LTV was 39% (FY23: 34%) and net debt:EBITDA was unchanged at 8.0x. Reflecting the sale of Value Retail, on a pro forma basis, these latter metrics improve to 25% and 5.3x respectively. The transformational impact of the Value Retail sale on the Group's net debt, liquidity and credit metrics is set out further on the following page.

PRESENTATION OF FINANCIAL INFORMATION

IFRS vs Management reporting

The Group's property portfolio comprises properties that are either wholly owned or co-owned with third parties. While the Group prepares its financial statements under IFRS, the Group evaluates the performance of its business for internal management reporting on a "proportionally consolidated" basis which aggregates the following:

- properties, or entities, which are wholly owned or held in joint operations¹ and hence where the results and net assets are directly included, on a line-by-line basis, in the IFRS financial statements. These are labelled as 'Reported Group'.
- the Group's share of properties, or entities, which are co-owned within joint ventures or associates and are under the Group's day-to-day management. Under IFRS each are included in separate line items in the income statement ('Share of results of joint ventures'/'Share of results of associates') and balance sheet ('Investment in joint ventures'/'Investment in associates'). The Group's share of results and net assets are labelled 'Share of Property interests'. Note, that for associates, this treatment only related to the Group's 25% share in Italie Deux until it was sold in March 2023 and not Value Retail (see below).

The combination of properties within the Reported Group and Share of Property interests is labelled as the "Managed portfolio".

Management do not proportionally consolidate the Group's investment in Value Retail, in which we exercise significant influence, because it is not under the Group's management, is independently financed and has differing operating metrics to the Group's Managed portfolio. Accordingly, for both IFRS and management accounting purposes the results and financial assets and liabilities are accounted for separately and it is excluded from the Group's proportionally consolidated key metrics such as net debt or like-for-like net rental income growth.

If, in addition to IFRS figures, information is disclosed under management's reporting basis in the Group's financial statements it is clearly labelled as being 'proportionally consolidated'. Further supporting analysis and reconciliations between management and IFRS bases are also included in this Financial Review and in the Additional Information section.

Value Retail disposal

On 22 July 2024, the Group announced it had entered into a binding sale agreement for the disposal of its entire interests in Value Retail to L Catterton for gross proceeds of c.£600m (€705m). The Group accounted for its Value Retail interests as an associated undertaking, however at the balance sheet date the Directors concluded that, given the significant progress made towards agreeing and signing the sale agreement, that a sale was "highly probable" and hence the Group's interests were judged to have met the criteria outlined in IFRS 5 to be reclassified to being "held for sale" within current assets.

On reclassification to "held for sale", in accordance with IFRS 5, the Group's interests have been re-measured to the lower of the carrying amount and estimated fair value less sale costs at completion, which is expected in H2 24. The fair value was based on the contracted sale proceeds, less estimated transaction costs, and the remeasurement resulted in a £483m impairment loss being recognised in the period as shown in the table below:

1 See note 13B to the interim financial statements for details on the Group's two joint operations (Pavilions, Swords and Ilac Centre, Dublin).

Value Retail impairment calculation (see note 9 to interim financial statements)

Proportionally consolidated		£m
Carrying value of Value Retail at 30 June 2024		1,087
Other assets/liabilities impacted by disposal in Reported Group		(21)
Value of disposed net assets	A	1,066
Gross proceeds (€705m at 30 June closing exchange rate)		598
Estimated transaction costs, including tax		(15)
Net proceeds	B	583
Impairment charge in HY 24	A-B	(483)

The sale has a transformational impact on the Group and, on a pro forma basis reflecting the £583m net proceeds, significantly enhances the Group's net debt, liquidity and credit metrics. However, at 30 June 2024 the £483m impairment loss results in an adverse impact on the Group's loan to value and gearing metrics. These metrics are set out in the table below:

Proportionally consolidated	Additional Information ref.	30 June 2024	Pro forma 30 June 2024	31 December 2023 Total
Net debt		£1,220m	£637m	£1,326m
Liquidity		£1,138m	£1,721m	£1,225m
Loan to value – Headline	Table 20	39%	25%	34%
Loan to value – EPRA	Table 20	50%	27%	48%
Gearing	Table 18	65%	34%	55%
Net debt: EBITDA	Table 16	8.0x	5.3x	8.0x
Unencumbered asset ratio	Table 19	2.10x	4.84x	2.04x

In addition, the operations of Value Retail represent a separate major line of the business and therefore has been treated as a discontinued operation and the results for the current and prior financial periods have been separately disclosed from the continuing segments of the business.

In addition to the disposal, the Company is proposing to simplify its share capital through a 1 for 10 share consolidation, and to increase distributable reserves by reducing the Company's share premium account. A circular with more detail and a notice convening a general meeting, at which the necessary approvals will be sought, will be sent to shareholders in due course.

Derecognition of Highcross and O'Parinor in HY 23

As explained in the Financial Review in the 2023 Annual Report, during 2023, the Group derecognised its Highcross and O'Parinor joint ventures in which it had 50% and 25% interests respectively. These two joint ventures had a total of £125m of borrowings secured against their individual property interests, which were non-recourse to the Group.

On 9 February 2023, a receiver was appointed by the lenders to administer Highcross for the benefit of the creditors. As a result of no longer having joint control, the Group derecognised its share of assets and liabilities, including the property value and £80m of secured borrowings. There was no loss on derecognition as the Group's joint venture investment in Highcross had previously been fully impaired.

On 30 June 2023, the lenders to O'Parinor took control of the joint venture and the Group therefore impaired its joint venture investment by £22m and derecognised its share of assets and liabilities in HY 23, including the property value and £45m of secured borrowings. In February 2024, the lender subsequently sold the O'Parinor property. The Group did not receive any recovery of its fully impaired joint venture investment.

Alternative Performance Measures (APMs)

The Group uses a number of APMs, being financial measures not specified under IFRS, to monitor the performance of the business. Many of these measures are based on the EPRA Best Practice Recommendations (BPR) reporting framework which aims to improve the transparency, comparability and relevance of the published results of listed European real estate companies, with key EPRA measures being EPRA earnings and three EPRA net asset metrics. Details on the EPRA BPR can be found on www.epra.com and the Group's EPRA metrics are shown in Table 1 of the Additional Information.

In addition to presenting the Group's results on an IFRS and EPRA basis, we also presents the results on a 'Headline' and 'Adjusted' basis. The former measure is calculated in accordance with the requirements of the Johannesburg Stock Exchange listing requirements and the 'Adjusted' basis reflects the underlying operations of the business and is calculated on a proportionally consolidated basis. The Adjusted basis also excludes capital and non-recurring items such as revaluation movements, gains or losses on the disposal of properties or investments, as well as other items which the Directors and management do not consider to be part of the day-to-day operations of the business. Such items are in the main reflective of those excluded for EPRA earnings, but additionally exclude a small number of 'Company only' adjusting items which are deemed not to be reflective of the normal routine operating activities of the Group and have been applied consistently in both accounting periods. We believe that disclosing such non-IFRS measures enables evaluation of the impact of such items on results to facilitate a fuller understanding of performance from period to period.

For the first half of 2024, the two 'Company only' adjusting items comprised:

- The exclusion of a charge of £2.7m (HY 23: £3.2m) in respect of business transformation costs as the Group continues its implementation of strategic change and refining its operating model. This charge comprises mainly non-capitalisable costs relating to digital transformation as well as severance and other costs associated with team and operational restructuring.
- The exclusion of a £0.5m (HY 23: £nil) one-off charge associated with fees incurred on winding up the Group's principal defined benefit pension scheme as further explained on page 16.

An analysis of the Group's income statement on both an IFRS and Adjusted basis is included in note 2 to the interim financial statements and a reconciliation from loss for the year under IFRS to Adjusted, EPRA and Headline earnings is set out in note 10A to the interim financial statements.

Other APMs used by the Group cover key operational, balance sheet and credit related metrics, including like-for-like analysis, cost ratios, total accounting return, net debt and associated credit metrics: net debt:EBITDA, gearing, loan to value and interest cover. Reconciliations of these APMs to the IFRS figures in the financial statements are included in the Additional Information section.

INCOME STATEMENT

Analysis of adjusted earnings and loss for the period (IFRS) – six months ended 30 June

Proportionally consolidated	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Change £m
Adjusted earnings analysis:			
Gross rental income	94.4	106.3	(11.9)
Net service charge expenses and cost of sales	(21.7)	(21.2)	(0.5)
Net rental income	72.7	85.1	(12.4)
Gross administration expenses	(21.5)	(25.7)	4.2
Other income	5.4	8.2	(2.8)
Profit from operating activities	56.6	67.6	(11.0)
Value Retail - Adjusted earnings ¹	11.7	13.4	(1.7)
Operating profit	68.3	81.0	(12.7)
Net finance costs	(18.7)	(25.1)	6.4
Tax charge	(0.1)	–	(0.1)
Adjusted earnings	49.5	55.9	(6.4)
Reconciliation to loss for the period (IFRS):			
Revaluation losses – Managed portfolio	(47.8)	(43.8)	(4.0)
Revaluation (losses)/gains – Value Retail	(24.9)	26.0	(50.9)
Loss on sale of properties	(10.8)	(17.3)	6.5
Impairment of Value Retail upon reclassification to an asset held for sale ¹	(483.0)	–	(483.0)
Impairment of joint venture	–	(22.1)	22.1
Business transformation costs	(2.7)	(3.2)	0.5
Costs associated with pension scheme winding up	(0.5)	–	(0.5)
Other (see note 10A to the interim financial statements)	3.5	3.3	0.2
Loss for the period (IFRS)	(516.7)	(1.2)	(515.5)
(Loss)/earnings per share	pence	pence	pence
Basic	(10.4)	(0.0)	(10.4)
Adjusted	1.0	1.1	(0.1)

¹ Discontinued operation, see note 9 to the interim financial statements

For the six months ended 30 June 2024, the Group reported an IFRS loss of £516.7m (HY 23: £1.2m loss), an increased loss of £515.5m. The key factor in the increased year-on-year loss was the £483.0m impairment charge on the reclassification of the Group's interest in Value Retail to an asset held for sale. Other factors were a £6.4m reduction in adjusted earnings and a net £50.9m movement in revaluation (losses)/gains in Value Retail (HY 24: £(24.9)m loss, HY 23: £26.0m gain), partly offset by the impairment charge of £22.1m on the derecognition of the Group's investment in the O'Parinor joint venture in the first half of 2023.

On an Adjusted basis, earnings reduced by £6.4m to £49.5m (HY 23: £55.9m). Net rental income was £12.4m lower, £7.4m was due to disposals partly offset by £1.0m higher income from the like-for-like Managed portfolio, equivalent to 2% growth. Gross administration costs were £4.2m, or 16%, lower reflecting reduced employee and corporate costs. The Group's share of Value Retail earnings, now shown as a discontinued operation, fell by £1.7m. Net finance costs were £6.4m lower, reflecting reduced debt levels and increased income from cash deposits benefiting from higher interest rates.

A detailed reconciliation from the loss for the period under IFRS to the Group's results presented on a management reporting basis (i.e. proportionally consolidated) is set out in note 2 to the financial statements and further details on reconciling items between Adjusted earnings and IFRS loss are in note 10A to the financial statements.

Rental income

Analysis of period-on-period change in rental income – Managed portfolio

Proportionally consolidated	Gross rental income	Like-for-like change	Adjusted net rental income	Like-for-like change
Six months ended 30 June 2023	106.3		85.1	
Like-for-like:				
- UK	1.1	3.1%	1.0	3.5%
- France	0.7	2.4%	0.8	4.0%
- Ireland	–	0.1%	(0.8)	(4.0)%
Total like-for-like	1.8	2.1%	1.0	1.7%
Disposals	(10.9)		(7.4)	
Developments and other	(1.4)		(4.9)	
Foreign exchange	(1.4)		(1.1)	
Six months ended 30 June 2024	94.4		72.7	

Gross rental income decreased by £11.9m to £94.4m. Disposals reduced income by £10.9m, principally Italie Deux and Croydon in 2023, Union Square in 2024 and the derecognition of O'Parinor with effect from 30 June 2023. This was partly offset by growth in like-for-like income of £1.8m, or 2.1%, with the UK having the strongest growth at 3.1% driven by Bullring and Westquay. This reflected growth in variable income from turnover rent and car park income, income from the Group's strong leasing performance and surrender premiums as we have proactively recycled brands towards best-in-class occupiers. Income in France increased by 2.4% driven by indexation while income in Ireland was up 0.1% with growth limited by a reduction in occupancy from 96.2% to 95.7% and the adverse impact of regearing the large overrented River Island unit at the entrance to Ilac Centre.

Adjusted net rental income decreased by a net £12.4m to £72.7m. Disposals reduced NRI by £7.4m, principally Italie Deux in March 2023 and Union Square in March 2024. From a like-for-like perspective, adjusted NRI grew by 1.7%. The UK and France increased by 3.5% and 4.0% respectively, principally due to their strong gross rental income growth. Ireland reported a like-for-like decrease of -4.0% due the muted gross income growth and a year-on-year change in tenant impairment and bad debt charges. 2023 included credits due to the reversal of prior year bad debt provisions as collection rates improved in HY 23 which resulted in like-for-like NRI growth in HY 23 of 8.6%.

NRI from the Group's Developments and other portfolio reduced by £4.9m in 2024. This reduction was due to a one-off occupier receipt in H1 23 of £1.1m in relation to their delayed opening at the Les 3 Fontaines extension and increased provisioning charges and void costs at Martineau Galleries and Grand Central, both of which are being progressed towards future developments.

Cabot Circus, Bristol is undergoing major repositioning in 2024 which has a temporary adverse impact on 2024 rental income. If Cabot Circus is excluded from the Group's like-for-like analysis, like-for-like gross rental income would be +3.6% and net rental income would be +4.8%. As explained on page 5, we are making strong progress with the repositioning having recently signed M&S to replace House of Fraser.

Further analysis of gross and net rental income by segment is provided in Table 3 of the Additional Information.

Analysis of rental income by ownership

Rental income is further analysed below between the Group's various ownerships.

	Six months ended 30 June 2024				
Proportionally consolidated	Reported Group £m	Share of Property interests			
		Joint ventures £m	Associates £m	Subtotal £m	Total £m
Gross rental income	40.1	54.3	–	54.3	94.4
Net service charge expenses and cost of sales	(10.0)	(11.7)	–	(11.7)	(21.7)
Net rental income	30.1	42.6	–	42.6	72.7
Change in provision for amounts not yet recognised in the income statement	–	–	–	–	–
Adjusted net rental income	30.1	42.6	–	42.6	72.7

	Six months ended 30 June 2023				
Proportionally consolidated	Reported Group £m	Share of Property interests			
		Joint ventures £m	Associates £m	Subtotal £m	Total £m
Gross rental income	47.9	57.2	1.2	58.4	106.3
Net service charge expenses and cost of sales	(8.6)	(12.4)	–	(12.4)	(21.0)
Net rental income	39.3	44.8	1.2	46.0	85.3
Change in provision for amounts not yet recognised in the income statement	–	(0.2)	–	(0.2)	(0.2)
Adjusted net rental income	39.3	44.6	1.2	45.8	85.1

Administration expenses

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Proportionally consolidated		
Employee costs	13.9	17.1
Other corporate costs	7.6	8.6
Adjusted gross administration costs	21.5	25.7
Property fee income	(2.9)	(4.8)
Joint venture and associate management fee income	(2.5)	(3.4)
Other income	(5.4)	(8.2)
Adjusted net administration expenses	16.1	17.5
Business transformation costs	2.7	3.2
Net administration expenses	18.8	20.7

The Group's focus on transformation and cost reduction has resulted in a £4.2m, or 16%, year-on-year reduction in adjusted gross administration costs to £21.5m in the first half of 2024. Other income fell by £2.8m associated with lower fee income due to disposals, particularly in relation to Italie Deux and O'Parinor in France. Adjusted net administration expenses decreased by £1.4m, or 8% against HY 23.

The most significant elements of the gross administration cost reduction were:

- Employee costs which were £3.2m (19%) lower reflecting the organisational restructuring and simplification of the Group's operating model. Average headcount, excluding employees recharged to tenants, reduced from 209 in HY 23 to 139 in HY 24.
- Other corporate costs, comprising mainly professional fees, premises costs and IT costs, fell by £1.0m (12%), with the most significant savings being premises costs in the UK and France.

Business transformation costs of £2.7m in the first half of 2024 comprised mainly fees for contractors and consultants on the Group's digitalisation programme and office relocation costs in Paris. These transformation costs related directly to the Group's strategic and operational review undertaken in 2021 and have been excluded from adjusted earnings as they do not reflect underlying trading.

Loss on sale of properties

During the first half of the year, we realised gross proceeds of £117m from property disposals, with £111m raised from the sale of Union Square, Aberdeen and £6m raised from the disposal of ancillary units at O'Parinor. The sale of Union Square completed the Group's £500m disposal programme announced at FY 21, since when we have raised gross proceeds of £950m.

Compared to their 31 December 2023 valuations, and after selling costs, these two transactions resulted in a loss on the sale of properties of £11m, and were at an average 8% discount (based on gross proceeds) to 31 December 2023 book value.

Results – Share of Property interests

A listing of our interests in joint ventures is included in note 13 to the interim financial statements. On an IFRS basis, the Group's share of results in the first half of 2024 was £9.6m (HY 23: £7.6m). The £2.0m improvement was principally due to lower revaluation losses in HY 24 of £31.0m compared with losses of £33.5m in HY 23 and £1.5m lower year-on-year net finance costs following the derecognition and subsequent disposal of O'Parinor.

On an Adjusted basis, our share of results from joint ventures was £40.6m (HY 23: £41.1m). The £0.5m year-on-year reduction was principally due to the disposals of the Group's investments in Croydon in 2023 and derecognition of O'Parinor with effect from 30 June 2023.

Given that five out of six of our UK flagship destinations and Dundrum, the largest asset of our Ireland flagships, are held in joint ventures the financial and operating performance of these assets is consistent with the proportionally consolidated performance explained in this Review and shown in the Additional Information. The two French flagship destinations are wholly owned.

Results - Value Retail (including reclassification to an asset held for sale)

As explained above, at 30 June 2024 the Group reclassified its investment in Value Retail to an asset held for sale and treated its results in the current and prior financial periods as a discontinued operation. This resulted in an impairment charge of £483.0m and further details are in note 9 to the interim financial statements.

On an IFRS basis, the Group's share of Value Retail's results in the first half of 2024 were a loss of £9.6m compared with a profit of £32.1m in HY 23. The year-on-year decrease of £41.7m was principally due to revaluation losses recognised in 2024 of £24.9m compared with gains of £26.0m in 2023.

On an Adjusted basis, our share of results from Value Retail was £11.7m compared with £13.4m in 2023. The reduction in adjusted earnings was due to increased property outgoings of £1.5m, administration costs of £2.3m, £1.1m higher tax charges and, a £3.8m increase in finance costs related to the refinancing of the loans secured against Fidenza, Wertheim and Ingolstadt which was completed in H2 23. This was partly offset by increased gross rental income of £7.0m associated with sales growth and the benefits from indexed rents.

