

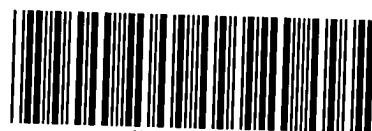
Company Number: 00666151

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2016

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HAMMERSON INTERNATIONAL HOLDINGS LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2016

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment in property-owning and group financing subsidiaries. The Directors do not anticipate any significant change in the principal activity in the foreseeable future.

2. RESULTS AND DIVIDENDS

The profit for the year after tax was £82,730,000 (2015: £25,615,000 loss). The Directors do not recommend the payment of a dividend for the year (2015: £nil). Further information relating to the business, its key risks and going concern is provided in the Strategic Report.

3. DIRECTORS

- (a) Mr. D.J. Atkins, Mr. P.W.B. Cole, Mr. N.T. Drakesmith and Mr. M. Plocica were Directors of the Company throughout the year.
- (b) Mr. M. Plocica resigned as Director of the Company on 17 March 2017 and Mr. M. R. Bourgeois was appointed as Director of the Company on 17 March 2017.
- (c) In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.
- (d) No Director has any interests in contracts entered into by the Company.

4. COMPANY SECRETARY

Hammerson Company Secretarial Limited acted as Secretary of the Company throughout the year.

5. INDEMNITY

The Company's ultimate parent company, Hammerson plc, has made qualifying third party indemnity provisions for the benefit of the Company's Directors which were in place throughout the year and which remain in place at the date of this report.

6. AUDITOR

Deloitte LLP acted as auditor of the Company for the year ended 31 December 2016. It is the intention of the Directors to appoint PricewaterhouseCoopers LLP for the year ending 31 December 2017.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2016

7. PROVISION OF INFORMATION TO THE AUDITOR

Each of the persons who is a Director of the Company at the date of approval of this report has confirmed that:

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

By order of the Board



B. Lees

For and on behalf of
Hammerson Company Secretarial Limited
acting as Secretary
Date: 28 September 2017

Registered Office:
Kings Place, 90 York Way
London, N1 9GE
Registered in England and Wales No. 00666151

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

STRATEGIC REPORT

Year ended 31 December 2016

BUSINESS REVIEW AND FUTURE PROSPECTS

It is expected that the Company will continue to invest in property-owning and group financing subsidiaries for the foreseeable future.

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of the net current liability position of the balance sheet as at 31 December 2016 and concluded that it was appropriate. More information is provided in note 1(b) to the financial statements.

The Directors consider the following measures to be the key performance indicators for the Company: investment income and net asset value.

During 2016, the Company's profit for the year after tax was £82,730,000 (2015 £25,615,000 loss) and investment income was £921,300,000 (2015: £nil). The reason for the increase in profit for the year is predominantly due to the receipt of investment income from the Hammerson ICAV less the impairment of the carrying value of the Company's investment in this entity. The impairment was incurred mainly as a result of a decrease in the net asset value of the ICAV through payment of distributions to the Company during 2016. In addition the Company benefited by approximately £51,400,000 (2015: £700,000) in respect of foreign exchange gains on the retranslation of its monetary items during the year. At 31 December 2016, the Company had net assets of £3,141,660,000 (2015: £2,708,115,000).

The key risk to the Company relates to the value of its investments in property owning subsidiary undertakings. The key performance indicators for these subsidiaries are net rental income and property values and the key risks they face relate to tenant exposure and the strength of the UK property market. Tenants' covenants are monitored at the start of leasing agreements and on an ongoing basis and collection performance is closely monitored. The Directors monitor the UK property market through the analysis of market forecasts and the performance of the property assets is compared against target returns. Further risks are discussed in the Annual Report of the ultimate controlling party, Hammerson plc, which does not form part of this report.

Signed on behalf of the Board of Directors



N.T. Drakesmith

Director

Date: 28 September 2017

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON INTERNATIONAL HOLDINGS LIMITED

We have audited the financial statements of Hammerson International Holdings Limited for the year ended 31 December 2016 which comprise the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

This report is made solely to the Company's sole member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's sole member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's sole member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON INTERNATIONAL HOLDINGS LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Sara Tubridy FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 28 September 2017

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

INCOME STATEMENT

For the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Other net losses	2	<u>(861,255)</u>	<u>-</u>
Operating loss	3	<u>(861,255)</u>	<u>-</u>
Net finance income/(costs)	4	22,685	(25,615)
Investment income	5	<u>921,300</u>	<u>-</u>
Profit/(Loss) before and after taxation for the financial year	6	<u>82,730</u>	<u>(25,615)</u>

