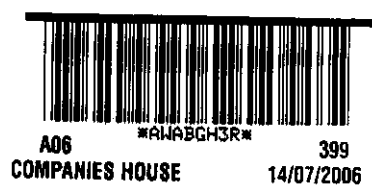


Company Number: 3335600

HAMMERSON ORACLE PROPERTIES LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2005



HAMMERSON ORACLE PROPERTIES LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2005

1. PRINCIPAL ACTIVITIES

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

2. RESULTS AND DIVIDEND

The retained profit for the year was £91,000 (2004: £82,000). No dividend is proposed or paid in the current year (2004: nil).

3. REVIEW OF DEVELOPMENT 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 development and letting programmes have progressed as anticipated.

4. DIRECTORS

- (a) Mr. P.W.B. Cole, Mr. R.J.G. Richards and Mr. G.H. Wright were directors of the Company throughout the year.
- (b) Mr. D J Atkins was appointed as a director of the Company on 1 January 2005.
- (c) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- (d) None of the directors have any interests in the shares of the Company.
- (e) No director has any interests in contracts entered into by the Company.

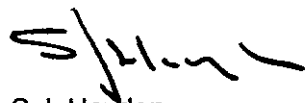
5. SECRETARY

Mr. S.J. Haydon was Secretary of the Company throughout the year.

6. AUDITORS

The Company has elected to dispense with the obligation to appoint auditors annually and accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

By order of the Board



S.J. Haydon
Secretary

16 JUN 2006

Registered Office:
100 Park Lane
London W1K 7AR
Registered in England and Wales No. 3335600

HAMMERSON ORACLE PROPERTIES LIMITED

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

United Kingdom company law requires the directors 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.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which 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 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER OF HAMMERSON ORACLE PROPERTIES LIMITED

We have audited the financial statements of Hammerson Oracle Properties Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movements in equity shareholder's funds and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER OF HAMMERSON ORACLE
PROPERTIES LIMITED**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

21 June 2006

HAMMERSON ORACLE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2005**

	Note	2005 £'000	2004* (restated) £'000
Gross rental income		145	124
Rents payable and other property outgoings		(21)	(13)
		-----	-----
Net rental income	1(c)	124	111
Administration expenses	2	(4)	(14)
		-----	-----
Operating profit on ordinary activities before interest		120	97
Net cost of finance		-	1
		-----	-----
Profit on ordinary activities before taxation		120	98
Taxation	3	(29)	(16)
		-----	-----
Profit on ordinary activities after taxation and retained profit for the year	10	91	82
		=====	=====

All activities are derived from continuing operations.

* The 2004 comparatives have been restated to reflect a change in accounting policy for the proportional consolidation of Oracle Shopping Centre Limited. (see note 11).

HAMMERSON ORACLE PROPERTIES LIMITED

BALANCE SHEET

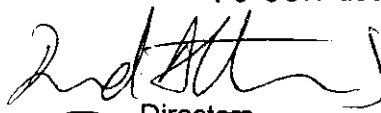
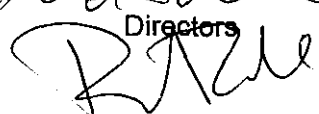
As at 31 December 2005

	Note	2005	2004*
		£'000	(restated) £'000
Fixed assets			
Land and buildings	4	2,631	2,264
Investments	5	-	-
		<u>2,631</u>	<u>2,264</u>
Current assets			
Debtors	6	504	399
Cash and short-term deposits		32	22
		<u>536</u>	<u>421</u>
Total current assets			
		536	421
Creditors: amounts falling due within one year	7	(163)	(100)
		<u></u>	<u></u>
Net current assets		373	321
		<u></u>	<u></u>
Total assets less current liabilities		3,004	2,585
		<u></u>	<u></u>
Creditors: amounts falling due after more than one year	8	(1,152)	(1,182)
		<u>1,852</u>	<u>1,403</u>
		=====	=====
Capital and reserves			
Called up share capital	9	1	1
Revaluation reserve	10	1,414	1,056
Profit and loss account	10	437	346
		<u>1,852</u>	<u>1,403</u>
		=====	=====
Equity shareholders' funds			
		1,852	1,403
		=====	=====

* The 2004 comparatives have been restated to reflect a change in accounting policy for the proportional consolidation of Oracle Shopping Centre Limited (see note 11).