Net finance costs

	Six months ended 30 June 2024			Six months ended 30 June 2023		
Proportionally consolidated	Reported Group £m	Share of Property interests £m	Total £m	Reported Group £m	Share of Property interests £m	Total £m
Finance income	18.2	2.8	21.0	13.5	1.2	14.7
Gross interest costs	(35.8)	(3.9)	(39.7)	(35.2)	(4.6)	(39.8)
Adjusted net finance costs	(17.6)	(1.1)	(18.7)	(21.7)	(3.4)	(25.1)
Change in fair value of derivatives	0.4	(1.0)	(0.6)	(9.8)	(0.2)	(10.0)
IFRS net finance costs	(17.2)	(2.1)	(19.3)	(31.5)	(3.6)	(35.1)

Adjusted net finance costs were £18.7m, a decrease of £6.4m, or 25%, compared with HY 23. This was predominately due to £6.3m higher interest income associated with the increased cash balances following disposals and higher interest rates in HY 24 compared with HY 23.

In April, £338m of interest rate swaps were entered into to lock in finance income at an average rate of 4.7% on cash deposits matching the value of the bonds maturing in October 2025.

Tax

Due to the Group having tax exempt status in its principal operating countries the tax charge, on a proportionally consolidated basis, remained low at £0.1m (HY 23: £nil).

The tax charge is low as the Group benefits from being a UK REIT and French SIIC and its Irish assets are held in a QIAIF. The Group is committed to remaining in these tax exempt regimes and further details on these regimes are given in note 7 to the interim financial statements. In order to satisfy the REIT conditions, the Company is required, on an annual basis, to pass certain business tests. The Group expects to meet all requirements for maintaining its REIT status for the foreseeable future.

Dividends

The Board has declared an interim dividend of 0.756 pence per share, payable as a PID on 30 September 2024 to shareholders on the register on 23 August 2024. This represents a 5% increase on the 2023 interim dividend of 0.72p per share. There will be no scrip alternative although the dividend reinvestment plan (DRIP) remains available to shareholders.

Following the completion of the sale of the Group's investment in Value Retail announced on 22 July 2024, the Board intend to increase the policy payout ratio from its current policy of 60-70% to 80-85%.

As explained on page 37, the reclassification of Value Retail to an asset held for sale resulted in the recognition of a £483m impairment charge. This adversely impacts Hammerson plc's distributable reserves which totalled £649m at 31 December 2023. In addition to the disposal, the Company is therefore proposing to increase distributable reserves by reducing the Company's share premium account. A circular with more detail and a notice convening a general meeting, at which the necessary approval will be sought, will be sent to shareholders in due course.

NET ASSETS

A detailed analysis of the balance sheet on a proportionally consolidated basis is set out in Table 12 of the Additional Information with a summary reconciling to EPRA NTA set out in the table below:

Summary net assets

	30 June 2024				31 December 2023			
	Reported Group £m	Share of Property interests £m	EPRA adjustments £m	EPRA NTA £m	Reported Group £m	Share of Property interests £m	EPRA adjustments £m	EPRA NTA £m
Investment properties	1,233	1,346	–	2,579	1,396	1,380	–	2,776
Investment in joint ventures	1,177	(1,177)	–	–	1,193	(1,193)	–	–
Investment in associates – Value Retail	–	–	–	–	1,115	–	79	1,194
Assets/liabilities held for sale – Value Retail ¹	583	–	–	583	–	–	–	–
Net trade receivables	24	20	–	44	28	13	–	41
Net debt ²	(1,069)	(151)	–	(1,220)	(1,163)	(163)	–	(1,326)
Other net liabilities	(40)	(38)	1	(77)	(106)	(37)	–	(143)
Net assets	1,908	–	1	1,909	2,463	–	79	2,542
EPRA NTA per share³	38p				51p			

1 Reflects the reclassification to an “asset held for sale” on 30 June 2024, see note 9 to the interim financial statements for details

2 See Table 13 in Additional Information for further details.

3 EPRA adjustments in accordance with EPRA best practice, principally in relation to deferred tax, as shown in note 10B to the interim financial statements.

During the first half of 2024, net assets decreased by £555m, or 23% to £1,908m. Net assets, calculated on an EPRA Net Tangible Assets (NTA) basis, were £1,909m, or 38p per share, a reduction of 13p compared to 31 December 2023 and is equivalent to a total accounting return of -23.4% (see Table 15 in Additional Information).

The key components of the movement between IFRS net assets and EPRA NTA are shown in the table below:

Movement in net assets

	Net assets £m	EPRA adjustments £m	EPRA NTA £m	EPRA NTA per share
Proportionally consolidated including Value Retail				
1 January 2024	2,463	79	2,542	51
Adjusted earnings	50	–	50	1
Property revaluation – Managed portfolio	(48)	–	(48)	(1)
Property revaluation – Value Retail	(25)	–	(25)	(1)
Disposal losses	(11)	–	(11)	–
Impairment losses on reclassification of Value Retail to asset held for sale	(483)	(79)	(562)	(11)
Dividends	(39)	–	(39)	(1)
Foreign exchange and other movements	1	1	2	–
30 June 2024	1,908	1	1,909	38

MANAGED PORTFOLIO - PROPERTY ANALYSIS

Portfolio valuation

At 30 June 2024, the majority of our UK flagship destinations have been valued by JLL and CBRE, the French portfolio by JLL, and the Irish portfolio and Brent Cross have been valued by C&W. C&W also valued the Value Retail Villages with the 30 June 2024 valuation being used as the basis for the reclassification to an asset held for sale. The valuer responsibilities are unchanged from 31 December 2023 and the range of valuation provision provides diversification of valuation expertise across the Group.

There continues to be a limited number of comparable transactions in the Group's investment markets, although leasing evidence has been strong in H1 24. In the UK and France, yields have been stable in the first half of the year as inflation and the cost of debt has fallen. Following significant valuation falls since 2017, an increasing number of commentators are now calling the bottom of the market in the UK highlighting the positive market dynamics for prime assets. This is a continuation of the polarisation trend based on asset quality from both an occupational and investment perspective which we highlighted at FY 23. In Ireland, sentiment has weakened with a number of aborted or stalled transactions being cited as the basis for valuers marking market yields higher in 2024.

At 30 June 2024, the Managed portfolio was valued at £2,579m, a reduction of £197m since 31 December 2023. This movement was primarily due to the disposal of Union Square and net revaluation losses of £48m. The movement in the portfolio valuation is shown in the table below.

Movements in property valuation

Proportionally consolidated	UK £m	France £m	Ireland £m	Total flagships £m	Development and other £m	Managed portfolio £m
At 1 January 2024	863	1,003	630	2,496	280	2,776
Disposals	(121)	(6)	–	(127)	–	(127)
Capital expenditure	5	7	1	13	3	16
Revaluation gains/(losses)	12	–	(49)	(37)	(11)	(48)
Yield	–	–	(48)	(48)	–	(48)
Income	12	–	(1)	11	–	11
Development and other costs	–	–	–	–	(11)	(11)
Foreign exchange	–	(22)	(14)	(36)	(2)	(38)
At 30 June 2024	759	982	568	2,309	270	2,579

Disposals

Disposals of £127m related to the sale of Union Square in March and ancillary units at O'Parinor in February.

Capital expenditure

During 2024, capital expenditure on the Managed portfolio was £16m, of which £13m was on the Group's Flagship portfolio reflecting reconfiguration works and lease incentives associated with our strong leasing performance. The most significant reconfiguration works were on the former House of Fraser store at The Oracle which is being split into three new units. Two of these units have been let to Hollywood Bowl and TK Maxx and we are in advanced discussions on the final unit. £7m was invested in our two French destinations to support the strong leasing performance and refreshing Les Terrasses du Port, which celebrated its 10th anniversary in May.

£3m was spent on our development projects in the first half of the year. 40% of this was at the on-site Ironworks residential scheme at Dundrum with the balance predominately spent on advancing The Goodsyrd project and the repurposing of void space at Cergy 3 to complement the major extension at the asset which opened in 2022. We continue to be disciplined with our expenditure on these schemes focusing on initiatives which give short term routes to value and those integral projects which add value to our wider estates.

Table 11 of the Additional Information provides further analysis of capital expenditure incurred in the first half of the year.

Revaluation gains/(losses)

In the first half of 2024, we recognised a total revaluation loss on the Managed portfolio of £48m. UK flagships reported a £12m revaluation gain associated with income growth, with ERVs marked up associated with the strong leasing performance. There was no change in underlying values in France, while Ireland reported a £49m revaluation loss, with £48m due to outward yield shift of 50bps.

The Group's Developments and other portfolio recorded a £11m revaluation loss. Approximately half of the loss was at Martineau Galleries in Birmingham where valuers reduced the end value of the future office element of the scheme. The remainder of the loss was due to additional project costs being factored into residual appraisals.

Further valuation analysis is included in Table 9 of the Additional Information.

Like-for-like ERV¹

Flagship destinations Proportionally consolidated

	Six months ended 30 June 2024 %	Year ended 31 December 2023 %	Six months ended 30 June 2023 %
UK	1.5	1.8	–
France	0.6	2.5	0.2
Ireland	0.5	0.2	0.1
	0.9	1.7	0.1

1 Calculated on a constant currency basis for properties owned throughout the relevant reporting periods.

Like-for-like ERVs increased by 0.9% in the first half of the year, driven by the Group's strong leasing performance. The UK reported the highest increase at 1.5%, with the strongest performances at Cabot Circus (2.9%) as it undergoes repositioning and Bullring (2.8%) benefiting from the investment in repurposing over recent years. French ERV growth has been hindered by the higher vacancy at Les 3 Fontaines, Cergy. Ireland reported growth of 0.5% driven by recent leasing performance.

Property returns analysis

The Group's managed property portfolio generated a total property return of +0.6% in the first half of the year, comprising an income return of +2.8% offset by a capital return of –2.2%.

				Six months ended 30 June 2024		
Proportionally consolidated				Flagship Destinations %	Developments and other %	Managed portfolio %
	UK %	France %	Ireland %			
Income return	3.8	2.2	2.9	2.9	1.3	2.8
Capital return	0.3	–	(7.9)	(1.9)	(4.0)	(2.2)
Total return	4.1	2.2	(5.2)	0.9	(2.7)	0.6

				Year ended 31 December 2023		
Proportionally consolidated				Flagship Destinations %	Developments and other %	Managed portfolio %
	UK %	France %	Ireland %			
Income return	8.7	4.6	5.7	6.3	2.7	5.9
Capital return	(2.4)	(4.3)	(5.6)	(4.0)	(6.2)	(4.1)
Total return	6.1	0.1	(0.2)	2.0	(3.6)	1.6

INVESTMENT IN JOINT VENTURES AND ASSOCIATES

Details of the Group's joint ventures and associates are shown in notes 13 and 14, respectively, to the interim financial statements.

Joint ventures

During the year, our investment in joint ventures decreased by £16m to £1,177m (FY 23: £1,193m). The reduction was principally due to a revaluation loss of £31m and cash distributions paid to the Group of £31m partly offset by adjusted earnings of £41m.

Associates

Following the sale of the Group's 25% interest in Italie Deux in March 2022, Value Retail was the Group's sole investment in associate until its reclassification to an asset for sale as at 30 June 2024 resulting in an impairment charge of £483m in HY 24. In the first half of the year, prior to reclassification, the investment reported a revaluation loss of £25m and distributions of £14m (£12m in cash), partly offset by adjusted earnings of £12m.

TRADE RECEIVABLES

Collection rates have been stable during 2024. At 30 June 2024, 97% of rent due in 2023 and 94% of H1 24 rent had been collected.

On a proportionally consolidated basis, net trade receivables at 30 June 2024 were £44m (FY 23: £41m), reflecting gross trade receivables of £62m (FY 23: £60m) against which a provision of £19m (FY 23: £19m) has been applied.

PENSIONS

In June 2024, the Group's principal pension scheme, a UK defined benefit scheme (the 'Scheme') was wound up. This followed the purchase of a bulk annuity policy ('buy-in') in December 2022 with Just Retirement Limited to fully insure all future payments to members of the Scheme. The Trustees of the Scheme triggered the winding-up of the Scheme in December 2023 allowing the Company to terminate its liability to make further contributions to the Scheme. In the first half of 2024, the Trustees completed the assignment of the bulk annuity policy to individual Scheme members and transferred the administration to Just Retirement Limited. The winding up process resulted in a cost of £0.5m, which, given the one-off nature of this action has been excluded from the Group's adjusted earnings.

FINANCING AND CASH FLOW

Financing strategy

Our financing strategy is to borrow predominantly on an unsecured basis to maintain flexibility. Secured loans are occasionally used, mainly in conjunction with joint venture partners. Value Retail also uses predominantly secured debt in its financing strategy. All secured debt is non-recourse to the rest of the Group.

The Group's debt is arranged to maintain access to short term liquidity and long term financing. Short term liquidity is principally through syndicated revolving credit facilities. Long term debt comprises the Group's fixed rate unsecured bonds and private placement notes. At 30 June 2024, the Group also had a secured loan in the Dundrum joint venture and Value Retail's financing is based on secured debt. Acquisitions may initially be financed using short term funds before being refinanced with longer term funding depending on the Group's financing position in terms of maturities, future commitments or disposals, and market conditions.

Derivative financial instruments are used to manage exposure to fluctuations in foreign currency exchange rates and interest rates but are not employed for speculative purposes.

The Board regularly reviews the Group's financing strategy and approves financing guidelines against which it monitors the Group's financial structure. Where there is any non-compliance with the guidelines, this should not be for an extended period and the Group objective is to maintain an investment grade credit rating. The key financing metrics are set out below.

Key financial metrics

Proportionally consolidated excluding Value Retail unless otherwise stated	Calculation in Additional Information	30 June 2024	31 December 2023
Net debt	Table 13	£1,220m	£1,326m
Liquidity		£1,138m	£1,225m
Weighted average interest rate – net debt		2.1%	2.4%
Weighted average interest rate – gross debt		3.4%	3.3%
Weighted average maturity of debt		2.2 years	2.5 years
FX hedging		92%	91%
Net debt : EBITDA	Table 16	8.0x	8.0x
Loan to value – Headline ¹	Table 20	39%	34%
Loan to value – Full proportional consolidation (of Value Retail) ²	Table 20	n/a	44%
Loan to value – EPRA	Table 21	50%	48%
Metrics with associated Group unsecured financial covenants			
	Covenant		
Interest cover	≥ 1.25x	Table 17	4.21x
Gearing – Selected bonds ³	≤ 175%	Table 18	65%
– Other borrowings and facilities	≤ 150%	Table 18	65%
Unencumbered asset ratio	≥ 1.5x	Table 19	2.10x
Secured borrowings/equity shareholders' funds	≤ 50%		13%
Fixed rate debt as a proportion of total debt	n/a		100%

1 Headline: Loan excludes Value Retail net debt and Value includes Value Retail net assets.

2 At 31 December 2023 Full proportional consolidation of Value Retail ('VR'): Loan includes Group's share of VR net debt and Value includes share of VR's values. Following the reclassification of Value Retail to an asset held for sale at 30 June 2024 this ratio is no longer relevant, see note 9 to the interim financial statements for details.

3 Applicable to bonds maturing in 2025 and 2027 (as set out in note 16 to the interim financial statements).

As explained on page 37, the reclassification of the Group's investment in Value Retail to an asset held for sale and subsequently announced disposal will have a transformational impact on the Group's net debt, liquidity and credit metrics. However, at 30 June 2024 the £483m impairment loss on reclassification results in an adverse impact on loan to value and gearing as shown in the table above.

Credit ratings

In March, Moody's re-affirmed the Group's senior unsecured investment grade credit rating as Baa3 and revised the outlook from stable to positive. In April, Fitch re-affirmed the Group's senior unsecured rating at BBB+.

Borrowings and covenants

The terms of the Group's unsecured borrowings contain a number of covenants which provide protection to the lenders and bondholders as set out in the Key financial metrics table above. At 30 June 2024, the Group had significant headroom against these metrics.

In addition, Dundrum and Value Retail have secured debt facilities which include covenants specific to those properties, including financial covenants for loan to value and interest cover. There is no recourse to the Group.

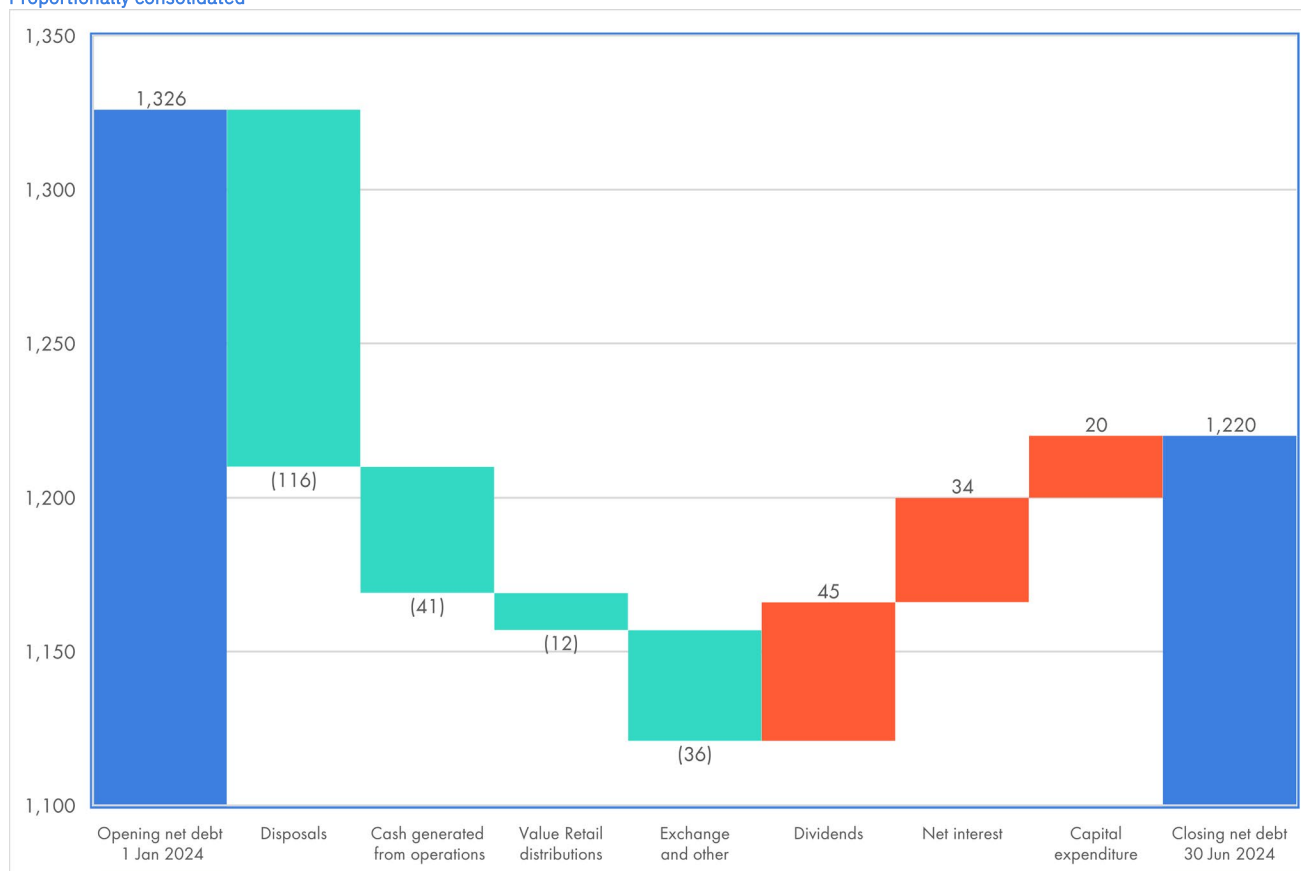
Managing foreign exchange exposure

The Group's exposure to foreign exchange translation differences on euro-denominated assets is managed through a combination of euro borrowings and derivatives. At 30 June 2024, the value of euro-denominated liabilities as a proportion of the value of euro-denominated assets was 92%, a 1% increase on FY 23 (91%). Interest on euro-denominated debt also acts as a partial hedge against exchange differences arising on net income from our overseas operations. Sterling strengthened against the euro during the first half of the year by 2%.