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

		2016 £'000	2015 £'000
Profit/(Loss) for the year		82,730	(25,615)
Items that may subsequently be recycled through the income statement			
Unrealised surplus on revaluation of investments	7	312,591	352,263
Foreign exchange translation differences on net investment in subsidiaries	7	<u>38,224</u>	<u>(3,211)</u>
Total recognised gains and losses for the year		<u>433,545</u>	<u>323,437</u>

All amounts relate to continuing activities.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

BALANCE SHEET As at 31 December 2016

	Notes	2016 £'000	2015 £'000
Non-current assets			
Investments	7	3,781,731	3,378,735
Receivables	8	864,662	16,491
		4,646,393	3,395,226
Current assets			
Receivables	9	380	693,508
Cash and deposits		-	1,488
		380	694,996
Current liabilities			
Payables	10	(1,505,113)	(1,382,107)
Net current liabilities		(1,504,733)	(687,111)
Total assets less current liabilities		3,141,660	2,708,115
Net assets		3,141,660	2,708,115
Capital and reserves			
Called up share capital	11	491,390	491,390
Other reserves	12	(20,829)	(20,829)
Revaluation reserve	12	2,681,008	2,368,417
Retained earnings	12	(9,909)	(130,863)
Shareholder's funds		3,141,660	2,708,115

These financial statements were approved by the Board of Directors on 28 September 2017 and authorised for issue on 28 September 2017.

Signed on behalf of the Board of Directors



N. T. Drakesmith

Director

Company Number: 00666151

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Called up share capital £'000	Other reserves £'000	Revaluation reserve £'000	Retained losses £'000	Total equity £'000
Balance at 1 January 2015	491,390	(20,829)	2,016,163	(102,046)	2,384,678
Loss and other comprehensive income for the year	-	-	352,254	(28,817)	323,437
Balance at 31 December 2015	491,390	(20,829)	2,368,417	(130,863)	2,708,115
Profit and other comprehensive income for the year	-	-	312,591	120,954	433,545
Balance at 31 December 2016	491,390	(20,829)	2,681,008	(9,909)	3,141,660

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

1. ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently throughout the current and preceding year.

(a) Basis of accounting

Basis of preparation

Hammerson International Holdings Limited is a private company limited by shares and incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The nature of the Company's operations and its principal activities are set out on page 3. The address of the registered office is given on page 2.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") as issued by the Financial Reporting Council.

The presentation currency used is sterling and amounts have been presented in round thousands ("£000s"). The financial statements have been prepared on a historical cost basis, except for the revaluation of fixed asset investments. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- certain disclosures in relation to financial instruments held by the Company;
- certain disclosures in relation to the Company's investments carried at fair value;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted; and
- disclosure of related party transactions with wholly owned members of the group headed by the ultimate parent company, Hammerson plc.

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Hammerson plc into which the Company is consolidated. The financial statements of Hammerson plc can be obtained as described in note 16. Group accounts have not been prepared on the basis that the Company is included in the consolidated financial statements of Hammerson plc.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

(b) Going concern

The financial position of the Company is as set out in the Balance Sheet. The Company has net current liabilities as at 31 December 2016 and is reliant on the support of its ultimate parent company, Hammerson plc, to be able to meet its liabilities as they fall due. These liabilities relate primarily to amounts due to the parent company and fellow subsidiary undertakings. The Directors consider that the Company is an integral part of Hammerson plc's structure and strategy and this is evidenced by a letter of support from Hammerson plc, which states its intent to provide the necessary financial support to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(c) Net finance costs

Net finance costs include interest payable on borrowings and interest receivable on funds invested.

(d) Investment income

Investment income represents the Company's share of distributions receivable from its interests in group entities.

(e) Foreign currencies

Investments in shares of overseas subsidiary companies, which are stated at valuation, and all other foreign currency balances have been translated at the rates ruling at the year end. The principal relevant rates used for currency translations are as follows:

		2016	2015
Euro	£1 = EUR	1.171	1.357

Differences arising from the translation of investments in overseas subsidiaries are included in other comprehensive income whereas differences resulting from the translation of foreign currency denominated monetary items are included in net finance costs in the income statement.

(f) Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable at the balance sheet date, together with any adjustment in respect of previous years.