The Board of Directors approved the financial statements on **16 JUN 2006**

Signed on behalf of the Board of Directors

) 
Directors
) 

HAMMERSON ORACLE PROPERTIES LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**For the year ended 31 December 2005

	2005	2004
	£'000	(restated)
		£'000
Retained profit for the financial year	91	82
Surplus arising on revaluation	358	198
	-----	-----
Total recognised gains for the year	449	280
		=====
 Prior year Adjustment (see note 11)	 1,402	

Total gains and losses recognised since last annual report	1,851	
	=====	

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDSFor the year ended 31 December 2005

	2005	2004
	£'000	(restated)
		£'000
Retained profit for the financial year	91	82
Surplus arising on revaluation	358	198
	-----	-----
Net increase in equity shareholders' funds	449	280
 Equity shareholders' funds at 1 January	 1,403	 1,123
	-----	-----
Equity shareholders' funds at 31 December	1,852	1,403
	=====	=====

* The 2004 comparatives have been restated to reflect a change in accounting policy for the proportional consolidation of Oracle Shopping Centre Limited (see note 11).

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2005

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable United Kingdom accounting standards and law. The financial statements are in compliance with the Companies Act 1985 except that, as explained below, investment properties are not depreciated.

(b) Consolidation

The directors have not prepared group accounts on the basis that the company and its wholly owned subsidiaries are consolidated in the accounts of their ultimate parent company Hammerson plc.

(c) Joint arrangements

These financial statements include the financial statements of the Company together with its share of assets, liabilities and cash flow arising from its joint arrangement. Hammerson Oracle Properties Limited has an interest of 50% in the profits and assets of Oracle Shopping Centre Limited.

(d) Net rental income

Rent increases arising from rent reviews are taken into account when such reviews have been agreed with tenants. Where a lease incentive does not enhance the property, it is amortised over the period to the earlier of the first rent review, the first break option, or the end of the lease term. On new leases with rent-free periods, rental income is allocated evenly over the period from the date of lease commencement to the date of the first rent review.

Differences between property operating expenditure incurred and that recovered from tenants through services charges are included in net rental income.

(e) Cost and valuation of properties

Properties held for the long term are valued at the balance sheet date at market value. Surpluses and deficits arising from revaluation are taken to the revaluation reserve. For properties in the course of development, an amount equivalent to the net development outgoings, including interest, attributable to properties held for development or resale is added to the cost of such properties. A property is regarded as being in the course of development until ready for its intended use

On new developments, all letting costs are capitalised. On subsequent lettings, the previous costs are written off against the results for the year and the new costs capitalised. Where new costs are less than those previously capitalised, such new costs are written off.

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2005**

1. ACCOUNTING POLICIES (continued)

(f) Depreciation

In accordance with Statement of Standard Accounting Practice No 19 "Accounting for investment properties", no depreciation is provided in respect of freehold properties or leasehold properties with over 20 years to expiry. This is a departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated. Such properties are not held for consumption, but for investment, and the directors consider that to depreciate them would not give a true and fair view. Depreciation is only one amongst many factors reflected in the annual valuation of properties and accordingly the amount of depreciation, which might otherwise have been charged, cannot be separately identified or quantified. The directors consider that this policy results in the accounts giving a true and fair view.

(g) Deferred tax

In accordance with Financial Reporting Standard 19 "Deferred tax", deferred tax is now provided in respect of all timing differences that may give rise to an obligation to pay more or less tax in the future.

2. ADMINISTRATION EXPENSES

The directors did not receive any remuneration for services to the Company in the current or preceding financial years.

The Company had no employees in either the current or preceding years.

The controlling party in both the current and preceding financial years has paid the auditors' remuneration.