CASH FLOW AND NET DEBT

Movement in net debt (£m)

Proportionally consolidated



On a proportionally consolidated basis, net debt decreased by 8% to £1,220m (FY 23: £1,326m). At 30 June 2024, the Group's net debt comprised loans of £1,757m, less cash and cash equivalents of £538m, of which £434m is held by the Reported Group. Disposals during the year generated net proceeds of £116m. Cash generated from operations of £41m comprised profit from operating activities of £54m less a net £13m reduction in working capital and other non-cash items. We also received £12m of distributions from Value Retail. These cash inflows were partly offset by cash dividends paid of £45m, net interest of £34m and capital expenditure of £20m.

Liquidity

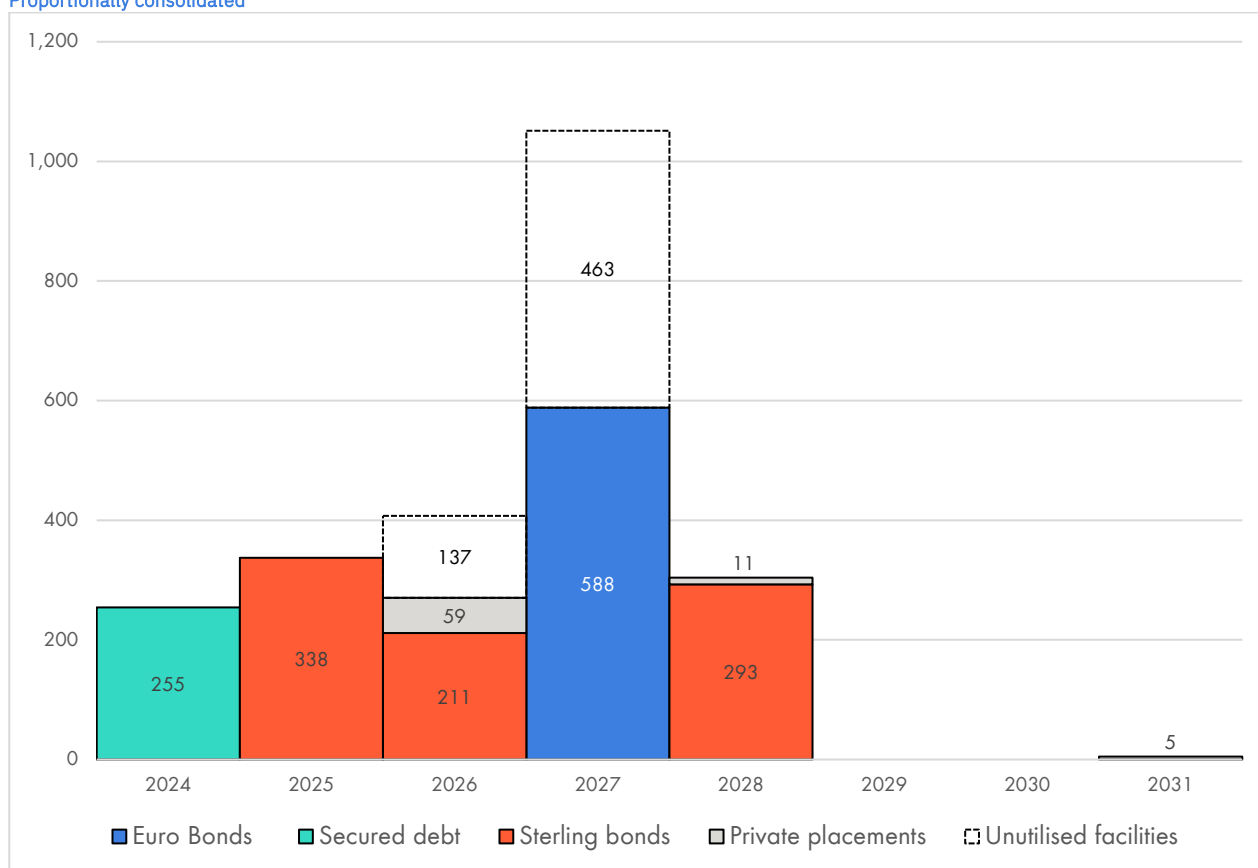
The Group's liquidity at 30 June 2024, calculated on a proportionally consolidated basis, comprising cash of £538m and unutilised committed facilities of £600m, was £1,138m, £87m lower than at the beginning of the year. The key cash flows resulting in this reduction were the repayment on maturity of £109m of senior private placement notes and the maturity of £50m of the Group's revolving credit facilities, partly offset by £117m of gross disposal proceeds.

During the first six months of the year, we obtained lender consent to extend £463m of the Group's revolving credit facilities by one year such that they now mature in 2027 as shown on the chart below.

Debt and facility profile

Maturity profile of loans and facilities at 30 June 2024 (£m)

Proportionally consolidated



The Group's weighted average maturity of debt is 2.2 years (FY 23: 2.5 years). The Group's cash balance of £538m covers the £338m sterling bonds due in 2025 and approximately 75% of the 2026 maturities.

In relation to the €600m (Group's 50% share €300m) secured loan held by the Dundrum joint venture which matures in September 2024, the JV is in advanced stages of refinancing and we expect to sign a new loan in early August 2024.

Maturity analysis of loans at 30 June 2024

	Maturity	30 June 2024 £m	31 December 2023 £m
Sterling bonds	2025 – 2028	841.7	840.6
Sustainability linked euro bond	2027	588.4	600.8
Unamortised facility fees	2025 – 2026	(2.3)	(2.2)
Senior notes (Private Placements)	2026 – 2031	75.1	185.3
Total loans – Reported Group		1,502.9	1,624.5
Dundrum secured debt - Share of Property interests	2024	254.5	260.0
Total loans – proportionally consolidated		1,757.4	1,884.5
Cash and cash equivalents		(537.4)	(569.6)
Fair value of currency swaps		–	11.4
Net debt – proportionally consolidated		1,220.0	1,326.3

RISKS AND UNCERTAINTIES

The Directors have considered the principal risks and uncertainties disclosed in the Annual Report for the year ended 31 December 2023, which are summarised below, and do not consider these to have materially changed in the first half of 2024. Full disclosure of these risks, including the factors which mitigate them, are set out within the Risk and uncertainties section of the Annual Report 2023. As part of their formal risk review in H2 24, given the transformational impact of the disposal of the Group's investment in Value Retail announced on 22 July 2024, the Directors expect to amend and update a number of the principal risks set out below.

A. Macroeconomic Residual risk: High	Adverse changes to the geopolitical landscape and macroeconomic environment in which the Group operates have the potential to hinder the ability to deliver the strategy and financial performance.
B. Retail market Residual risk: Medium	In the context of the ever-evolving retail marketplace, the Group fails to anticipate and address structural market changes. This could impair leasing performance, result in a sub-optimal occupier mix and thus impact the ability to attract visitors, and grow footfall/spend and income at the Group's properties.
C. Investment market and valuations Residual risk: Medium	Investor appetite for retail led assets is reduced due to macroeconomic or retail market factors including increased borrowing costs, economic downturn, and consumer and occupier confidence. This could adversely impact property valuations and risk hindering the liquidity of the Group's portfolio. This in turn could reduce the availability of funds for reinvestment and/or refinancing of debt.
D. Climate Residual risk: Medium	Climate risks, particularly the reduction in carbon emissions and addressing the risk of physical impacts to our assets as a result of climate related incidents, are not appropriately managed. This could adversely impact valuations and investor sentiment and may result in an increased final year bond coupon if the Group's sustainability linked bond targets are not met. Extreme weather events may also impact our assets.
E. Tax Residual risk: Medium	The Group suffers financial loss and reputational damage from a new or increased tax levy or due to non-compliance with local tax legislation.
F. Legal and regulatory compliance Residual risk: Medium	The failure to comply with laws and regulations relevant to the Group. These laws and regulations cover the Group's role as a multi-jurisdiction listed company; an owner and operator of property; an employer; and as a developer. Failure to comply could result in the Group suffering reputational damage, financial penalties and/or other sanctions. Changes or new requirements may place administrative and cost burdens on the Group and divert resources away from strategic objectives.
G. Non-retail/multi-use markets Residual risk: Medium	The Group fails to target the optimal (non-retail) property sectors for future repurposing or developments or has insufficient access to capital and the skills required to deliver its urban estates vision. Occupier or investor demand for non-retail sectors weakens or evolves such that the Group's repurposing or development plans are sub-optimal.
H. Cyber security Residual risk: Medium	The Group's information technology systems fail or are subject to an attack which breaches their technological defences. A failure could lead to operational disruption, financial demands or reputational damage due to assets being brought down and/or loss of commercially sensitive data.
I. Health and safety Residual risk: Medium	There is a risk of serious work-related injury, death and/or ill health to the Group's colleagues, customers or contractors, and anyone else who visits the Group's properties or premises. This may be due to the Group's actions or activities, or from external threats such as terrorism. In addition, an incident or public health issue, such as a pandemic, is likely to have an adverse operational impact. Insufficient insight into health and safety risks and mitigations or a failure to embed a strong safety culture could increase the Group's exposure to reputational damage, fines and sanctions.
J. Capital structure Residual risk: Medium	Lack of access to capital on attractive terms could lead to the Group having insufficient liquidity to enable the delivery of the Group's strategic objectives.
K. Partnerships Residual risk: High	A significant proportion of the Group's properties are held in conjunction with third parties which has the potential to limit our ability to implement our strategy and reduces our control and therefore liquidity if partners are not strategically aligned.
L. Property development Residual risk: Medium	Property development is inherently risky due to its complexity, management intensity and uncertain outcomes, particularly for major schemes with multiple phases and long delivery timescales. Unsuccessful projects result in adverse financial and reputational outcomes.
M. Transformation Residual risk: Medium	The Group fails to deliver its strategic objective of creating an agile platform due to sub-optimal transformation projects. Other issues could arise due to transformation initiatives being delivered late, overbudget or causing significant disruption to business-as-usual activity.
N. People Residual risk: Medium	A failure to retain or recruit key management and other colleagues to build skilled and diverse teams could adversely impact operational and corporate performance, culture and ultimately the delivery of the Group's strategy. As the Group evolves its strategy it must continue to motivate and retain people, ensure it offers the right colleague proposition and attract new skills in a changing market.

INDEPENDENT REVIEW REPORT TO HAMMERSON PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Hammerson plc's condensed consolidated interim financial statements (the 'interim financial statements') in the Half Year 2024 Results of Hammerson plc for the six month period ended 30 June 2024 (the 'period').

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting', International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union, the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority, and the Transparency (Directive 2004/109/EC) Regulations 2007.

The interim financial statements comprise:

- the Consolidated Balance Sheet as at 30 June 2024;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year 2024 Results of Hammerson plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting', International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union, the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority, and the Transparency (Directive 2004/109/EC) Regulations 2007.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Year 2024 Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The Half Year 2024 Results, including the interim financial statements, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Half Year 2024 Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007. In preparing the Half Year 2024 Results, including the interim financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year 2024 Results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants

London

24 July 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors' confirm that, to the best of their knowledge, the condensed consolidated interim financial statements (the 'interim financial statements') in the Half Year 2024 Results have been prepared in accordance with UK adopted International Accounting Standard 34 (IAS 34), IAS 34 as adopted by the European Union, the Transparency (Directive 2004/109/EC) Regulations 2007, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and that the Half Year 2024 Results includes a fair review of the information required by the Disclosure Guidance and Transparency Rules (DTR) 4.2.7R and DTR 4.2.8R, namely:

The interim financial statements comprise:

- An indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Any material related party transactions that have taken place in the first six months of the financial year and any material changes in the related party transactions described in the Company's last Annual Report.

A list of the current Directors is maintained on the Hammerson plc website: www.hammerson.com. The maintenance and integrity of the Hammerson plc website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that might have occurred to the interim financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board on 24 July 2024

Rita-Rose Gagné
Director

Himanshu Raja
Director

CONSOLIDATED INCOME STATEMENT

Six months ended 30 June 2024 – unaudited

	Note	Six months ended 30 June 2024 Unaudited £m	Six months ended 30 June 2023 ¹ Unaudited £m
Revenue	2,4	59.4	69.1
Profit from operating activities ²	2	11.2	18.7
Revaluation loss on properties	2	(16.8)	(10.3)
Other net (losses)/gains	2	(10.8)	3.1
Share of results of joint ventures	13B	9.6	7.6
Impairment of joint ventures	8	–	(22.1)
Share of results of associate	14A	–	1.2
Operating loss		(6.8)	(1.8)
Finance income	6	18.2	13.5
Finance costs	6	(35.4)	(45.0)
Loss before tax		(24.0)	(33.3)
Tax charge	7	(0.1)	–
Loss from continuing operations		(24.1)	(33.3)
(Loss)/Profit from discontinued operations	9B	(492.6)	32.1
Loss for the period		(516.7)	(1.2)
Basic and diluted loss per share			
Continuing operations		(0.5)p	(0.7)p
Discontinued operations		(9.9)p	0.7p
Total	11B	(10.4)p	(0.0)p

1. The results reported for the six months ended 30 June 2023 have been reclassified to represent discontinued operations in line with the requirements of IFRS 5 “Non-current assets held for sale and discontinued operations”. See note 9 for further details.
2. For the six months ended 30 June 2024, includes a net charge of £1.8m (30 June 2023: net credit of £1.7m) relating to provisions for impairment of trade (tenant) receivables as set out in note 15.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2024 – unaudited

	Six months ended 30 June 2024 Unaudited £m	Six months ended 30 June 2023 Unaudited £m
Loss for the period	(516.7)	(1.2)
Other comprehensive income/(expenses):		
<i>Recycled through the profit or loss on disposal of overseas property interests</i>		
Exchange gain previously recognised in the translation reserve	–	(100.3)
Exchange loss previously recognised in the net investment hedge reserve	–	80.2
Net exchange gain relating to equity shareholders ¹	–	(20.1)
<i>Items that may subsequently be recycled through profit or loss</i>		
Foreign exchange translation differences	(30.6)	(48.9)
Foreign exchange translation differences of discontinued operations	0.2	(16.2)
Gain on net investment hedge	37.0	57.4
Net gain on cash flow hedge	–	0.3
Share of other comprehensive (losses)/gains of discontinued operations	(4.4)	9.4
	2.2	2.0
<i>Items that will not subsequently be recycled through profit or loss</i>		
Net actuarial gains/(losses) on pension schemes	0.1	(0.2)
Other comprehensive income/(loss) for the period	2.3	(18.3)
Total comprehensive loss from continuing operations	(17.6)	(44.8)
Total comprehensive (loss)/profit from discontinued operations	(496.8)	25.3
Total comprehensive loss for the period	(514.4)	(19.5)

1 For the six months ended 30 June 2023 this relates to the sale of Italie Deux and Italik and the derecognition of O'Parinor as described in note 8.

CONSOLIDATED BALANCE SHEET

As at 30 June 2024 - unaudited

	Note	30 June 2024 Unaudited £m	31 December 2023 Audited £m
Non-current assets			
Investment properties	12	1,232.9	1,396.2
Interests in leasehold properties		31.7	32.7
Right-of-use assets		0.7	3.9
Plant and equipment		0.5	0.9
Investment in joint ventures	13C	1,177.3	1,193.2
Investment in associate	14C	–	1,115.0
Other investments		9.2	8.8
Trade and other receivables		0.6	1.9
Restricted monetary assets		21.4	21.4
		2,474.3	3,774.0
Current assets			
Trade and other receivables	15	62.9	74.1
Derivative financial instruments		1.1	5.2
Restricted monetary assets		–	2.2
Cash and cash equivalents		433.9	472.3
		497.9	553.8
Assets held for sale	9D	605.7	–
		1,103.6	553.8
Total assets		3,577.9	4,327.8
Current liabilities			
Trade and other payables		(80.3)	(129.8)
Obligations under head leases		(0.2)	(0.1)
Loans	16A	–	(108.6)
Tax		(0.2)	(0.3)
Derivative financial instruments		(0.2)	(2.3)
		(80.9)	(241.1)
Liabilities associated with assets held for sale	9D	(22.7)	–
		(103.6)	(241.1)
Non-current liabilities			
Trade and other payables		(25.8)	(55.5)
Obligations under head leases		(36.3)	(37.3)
Loans	16A	(1,502.9)	(1,515.9)
Deferred tax		(0.4)	(0.4)
Derivative financial instruments		(1.2)	(15.0)
		(1,566.6)	(1,624.1)
Total liabilities		(1,670.2)	(1,865.2)
Net assets		1,907.7	2,462.6
Equity			
Share capital		250.1	250.1
Share premium		1,563.7	1,563.7
Other reserves	19	112.1	105.5
Retained earnings		(9.9)	549.7
Investment in own shares		(8.3)	(6.4)
Equity shareholders' funds		1,907.7	2,462.6
EPRA net tangible assets value per share	11C	38p	51p

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2024 - unaudited

	Share capital 1 £m	Share premium £m	Other reserves 2 £m	Retained earnings £m	Investment in own shares 1 £m	Equity shareholders' funds £m
At 1 January 2024	250.1	1,563.7	105.5	549.7	(6.4)	2,462.6
Foreign exchange translation differences ³	–	–	(30.4)	–	–	(30.4)
Gain on net investment hedge	–	–	37.0	–	–	37.0
Loss on cash flow hedge	–	–	(0.2)	–	–	(0.2)
Loss on cash flow hedge recycled to net finance costs	–	–	0.2	–	–	0.2
Share of other comprehensive loss of associates ³	–	–	–	(4.4)	–	(4.4)
Net actuarial gains on pension schemes	–	–	–	0.1	–	0.1
Loss for the period ³	–	–	–	(516.7)	–	(516.7)
Total comprehensive income/(loss)	–	–	6.6	(521.0)	–	(514.4)
Share-based employee remuneration	–	–	–	1.9	–	1.9
Purchase of own shares and treasury shares	–	–	–	–	(3.4)	(3.4)
Cost of shares awarded to employees	–	–	–	(1.5)	1.5	–
Dividends	–	–	–	(39.0)	–	(39.0)
At 30 June 2024	250.1	1,563.7	112.1	(9.9)	(8.3)	1,907.7

Six months ended 30 June 2023 - unaudited

	Share capital 1 £m	Share premium £m	Other reserves 2 £m	Retained earnings £m	Investment in own shares 1 £m	Equity shareholders' funds £m
At 1 January 2023	250.1	1,563.7	135.4	646.0	(8.8)	2,586.4
Recycled net exchange gains on disposal of overseas property interests	–	–	(20.1)	–	–	(20.1)
Foreign exchange translation differences ³	–	–	(65.1)	–	–	(65.1)
Gain on net investment hedge	–	–	57.4	–	–	57.4
Loss on cash flow hedge	–	–	(3.1)	–	–	(3.1)
Loss on cash flow hedge recycled to net finance costs	–	–	3.4	–	–	3.4
Share of other comprehensive gain of associates ³	–	–	–	9.4	–	9.4
Net actuarial losses on pension schemes	–	–	–	(0.2)	–	(0.2)
Loss for the period ³	–	–	–	(1.2)	–	(1.2)
Total comprehensive (loss)/income	–	–	(27.5)	8.0	–	(19.5)
Share-based employee remuneration	–	–	–	1.7	–	1.7
Cost of shares awarded to employees	–	–	–	(0.2)	0.2	–
Proceeds on award of own shares to employees	–	–	–	0.1	–	0.1
At 30 June 2023	250.1	1,563.7	107.9	655.6	(8.6)	2,568.7

1 Share capital includes shares held in treasury and shares held in an employee share trust, which are held at cost and excluded from equity shareholders' funds through 'Investment in own shares'.