Deferred tax is provided in respect of all taxable temporary timing differences that may give rise to an obligation to pay more or less tax in the future. Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

(g) Investments

Shares in group companies are stated at valuations determined annually by the Directors, having regard to the underlying value of the net assets of those subsidiaries. Provisions for impairment below cost are taken to the income statement. Surpluses arising on valuations above cost, and non-permanent deficits arising on valuations below cost, are included in the revaluation reserve.

(h) Loans receivable

Loans receivable are financial assets which are initially measured at fair value, plus acquisition costs and are subsequently measured at amortised cost, using the effective interest method, less any impairment.

(i) Borrowings

Borrowings are recognised initially at fair value, after taking account of any discount on issue and attributable transaction costs. Subsequently, borrowings are held at amortised cost, such that discounts and costs are charged to the statement of comprehensive income over the term of the borrowing at a constant return on the carrying value of the liability.

(j) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(k) Critical accounting policies and estimation uncertainties

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

1. ACCOUNTING POLICIES (continued)

(k) Critical accounting policies and estimation uncertainties (continued)

The Company's critical judgements and area of estimation uncertainty is in respect of shares in group entities. The Company has interests in group entities which are carried in the balance sheet at valuation, valued by the Directors based upon the net assets of the entities. The principal assets of these entities are investment properties which are valued six-monthly by professionally qualified external valuers. The Directors must ensure that they are satisfied that the Company's investment in the group entities is appropriate for the accounts. The basis of valuation of the group entities' investment properties is set out in the notes to the accounts of those entities for the year ended 31 December 2016.

2. OTHER NET LOSSES

	2016 £'000	2015 £'000
Impairment of investments	843,954	-
Amount owed by joint venture entity written off	17,301	-
	<u>861,255</u>	<u>-</u>

Impairment of investments relates mainly to The Hammerson ICAV, see note 7.

3. OPERATING LOSS

The average number of employees during the year, excluding Directors, was nil (2015: nil).

The Directors did not receive any remuneration for services to the Company in either the current or preceding financial year.

Another group company has paid the auditor's fees for the audit of the Company's annual accounts in both the current and preceding financial year. Fees for the audit of the Company were £5,117 (2015: £4,968).

4. NET FINANCE INCOME/(COSTS)

	2016 £'000	2015 £'000
Interest payable to ultimate parent company	(35,534)	(31,363)
Other interest payable	(647)	(13)
Finance costs	<u>(36,181)</u>	<u>(31,376)</u>
Interest receivable from subsidiary undertakings	6,289	-
Interest receivable from joint venture entity	-	4,634
Exchange gains	51,376	722
Other finance income	1,201	405
Finance income	<u>58,866</u>	<u>5,761</u>
Net finance income/(costs)	<u>22,685</u>	<u>(25,615)</u>

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

5. INVESTMENT INCOME

	2016 £'000	2015 £'000
Distributions receivable from The Hammerson ICAV	<u>921,300</u>	<u>-</u>

6. TAXATION

	2016 £'000	2015 £'000
(a) <u>Tax charge</u>		
Tax charge on profit	<u>-</u>	<u>-</u>

(b) Factors affecting current tax charge

The corporation tax charge for the year differs from the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%). The differences are reconciled below:

	2016 £'000	2015 £'000
Profit/(Loss) before tax	<u>82,730</u>	<u>(25,615)</u>
Profit/(Loss) at UK corporation tax rate of 20.00% (2015: 20.25%)	<u>16,546</u>	<u>(5,187)</u>
Effects of:		
Distribution income not taxable	(184,260)	-
Impairment of investments	172,251	-
Foreign exchange gains not taxable	(10,275)	-
Group relief surrendered	<u>5,738</u>	<u>5,187</u>
Total current tax	<u>-</u>	<u>-</u>

(c) Deferred tax

At 31 December 2016 the Company had approximately £56,700,000 (2015: £56,700,000) of tax losses available for carry-forward against future taxable profits. No deferred tax has been recognised in relation to these losses, reflecting uncertainty over the availability of future suitable profits against which the losses can be utilised.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

7. FIXED ASSET INVESTMENTS

	Shares in group entities at valuation £'000
At 1 January 2015	3,022,971
Additions at cost	6,712
Exchange translation loss	(3,211)
Revaluation surplus in the year	352,263
	<hr/>
At 31 December 2015/1 January 2016	3,378,735
Additions at cost	896,135
Exchange translation gain	38,224
Impairment provision in the year (note 2)	(843,954)
Revaluation surplus in the year	312,591
	<hr/>
At 31 December 2016	3,781,731

Investments in subsidiaries are stated at valuations determined annually by the Directors based on the underlying value of the net assets of those subsidiaries. In the opinion of the Directors, the aggregate value at 31 December 2016 of shares in subsidiary undertakings is not less than the aggregate at which they are stated in the financial statements.

