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Acquisition of 10 Gresham Street, London EC2

Hammerson has set up a joint venture with the Canada Pension Plan Investment Board (CPPIB) to acquire a long leasehold interest in 10 Gresham Street, a prime office building in the City of London for £183 million including costs of £8 million. The vendor is Union Investment, a German fund. Hammerson will have a 30% interest in the joint venture and will manage the asset on its behalf. Hammerson's total commitment is £55 million.

10, Gresham Street comprises 24,125 m² (260,000 ft²) of high quality offices, retail and ancillary accommodation over eight floors. The building was designed by Foster + Partners and completed in 2003. The principal occupier is Lloyds TSB Bank, with the remainder of the building let to seven other tenants including Milbank Tweed Hadley & McCloy and JC Flowers. Total rents passing, net of head rent payable, are £10.7 million p.a. Average headline rents are £44 per ft² and the average unexpired lease term is around 11 years (9 years factoring in tenant break options).

David Atkins, Chief Executive of Hammerson said:

"We are very pleased to again be partnering with CPPIB. This acquisition is in line with our strategy to capitalise on attractive opportunities in the London office market. Given the existing lease profile and relatively low rental base this offers an excellent opportunity for us to increase value by using our asset management skills."

Graeme Eadie, Senior Vice-President, Real Estate Investments for CPPIB said:

"Following the creation of our successful joint venture in late 2009 to acquire a company which owns the Silverburn shopping centre in Glasgow, we are delighted to be working once again with Hammerson to buy this highly attractive office investment in the City of London."

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Notes to editors

1. A FTSE 100 company with a real estate portfolio in the UK and France of around £5.3 billion, Hammerson has investments in 16 major shopping centres and 16 retail parks providing a total of 1.6 million m² of retail space. The Company owns six London office buildings, which provide 105,000 m² of prime accommodation. Its high quality portfolio provides a secure and growing income stream that will be enhanced through development. Benefiting from tax-efficient REIT status in the UK and SIIC in France, Hammerson is listed on the London Stock Exchange.

2. The CPP Investment Board is a professional investment management organization that invests the funds not needed by the Canada Pension Plan to pay current benefits on behalf of 17 million Canadian contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, the CPP Investment Board invests in public equities, private equities, real estate, inflation-linked bonds, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in London and Hong Kong, the CPP Investment Board is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At March 31, 2010, the CPP Fund totaled \$127.6 billion. For more information about the CPP Investment Board, please visit www.cppib.ca.