2 Other reserves comprise Translation, Net investment and Cash flow hedge reserves.

3 Relates to continuing and discontinued operations.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023 – audited

	Share capital 1 £m	Share premium £m	Other reserves 2 £m	Retained earnings £m	Investment in own shares 1 £m	Equity shareholders' funds £m
At 1 January 2023	250.1	1,563.7	135.4	646.0	(8.8)	2,586.4
Recycled exchange gains on disposal of overseas property interests	–	–	(20.1)	–	–	(20.1)
Foreign exchange translation differences ³	–	–	(49.3)	–	–	(49.3)
Gain on net investment hedge	–	–	39.3	–	–	39.3
Loss on cash flow hedge	–	–	(3.4)	–	–	(3.4)
Loss on cash flow hedge recycled to net finance costs	–	–	3.6	–	–	3.6
Share of other comprehensive loss of associates ³	–	–	–	(8.8)	–	(8.8)
Net actuarial losses on pension schemes	–	–	–	(1.4)	–	(1.4)
Loss for the period ³	–	–	–	(51.4)	–	(51.4)
Total comprehensive loss	–	–	(29.9)	(61.6)	–	(91.5)
Share-based employee remuneration	–	–	–	3.6	–	3.6
Cost of shares awarded to employees	–	–	–	(2.4)	2.4	–
Dividends	–	–	–	(35.9)	–	(35.9)
At 31 December 2023	250.1	1,563.7	105.5	549.7	(6.4)	2,462.6

CONSOLIDATED CASH FLOW STATEMENT

Six months ended 30 June 2024 - unaudited

	Note	Six months ended 30 June 2024 Unaudited £m	Six months ended 30 June 2023 Unaudited £m
Profit from operating activities		11.2	18.7
Net movements in working capital and restricted monetary assets	20A	(17.3)	(2.1)
Non-cash items	20A	3.0	5.1
Cash (utilised in)/generated from operations		(3.1)	21.7
Interest received		20.3	11.7
Interest paid		(53.6)	(47.6)
Debt and loan facility issuance and extension fees		(0.8)	(0.6)
Tax paid		–	(0.1)
Distributions and other receivables from joint ventures		23.9	48.9
Cash flows from operating activities		(10.2)	34.0
Investing activities			
Capital expenditure		(8.0)	(10.2)
Sale of properties (including trading properties)		116.3	47.8
Sale of investments in joint ventures		–	69.0
Sale of investments in associates		–	96.7
Advances to joint ventures		(4.4)	(5.9)
Distributions and capital returns received from associates		12.3	42.7
Cash flows from investing activities		116.2	240.1
Financing activities			
Proceeds from award of own shares		–	0.1
Purchase of own shares		(3.4)	–
Repayment of borrowings		(91.9)	(11.9)
Equity dividends paid	18	(45.0)	–
Cash flows from financing activities		(140.3)	(11.8)
(Decrease)/Increase in cash and cash equivalents		(37.4)	262.3
Opening cash and cash equivalents	20B	472.3	218.8
Exchange translation movement	20B	(1.0)	(1.5)
Closing cash and cash equivalents	20B	433.9	479.6

The cash flows above relate to continuing and discontinued operations. See note 9 for further information on discontinued operations.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION, CONSOLIDATION AND PRINCIPAL ACCOUNTING POLICIES

A. GENERAL INFORMATION

The condensed consolidated interim financial statements for the six months ended 30 June 2024 are unaudited and do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006, but have been reviewed by the auditor. Statutory accounts for the year ended 31 December 2023, which have been prepared in accordance with both UK adopted International Accounting Standards and International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, were approved by the Directors on 28 February 2024 and have been delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

B. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared on a going concern basis and in accordance with International Accounting Standards 34, 'Interim Financial Reporting' (IAS 34) contained in UK and EU adopted IFRS and the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority as well as SAICA Financial Reporting Guides as issued by the Accounting Practices Committee.

New accounting standards, amendments to standards and IFRIC interpretations which became applicable during the period or have been published but are not yet effective, were either not relevant or had no, or are not expected to have a material, impact on the Group's results or net assets.

The interim financial statements have been prepared on the basis of the accounting policies as set out in the Group's audited financial statements for the year ended 31 December 2023 which were prepared in accordance with IFRS (as adopted by the UK) and have been applied consistently year on year. The only exception to this relates to the classification and measurement of assets as 'held for sale' and the presentation of a 'discontinued operation' associated with the disposal of the Group's interest in Value Retail as explained in note 9. The Group's accounting policy for assets held for sale is that a property or investment may be classed as 'held for sale' if it meets the criteria of IFRS 5 at the balance sheet date. If an investment in a joint venture or associate is reclassified to assets held for sale, equity accounting ceases on the date of reclassification and any subsequent gains or losses on remeasurement are recognised in the income statement as impairment gains or losses and presented in Loss from discontinued operations. In the event that assets held for sale form an identifiable business segment, the results for both the current and prior year are reclassified as 'discontinued operations'.

C. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Estimation uncertainty

As disclosed in the Group's audited financial statements for the year ended 31 December 2023 the Group's key sources of estimation uncertainty continues to relate to property valuations due to its inherent subjectivity, reliance on assumptions and sensitivity to market fluctuations. The property portfolio is valued by external valuers in accordance with RICS Valuation – Global Standards.

Inputs to the valuations, some of which are 'unobservable' as defined by IFRS 13, include capitalisation yields (nominal equivalent yield) and market rental income (ERV). These are dependent on individual market characteristics. With other factors remaining constant, an increase in rental income would increase valuations, whilst increases in capitalisation yields and discount rates would reduce values and vice versa. However, there are interrelationships between unobservable inputs as they are determined by market conditions. For example, an increase in rent may be offset by an increase in yield, resulting in no net impact on the valuation. A sensitivity analysis, showing the impact on valuations of changes in yields and market rental income is set out in note 12A.

Significant judgements

The Group's significant accounting judgements are consistent with those disclosed in the Group's audited financial statements for the year ended 31 December 2023 with the exception of the reclassification to assets held for sale of the Group's investment in Value Retail as explained below.

Value Retail - Reclassification to assets held for sale and discontinued operation

On 22 July 2024, the Group announced it had entered into a binding sale agreement for the disposal of its entire interests in Value Retail. The Group has accounted for its Value Retail interests as an associated undertaking, however at the balance sheet date the Directors concluded that, given the significant progress made towards agreeing and signing a sale agreement, that a sale was "highly probable" and hence the Group's interests were judged to have met the criteria outlined in IFRS 5 to be reclassified to "held for sale" within current assets.

On reclassification to "held for sale", in accordance with IFRS 5, the Group's interests have been re-measured to the lower of the carrying amount and estimated fair value less sale costs at completion, which is expected in H2 24. The fair value was based on the contracted sale proceeds and the remeasurement resulted in a £483m impairment loss being recognised in the period.

In addition, the sale of Value Retail represents a separate major line of business and hence has been treated as a discontinued operation and the results for the current and prior financial periods have been separately disclosed from the continuing segments of the business.

1. BASIS OF PREPARATION, CONSOLIDATION AND PRINCIPAL ACCOUNTING POLICIES - continued

D. GOING CONCERN

Introduction

The interim financial statements for the period ended 30 June 2024 have been prepared on a going concern basis. In order to determine this outcome the Directors have undertaken a detailed assessment of the Group's projected financial position over the period to 31 December 2025 ('the going concern period'). This period has been selected as it coincides with the first six monthly covenant test date for the Group's unsecured borrowing facilities falling due after the minimum 12 months going concern period.

Financial position

The Group has a robust financial position from both a liquidity and debt covenant perspective. At 30 June 2024, on a proportionally consolidated basis excluding Value Retail, liquidity was £1,138m, comprising £538m of cash and £600m of undrawn revolving committed facilities this compares to gross unsecured debt maturing over the going concern period of £338m.

The Group has three principal unsecured debt covenants: gearing, interest cover and unencumbered asset ratio, with the latter covenant only applicable to the Group's private placement notes. The key variables impacting the three principal covenants are net asset movements (due principally to property valuation changes) for the gearing covenant; property valuations for the unencumbered asset ratio covenant; and changes in net rental income for the interest cover covenant. Net interest cost also impacts the interest cover ratio, although at 30 June 2024, 100% of the Group's gross debt is at fixed interest rates, which limits the volatility of this element of the covenant over the going concern period.

Level of reduction ('headroom') in key variable at each date to reach covenant threshold

Covenant	30 June 2024	Key variable ¹	Headroom
Gearing	64.7%	Property valuations	42%
Unencumbered assets ratio	2.10x	Property valuations – Unencumbered assets only	28%
Interest cover	4.21x	Net rental income	70%

1 Managed portfolio calculated on a proportionally consolidated basis

The Group also has exposure to secured borrowings in its Dundrum joint venture and its Value Retail investment. At 30 June 2024, the Group's share of loans which mature over the going concern period totalled £416m. These secured facilities are non-recourse to the rest of the Group and subject to covenants, principally relating to loan to value and interest cover. While the loan secured against Dundrum matures in September 2024, the JV is in advanced stages to refinance the loan and expects a new loan to be signed in early August 2024. Value Retail also has two loans which mature over the going concern period.

Assessment approach

The assessment was based on the Group's 2024 Business Plan and contained projected earnings, balance sheet, cash flow, liquidity and covenant metrics including headroom. The assessment also took into account the Group's principal risks, with "Investment markets & valuations" and "Capital structure" being the key risks from a going concern perspective due to their intrinsic link to the Group's debt covenants and liquidity. The assessment did not include the future proceeds from the sale of Value Retail which was announced on 22 July and recognised as an asset held for sale at 30 June 2024 (see note 9).

The assessment included various stress tests based on valuation yields and ERVs as at 30 June 2024 and incorporated the following modelling assumptions:

- the redemption of the Group's senior private placement notes which totalled £75m at 30 June 2024. The Group has the right to redeem these notes in order to avoid a breach of the unencumbered asset ratio
- the derecognition of secured borrowings and assets held by the Dundrum joint venture and Value Retail assuming these loans were not refinanced or repaid at maturity and lenders took enforcement action

Having reviewed the results of the stress tests, current external forecasts, recent precedents and plausible future adverse impacts to valuations and net rental income, the Directors are satisfied that the Group has sufficient liquidity and covenant headroom over the going concern period.

Conclusion

The assessment process demonstrated that the Group is forecast to remain in a robust financial position and will have adequate resources to continue in operation over the going concern period to 31 December 2025. Accordingly, the Directors have concluded that the interim financial statements should be prepared on a going concern basis.

E. FOREIGN CURRENCY

The principal foreign currency denominated balances are in euro where the translation exchange rates used are:

<i>Consolidated income statement (average rate):</i>	Six months ended 30 June 2024	Six months ended 30 June 2023
Quarter 1	€1.168	€1.133
Quarter 2	€1.172	€1.150
<i>Consolidated balance sheet (closing rate):</i>	30 June 2024	31 December 2023
Period end rate	€1.179	€1.153

2. PROFIT/(LOSS) FOR THE PERIOD

As described in the Financial Review and note 3, for management reporting purposes the Group evaluates the performance of its business by aggregating its share of joint ventures and associates which are under the Group's management ('Share of Property interests') on a proportionally consolidated basis with its properties or entities which are wholly owned or in joint operations ('Reported Group').

Adjusted earnings, which are also calculated on a proportionally consolidated basis, is the Group's primary profit measure and is the basis of information which is reported to the Board. The following table sets out a reconciliation from the Group's loss for the period under IFRS to Adjusted earnings.

Six months ended 30 June 2024						
	Note	Reported Group £m	Share of Property interests £m	Proportionally consolidated		
				Sub-total before adjustments £m	Capital and other adjustments ¹ £m	Adjusted £m
Revenue	4	59.4	63.5	122.9	–	122.9
Gross rental income ²	3A, 4	40.1	54.3	94.4	–	94.4
Service charge income	4	14.0	9.2	23.2	–	23.2
		54.1	63.5	117.6	–	117.6
Service charge expenses		(16.2)	(10.7)	(26.9)	–	(26.9)
Cost of sales	5	(7.8)	(10.2)	(18.0)	–	(18.0)
Net rental income		30.1	42.6	72.7	–	72.7
Gross administration costs	5	(24.2)	–	(24.2)	2.7	(21.5)
Other income	4	5.3	0.1	5.4	–	5.4
Net administration expenses		(18.9)	0.1	(18.8)	2.7	(16.1)
Profit from operating activities		11.2	42.7	53.9	2.7	56.6
Revaluation losses on properties	12	(16.8)	(31.0)	(47.8)	47.8	–
(Loss)/Profit on sale of properties	8	(11.0)	0.2	(10.8)	10.8	–
Costs associated with pension scheme wind-up		(0.5)	–	(0.5)	0.5	–
Change in fair value of other investments		0.5	–	0.5	(0.5)	–
Profit on sale of joint ventures and associates		0.2	(0.2)	–	–	–
Other net losses		(10.8)	–	(10.8)	10.8	–
Share of results of joint ventures	13B	9.6	(9.6)	–	–	–
Operating (loss)/profit		(6.8)	2.1	(4.7)	61.3	56.6
Net finance costs	6	(17.2)	(2.1)	(19.3)	0.6	(18.7)
(Loss)/Profit before tax		(24.0)	–	(24.0)	61.9	37.9
Tax charge	7	(0.1)	–	(0.1)	–	(0.1)
(Loss)/Profit from continuing operations		(24.1)	–	(24.1)	61.9	37.8
(Loss)/Profit from discontinued operations ³	9B	(492.6)	–	(492.6)	504.3	11.7
(Loss)/Profit for the period		(516.7)	–	(516.7)	566.2	49.5

1 Adjusting items, described above as 'Capital and other adjustments', are set out in note 10A.

2 Proportionally consolidated figure includes £5.5m (six months ended 30 June 2023: £6.2m) of contingent rents calculated by reference to occupiers' turnover.

3 Discontinued operations reflect Value Retail, see note 9 for further details.

2. PROFIT/(LOSS) FOR THE PERIOD – continued

				Six months ended 30 June 2023		
	Note	Reported Group £m	Share of Property interests £m	Proportionally consolidated		
				Sub-total before adjustments £m	Capital and other adjustments ¹ £m	Adjusted £m
Revenue	4	69.1	67.6	136.7	–	136.7
Gross rental income²	3A, 4	47.9	58.4	106.3	–	106.3
Service charge income	4	13.0	9.1	22.1	–	22.1
		60.9	67.5	128.4	–	128.4
Service charge expenses		(14.0)	(11.1)	(25.1)	–	(25.1)
Cost of sales	5	(7.6)	(10.4)	(18.0)	(0.2)	(18.2)
Net rental income		39.3	46.0	85.3	(0.2)	85.1
Gross administration costs	5	(28.8)	(0.1)	(28.9)	3.2	(25.7)
Other income	4	8.2	–	8.2	–	8.2
Net administration expenses		(20.6)	(0.1)	(20.7)	3.2	(17.5)
Profit from operating activities		18.7	45.9	64.6	3.0	67.6
Revaluation losses on properties		(10.3)	(33.5)	(43.8)	43.8	–
Disposals						
– Profit/(Loss) on sale of properties	8	0.3	(17.6)	(17.3)	17.3	–
– Recycled exchange gains on disposal of overseas interests		20.1	–	20.1	(20.1)	–
Change in fair value of other investments		0.3	–	0.3	(0.3)	–
Loss on sale of joint ventures and associates		(17.6)	17.6	–	–	–
Other net gains		3.1	–	3.1	(3.1)	–
Share of results of joint ventures	13B	7.6	(7.6)	–	–	–
Impairment of joint venture		(22.1)	–	(22.1)	22.1	–
Share of results of associates	14A	1.2	(1.2)	–	–	–
Operating (losses)/profit		(1.8)	3.6	1.8	65.8	67.6
Net finance costs	6	(31.5)	(3.6)	(35.1)	10.0	(25.1)
(Loss)/Profit before tax		(33.3)	–	(33.3)	57.1	42.5
Tax charge	7	–	–	–	–	–
(Loss)/Profit from continuing operations		(33.3)	–	(33.3)	38.4	42.5
Profit from discontinued operations ³	9B	32.1	–	32.1	18.7	13.4
(Loss)/Profit for the period		(1.2)	–	(1.2)	57.1	55.9

3. SEGMENTAL ANALYSIS

The Group's reportable segments are determined by the internal performance reported to the Chief Operating Decision Makers which has been determined to be the Group Executive Committee. Such reporting is both by sector and geographic location as these demonstrate different characteristics and risks, are managed by separate teams and are the basis on which resources are allocated.

As described in the Financial Review, the Group evaluates the performance of its portfolio by aggregating its wholly owned properties and joint operations in the 'Reported Group' with its ownership share of joint ventures and associates which are under the Group's management ('Share of Property interests') on a proportionally consolidated line-by-line basis. The Group does not proportionally consolidate the Group's investment in Value Retail as this is not under the Group's management, and instead monitors the performance of this investment separately from the Group's Managed portfolio.

The Group's activities presented on a proportionally consolidated basis including Share of Property interests are:

- Flagship destinations
- Developments and other

As explained in notes 1C and 9, following the announcement by the Group on 22 July 2024 that it had entered into a binding agreement for the disposal of its entire interests in Value Retail, this segment has been re-presented as a discontinued operation and has been excluded from the "Investment property by segment" table below.

Total assets are not monitored by segment and resource allocation is based on the distribution of property assets between segments.

A. Income and profit by segment

	Gross rental income		Adjusted net rental income	
	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Flagship destinations				
UK	39.4	43.5	30.4	33.9
France	27.0	32.4	21.6	26.9
Ireland	19.5	20.0	17.1	18.3
	85.9	95.9	69.1	79.1
Developments and other	8.5	10.4	3.6	6.0
Managed portfolio – proportionally consolidated	94.4	106.3	72.7	85.1
Less Share of Property interests – continuing operations	(54.3)	(58.4)		
Reported Group – continuing operations	40.1	47.9		

B. Investment property assets by segment

	30 June 2024			31 December 2023		
	Property valuation £m	Capital expenditure £m	Revaluation gains/(losses) ¹ £m	Property valuation £m	Capital expenditure £m	Revaluation losses ¹ £m
Flagship destinations						
UK	758.9	5.1	12.1	863.1	13.9	(21.8)
France	981.4	6.6	0.1	1,003.3	14.3	(15.2)
Ireland	568.4	1.2	(49.1)	629.7	5.4	(37.5)
	2,308.7	12.9	(36.9)	2,496.1	33.6	(74.5)
Developments and other	270.5	3.4	(10.9)	280.0	13.3	(44.6)
Managed portfolio – proportionally consolidated	2,579.2	16.3	(47.8)	2,776.1	46.9	(119.1)
Less Share of Property interests ²	(1,346.3)	(8.3)	31.0	(1,379.9)	(27.3)	73.9
Reported Group – continuing operations	1,232.9	8.0	(16.8)	1,396.2	19.6	(45.2)

1 Continuing operations

2 The property valuation of Share of Property interests comprises UK Flagship destinations: £758.9m (2023: £741.8m); France flagship destinations: £nil (2023: £nil), Ireland flagship destinations: £436.2m (2023: £485.2m) and Developments and other £151.2m (2023: £152.9m).