At 31 December 2016, the historical cost of investments in group undertakings was £1,909,655,000 (2015: £1,013,520,000). Additions mainly comprised the subscription for share capital in The Hammerson ICAV, a subsidiary undertaking. During the year the Company impaired its investment in The Hammerson ICAV as a result of the latter suffering a reduction in its net asset value following distributions it paid up to the Company. Distributions of £921,300,000 (2015: £nil) are included in investment income (see note 5). At 31 December 2016 the Company's provision for impairment was £843,954,000 (2015: £nil).

The Company's subsidiaries and other related undertakings at 31 December 2016 are listed in note 13. These entities are engaged directly, or indirectly through their subsidiaries or related undertakings, in property ownership (investment, development or trading), group financing activities or are dormant.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

8. RECEIVABLES: NON-CURRENT ASSETS

	2016 £'000	2015 £'000
Loans receivable	<u>864,662</u>	<u>16,491</u>

Loans receivable are interest bearing, classified as available for sale, held at fair value and are analysed below:

2016: The Hammerson ICAV €1,005,155,000 principal (2015: €nil), fixed interest rate of 4% per annum, maturing December 2023.

2015: VR Dublin Limited and Kildare Retail Services Limited settled December 2016.

9. RECEIVABLES: CURRENT ASSETS

	2016 £'000	2015 £'000
Amounts owed by joint venture entity	364	690,163
Other receivables	<u>16</u>	<u>3,345</u>
	<u>380</u>	<u>693,508</u>

All amounts shown above are interest free and fall due for repayment within one year. The amount of £364,000 owed by Dundrum Retail Limited Partnership, a joint venture entity, will be settled in 2017.

10. PAYABLES: CURRENT LIABILITIES

	2016 £'000	2015 £'000
Amounts owed to parent company	1,503,671	1,376,040
Amounts owed to subsidiary undertakings	762	83
Other payables	<u>680</u>	<u>5,984</u>
	<u>1,505,113</u>	<u>1,382,107</u>

Interest is charged on amounts owed to the parent company at variable rates based on LIBOR. Amounts owed to subsidiary undertakings are non-interest bearing and are payable on demand.

11. SHARE CAPITAL

	2016 £'000	2015 £'000
Allotted, called up and fully paid:		
491,389,999 ordinary shares of £1 each	<u>491,390</u>	<u>491,390</u>

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

12. RESERVES

<u>Reserve</u>	<u>Description and purpose</u>
Share capital	Nominal value of share capital subscribed for
Other reserves	Other non-distributable reserve movements
Revaluation reserve	Revaluation movements on other fixed asset investments
Retained earnings	The cumulative profits and losses less any dividends paid

13. SUBSIDIARIES AND OTHER RELATED UNDERTAKINGS

The Company's subsidiaries and other related undertakings at 31 December 2016 are set out below:

Direct subsidiaries

Unless otherwise shown, the Company has a 100% interest in the ordinary share capital of the following entities, which are registered/operate in the countries as shown:

England & Wales

Registered office: Kings Place, 90 York Way, London N1 9GE

Hammerson UK Properties plc

Netherlands

Registered office: Spoorsinge, 2871TT, Schoonhoven, Netherlands.

Hammerson Europe BV

USA

Registered office: 2711 Centerville Road Suite 400, Wilmington 19808, United States,
Country of operation: United Kingdom.

Hammerson LLC

Ireland

Registered office: 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland.

The Hammerson ICAV

Hammerson Ireland Investments Limited

Directly owned joint venture entity

Ireland

Registered office: 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland.

