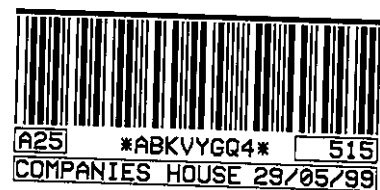


Company Number: 3335600

HAMMERSON ORACLE PROPERTIES LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 1998



HAMMERSON ORACLE PROPERTIES LIMITED

Board of Directors

Mr. R.J.G. Richards
Mr. P.W.B. Cole
Mr. G.H. Wright

Secretary and Registered Office

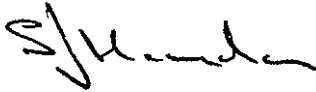
Mr. S.J. Haydon
100 Park Lane
London W1Y 4AR

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 100 Park Lane, London W1Y 4AR on 22 March 1999 for the following purposes:

1. To receive the report of the directors and financial statements for the period ended 31 December 1998.
2. To reappoint Deloitte & Touche as auditors of the Company.
3. To authorise the directors to fix the remuneration of the auditors.

By order of the Board



S.J. Haydon
Secretary
22 March 1999

Registered Office:
100 Park Lane
London W1Y 4AR
Registered in England and Wales No. 3335600

Notes:

Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. That proxy need not also be a member of the Company. Any instrument appointing a proxy must be deposited at the Company's Registered Office by not later than 48 hours before the time fixed for the meeting.

HAMMERSON ORACLE PROPERTIES LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 1998

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is property development and investment in the United Kingdom.

2. DIVIDEND

No dividend was paid or proposed during the year. (1997 : £nil)

3. REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The Company holds 50% of Oracle Shopping Centre Limited which is the general partner of The Oracle Limited Partnership, the principal business of which is to develop and hold for investment the Oracle Shopping Centre in Reading. The Company has not traded during the current or preceding year and consequently has made neither a profit nor loss. The directors expect that the present level of activity will not change for the foreseeable future. The development and letting programme is progressing as anticipated.

4. DIRECTORS

- (a) Mr. R.J.G. Richards, Mr. P.W.B. Cole and Mr. G.H. Wright were directors of the Company throughout the year.
- (b) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- (c) Mr. R.J.G. Richards is a director of the Company's ultimate parent company, Hammerson plc, in whose financial statements his interests in the shares of that company are given. Mr. P.W.B. Cole and Mr. G.H. Wright are directors of the Company's immediate parent company, Hammerson UK Properties plc, in whose financial statements their interests in the shares of the Company's ultimate parent company, Hammerson plc, are given. None of the directors have any interests in the shares of the Company or any other company except as noted above.
- (d) No director has any interest in contracts entered into by the Company.

HAMMERSON ORACLE PROPERTIES LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 1998

5. YEAR 2000

The Company has recognised the importance of the Year 2000 issue and has initiated projects to identify computer systems at risk from the inability to deal with the millennium date change. The projects cover systems within the Company's own offices, the offices of its managing agents and contractors and in buildings under development. Work is in hand to ensure that new systems are compliant. The Company is paying particular attention to ensuring that building management systems will operate properly. This will ensure tenants suffer as little disruption as possible to their businesses when the development opens.

Agreements with all contractors include warranties against non - millennium compliant systems and certification is required from all tenants to ensure that any work performed in fitting out premises meets the required specification.

Currently the only activity of the Company is development and the cost of the Year 2000 project is not separable from the cost of development as a whole.

6. AUDITORS

Deloitte & Touche have indicated their willingness to continue in office in accordance with the provisions of the Companies Act 1985 and a resolution proposing their reappointment will be put to the members at the Annual General Meeting.

By order of the Board



S.J. Haydon
Secretary
22 March 1999

Registered Office:
100 Park Lane
London W1Y 4AR
Registered in England and Wales No. 3335600

HAMMERSON ORACLE PROPERTIES LIMITED

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF THE FINANCIAL STATEMENTS

The directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for the financial year.

The directors ensure that in preparing the financial statements, suitable accounting policies have been applied consistently, reasonable and prudent judgements and estimates made, applicable accounting standards have been followed, and that it is appropriate to use the going concern basis.

The directors are responsible for maintaining adequate accounting records so as to enable them to comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

HAMMERSON ORACLE PROPERTIES LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 6 to 8 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 4 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Monte & Tonne

Hill House
1 Little New Street
London
EC4A 3TR

Chartered Accountants
and Registered Auditors
~~12 March~~ 1999
24 May

HAMMERSON ORACLE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 1998

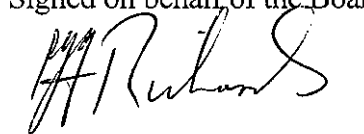
The Company made neither profit nor loss during the current or preceding year. There are no recognised gains or losses or movements in shareholders' funds for the current or preceding financial year.

BALANCE SHEET as at 31 December 1998

	Note	1998 £	1997 £
Fixed assets			
Investments	3	500	500
		-----	-----
		500	500
		=====	=====
Capital and reserves			
Called up share capital	4	500	500
		-----	-----
Equity shareholders' funds		500	500
		=====	=====

The financial statements were approved by the Board of Directors on 22 March 1999.

Signed on behalf of the Board of Directors



R.J.G. Richards
Director

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 1998

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with all applicable accounting standards. The financial statements are in compliance with the Companies Act 1985.

(b) Consolidation

The financial statements of the Company present information about it as an individual undertaking and not about its group. The Company is exempt from the requirement to prepare group accounts, as it is a wholly owned subsidiary of Hammerson plc, a company registered in England and Wales.

(c) Investments

Investments are stated at cost less provision for permanent diminution in value.

2. ADMINISTRATION EXPENSES

The directors did not receive any remuneration for services to the Company in the period. (1997: £ nil)

The Company has no employees. (1997: nil)

The auditors' remuneration has been paid by another group company in both the current and preceding year.

3. INVESTMENTS

	1998
	£
Investments at cost:	
At 1 January and December 1998	500
	=====

The investment is in Oracle Shopping Centre Limited, which is 50% owned and registered in England and Wales, and the principal activity of which is property development and investment in the United Kingdom. In the opinion of the directors, the aggregate value of investments is not less than their carrying value in the balance sheet.

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 1998

4. CALLED UP SHARE CAPITAL

	1998	1997
Authorised:		
1000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
500 ordinary shares of £1 each	<u>500</u>	<u>500</u>

5. RELATED PARTIES

The Company has taken advantage of the exemption permitted by section 3 of Financial Reporting Standard 8: Related Party Disclosures in not disclosing transactions with other group companies.

6. ULTIMATE PARENT COMPANY

The ultimate parent company and ultimate controlling party is Hammerson plc, which is registered in England and Wales. Copies of its financial statements are available from that company's registered office, 100 Park Lane, London, W1Y 4AR.