4. REVENUE

	Note	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Base rent		31.7	36.4
Turnover rent		1.1	2.0
Car park income ¹		4.5	5.3
Lease incentive recognition		1.4	1.3
Other rental income		1.4	2.9
Gross rental income	2	40.1	47.9
Service charge income ¹	2	14.0	13.0
Other income			
– Property fee income ¹		2.9	4.8
– Joint venture and associate management fees ¹		2.4	3.4
		5.3	8.2
Total – continuing operations		59.4	69.1

1 Revenue for these categories amounted to £23.8m (six months ended 30 June 2023: £26.5m) and is recognised under IFRS 15 'Revenue from Contracts with Customers'. All other revenue is recognised in accordance with IFRS 16 'Leases'.

5. COSTS

	Note	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Cost of sales			
Ground rents payable		0.5	0.5
Inclusive lease costs recovered through rent		0.7	1.3
Other property outgoings		6.6	5.8
		7.8	7.6
Gross administration costs			
Employee costs		13.9	17.1
Depreciation		0.8	2.1
Other administration costs		6.8	6.4
Business transformation costs	10A	2.7	3.2
		24.2	28.8
Total – continuing operations		32.0	36.4

6. NET FINANCE COSTS

		Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Finance income			
Interest receivable on derivatives		5.8	7.5
Bank and other interest receivable		12.4	6.0
		18.2	13.5
Finance costs			
Interest on bank loans and overdrafts		(2.2)	(2.1)
Interest on bonds and related charges		(30.3)	(29.1)
Interest on senior notes and related charges		(2.0)	(2.7)
Interest on obligations under head leases and other lease obligations		(1.1)	(1.2)
Other interest payable		(0.2)	(0.1)
Gross interest costs		(35.8)	(35.2)
Fair value gains/(losses) on derivatives		0.4	(9.8)
		(35.4)	(45.0)
Net finance costs – continuing operations		(17.2)	(31.5)

7. TAX CHARGE

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Foreign current tax	0.1	—
Tax charge – continuing operations	0.1	—

The Group's tax charge remains low because it has tax exempt status in its principal operating countries. The Group has been a REIT in the UK since 2007 and a SIIC in France since 2004. These tax regimes exempt the Group's property income and gains from corporate taxes, provided a number of conditions in relation to the Group's activities are met. These conditions include, but are not limited to, distributing at least 90% of the Group's UK tax exempt profits as property income distributions (PID) with equivalent tests of 95% on French tax exempt property profits and 70% of tax exempt property gains. The residual businesses in both the UK and France are subject to corporation tax as normal. The Irish assets are held in a QIAIF which provides similar tax benefits to those of a UK REIT but which subjects dividends and certain excessive interest payments to a 20% withholding tax. The Group is committed to remaining in these tax exempt regimes.

The Group operates in a number of jurisdictions and is subject to periodic reviews and challenges by local tax authorities on a range of tax matters during its normal course of business. Tax impacts can be uncertain until a conclusion is reached with the relevant tax authority or through a legal process. The Group uses in-house expertise when assessing uncertain tax positions and seeks the advice of external professional advisors where appropriate. The Group believes that its tax liability accruals are adequate for all open tax years based on its assessment of many factors, including tax laws and prior experience.

8. DISPOSALS AND IMPAIRMENT ON DERECOGNITION OF JOINT VENTURES

Six months ended 30 June 2024

Disposals

On 15 March 2024 the Group raised gross proceeds of £111m from the disposal of its 100% interest in Union Square, Aberdeen, which was 8% below its 31 December 2023 book value. Also, in March 2024, the Group completed the sale of the ancillary wholly owned property at O'Parinor for £6m, in line with the 31 December 2023 book value.

These disposals, in addition to other properties net credit adjustments to selling costs of £0.2m, resulted in a total net loss on disposal of £10.8m.

Six months ended 30 June 2023

Disposals

On 31 March 2023, the Group raised gross proceeds of €164m (£144m) from the disposal of its 25% associate stake in Italie Deux in Paris and the wholly owned Italik extension. 75% of the Italik extension had been classified as a trading property up to the point of disposal.

On 21 April 2023, the Group completed the sale of its 50% joint venture investment in Centrale and Whitgift in Croydon for gross proceeds of £70m. Also during the year the Group raised further gross proceeds of £2m from the sale of ancillary non-core land.

In total these disposals resulted in a net loss on disposal of £17.3m.

Impairment on derecognition of joint ventures

At 31 December 2022, the Group's Highcross and O'Parinor joint ventures, in which the Group had 50% and 25% interests respectively, had £125m of borrowings secured against the property interests which were non-recourse to the Group. In both cases the loans were in breach of certain conditions and the Group had been working constructively with the respective lenders on options to realise 'best value' for all stakeholders.

On 9 February 2023, a receiver was appointed to administer Highcross for the benefit of the creditors and, as a result of no longer having joint control the Group derecognised its share of assets and liabilities, including the property value and £80m of borrowings. There was no loss on derecognition as the Group's joint venture investment in Highcross had been fully impaired at 31 December 2021, from which date the Group had ceased recognising the results of this joint venture in the consolidated income statement.

On 30 June 2023, the lenders on O'Parinor took control of the joint venture. At that point the Group fully impaired its joint venture investment by £22.1m and derecognised its share of assets and liabilities, including the property value and £45m of secured borrowings.

9. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

A. VALUE RETAIL DISPOSAL

On 22 July 2024, the Group announced it had entered into a binding sale agreement for the disposal of its entire interests in Value Retail for gross proceeds of €705m (£598m at 30 June 2024 exchange rate). The Group has historically accounted for its Value Retail interests as an associated undertaking, however at the balance sheet date the Directors concluded that, given the significant progress made towards agreeing and signing the sale agreement, that a sale was “highly probable” and hence the Group’s interests were judged to have met the criteria outlined in IFRS 5 to be reclassified to being “held for sale” within current assets.

On reclassification to an asset “held for sale”, in accordance with IFRS 5, the Group’s interests have been re-measured to the lower of the carrying amount and estimated fair value less sale costs at completion, which is expected in H2 24. The fair value was based on the contracted sale proceeds less estimated transaction costs, including tax, of £15m, and the remeasurement resulted in a £483.0m impairment loss being recognised in the period. The fair value represents a Level 2 measurement basis as defined in IFRS 13 (see note 17).

In addition, the sale of Value Retail represents a separate major line of the business and hence has been treated as a discontinued operation and the results for the current and prior financial periods have been separately disclosed from the continuing segments of the business.

B. (LOSS)/PROFIT FOR THE PERIOD

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Gross rental income	80.8	73.8
Net rental income	58.2	52.7
Administration expenses	(28.1)	(25.8)
Profit from operating activities	30.1	26.9
Revaluation (losses)/gains on properties	(24.9)	26.0
Impairment recognised on reclassification to held for sale	(483.0)	–
Operating (loss)/profit	(477.8)	52.9
Interest costs	(19.4)	(16.3)
Fair value losses on derivatives	(2.4)	(4.9)
Fair value gains on participative loans – other movement	2.4	3.4
Fair value gains on participative loans – revaluation movement	2.2	10.4
Net finance costs	(17.2)	(7.4)
(Loss)/Profit before tax	(495.0)	45.5
Current tax charge	(1.7)	(0.6)
Deferred tax credit/(charge)	4.1	(12.8)
(Loss)/Profit for the period	(492.6)	32.1
Adjustments for adjusted earnings (note 10A)	504.3	(18.7)
Adjusted earnings for the period	11.7	13.4

Figures above reflect the Group’s share of Value Retail’s results, except the impairment recognised on reclassification to held for sale which relates to the Reported Group.

At 30 June the Group had an interest of 40% (FY 23: 40%) calculated based on a net asset basis (adjusted for participative loans).

C. CASH FLOWS

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Distributions and capital returns received from associates	12.3	42.7
Cash inflows from investing activities	12.3	42.7

There were no cash flows from operating or financing activities in current or prior periods.

9. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE - continued

D. SUMMARY OF ASSETS AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

	30 June 2024		
	Reported Group ¹ £m	Investment in associates ² £m	Total £m
Non-current assets			
Investment properties	–	1,753.9	1,753.9
Other non-current assets	1.7	96.2	97.9
	1.7	1,850.1	1,851.8
Current assets			
Cash and cash equivalents	–	61.7	61.7
Other current assets	–	33.7	33.7
	–	95.4	95.4
Total assets	1.7	1,945.5	1,947.2
Current liabilities			
Loans	–	(192.9)	(192.9)
Other payables	–	(54.7)	(54.7)
	–	(247.6)	(247.6)
Non-current liabilities			
Loans	–	(557.2)	(557.2)
Participative loan	–	(97.6)	(97.6)
Other payables, including deferred tax	(22.7)	(166.5)	(189.2)
	(22.7)	(821.3)	(844.0)
Total liabilities	(22.7)	(1,068.9)	(1,091.6)
Net assets	(21.0)	876.6	855.6
Reverse participative loans	–	210.4	210.4
Net asset value pre-impairment³	(21.0)	1,087.0	1,066.0
Impairment recognised on reclassification to held for sale			(483.0)
Net assets held for sale (as presented on the consolidated balance sheet)			583.0
Split:			
Assets held for sale			605.7
Liabilities held for sale			(22.7)

1 Reported Group includes a €2.0m (£1.7m) loan to an intermediate holding company of Value Retail and £22.7m of distributions received in advance from Value Retail, both items are included in the sale.

2 At Group share.

3 Includes accumulated impairment to the investment in Value Retail of £94.3m (2022: £94.3m) which was recognised in the year ended 31 December 2020 and is equivalent to the notional goodwill on this investment.

The impairment loss of £483.0m was calculated based on gross proceeds in the sale agreement, less expected transaction costs, including tax, of £15m, compared to the value of the net assets shown above, including the investment properties which have been remeasured to fair value at the date of reclassification.

In addition, the cumulative other comprehensive income in relation to foreign exchange and hedge reserve movements relating to the Group's investment in Value Retail will be recycled to the income statement on completion of the disposal.

10. PERFORMANCE MEASURES – (LOSS)/EARNINGS AND NET ASSETS

As explained on page 9 of the Financial Review, the Group uses a number of alternative performance measures ('APMs'), being financial measures not specified under IFRS, to monitor the performance of the business. In addition to the IFRS figures, we present EPRA, Headline and Adjusted earnings and three EPRA net asset measures. The reconciliation of each of these measures to IFRS is presented below:

A. Earnings measures (continuing and discontinued operations)

		Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
	Footnote		
Loss for the period - total	A	(516.7)	(1.2)
Adjustments:			
Revaluation losses on managed portfolio		47.8	43.8
Disposals:			
– Loss on sale of properties	1	10.8	17.3
– Recycled exchange gains on disposal of overseas property interests	2	–	(20.1)
Joint venture related:			
– Impairment of joint venture	3	–	22.1
Value Retail related (discontinued operation):			
– Revaluation losses/(gains)		24.9	(26.0)
– Deferred tax	4	(4.1)	12.8
– Impairment on reclassification to an asset held for sale	5	483.0	–
Sub-total: Adjustments for Headline earnings	B	562.4	49.9
Value Retail related (discontinued operation):			
– Change in fair value of derivatives	4, 6	2.4	4.9
– Change in fair value of participative loans – revaluation movement	4, 6	(2.2)	(10.4)
– Change in fair value of financial asset	4, 6	0.3	–
Included in net finance costs:			
– Change in fair value of derivatives	6	0.6	10.0
– Change in fair value of other investments	7	(0.5)	(0.3)
Sub-total: Adjustments for EPRA earnings	C	563.0	54.1
Included in profit from operating activities:			
– Costs associated with pension scheme wind-up	8	0.5	–
– Business transformation costs	9	2.7	3.2
– Change in provision for amounts not yet recognised in the income statement	10	–	(0.2)
Total: Adjustments for adjusted earnings	D	566.2	57.1
Headline earnings	A+B	45.7	48.7
EPRA earnings	A+C	46.3	52.9
Adjusted earnings	A+D	49.5	55.9

1 As shown in note 2, includes loss on sale of properties of £11.0m (HY 23: £0.3m profit) and profit on sale of joint ventures and associates of £0.2m (HY 23: £17.6m loss). Also see note 8 for further details.

2 For HY 23 exchange gains previously recognised in equity until disposal in relation to Italie Deux and O'Parinor.

3 For HY 23 impairment resulting from derecognition of the O'Parinor joint venture, see note 8 for details.

4 In accordance with EPRA guidance, the tax effects of EPRA adjustments (including those for disposals) is excluded.

5 Impairment charge recognised on reclassification of Group's interests in Value Retail at 30 June 2024, see note 9 for details.

6 Change in fair value of derivatives and participative loans: such items are excluded because they represent gains and losses arising from market rather than settlement revaluation methodologies which differ from the accruals basis upon which all other non-investment property related assets and liabilities are measured. Such a treatment is a form of revaluation gain or loss created by an assumption that the derivatives or loans will be settled before their maturity. Such gains and losses are excluded from adjusted earnings as they are unrealised and conflict with the commercial reasons for entering into such arrangements and are expected to be held to maturity.

7 Relates to the fair value movement based on the fair value of the underlying net assets of the Group's 7.3% investment in VIA Outlets Zweibrücken B.V.

8 As explained on page 16, in the first half of 2024 the Group wound up its principal defined benefit pension scheme and incurred fees of £0.5m on this one-off activity which management have determined do not represent the underlying activities of the Group.

10. KEY ALTERNATIVE PERFORMANCE MEASURES - continued

A. Earnings measures (continuing and discontinued operations) – continued

9 Business transformation costs comprise:

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Employee severance	–	0.8
System related costs	2.3	1.5
Other costs (principally premises related costs)	0.4	0.9
	2.7	3.2

Such costs relate to the strategic and operational review undertaken following the change in management and which is an integral part of the Group's strategy announced during 2021. The related costs are incremental and do not form part of underlying trading. These costs have been incurred since the announcement of the strategy and further transformation activities will take place in 2024.

- 10 Reflects a charge for expected credit losses in accordance with the technical interpretation of IFRS 9 irrespective of whether the income to which the provision relates has been recognised in the income statement or is deferred on the balance sheet. Because of the mismatch this causes between the cost of provision being recognised in one accounting period and the related revenue being recognised in a different accounting period, the adjustment eradicates this distortion.

B. Net Asset measures

The Group uses the EPRA best practice guidelines incorporating three measures of net asset value: EPRA Net Tangible Assets (NTA), Net Reinstatement Value (NRV) and Net Disposal Value (NDV). EPRA NTA is considered to be the most relevant measure for the Group. A reconciliation between IFRS net assets and the three EPRA net asset valuation metrics is set out below.

30 June 2024					
	Footnote	Reported Group £m	Share of Property interests £m	Value Retail ¹ £m	Total £m
Reported balance sheet net assets (equity shareholders' funds)		1,907.7	–	–	1,907.7
Change in fair value of borrowings	2	30.5	–	–	30.5
EPRA NDV					1,938.2
Deduct change in fair value of borrowings	2	(30.5)	–	–	(30.5)
Deferred tax – 50% share	3	0.2	–	–	0.2
Fair value of currency swaps as a result of interest rates	4	1.3	–	–	1.3
Fair value of interest rate swaps		0.3	(0.4)	–	(0.1)
EPRA NTA					1,909.1
Deferred tax – remaining 50% share	3	0.2	–	–	0.2
Purchasers' costs	5	162.5	–	–	162.5
EPRA NRV					2,071.8
31 December 2023					
	Footnote	Reported Group £m	Share of Property interests £m	Value Retail £m	Total £m
Reported balance sheet net assets (equity shareholders' funds)		2,462.6	–	–	2,462.6
Change in fair value of borrowings	2	36.7	(0.2)	–	36.5
EPRA NDV					2,499.1
Deduct change in fair value of borrowings	2	(36.7)	0.2	–	(36.5)
Deferred tax – 50% share	3	0.2	0.1	100.7	101.0
Fair value of currency swaps as a result of interest rates	4	1.0	–	–	1.0
Fair value of interest rate swaps		0.7	(1.3)	(22.0)	(22.6)
EPRA NTA					2,542.0
Deferred tax – remaining 50% share	3	0.2	–	100.7	100.9
Purchasers' costs	5	302.9	–	–	302.9
EPRA NRV					2,945.8

- Following the reclassification of the Group's investment in Value Retail as an asset held for sale the EPRA net asset adjustments have been excluded in the calculations as at 30 June 2024.
- Applicable for EPRA NDV calculation only and hence the adjustment is reversed for EPRA NTA and EPRA NRV.
- As per the EPRA guidance we have chosen to exclude of 50% of deferred tax for EPRA NTA purposes.
- Excludes impact of foreign exchange.
- Represents property transfer taxes and fees payable should the Group's entire property portfolio be acquired at period end market rates. (June 2024 excludes Value Retail, per footnote 1 above, and December 2023 includes Value Retail).

11. (LOSS)/EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

The calculations of the (loss)/earnings per share (EPS) measures set out below are based on the (loss)/profit for the period calculation on an IFRS, Headline, EPRA and Adjusted basis as shown in note 10A and the weighted average number of shares in issue during the period.

Headline earnings per share has been calculated in accordance with the requirements of the Johannesburg Stock Exchange listing requirements. EPRA has issued recommended bases for the calculation of certain per share information which includes net asset value per share as well as earnings per share.

Basic EPS measures are calculated by dividing the earnings attributable to the equity shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted EPS measures are calculated on the same basis as Basic EPS but with a further adjustment to the weighted average number of shares outstanding to assume conversion of all potentially dilutive ordinary shares. Such potentially dilutive ordinary shares comprise share options and awards granted to colleagues where the exercise price is less than the average market price of the Company's ordinary shares during the period and any unvested shares which have met, or are expected to meet, the performance conditions at the end of the period. To the extent that there is no dilution, this arises due to the anti-dilutive effect of all such shares.

Net assets per share metrics comprise net assets calculated in accordance with EPRA guidelines, as set out in note 10B, divided by the number of shares in issue at the period end.

A. Number of ordinary shares for per share calculations

	Six months ended 30 June 2024 million	Six months ended 30 June 2023 million
Weighted average number of shares		
For purposes of basic EPS	4,975.7	4,969.5
Effect of potentially dilutive shares (share options)	11.5	13.4
For purposes of diluted EPS (excluding Reported Group)	4,987.2	4,982.9

	30 June 2024 million	31 December 2023 million
Shares in issue (for purposes of net asset per share calculations)	5,002.3	5,002.3

B. (Loss)/Earnings per share

	(Loss)/earnings		(Loss)/earnings per share			
			Basic		Diluted	
	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Six months ended 30 June 2024 pence	Six months ended 30 June 2023 pence	Six months ended 30 June 2024 pence	Six months ended 30 June 2023 pence
Continuing operations	(24.1)	(33.3)	(0.5)p	(0.7)p	(0.5)p	(0.7)p
Discontinued operations	(492.6)	32.1	(9.9)p	0.7p	(9.9)p	0.7p
IFRS	(516.7)	(1.2)	(10.4)p	(0.0)p	(10.4)p	(0.0)p
Headline	45.7	48.7	0.9p	1.0p	0.9p	1.0p
EPRA	46.3	52.9	0.9p	1.1p	0.9p	1.1p
Adjusted	49.5	55.9	1.0p	1.1p	1.0p	1.1p

C. Net Asset Value per share

	Net asset value		Net asset value per share	
	30 June 2024 £m	31 December 2023 £m	30 June 2024 pence	31 December 2023 pence
EPRA NDV	1,938.2	2,499.1	39p	50p
EPRA NTA	1,909.1	2,542.0	38p	51p
EPRA NRV	2,071.8	2,945.8	41p	59p

12. PROPERTIES

	30 June 2024		31 December 2023	
	Investment properties £m	Investment properties £m	Trading properties £m	Total £m
At beginning of period	1,396.2	1,461.0	36.2	1,497.2
Revaluation losses	(16.8)	(45.2)	–	(45.2)
Capital expenditure	8.0	19.6	–	19.6
Disposals (see note 8)	(127.7)	(11.9)	(36.2)	(48.1)
Exchange adjustment	(26.8)	(27.3)	–	(27.3)
At end of period	1,232.9	1,396.2	–	1,396.2

Properties are stated at fair value, valued by professionally qualified external valuers in accordance with RICS Valuation – Global Standards as follows:

CBRE	UK flagships, Developments and other properties
Jones Lang LaSalle	UK flagships, French flagships, Developments and other properties,
Cushman and Wakefield	Brent Cross, Irish flagships, Development and other

Due to the estimation and judgement required in the valuations which are derived from data that is not publicly available, consistent with EPRA's guidance, these valuations are classified as Level 3 in the IFRS 13 fair value hierarchy. A reconciliation of the Group portfolio valuation to Reported Group is shown in note 3B.