Triskelion Property Holding Designated Activity Company (50% ownership)

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

13. SUBSIDIARIES AND OTHER RELATED UNDERTAKINGS (continued)

Indirect subsidiaries and other wholly-owned entities

Unless otherwise shown the Company has an indirect 100% interest in the ordinary share capital of the following entities, which are registered/operate in the countries as shown:

England & Wales

Registered office: Kings Place, 90 York Way, London N1 9GE

(for notes see page 19)

280 Bishopsgate Investments Limited	Hammerson (Silverburn) Limited (Isle of Man) ³
Abbey Retail Park Limited (Northern Ireland) ¹	Hammerson (Staines) Limited
Christchurch UK Limited	Hammerson (Telford) Limited
Cricklewood Regeneration Limited	Hammerson (Thanet) Limited
Dublin Central GP Limited ²	Hammerson (Value Retail Investments) Limited
Dundrum R&O Park Management Limited ²	Hammerson (Victoria Gate) Limited
Dundrum Town Centre Management Limited ²	Hammerson (Victoria Investments) Limited
Dundrum Village Management Company Limited ²	Hammerson (Victoria Quarter) Limited
Governeffect Limited	Hammerson (Watermark) Limited
Hammerson (60 Threadneedle Street) Limited	Hammerson (Whitgift) Limited
Hammerson (9-13 Grosvenor Street) Limited	Hammerson Birmingham Properties Limited
Hammerson (Abbey) Limited	Hammerson Bull Ring Limited
Hammerson (Bicester No. 2) Limited	Hammerson Croydon (GP1) Limited
Hammerson (Brent Cross) Limited	Hammerson Croydon (GP2) Limited
Hammerson (Brent South) Limited	Hammerson Investments (No. 12) Limited
Hammerson (Bristol Investments) Limited	Hammerson Investments (No. 13) Limited
Hammerson (Bristol) Limited	Hammerson Investments (No. 16) Limited
Hammerson (Cardiff) Limited	Hammerson Investments (No. 23) Limited
Hammerson (Centurion) Limited	Hammerson Investments (No. 35) Limited
Hammerson (Coventry) Limited	Hammerson Investments (No. 36) Limited
Hammerson (Cramlington I) Limited	Hammerson Investments (No. 37) Limited
Hammerson (Cricklewood) Limited	Hammerson Investments Limited
Hammerson (Croydon) Limited	Hammerson Junction (No 3) Limited
Hammerson (Didcot) Limited	Hammerson Junction (No 4) Limited
Hammerson (Didcot II) Limited	Hammerson Martineau Galleries Limited
Hammerson (Folkestone) Limited	Hammerson MGLP Limited
Hammerson (Glasgow) Limited	Hammerson MGLP 2 Limited
Hammerson (Grosvenor Street) Limited	Hammerson MLP Limited
Hammerson (Kingston) Limited	Hammerson Moor House (LP) Limited
Hammerson (Kirkcaldy) Limited	Hammerson Operations Limited
Hammerson (Leeds Developments) Limited	Hammerson Operations (Ireland) Limited ²
Hammerson (Leeds GP) Limited	Hammerson Oracle Investments Limited
Hammerson (Leeds Investments) Limited	Hammerson Oracle Properties Limited
Hammerson (Leeds) Limited	Hammerson Peterborough (GP) Limited
Hammerson (Leicester) Limited	Hammerson Peterborough (No 1) Limited
Hammerson (Leicester GP) Limited	Hammerson Peterborough (No 2) Limited
Hammerson (Lichfield) Limited	Hammerson Project Management Limited
Hammerson (Merthyr) Limited	Hammerson Ravenhead Limited
Hammerson (Milton Keynes) Limited	Hammerson Retail Parks Holdings Limited
Hammerson (Moor House) Properties Limited	Hammerson Sheffield (NRQ) Limited
Hammerson (Newcastle) Limited	Hammerson Shelf Co 6 Limited
Hammerson (Newtownabbey) Limited	Hammerson Shelf Co 7 Limited
Hammerson (Oldbury) Limited	Hammerson Shelf Co 8 Limited
Hammerson (Paddington) Limited	Hammerson Shelf Co 9 Limited
Hammerson (Parc Tawe I) Limited	Hammerson Shelf Co 10 Limited
Hammerson (Renfrew) Limited	Hammerson Wrekin LLP ⁴
Hammerson (Rugby) Limited	Highcross (GP) Limited

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2016

13. SUBSIDIARIES AND OTHER RELATED UNDERTAKINGS (continued)

Indirect subsidiaries and other wholly-owned entities (continued)