A. Investment properties - sensitivity analysis on valuations (including Group's share of Value Retail)

	Valuation	Nominal equivalent yield		Estimated rental value (ERV)	
Proportionally consolidated	£m	-100bp £m	+100bp £m	+10% £m	-10% £m
Flagship destinations					
– UK	759	110	(85)	76	(76)
– France	982	241	(162)	98	(98)
– Ireland	568	108	(78)	57	(57)
	2,309	459	(325)	231	(231)
Developments and other	270	n/a	n/a	n/a	n/a
Managed portfolio	2,579	n/a	n/a	n/a	n/a

B. Joint operations

Investment properties included a 50% interest in the Ilac Centre and a 50% interest in Pavilions, totalling £132.2m (31 December 2023: £144.5m). These properties are jointly controlled in co-ownership with Irish Life Assurance plc.

13. INVESTMENT IN JOINT VENTURES

The Group's investments in joint ventures form part of the Share of Property interests to arrive at management's analysis of the Group on a proportionally consolidated basis as explained in note 3 and set out in note 2.

The Group and its partners invest principally by way of equity investment. However, where applicable, non-equity (loan) balances have been included within non-current other payables as a liability of the joint venture. Joint ventures comprise prime urban real estate consisting of Flagship destinations and Developments and other properties.

A. Investments at 30 June 2024

Joint venture	Partner	Principal property	Share
United Kingdom			
Bishopsgate Goodsyrd Regeneration Limited	Ballymore Properties	The Goodsyrd	50%
Brent Cross Partnership	Aberdeen Standard Investments	Brent Cross	41%
Bristol Alliance Limited Partnership	AXA Real Estate	Cabot Circus	50%
Grand Central Limited Partnership	CPP Investments	Grand Central	50%
The Bull Ring Limited Partnership	CPP Investments	Bullring	50%
The Oracle Limited Partnership	ADIA	The Oracle	50%
The West Quay Limited Partnership	GIC	Westquay	50%
Ireland			
Dundrum Retail Limited Partnership/Dundrum Car Park Limited Partnership	PIMCO	Dundrum	50%

In the first half of 2023, and as explained in note 8, the Group disposed of its 50% interest in Croydon and also derecognised its 50% investment in Highcross and 25% investment in O'Parinor. The results of disposals of interests in joint ventures are included up to the point of disposal.

B. Results

Group share	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Gross rental income	54.3	57.2
Net rental income	42.6	44.8
Administration income/(expenses)	0.1	(0.1)
Profit from operating activities	42.7	44.7
Revaluation losses on properties	(31.0)	(33.5)
Operating profit	11.7	11.2
Finance income	2.8	1.2
Finance costs	(4.9)	(4.8)
Profit for the period – continuing operations	9.6	7.6

13. INVESTMENT IN JOINT VENTURES - continued

C. Assets and liabilities

Group share	30 June 2024 £m	31 December 2023 £m
Non-current assets		
Investment properties	1,346.3	1,379.9
Other non-current assets	16.5	16.7
	1,362.8	1,396.6
Current assets		
Cash and cash equivalents	103.5	97.3
Other current assets	27.4	23.6
	130.9	120.9
Current liabilities		
Loans - secured	(254.5)	(260.0)
Other payables	(44.9)	(46.0)
	(299.4)	(306.0)
Non-current liabilities		
Obligations under head leases	(15.8)	(15.8)
Other payables	(1.2)	(2.5)
	(17.0)	(18.3)
Net assets	1,177.3	1,193.2

D. Reconciliation of movements in investment in joint ventures

	Note	30 June 2024 £m	31 December 2023 £m
At beginning of period		1,193.2	1,342.4
Share of results of joint ventures		9.6	9.4
Advances		4.4	8.3
Cash distributions (including interest) ¹		(19.6)	(55.0)
Other receivables		(1.9)	(6.8)
Disposals	8	–	(98.9)
Exchange and other movements		(8.4)	(6.2)
At end of period		1,177.3	1,193.2

1 Comprises distributions of £13.7m (2023: £47.7m) and interest of £5.9m (2023: £7.3m).

14. INVESTMENT IN ASSOCIATES

As explained in note 9 the Group's investment in Value Retail was reclassified as an "asset held for sale" with effect from 30 June 2024 and the Group's share of results from Value Retail have been reclassified to discontinued operations. Subsequently, on 22 July 2024 the Group announced that it had entered into a binding agreement for the disposal of its entire interests in Value Retail.

The Group's other associate, a 25% stake in Italie Deux, Paris was sold in March 2023. The results of this investment, up until its disposal, formed part of the Share of Property interests to arrive at management's analysis of the Group on a proportionally consolidated basis as explained in note 3 and set out in note 2.

A. Results

	Six months ended 30 June 2024	Six months ended 30 June 2023
Group share	Total £m	Italie Deux £m
Gross and net rental income	–	1.2
Profit for the period	–	1.2

B. Assets and liabilities

	30 June 2024	31 December 2023
Group share	Value Retail £m	Value Retail £m
Non-current assets		
Investment properties	–	1,885.7
Other non-current assets	–	93.0
	–	1,978.7
Current assets		
Cash and cash equivalents	–	64.4
Other current assets	–	43.2
	–	107.6
Total assets	–	2,086.3
Current liabilities		
Loans	–	(87.8)
Other payables	–	(103.2)
	–	(191.0)
Non-current liabilities		
Loans	–	(706.1)
Participative loan	–	(98.5)
Other payables, including deferred tax	–	(188.1)
	–	(992.7)
Total liabilities	–	(1,183.7)
Net assets	–	902.6
Reverse participative loans	–	212.4
	–	1,115.0

C. Reconciliation of movements in investment in associates

	30 June 2024		31 December 2023	
	Value Retail £m	Value Retail £m	Italie Deux £m	Total £m
At beginning of period	1,115.0	1,189.4	107.7	1,297.1
Share of results ¹	(9.6)	14.8	1.2	16.0
Distributions	(14.2)	(66.3)	–	(66.3)
Share of other comprehensive gain of associate ²	(4.4)	(8.8)	–	(8.8)
Disposals	–	–	(108.6)	(108.6)
Exchange and other movements	0.2	(14.1)	(0.3)	(14.4)
Transfer to assets held for sale	(1,087.0)	–	–	–
At end of period	–	1,115.0	–	1,115.0

1 Share of results classified as discontinued operations, see note 9 for details.

2 Relates to the change in fair value of derivative financial instruments in an effective hedge relationship within Value Retail.

15. TRADE AND OTHER RECEIVABLES

Included in the current trade and other receivables balance of £62.9m (31 December 2023: £74.1m) are the following amounts in respect of trade (tenant) receivables, together with the respective provisions calculated in accordance with the expected credit loss methodology set out in IFRS 9:

Trade (tenant) receivables – provisioning

	30 June 2024			31 December 2023		
	Gross trade receivables £m	Provision £m	Net trade receivables £m	Gross receivables £m	Provision £m	Net trade receivables £m
Proportionally consolidated						
UK	26.6	(6.5)	20.1	25.7	(6.1)	19.6
France	31.9	(10.2)	21.7	29.5	(10.7)	18.8
Ireland	3.8	(1.8)	2.0	4.6	(1.8)	2.8
Managed portfolio	62.3	(18.5)	43.8	59.8	(18.6)	41.2
Less: Share of Property interests	(24.6)	5.2	(19.4)	(18.2)	4.6	(13.6)
Reported Group	37.7	(13.3)	24.4	41.6	(14.0)	27.6

Net trade receivables as presented do not include deposits, which are included in trade and other payables, but taken together with VAT, do form part of the assessment of the required provision.

16. LOANS

A. Loan profile

	Maturity	30 June 2024 £m	31 December 2023 £m
Unsecured debt			
Senior notes – shown in current liabilities	2024	–	108.6
£338.3m 3.5% sterling bonds	2025	337.5	337.3
Senior notes	2026	59.4	60.7
£211.6m 6% sterling bonds	2026	211.2	211.1
€700.0m 1.75% euro bonds ¹	2027	588.4	600.8
£300.0m 7.25% sterling bonds	2028	293.0	292.2
Senior notes	2028	10.8	11.0
Senior notes	2031	4.9	5.0
Unamortised facility fees		(2.3)	(2.2)
Total - shown in non-current liabilities		1,502.9	1,515.9
		1,502.9	1,624.5

- 1 The coupon is linked to two sustainability performance targets, both of which will be tested in December 2025 against a 2019 benchmark. If the targets are not met, a total of 37.5 basis points per annum, or €2.625m (£2.3m) per target, will be payable in addition to the final year's coupon. The Group has made certain assumptions which support not increasing the effective interest rate, as a result of the possibility of failing to meet the targets. Planned future initiatives which will assist the Group in achieving the targets include the introduction of energy efficient projects, the generation of additional on or off-site energy and driving compliance with relevant energy performance legislation. The Group continues to make steady progress against both targets.

B. Undrawn committed facilities

The Group has the following revolving credit facilities (RCF), which are in sterling unless otherwise indicated, expiring as follows:

	Expiry	30 June 2024 £m	31 December 2023 £m
£150m RCF signed June 2021	2024	–	50.0
JPY7.8bn RCF signed June 2021	2026	38.2	43.2
£150m RCF signed June 2021 ¹	2026	100.0	100.0
£463m RCF signed April 2022 ¹	2026	–	463.0
£463m RCF signed April 2022 ²	2027	463.0	–
Total²		601.2	656.2

- 1 In the 2023 interim financial statements the £150m RCF signed June 2021 and the £463m RCF signed April 2022 were amalgamated. These separate RCFs have been split out in the current period to provide additional disclosure.
- 2 In April 2024, the Group exercised its option to extend the maturity of the £463m 2022 RCFs by one year from 2026 to 2027.
- 3 £0.8m (2023: £0.8m) of RCFs have been utilised (although not drawn) to support ancillary facilities leaving £600.4m (2023: £655.4m) available to the Group.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

A. Financial risk management and strategy

The Group's financial risk management strategy seeks to set financial limits for treasury activity to ensure they are in line with the Group's risk appetite. The Group's activities expose it to certain financial risks comprising liquidity risk, market risk (comprising interest rate and foreign currency risk), credit risk and capital risk.

The Group's treasury function, which operates under treasury policies approved by the Board, maintains internal guidelines for interest cover, gearing, unencumbered assets and other credit ratios and both the current and projected financial position against these guidelines is monitored regularly.

To manage the risks set out above, the Group uses certain derivative financial instruments to mitigate potentially adverse effects on the Group's financial performance. Derivative financial instruments are used to manage exposure to fluctuations in foreign currency exchange rates and interest rates but are not employed for speculative purposes.

B. Financial instruments held at fair value

Definitions

The Group's financial instruments are categorised by level of fair value hierarchy prescribed by accounting standards. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (actual prices) or indirectly (derived from actual prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (from unobservable inputs).

Fair value valuation technique

Financial instrument	Valuation technique for determining fair value
Unsecured bonds	Quoted market prices
Senior notes	Present value of cash flows discounted using prevailing market interest rates
Unsecured bank loans and overdrafts	Present value of cash flows discounted using prevailing market interest rates
Fair value of currency swaps and interest rate swaps	Present value of cash flows discounted using prevailing market interest rates
Other investments including participative loans to Value Retail	Underlying net asset values of the interests in Villages ¹

1 The assets of the Villages comprise mainly investment properties held at fair value as determined by professional valuers. At 30 June 2024, the Group's investment in Value Retail was reclassified to an asset held for sale, see note 9 for details.

Fair value hierarchy analysis

		30 June 2024		31 December 2023	
	Hierarchy	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Unsecured bonds	Level 1	1,430.1	1,401.4	1,441.4	1,407.4
Senior notes	Level 2	75.1	71.0	185.3	180.4
Unamortised facility fees	Level 2	(2.3)	–	(2.2)	–
Fair value of currency swaps	Level 2	–	–	11.4	11.4
Borrowings		1,502.9	1,472.4	1,635.9	1,599.2
Fair value of interest rate swaps	Level 2	(0.3)	(0.3)	0.7	0.7
Participative loans to associates ¹	Level 3	210.4	210.4	212.4	212.4
Fair value of other investments	Level 3	9.2	9.2	8.8	8.8

1 At 30 June 2024, the Group's investment in Value Retail was reclassified to an asset held for sale, see note 9 for details.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

C: Analysis of movements in Level 3 financial instruments

	30 June 2024			31 December 2023		
	Participative loans ¹ £m	Other investments £m	Total £m	Participative loans £m	Other investments £m	Total £m
Level 3 financial instruments						
Balance at beginning of period	212.4	8.8	221.2	205.9	9.8	215.7
Total gains/(losses)						
– in share of results of associates	4.6	–	4.6	15.6	–	15.6
– in the consolidated income statement	–	0.5	0.5	–	(1.1)	(1.1)
– in other comprehensive income	(4.7)	(0.1)	(4.8)	(4.4)	0.1	(4.3)
Other movements - advances	(1.9)	–	(1.9)	(4.7)	–	(4.7)
Balance at end of period	210.4	9.2	219.6	212.4	8.8	221.2

1. At 30 June 2024, the Group's investment in Value Retail was reclassified to an asset held for sale, see note 9 for details.

18. DIVIDENDS

The Directors have declared an interim dividend of 0.756 pence per share, payable on 30 September 2024 to shareholders on the register at the close of business on 23 August 2024 and represents a 5% increase to the 2023 interim dividend of 0.72 pence per share. The dividend will be paid entirely as a cash PID, net of withholding tax where appropriate. There will be no scrip alternative although the dividend reinvestment plan (DRIP) remains available to shareholders.

	Cash dividend per share	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Prior period dividends			
2023 final dividend	0.78p	39.0	–
Cash flow analysis:			
Dividends paid ¹		39.0	–
Withholding tax – 2023 interim dividend		6.0	–
		45.0	–
2024 interim dividend²	0.756p	37.6	–

1. Comprises cash payments after deduction of withholding tax, where applicable.

2. The 2024 interim dividend was declared on 24 July 2024 and has therefore not been included as a liability as at 30 June 2024.

19. OTHER RESERVES

	30 June 2024 £m	31 December 2023 £m
Translation reserve	421.8	452.2
Net investment hedge reserve	(309.7)	(346.7)
	112.1	105.5

20. NOTES TO THE CASH FLOW STATEMENT

A. Analysis of items included in operating cash flows

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Movements in working capital:		
- Decrease in receivables	1.4	12.3
- Decrease in payables	(20.9)	(10.0)
	(19.5)	2.3
Decrease/(Increase) in restricted monetary assets	2.2	(4.4)
Total – continuing operations	(17.3)	(2.1)

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Non-cash items – continuing operations		
Increase in accrued rents receivable	(1.4)	(1.3)
Decrease in loss allowance provisions ¹	1.6	1.8
Amortisation of lease incentives and other costs	0.3	0.5
Depreciation	0.8	2.3
Other non-cash items including share-based payment charge	1.7	1.8
	3.0	5.1

1 Comprises movement in provisions against trade (tenant) receivables and unamortised tenant incentives.

B. Analysis of movements in net debt

	30 June 2024			31 December 2023		
	Cash and cash equivalents £m	Borrowings £m	Net debt £m	Cash and cash equivalents £m	Borrowings £m	Net debt £m
At 1 January	472.3	(1,635.9)	(1,163.6)	218.8	(1,677.0)	(1,458.2)
Cash flow	(37.4)	(91.9)	(129.3)	254.6	(15.1)	239.5
Change in fair value of currency swaps	–	(0.4)	(0.4)	–	(1.9)	(1.9)
Exchange and other non-cash movements	(1.0)	225.3	224.3	(1.1)	58.1	57.0
At end of period	433.9	(1,502.9)	(1,069.0)	472.3	(1,635.9)	(1,163.6)

21. CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

	30 June 2024 £m	31 December 2023 £m
Reported Group:		
– guarantees given	5.8	23.1
– claims arising in the normal course of business	18.8	15.6
Share of Property Interests – claims arising in the normal course of business	12.4	12.4
	37.0	51.1

In addition, the Group operates in a number of jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business. The tax impact can be uncertain until a conclusion is reached with the relevant tax authority or through a legal process. The Group addresses this by closely monitoring these potential instances, seeking independent advice and maintaining transparency with the authorities it deals with as and when any enquiries are made. As a result, the Group has identified a potential tax exposure attributable to the ongoing applicability of tax treatments adopted in respect of certain tax structures within the Group. The range of potential outcomes is a possible outflow of minimum £nil and maximum £117m (31 December 2023: minimum £nil and maximum £122m). The Directors have not provided for this amount because they do not believe an outflow is probable.

B. Capital commitments on investment properties

	30 June 2024 £m	31 December 2023 £m
Reported Group	2.6	0.4
Share of Property interests	43.9	45.5
	46.5	45.9

22. POST BALANCE SHEET EVENTS

On 22 July 2024, the Group announced it had entered into a binding sale agreement for the disposal of its entire interests in Value Retail to L Catterton for gross proceeds of c. £600m (€705m). The disposal is subject to customary antitrust approvals and completion of the sale is expected in H2 24.

In addition to the disposal, the Company is proposing to simplify its share capital through a 1 for 10 share consolidation, and to increase distributable reserves by reducing the Company's share premium account. A circular with more detail and a notice convening a general meeting, at which the necessary approvals will be sought, will be sent to shareholders in due course.

ADDITIONAL INFORMATION

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Hammerson is a member of the European Public Real Estate Association (EPRA) and has representatives who actively participate in a number of EPRA committees and initiatives. This includes working with peer group companies, real estate investors and analysts and the large audit firms, to improve the transparency, comparability and relevance of the published results of listed real estate companies in Europe.

As with other real estate companies, we have adopted the EPRA Best Practice Recommendations (BPR) and were awarded a Gold Award for compliance with the EPRA BPR in the EPRA Annual Report Survey 2023. Further information on EPRA and the EPRA BPR can be found on their website www.epra.com. A summary of our EPRA metrics are shown in Table 1.