Highcross Residential (Nominees 1) Limited	SEVCO 5025 Limited ⁵
Highcross Residential (Nominees 2) Limited	Spitalfields Developments Limited
Highcross Residential Properties Limited	Spitalfields Holdings Limited (Ordinary & deferred)
Junction Nominee 1 Limited	The Highcross Limited Partnership ⁴
Junction Nominee 2 Limited	The Junction (General Partner) Limited
Leeds (GP1) Limited	The Junction (Thurrock Shareholder GP) Limited
Leeds (GP2) Limited	The Junction Limited Partnership ⁴
LWP Limited Partnership ⁴	The Junction Thurrock (General Partner) Limited
Martineau Galleries (GP) Limited	The Junction Thurrock Limited Partnership ⁴
Martineau Galleries No. 1 Limited	The Martineau Galleries Limited Partnership ⁴
Martineau Galleries No. 2 Limited	Thurrock Shares 1 Limited
Mentboost Limited	Thurrock Shares 2 Limited
Monesan Limited (Northern Ireland) ¹	Union Square Developments Limited (Scotland) ⁶
New Southgate Limited	West Quay (No.1) Limited
Precis (1474) Limited (Ordinary & deferred)	West Quay (No.2) Limited
RT Group Developments Limited	West Quay Shopping Centre Limited
RT Group Property Investments Limited	

Registered offices: (1) Cleaver Fulton Rankin, 50 Bedford Street, Belfast, BT2 7FW; (2) 6th floor, 2 Grand Canal Square, Dublin 2, Ireland; (3) Fort Anne, Douglas, IM1 5PD, Isle of Man; (4) No share issue for Limited Partnerships, (5) c/o Stilwell Gray, 14-30 City Business centre, Hyde Street, Winchester, Hampshire, SO23 7TA; (6) 1 George Square, Glasgow, G2 1AL.

Jersey

Registered office: 47 Esplanade, St. Helier, JE1 0BD, Jersey

Hammerson 60 TNS Unit Trust ¹	Hammerson Victoria Quarter Unit Trust ¹
Hammerson Birmingham Investments Limited	Hammerson VRC (Jersey) Limited
Hammerson Bull Ring (Jersey) Limited	Hammerson Whitgift Investments Limited
Hammerson Croydon Investments Limited	Highcross (No.1) Limited
Hammerson Highcross Investments Limited	Highcross (No.2) Limited
Hammerson Junction (No 1) Limited	Highcross Leicester Limited
Hammerson Junction (No 2) Limited	Junction Thurrock Unit Trust ¹
Hammerson Leeds Unit Trust ¹	Telford Forge Retail Park Unit Trust ¹
Hammerson VIA (Jersey) Limited	The Junction Unit Trust ¹
Hammerson Victoria Gate Unit Trust ¹	

(1) No shares in issue for Unit Trusts. The registered office address is that of the appropriate trustee.

Germany

Registered office: c/o Forum Steglitz, Schloßstraße 1, 12163 Berlin.

BFN10 GmbH

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS
Year ended 31 December 2016

13. SUBSIDIARIES AND OTHER RELATED UNDERTAKINGS (continued)

Indirectly held joint venture entities

	<i>Country of registration or operation</i>	<i>Class of share held</i>	<i>Ownership %</i>
Bishopsgate Goodsynd Regeneration Limited	England & Wales ¹	Ordinary	50
Bristol Alliance (GP) Limited	England & Wales ¹	Ordinary	50
Bristol Alliance Limited Partnership	England & Wales ¹	N/A	50
Bristol Alliance Nominee No.1 Limited	England & Wales ¹	Ordinary	50
Bristol Alliance Nominee No.2 Limited	England & Wales ¹	Ordinary	50
BRLP Rotunda Limited	England & Wales ¹	Ordinary	50
Bull Ring (GP) Limited	England & Wales ¹	Ordinary	50
Bull Ring (GP2) Limited	England & Wales ¹	Ordinary	50
Bull Ring No.1 Limited	England & Wales ¹	Ordinary	50
Bull Ring No.2 Limited	England & Wales ¹	Ordinary	50
Croydon (GP1) Limited	England & Wales ¹	Ordinary	50
Croydon (GP2) Limited	England & Wales ¹	Ordinary	50
Croydon Car Park Limited	England & Wales ¹	Ordinary	50
Croydon Limited Partnership	England & Wales ¹	N/A	50
Croydon Management Services Limited	England & Wales ¹	Ordinary	50
Croydon Property Investments Limited	England & Wales ¹	Ordinary	50
Grand Central (GP) Limited	England & Wales ¹	Ordinary	50
Grand Central Limited Partnership ¹	England & Wales ¹	N/A	50
Grand Central No. 1 Limited	England & Wales ¹	Ordinary	50
Grand Central No. 2 Limited	England & Wales ¹	Ordinary	50
Hammerson (Silverburn) JV Investment Advisor Limited	England & Wales ¹	Ordinary	50
Moor House General Partner Limited	England & Wales ¹	Ordinary	67
Oracle Nominees (No. 1) Limited	England & Wales ¹	Ordinary	50
Oracle Nominees (No. 2) Limited	England & Wales ¹	Ordinary	50
Oracle Nominees Limited	England & Wales ¹	Ordinary	50
Oracle Shopping Centre Limited	England & Wales ¹	Ordinary	50
Reading Residential Properties Limited	England & Wales ¹	Ordinary	50
The Bull Ring Limited Partnership	England & Wales ¹	N/A	50
The Moor House Limited Partnership	England & Wales ¹	N/A	67
The Oracle Limited Partnership	England & Wales ¹	N/A	50
The West Quay Limited Partnership	England & Wales ¹	N/A	50
Whitgift Limited Partnership	England & Wales ¹	N/A	50
Retail Property Holdings (SE) Limited	Guernsey ²	Ordinary	50
Dundrum Car Park GP Limited	Ireland ³	Ordinary	50
Dundrum Car Park Limited Partnership	Ireland ³	N/A	50
Dundrum Retail GP Designated Activity Company	Ireland ³	Ordinary	50
Dundrum Retail Limited Partnership	Ireland ³	N/A	50
Retail Property Holdings Limited	Isle of Man ⁴	Ordinary	50
Bull Ring Joint Venture Trust	Jersey ⁵	N/A	50
Croydon Jersey Unit Trust	Jersey ⁵	N/A	50
The Grand Central Unit Trust	Jersey ⁵	N/A	50
The Silverburn Unit Trust	Jersey ⁵	N/A	50
VIA Limited Partnership	Jersey ⁵	N/A	47

Registered offices: (1) Kings Place, 90 York Way, London, N1 9GE; (2) Firman house, St. George's Place, St. Peter Port, GY1 2BH; (3) 6th floor, 2 Grand Canal Square, Dublin 2, Ireland; (4) Fort Anne, Douglas, IM1 5PD, Isle of Man; (5) 47 Esplanade, St. Helier, JE1 0BD, Jersey.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS
Year ended 31 December 2016

13. SUBSIDIARIES AND OTHER RELATED UNDERTAKINGS (continued)

Indirectly held associate entities

	<i>Country of registration or operation</i>	<i>Class of share held</i>	<i>Ownership %</i>
VR Maasmechelen Tourist Outlets Comm. VA	Belgium ¹	B-shares	25
Bicester Investors Limited Partnership	Bermuda ²	N/A	25
Bicester Investors II Limited Partnership	Bermuda ²	N/A	25
Value Retail Investors Limited Partnership	Bermuda ²	N/A	71
Value Retail Investors II Limited Partnership	Bermuda ²	N/A	80
VR Franconia GmbH	Germany ³	Ordinary	15
Master Holding BV	Netherlands ⁴	Ordinary	12
VR Ireland BV	Netherlands ⁴	Ordinary	12
Value Retail PLC	UK ⁵	Ordinary	24
US Paris LLC	USA ⁶	N/A	42

Registered offices: (1) Zetellan 100, 3630 Maasmechelen, Belgium; (2) Victoria Place, 31 Victoria Street, Hamilton, HM10, Bermuda; (3) Almosenberg, 97877, Wertheim, Germany; (4) TMF, Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam, Netherlands; (5) 19 Berkley street, London, W1J 8ED; (6) 35 Mason Street, Greenwich CT 06830 USA.

14. ADVANCES, CREDIT AND GUARANTEES

The Company did not grant any credits, advances or guarantees of any kind to its Directors during the year. The Company has provided guarantees in respect of certain subsidiaries which arise in the normal course of business.

15. RELATED PARTY DISCLOSURE

Other than disclosed in notes 4, 5, 7, 8, 9 and 10 there were no material related party transactions during the year.

16. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 December 2016, the Company's immediate and ultimate parent company was Hammerson plc, which is registered in England and Wales and is the largest and smallest group to consolidate these financial statements.

The consolidated financial statements of Hammerson plc, are available from that company's registered office, Kings Place, 90 York Way, London N1 9GE.