SUMMARY EPRA PERFORMANCE MEASURES

Table 1

Performance measure	Note /Table ¹	Six months ended 30 June 2024	Six months ended 30 June 2023
Earnings	10A	£46.3m	£52.9m
Earnings per share (EPS)	11B	0.9p	1.1p
Cost ratio (including vacancy costs)	Table 8	41.1%	36.6%
		30 June 2024	31 December 2023
Net Disposal Value (NDV) per share	11C	39p	50p
Net Tangible Assets value (NTA) per share	11C	38p	51p
Net Reinstatement Value (NRV) per share	11C	41p	59p
Net Initial Yield (NIY)	Table 10	5.9%	5.9%
Topped-up Net Initial Yield	Table 10	6.1%	6.3%
Vacancy rate	Table 5	6.3%	5.8%
Loan to value	Table 20	49.8%	48.1%

1 Note reference is to notes in the interim financial statements and Table reference is to tables in the Additional Information section.

MANAGED PORTFOLIO ANALYSIS

The information presented in this section is on a management reporting basis (i.e. proportionally consolidated) for the Group's Managed portfolio.

Where applicable, the information presented within the 'Development and other' segment only reflects available data in relation to the investment properties within this segment. See page 63 for the key properties in this segment.

Adjusted net rental income

Table 2

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Proportionally consolidated		
Base rent	70.1	78.8
Turnover rent	5.5	6.2
Car park income	12.2	12.9
Commercialisation income	3.1	4.8
Surrender premiums	1.7	0.1
Lease incentive recognition	1.2	1.5
Other rental income	0.6	2.0
Gross rental income	94.4	106.3
Ground rents payable	(0.8)	(0.8)
Inclusive lease costs recovered through rent	(2.1)	(3.9)
Other property outgoings	(18.8)	(16.5)
Cost of sales	(21.7)	(21.2)
Adjusted net rental income	72.7	85.1

Rental income (GRI and NRI)

Table 3

Like-for-like rental income is calculated as the percentage change in GRI/NRI for investment properties owned throughout both the current and prior periods, after taking account of exchange translation movements.

A. Gross Rental Income

	Six months ended 30 June 2024				
	Properties owned throughout 2023/24 £m	Change in like-for-like GRI %	Disposals £m	Developments and other £m	Total GRI £m
Proportionally consolidated					
UK	36.3	3.1	3.1	–	39.4
France	28.0	2.4	0.1	(1.1)	27.0
Ireland	19.5	0.1	–	–	19.5
Flagship destinations	83.8	2.1	3.2	(1.1)	85.9
Developments and other	–	n/a	–	8.5	8.5
Managed portfolio¹	83.8	2.1	3.2	7.4	94.4

	Six months ended 30 June 2023				
	Properties owned throughout 2023/24 £m	Exchange £m	Disposals £m	Developments and other £m	Total GRI £m
UK	35.2	–	8.2	–	43.5
France	27.3	0.9	4.3	–	32.4
Ireland	19.5	0.5	–	–	20.0
Flagship destinations	82.1	1.4	12.5	–	95.9
Developments and other	–	–	1.6	8.8	10.4
Managed portfolio	82.1	1.4	14.1	8.8	106.3

1 Managed portfolio value on which like-for-like growth is based was £2,309m at 30 June 2024.

B. Net Rental Income

Six months ended 30 June 2024							
	Properties owned throughout 2023/24 £m	Change in like-for-like NRI %	Disposals £m	Developments and other £m	Total adjusted NRI £m	Change in provision £m	Total NRI £m
Proportionally consolidated							
UK	28.4	3.5	2.7	(0.7)	30.4	–	30.4
France	22.4	4.0	0.1	(0.9)	21.6	–	21.6
Ireland	17.1	(4.0)	–	–	17.1	–	17.1
Flagship destinations	67.9	1.7	2.8	(1.6)	69.1	–	69.1
Developments and other	–	n/a	–	3.6	3.6	–	3.6
Managed portfolio¹	67.9	1.7	2.8	2.0	72.7	–	72.7
Six months ended 30 June 2023							
	Properties owned throughout 2023/24 £m	Exchange £m	Disposals £m	Developments and other £m	Total adjusted NRI £m	Change in provision (see note 10A) £m	Total NRI £m
UK	27.4	–	6.7	(0.2)	33.9	0.1	34.0
France	21.6	0.7	3.5	1.1	26.9	–	26.9
Ireland	17.9	0.4	–	–	18.3	–	18.3
Flagship destinations	66.9	1.1	10.2	0.9	79.1	0.1	79.2
Developments and other	–	–	–	6.0	6.0	0.1	6.1
Managed portfolio	66.9	1.1	10.2	6.9	85.1	0.2	85.3

1 Managed portfolio value on which like-for-like growth is based was £2,309m at 30 June 2024

Rental data

Table 4

Six months ended 30 June 2024			30 June 2024					
	Gross rental income £m	Adjusted net rental income £m	Vacancy rate %	Average rents passing £/m ²	Rents passing £m	Estimated rental value £m	Rents passing for reversion £m	Reversion/(over-rented) %
Proportionally consolidated			1	2	3	4	5	6
UK	39.4	30.4	4.8	440	70.9	69.8	68.5	2.1
France	27.0	21.6	7.5	470	53.8	59.7	53.9	10.7
Ireland	19.5	17.1	4.3	460	36.9	38.8	35.1	10.4
Flagship destinations	85.9	69.1	5.7	450	161.6	168.3	157.5	6.9
Developments and other	8.5	3.6	15.9	200	8.4	10.0	8.8	13.7
Managed portfolio	94.4	72.7	6.3	420	170.0	178.3	166.3	7.3
Six months ended 30 June 2023			31 December 2023					
UK	43.5	33.9	4.9	400	87.3	82.3	83.7	(1.8)
France	32.4	26.9	6.9	450	53.0	61.3	54.2	13.2
Ireland	20.0	18.3	3.8	480	39.0	39.5	37.1	6.4
Flagship destinations	95.9	79.1	5.4	430	179.3	183.1	175.0	4.6
Developments and other	10.4	6.0	13.6	190	8.5	10.0	9.2	8.9
Managed portfolio	106.3	85.1	5.8	400	187.8	193.1	184.2	4.8

1 See Table 5 for analysis of vacancy.

2 Average rents passing at the period end before deducting head rents and excluding rents from anchor units, car parks and commercialisation.

3 Rents passing are the annual rental income receivable at the period end from an investment property, after any rent-free periods and after deducting head rents and car parking and commercialisation running costs totalling £9.8m (FY 23: £12.6m).

4 The estimated rental value (ERV) at the period end calculated by the Group's valuers. At 30 June 2024, includes ERV for vacant space of £10.0m (FY 23: £9.9m) as per Table 5 and ERV for space undergoing reconfiguration of £2.5m - UK £1.8m, Ireland £0.7m (FY 23: £2.6m - UK £2.3m, Ireland £0.3m). ERVs in the above table are included within the unobservable inputs to the portfolio valuations as defined by IFRS 13.

5 Rents passing for reversion is adjusted for tenant incentives and inclusive costs to give a better comparison to ERV which is on a net effective basis.

6 The reversion/(over-rented) figures show a direct comparison between the valuers' ERV and rents passing for reversion, with both sets of figures being on a net effective basis. The reversion/(over-rented) figures therefore show the future change in the Group's rental income from the settlement of review rents or a combination of letting:

- units at prevailing ERVs at the next lease event i.e. break or expiry (see Table 6)
- vacant units (see Table 5)
- units undergoing reconfiguration (see note above).

Vacancy

Table 5

	30 June 2024			31 December 2023		
	ERV of vacant space £m	Total ERV for vacancy ¹ £m	Vacancy rate %	ERV of vacant space £m	Total ERV for vacancy ¹ £m	Vacancy rate %
Proportionally consolidated						
UK	2.7	57.0	4.8	3.2	65.9	4.9
France	4.4	58.9	7.5	4.2	60.6	6.9
Ireland	1.5	34.3	4.3	1.3	35.2	3.8
Flagship destinations	8.6	150.2	5.7	8.7	161.7	5.4
Developments and other	1.4	8.5	15.9	1.2	8.5	13.6
Managed portfolio	10.0	158.7	6.3	9.9	170.2	5.8

1 Total ERV differs from Table 4 due to the exclusion of car park ERV and head rents payable which distort the vacancy metric.

Lease expiries and breaks (at 30 June 2024)

Table 6

	Holding over £m	Rental income based on passing rents that expire/break in				ERV of leases that expire/break in					Weighted average unexpired lease term	
		2024 £m	2025 £m	2026 £m	Total £m	Holding over £m	2024 £m	2025 £m	2026 £m	Total £m	to break years	to expiry years
Proportionally consolidated												
UK	3.7	7.5	7.4	9.1	27.7	4.1	6.7	6.3	8.1	25.2	5.9	7.7
France	3.5	0.4	1.5	1.5	6.9	2.8	0.3	2.0	1.8	6.9	3.0	6.7
Ireland	0.9	2.3	2.4	2.8	8.4	1.5	2.4	2.6	2.7	9.2	5.2	6.7
Flagship destinations	8.1	10.2	11.3	13.4	43.0	8.4	9.4	10.9	12.6	41.3	4.7	7.1
Developments and other	1.0	0.6	2.0	0.8	4.4	1.0	0.6	1.4	0.6	3.6	6.4	7.7
Managed portfolio	9.1	10.8	13.3	14.2	47.4	9.4	10.0	12.3	13.2	44.9	4.8	7.1

The table above compares rents passing (as per Table 4) on a headline basis for those units with leases expiring or subject to a tenant break in each year compared to the ERV of those units determined by the Group's valuers on a net effective basis (as per Table 4).

Top ten tenants (ranked by passing rent at 30 June 2024)

Table 7

	Passing rent £m	% of total passing rent
Proportionally consolidated		
Inditex	11.5	6.8
H&M	5.6	3.3
Next	4.8	2.8
JD Sports	3.8	2.2
Watches of Switzerland	3.2	1.9
River Island	2.8	1.6
Selfridges	2.4	1.4
Superdry	2.2	1.3
CK Hutchison	2.1	1.3
Boots	1.9	1.1
	40.3	23.7

Cost ratio

Table 8

		Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Proportionally consolidated			
Adjusted gross administration costs		21.5	25.7
Business transformation costs	A	2.7	3.2
Gross administration costs		24.2	28.9
Property fee income		(2.9)	(4.8)
Management fee receivable		(2.5)	(3.4)
Property outgoings		20.9	20.4
Less inclusive lease costs recovered through rent		(2.1)	(3.9)
Total operating costs	B	37.6	37.2
Less vacancy costs		(5.8)	(4.3)
Total operating costs excluding vacancy costs	C	31.8	32.9
Gross rental income		94.4	106.3
Ground rents payable		(0.8)	(0.8)
Less inclusive lease costs recovered through rent		(2.1)	(3.9)
Gross rental income for cost ratio	D	91.5	101.6
Cost ratio including vacancy costs	B/D	41.1%	36.6%
Cost ratio excluding vacancy costs	C/D	34.8%	32.4%
Cost ratio including vacancy costs (excluding business transformation costs)	(B-A)/D	38.1%	33.5%

The Group's business model for developments is to use a combination of in-house resource and external advisors. The cost of external advisors is capitalised to the cost of developments. The cost of employees working on developments is generally expensed, but capitalised subject to meeting certain criteria related to the degree of time spent on and the stage of progress of specific projects. Employee costs of £0.2m (2023: £nil) were capitalised as development costs and are not included within 'Gross administration costs'.

Table 9

						30 June 2024	
	Properties at valuation £m	Revaluation gains/(losses) in the year £m	Income return %	Capital return %	Total return %	Initial yield %	Nominal equivalent yield ¹ %
Proportionally consolidated							
UK	758.9	12.2	3.8	0.3	4.1	7.3	7.9
France	981.4	0.1	2.2	–	2.2	4.5	5.1
Ireland	568.4	(49.1)	2.9	(7.9)	(5.2)	5.9	6.3
Flagship destinations	2,308.7	(36.9)	2.9	(1.9)	0.9	5.7	6.3
Developments and other	270.5	(10.9)	1.3	(4.0)	(2.7)	9.2	9.6
Managed portfolio	2,579.2	(47.8)	2.8	(2.2)	0.6	5.9	6.4

						31 December 2023	
	Properties at valuation £m	Revaluation losses in the year £m	Income return %	Capital return ² %	Total return ² %	Initial yield %	Nominal equivalent yield ¹ %
UK	863.1	(21.8)	8.7	(2.4)	6.1	7.8	8.1
France ³	1,003.3	(15.2)	4.6	(4.3)	0.1	4.4	5.1
Ireland	629.7	(37.5)	5.7	(5.6)	(0.2)	5.4	5.8
Flagship destinations	2,496.1	(74.5)	6.3	(4.0)	2.0	5.8	6.3
Developments and other	280.0	(44.6)	2.7	(6.2)	(3.6)	8.2	9.6
Managed portfolio	2,776.1	(119.1)	5.9	(4.1)	1.6	5.9	6.4

- 1 Nominal equivalent yields are included within the unobservable inputs to the portfolio valuations as defined by IFRS 13. The nominal equivalent yield for the Reported Group was 5.4% (31 December 2023: 5.7%).
- 2 Capital and Total return figures in 2023 include the losses on disposals and impairment charges on derecognised assets (Highcross and O'Parinor).
- 3 Returns included 100% of Italik (75% of which was classified as a trading property) until its sale in March 2023.

Net Initial Yield

Table 10

	Note/ Table	30 June 2024 £m	31 December 2023 £m
Proportionally consolidated			
Reported Group (Wholly owned and joint operations)	3B	1,232.9	1,396.2
Share of Property interests	3B	1,346.3	1,379.9
Net investment portfolio valuation on a proportionally consolidated basis	3B	2,579.2	2,776.1
Less: Developments ¹		(188.1)	(192.3)
Completed investment portfolio		2,391.1	2,583.8
Purchasers' costs ²		158.3	171.9
Grossed up completed investment portfolio	A	2,549.4	2,755.7
Annualised cash passing rental income		166.2	182.4
Non recoverable costs		(13.1)	(15.5)
Rents payable		(3.8)	(4.1)
Annualised net rent	B	149.3	162.8
Add:			
Notional rent on expiration of rent-free periods ³		5.0	7.8
Future rent on signed leases		2.6	1.7
Topped-up annualised net rent	C	156.9	172.3
Add back: Non recoverable costs		13.1	15.5
Passing rents	Table 4	170.0	187.8
Net initial yield	B/A	5.9%	5.9%
'Topped-up' net initial yield	C/A	6.1%	6.3%

1 Included within the Developments and other portfolio.

2 Purchasers' costs equate to 6.6% (31 December 2023: 6.7%) of the value of the completed investment portfolio.

3 Weighted average remaining rent-free period is 0.4 years (31 December 2023: 0.5 years).

Capital expenditure

Table 11

		Six months ended 30 June 2024			Six months ended 30 June 2023		
	Note	Reported Group £m	Share of Property interests £m	Proportionally consolidated £m	Reported Group £m	Share of Property interests £m	Proportionally consolidated £m
Proportionally consolidated							
Developments		1	2	3	1	4	5
Capital expenditure – creating area		–	–	–	1	–	1
Capital expenditure – no additional area		5	3	7	3	7	10
Tenant incentives		2	3	5	2	–	2
Total	3B	8	8	16	7	11	18
Conversion from accruals to cash basis		–	4	4	(1)	(1)	(2)
Total on cash basis		8	12	20	6	10	16

BALANCE SHEET INFORMATION

Note 2 to the interim financial statements shows the Group's proportionally consolidated income statement. The Group's proportionally consolidated balance sheet and net debt are shown in Tables 12 and 13 respectively. As explained in note 3 to the interim financial statements, the Group's interest in Value Retail is not proportionally consolidated as it is not under the Group's management.

Balance sheet

Table 12

		30 June 2024			31 December 2023		
	Note	Reported Group £m	Share of Property interests £m	Proportionally consolidated £m	Reported Group £m	Share of Property interests £m	Proportionally consolidated £m
Non-current assets							
Investment properties		1,232.9	1,346.3	2,579.2	1,396.2	1,379.9	2,776.1
Interests in leasehold properties		31.7	15.4	47.1	32.7	15.4	48.1
Right-of-use assets		0.7	–	0.7	3.9	–	3.9
Plant and equipment		0.5	–	0.5	0.9	–	0.9
Investment in joint ventures		1,177.3	(1,177.3)	–	1,193.2	(1,193.2)	–
Investment in associates		–	–	–	1,115.0	–	1,115.0
Other investments		9.2	–	9.2	8.8	–	8.8
Trade and other receivables		0.6	1.1	1.7	1.9	1.3	3.2
Restricted monetary assets		21.4	–	21.4	21.4	–	21.4
		2,474.3	185.5	2,659.8	3,774.0	203.4	3,977.4
Current assets							
Trade and other receivables		62.9	26.7	89.6	74.1	22.0	96.1
Derivative financial instruments		1.1	0.3	1.4	5.2	1.4	6.6
Restricted monetary assets		–	0.4	0.4	2.2	0.2	2.4
Cash and cash equivalents		433.9	103.5	537.4	472.3	97.3	569.6
		497.9	130.9	628.8	553.8	120.9	674.7
Assets held for sale		605.7	–	605.7	–	–	–
Total assets		3,577.9	316.4	3,708.8	4,327.8	324.3	4,652.1
Current liabilities							
Trade and other payables		(80.3)	(44.9)	(125.2)	(129.8)	(46.0)	(175.8)
Obligations under head leases		(0.2)	–	(0.2)	(0.1)	–	(0.1)
Loans		–	(254.5)	(254.5)	(108.6)	(260.0)	(368.6)
Tax		(0.2)	–	(0.2)	(0.3)	–	(0.3)
Derivative financial instruments		(0.2)	–	(0.2)	(2.3)	–	(2.3)
		(80.9)	(299.4)	(380.3)	(241.1)	(306.0)	(547.1)
Liabilities associated with assets held for sale		(22.7)	–	(22.7)	–	–	–
		(103.6)	(299.4)	(403.0)	(241.1)	(306.0)	(547.1)
Non-current liabilities							
Trade and other payables		(25.8)	(1.2)	(27.0)	(55.5)	(2.4)	(57.9)
Obligations under head leases		(36.3)	(15.8)	(52.1)	(37.3)	(15.8)	(53.1)
Loans		(1,502.9)	–	(1,502.9)	(1,515.9)	–	(1,515.9)
Deferred tax		(0.4)	–	(0.4)	(0.4)	(0.1)	(0.5)
Derivative financial instruments		(1.2)	–	(1.2)	(15.0)	–	(15.0)
		(1,566.6)	(17.0)	(1,583.6)	(1,624.1)	(18.3)	(1,642.4)
Total liabilities		(1,670.2)	(316.4)	(1,986.6)	(1,865.2)	(324.3)	(2,189.5)
Net assets		1,907.7	–	1,907.7	2,462.6	–	2,462.6
EPRA adjustments	10B			1.4			79.4
EPRA NTA	11C			1,909.1			2,542.0
EPRA NTA per share	11C			38p			51p

Net debt

Table 13

	30 June 2024			31 December 2023		
	Reported Group £m	Share of Property interests £m	Total £m	Reported Group £m	Share of Property interests £m	Total £m
Proportionally consolidated						
Cash and cash equivalents	433.9	103.5	537.4	472.3	97.3	569.6
Loans	(1,502.9)	(254.5)	(1,757.4)	(1,624.5)	(260.0)	(1,884.5)
Fair value of currency swaps	–	–	–	(11.4)	–	(11.4)
Net debt	(1,069.0)	(151.0)	(1,220.0)	(1,163.6)	(162.7)	(1,326.3)

Movement in net debt

Table 14

	Six months ended 30 June 2024 £m	Year ended 31 December 2023 £m	Six months ended 30 June 2023 £m
Proportionally consolidated			
Opening net debt	(1,326.3)	(1,732.1)	(1,732.1)
Profit from operating activities	53.9	117.3	64.6
(Increase)/Decrease in receivables and restricted monetary assets	(1.6)	16.5	2.1
Decrease in payables	(15.0)	(31.0)	(8.6)
Adjustment for non-cash items	3.4	0.7	1.7
Cash generated from operations	27.7	103.5	59.8
Interest received	23.3	43.6	13.1
Interest paid	(57.1)	(93.5)	(51.4)
Redemption premiums and fees from early repayment of debt	(0.8)	4.3	–
Debt and loan facility issuance and extension fees	–	(0.6)	(0.6)
Operating distributions received from Value Retail	12.3	73.6	42.7
Tax paid	–	(0.4)	(0.4)
Cash flows from operating activities	18.6	130.5	63.2
Capital expenditure	(20.1)	(42.9)	(16.0)
Derecognition of JV cash	–	(15.6)	(15.6)
Derecognition of joint venture secured debt	–	125.0	125.0
Cash held within sold or derecognised entities	–	(8.4)	(8.4)
Sale of properties	116.3	216.4	215.3
Cash flows from investing activities	96.2	274.5	300.3
Purchase of own shares	(3.4)	–	–
Proceeds from awards of own shares	–	0.1	0.1
Equity dividends paid	(44.9)	(30.0)	–
Cash flows from financing activities	(48.3)	(29.9)	0.1
Exchange translation movement	39.8	30.7	50.9
Closing net debt	(1,220.0)	(1,326.3)	(1,317.6)

Total accounting return ('TAR')

Table 15

		30 June 2024		31 December 2023	
		NTA £m	NTA per share pence	NTA £m	NTA per share pence
EPRA NTA at 1 January	A	2,542.0	50.8	2,633.7	52.7
EPRA NTA at period end		1,909.1	38.2	2,542.0	50.8
Movement in NTA		(632.9)	(12.6)	(91.7)	(1.9)
Cash dividends in the period		39.0	0.8	35.9	0.7
	B	(593.9)	(11.8)	(55.8)	(1.2)

Total accounting return	B/A	(23.4)%	(2.1)%
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FINANCING METRICS

Net debt:EBITDA

Table 16

Proportionally consolidated	Note / Table	30 June 2024 £m	December 2023 £m
Net debt	A Table 13	1,220.0	1,326.3
<i>Net debt (pro forma for sale of Value Retail)</i>	B	<i>637.0</i>	n/a
Adjusted operating profit		150.3	163.0
Amortisation of tenant incentives and other items within net rental income		(3.5)	(3.6)
Share-based remuneration		3.8	3.6
Depreciation		1.6	3.0
EBITDA – rolling 12 month basis	C	152.2	166.0
<i>EBITDA – rolling 12 month basis (pro forma for sale of Value Retail)</i>	D	<i>121.8</i>	n/a
Net debt:EBITDA	A/C	8.0x	8.0x
<i>Net debt:EBITDA (pro forma for sale of Value Retail)</i>	B/D	<i>5.3x</i>	n/a

Interest cover

Table 17

Proportionally consolidated	Note	Six months ended 30 June 2024 £m	Year ended 31 December 2023 £m
Adjusted net rental income	2	72.7	167.5
Less net rental income in associates: Italie Deux	14A	–	(1.1)
	A	72.7	166.4
Adjusted net finance costs	2	18.7	45.9
Less interest on lease obligations and pensions		(1.4)	(3.3)
	B	17.3	42.6
Interest cover	A/B	4.21x	3.91x

Gearing

Table 18

Proportionally consolidated	Note / Table	30 June 2024 £m	31 December 2023 £m
Net debt	Table 13	1,220.0	1,326.6
Unamortised borrowing costs		15.8	18.4
Net debt for gearing	A	1,234.6	1,344.7
<i>Net debt for gearing (pro forma for sale of Value Retail)</i>	B	<i>651.6</i>	n/a
Equity shareholders' funds – 'Consolidated net tangible worth'	C	1,907.7	2,462.6
Gearing	A/C	64.7%	54.6%
<i>Gearing (pro forma for sale of Value Retail)</i>	B/C	<i>34.2%</i>	n/a

Unencumbered asset ratio

Table 19

Proportionally consolidated	Note / Table	30 June 2024 £m	31 December 2023 £m
Managed property portfolio	3B	2,579.2	2,776.1
Less encumbered assets ¹		(437.6)	(487.7)
Total unencumbered assets	A	2,141.6	2,288.4
Net debt	Table 13	1,220.0	1,326.3
Unamortised borrowing costs		15.8	18.4
Cash held within investments in encumbered entities ¹		44.9	39.4
Less encumbered debt ¹		(254.4)	(260.2)
Total unsecured debt	B	1,025.1	1,123.9
<i>Total unsecured debt (pro forma for sale of Value Retail)</i>	C	<i>442.1</i>	n/a
Unencumbered asset ratio	A/B	2.10x	2.04x
<i>Unencumbered asset ratio (pro forma for sale of Value Retail)</i>	A/C	<i>4.84x</i>	n/a

1 At 30 June 2024 and 31 December 2023 encumbered assets, cash and debt relate to Dundrum Town Centre.

Loan to value

Table 20

Proportionally consolidated	Note / Table	30 June 2024 £m	31 December 2023 £m
Net debt – ‘Loan’	A	1,220.0	1,326.3
Managed property portfolio	B	2,579.2	2,776.1
Investment in Value Retail ¹	C	583.0	1,115.0
‘Value’	D	3,162.2	3,891.1
Loan to value – Headline	A/D	38.6%	34.1%
<i>Loan to value – Headline (pro forma for sale of Value Retail)</i>	(A-C)/B	<i>24.7%</i>	n/a
Net debt – Value Retail	E	–	729.6
Property portfolio – Value Retail	F	–	1,885.7
Loan to value - Full proportional consolidation of Value Retail²	(A+E)/(B+F)	n/a	44.1%
Net payables – Group	G	64.7	187.3
Loan to value – EPRA (Table 21)	(A+E+G)/(B+F)	49.8%	48.1%
<i>Loan to value – EPRA (pro forma for sale of Value Retail)</i>	(A-C+G)/B	<i>27.2%</i>	n/a

1 Investment at 30 June 2024 reflects impaired carrying value as an asset held for sale, see note 9 for details.

2 Following the reclassification of Value Retail to an asset held for sale at 30 June 2024 this ratio is no longer relevant, see note 9 to the interim financial statements for details.

EPRA Loan to value

Table 21

						30 June 2024
Proportionally consolidated		Reported Group £m	Share of joint ventures £m	Share of associates ² £m	Non-controlling interests £m	Total £m
Include:						
Loans		1,502.9	254.5	–	–	1,757.4
Foreign currency derivatives		–	–	–	–	–
Net payables ¹		46.7	18.0	–	–	64.7
Exclude:						
Cash and cash equivalents		(433.9)	(103.5)	–	–	(537.4)
Net debt	A	1,115.7	169.0	–	–	1,284.7
Include:						
Investment properties at fair value		1,232.9	1,346.3	–	–	2,579.2
Total property value	B	1,232.9	1,346.3	–	–	2,579.2
EPRA LTV	A/B					49.8%

						31 December 2023
Proportionally consolidated		Reported Group £m	Share of joint ventures £m	Share of associates ² £m	Non-controlling interests £m	Total £m
Include:						
Loans		1,624.5	260.0	793.9	–	2,678.4
Foreign currency derivatives		11.4	–	–	–	11.4
Net payables ¹		87.0	23.9	76.4	–	187.3
Exclude:						
Cash and cash equivalents		(472.3)	(97.3)	(64.4)	–	(634.0)
Net debt	A	1,250.6	186.6	805.9	–	2,243.1
Include:						
Investment properties at fair value		1,396.2	1,379.9	1,885.7	–	4,661.8
Total property value	B	1,396.2	1,379.9	1,885.7	–	4,661.8
EPRA LTV	A/B					48.1%

Rows with zero balances have intentionally been excluded from the EPRA specified format in the above tables.

- 1 Net payables includes the following balance sheet accounts: interests in leasehold properties, right-of-use assets, trade and other receivables (current and non-current), restricted monetary assets (current and non-current), trade and other payables (current and non-current), obligations under head leases (current and non-current), tax and deferred tax (at 50%), including those that have been reclassified for sale.
- 2 As the Group's investment in Value Retail has been reclassified as an asset held for sale at 30 June 2024 it has been excluded from the EPRA Loan to value calculation at 30 June 2024. See note 9 for further details.

KEY PROPERTIES

Managed portfolio	Location	Accounting classification where not wholly-owned	Ownership	Area m ²	No. of tenants	Passing rent £m
Flagship destinations						
UK						
Brent Cross	London	Joint venture	41%	105,400	112	12.0
Bullring ¹	Birmingham	Joint venture	50%	120,300	149	24.6
Cabot Circus ²	Bristol	Joint venture	50%	106,100	105	10.2
The Oracle	Reading	Joint venture	50%	71,600	98	10.3
Westquay	Southampton	Joint venture	50%	94,200	107	13.8
France						
Les 3 Fontaines ³	Cergy		100%	76,600	197	23.5
Les Terrasses du Port	Marseille		100%	62,800	166	30.4
Ireland						
Dundrum Town Centre	Dublin	Joint venture	50%	124,800	151	26.4
Ilac Centre	Dublin	Joint operation	50%	28,200	63	3.2
Pavilions	Swords	Joint operation	50%	44,400	93	7.3
Developments and other (key properties)						
Bristol Broadmead ²	Bristol	Joint venture	50%	34,800	60	2.6
Dublin Central	Dublin		100%	n/a	n/a	n/a
Dundrum Phase II	Dublin	Joint venture	50%	n/a	n/a	n/a
Grand Central ¹	Birmingham	Joint venture	50%	38,400	50	3.5
Eastgate	Leeds		100%	n/a	n/a	n/a
Martineau Galleries ¹	Birmingham		100%	35,200	38	2.2
Pavilions land	Swords		100%	n/a	n/a	n/a
The Goodsyard	London	Joint venture	50%	n/a	n/a	n/a
Value Retail⁴		Asset held for sale ⁵				
Bicester Village	Bicester		50%	28,000	159	79.9
La Roca Village	Barcelona		41%	25,900	145	23.4
Las Rozas Village	Madrid		38%	16,600	98	14.7
La Vallée Village	Paris		26%	21,600	109	25.3
Maasmechelen Village	Brussels		27%	20,000	103	6.2
Fidenza Village	Milan		34%	21,100	117	7.2
Wertheim Village	Frankfurt		45%	20,900	113	10.5
Ingolstadt Village	Munich		15%	21,000	112	3.8
Kildare Village	Dublin		41%	21,600	119	11.9

1 Collectively known as the Birmingham Estate.

2 Collectively known as the Bristol Estate.

3 Property includes areas held under co-ownership, figures above reflect Hammerson's ownership interests only.

4 Passing rent for Value Retail represents annualised base and turnover rent at Hammerson's ownership share.

5 Held as an asset held for sale at 30 June 2024, see note 9 for details.

GLOSSARY

Adjusted earnings	Reported amounts excluding certain items in accordance with EPRA guidelines and also certain exceptional items which the Directors believe are not reflective of the Group's normal day-to-day operating activities.
Average cost of debt or weighted average interest rate (WAIR)	The cost of finance expressed as a percentage of the weighted average debt during the period.
Borrowings	The aggregate of loans and fair value of currency swaps but excluding the fair value of the interest rate swaps, as this latter item crystallises over the life of the instruments rather than at maturity.
Capital return	The change in property value during the period after taking account of capital expenditure, acquisitions and disposals and calculated on a monthly time-weighted and constant currency basis.
Commercialisation	Promotional activity to generate income and engage with communities including advertising, events, kiosks, and pop-ups
Company Voluntary Arrangement (CVA)	A legally binding agreement with creditors to restructure liabilities, including future lease liabilities.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
EPRA	The European Public Real Estate Association, a real estate industry body, of which the Company is a member. This organisation has issued Best Practice Recommendations with the intention of improving the transparency, comparability and relevance of the published results of listed real estate companies in Europe.
Equivalent yield (true and nominal)	The capitalisation rate applied to future cash flows to calculate the gross property value. The cash flows reflect future rents resulting from lettings, lease renewals and rent reviews based on current ERVs. The true equivalent yield (TEY) assumes rents are received quarterly in advance, while the nominal equivalent yield (NEY) assumes rents are received annually in arrears. These yields are determined by the Group's external valuers.
ERV	The estimated market rental value of the total lettable space in a property (after deducting head rents, and car parking and commercialisation running costs) calculated by the Group's external valuers.
ESG	Using environmental, social and governance factors to evaluate companies and countries on how far advanced they are with sustainability.
F&B	Food and beverage.
Gearing	Net debt expressed as a percentage of equity shareholders' funds calculated as per the covenant definition in the Group's unsecured borrowings.
Gross property value or Gross asset value (GAV)	Property value before deduction of purchasers' costs, as provided by the Group's external valuers.
Gross rental income (GRI)	Income from leases, car parks and commercialisation, after amortising lease incentives.
Headline rent	The annual rental income derived from a lease, including base and turnover rent but after rent-free periods.
Inclusive lease	A lease, often for a short period, under which the rent includes costs such as service charge, rates and utilities. Instead, the landlord incurs these costs as part of the overall commercial arrangement.
Income return	Income derived from property taken as a percentage of the property value on a time-weighted and constant currency basis after taking account of capital expenditure, acquisitions and disposals.
Initial yield (or Net initial yield (NIY))	Annual cash rents receivable (net of head rents and the cost of vacancy, and, in the case of France, net of an allowance for costs of approximately 5%, primarily for management fees), as a percentage of gross property value, as provided by the Group's external valuers. Rents receivable following the expiry of rent-free periods are not included. Rent reviews are assumed to have been settled at the contractual review date at ERV.
Interest cover	Adjusted net rental income divided by adjusted net finance costs before capitalised interest and interest charges on lease obligations and pensions, both excluding associates.
Interest rate or currency swap (or derivatives)	An agreement with another party to exchange an interest or currency rate obligation for a pre-determined period.
Joint venture and associate management fees	Fees charged to joint ventures and associates for accounting, secretarial, asset and development management services.
Leasing value/volume	Comprises new lettings and renewals exchanged in the period. Value reflects passing rent and volume reflects number of leases signed.
Leasing vs Passing rent	A comparison of Headline rent from leasing to the Passing rent at the most recent balance sheet date.
Like-for-like (LFL) GRI/NRI	The percentage change in GRI/NRI for flagship properties owned throughout both current and prior periods, calculated on a constant currency basis. Properties undergoing a significant extension project are excluded from this calculation during the period of the works. For interim reporting periods properties sold between the balance sheet date and the date of the announcement are also excluded from this metric.
Loan to value (LTV)	Net debt expressed as a percentage of property portfolio value. The Group has three measures of LTV which are shown in Table 20 of the Additional Information section.
Net effective rent (NER)	Annual rent from a unit calculated by taking the total rent payable over the term of the lease to the earliest termination date and deducting all tenant incentives.
Net rental income (NRI)	GRI less net service charge expenses and cost of sales. Additionally, the change in provision for amounts not yet recognised in the income statement is excluded to calculate adjusted NRI.

NTA (EPRA)	EPRA Net tangible assets: An EPRA net asset per share measure calculated as equity shareholders' funds with adjustments made for the fair values of certain financial derivatives, deferred tax and any goodwill balances.
Occupancy rate	The ERV of the area in a property or portfolio, excluding developments, which is let, expressed as a percentage of the total ERV, excluding the ERV for car parks, of that property or portfolio.
Occupational cost ratio (OCR)	The proportion of retailer's sales compared with the total cost of occupation, including rent, local taxes (i.e. business rates) and service charge. Calculated excluding department stores.
Over-rented	The amount, or percentage, by which the ERV falls short of rents passing, together with the ERV of vacant space.
Passing rents or rents passing	The annual rental income receivable from an investment property after rent-free periods, head rents, car park costs and commercialisation costs. This may be more or less than the ERV (see over-rented and reversionary or under-rented).
Pre-let	A lease signed with a tenant prior to the completion of a development or other major project.
Principal lease	A lease signed with a tenant with a secure term of greater than one year.
Property fee income	Amounts recharged to tenants or co-owners for property management services including, but not limited to service charge management and rent collection fees.
Property Income Distribution (PID)	A dividend, generally subject to withholding tax, that a UK REIT is required to pay from its tax-exempt property rental business and which is taxable for UK-resident shareholders at their marginal tax rate.
Property interests (Share of)	The Group's non-wholly owned properties which management proportionally consolidate when reviewing the performance of the business. These exclude Value Retail which is not proportionally consolidated.
Property outgoings	The direct operational costs and expenses incurred by the landlord relating to property ownership and management. This typically comprises void costs, net service charge expenses, letting related costs, marketing expenditure, repairs and maintenance, tenant incentive impairment, bad debt expense relating to items recognised in the income statement and other direct irrecoverable property expenses. These costs are included within the Group's calculation of like-for-like NRI and the cost ratio.
Proportional consolidation	The aggregation of the financial results of the Reported Group and the Group's Share of Property interests under management (i.e. excluding Value Retail) as set out in note 2.
QIAIF	Qualifying Investor Alternative Investment Fund. A regulated tax regime in the Republic of Ireland which exempts participants from Irish tax on property income and chargeable gains subject to certain requirements.
REIT	Real Estate Investment Trust. A tax regime which in the UK exempts participants from corporation tax both on UK rental income and gains arising on UK investment property sales, subject to certain requirements.
Rent collection	Rent collected as a percentage of rent due for a particular period after taking account of any rent concessions granted for the relevant period.
Reported Group	The financial results as presented under IFRS.
Rents passing for reversion	Passing rent adjusted for tenant incentives and inclusive costs to be on a net effective basis. This will increase or decrease due to changes to rents passing at rent review or the next lease event (i.e. expiry or break), or by leasing vacant space or space undergoing reconfiguration.
Reversionary or under-rented	The amount, or percentage, by which the ERV exceeds the rents passing, together with the estimated rental value of vacant space.
Scope 1 emissions	Direct emissions from owned or controlled sources.
Scope 2 emissions	Indirect emissions from the generation of purchased energy.
Scope 3 emissions	All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.
SAICA	South African Institute of Chartered Accountants.
SIIC	Sociétés d'Investissements Immobiliers Côtées. A tax regime in France which exempts participants from the French tax on property income and gains subject to certain requirements.
Temporary lease	A lease with a period of one year or less, measured to the earlier of lease expiry or tenant break.
Total accounting return (TAR)	The growth in EPRA NTA per share plus dividends paid, expressed as a percentage of EPRA NTA per share at the beginning of the period. The return excludes the dilution impact from scrip dividends.
Total development cost	All capital expenditure on a development or other major project, including capitalised interest.
Total property return (TPR) (or total return)	NRI, excluding the change in provision for amounts not yet recognised in the income statement, and capital growth expressed as a percentage of the opening book value of property adjusted for capital expenditure, calculated on a monthly time-weighted and constant currency basis.
Total shareholder return (TSR)	Dividends and capital growth in a Company's share price, expressed as a percentage of the share price at the beginning of the period.
Turnover rent	Rental income which is linked to an occupier's revenues.
Vacancy rate	The ERV of the area in a property, or portfolio, excluding developments, which is currently available for letting, expressed as a percentage of the ERV of that property or portfolio.
WAULB/WAULT	Weighted Average Unexpired Lease to Break/Term.
Yield on cost	Passing rents expressed as a percentage of the total development cost of a property.