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2005

3. TAXATION

(a) Analysis of charge in the year:

	2005	2004
	£'000	(restated) £'000
Current tax		
UK Corporation tax at 30%	26	18
Deferred tax		
Deferred tax charge/(credit)	3	(2)
	<hr/>	<hr/>
Total tax charge	29	16
	<hr/>	<hr/>

(b) Tax reconciliation

	2005	2004
	£'000	(restated) £'000
Profit on ordinary activities before tax	120	98
	<hr/>	<hr/>
Profit multiplied by UK corporation tax rate of 30%	36	29
Effects of:		
Marginal relief for small companies	(8)	(8)
Capital allowances	(2)	(3)
	<hr/>	<hr/>
Current tax charge for the year	26	18
	<hr/>	<hr/>

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2005**

3. TAXATION (continued)

(c) Deferred tax

	2005 £'000	2004 (restated) £'000
Deferred tax provision		
Capital allowances	39 =====	36 =====
Movement in the year:		
Opening deferred tax provision	36	38
Charge/(Credit) in profit and loss account	3 -----	(2) -----
Closing deferred tax provision	39 =====	36 =====

The deferred tax provisions will not crystallise to the extent that capital allowances are retained on property disposals.

- (d) Should the property be disposed of at the valuation shown, a tax liability not exceeding £327,000 would arise (2005: £240,000). No provision for this contingent liability has been made, as it is not expected that any liability will arise in the foreseeable future.

The above reflects the Company's 50% shareholding in Oracle Shopping Centre Limited, the company that acts as general partner of the Oracle Limited Partnership. For tax purposes these profits are taxable in the general partner and not in Hammerson Oracle Properties Limited.

4. LAND AND BUILDINGS

	Long leasehold £'000
Movements in the year at valuation	
At 1 January (restated)	2,264
Additions at cost	9
Revaluation surplus	358 -----
At 31 December 2005	2,631 =====

- (a) The Company's property is stated at market value at 31 December 2005, valued by professionally qualified external valuers. The valuation has been prepared by Donaldsons, Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. The surplus arising on revaluation has been transferred to the revaluation reserve.

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2005

4. LAND AND BUILDINGS (continued)

The cost of investment property at 31 December 2005 was £1,217,000 (2004: £1,208,000).

5. INVESTMENTS

	2005 £	2004 £
Shares in subsidiary company at cost and net book value	1 =====	1 =====

Investments comprise Oracle Nominees Limited and Reading Residential Properties Limited, both of which are 100% owned and registered in England and Wales. The principal activity of Oracle Nominees Limited is as a nominee company. The principal activity of Reading Residential Properties Limited is property investment and development. Reading Residential Properties Limited had net assets of £2,857,000 at 31 December 2005 (2004: £2,817,000).

In the opinion of the directors, the value of the investment in subsidiary undertakings is not less than its carrying value in the balance sheet.

6. DEBTORS

	2005 £'000	2004 (restated) £'000
Trade debtors	8	3
Amounts owed by subsidiary company	19	19
Amounts owed by limited partners of the Oracle Limited Partnership	477	377
	-----	-----
	504	399
	=====	=====

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 (restated) £'000
Trade creditors	26	21
Taxation	25	32
Amounts owed to the limited partners of the Oracle Limited Partnership	61	26
Other creditors and accruals	51	21
	-----	-----
	163	100
	=====	=====

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2005

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £'000	2004 (restated) £'000
Unsecured loan	1,101	1,088
Other creditors and accruals	12	58
Deferred tax provision (See note 3(c))	39	36
	<u>1,152</u>	<u>1,182</u>
	=====	=====

Akaria Investments Limited and Hammerson plc jointly fund the unsecured loan. It is interest free and is repayable on winding up the Company.

9. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
	=====	=====
Called up, allotted and fully paid: 500 ordinary shares of £1 each	500	500
	=====	=====

10. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2005 (restated)	1,056	346
Profit for the year	-	91
Surplus arising on revaluation	358	-
	<u>1,414</u>	<u>437</u>
At 31 December 2005	=====	=====

* The 2004 comparatives have been restated to reflect a change in accounting policy for the proportional consolidation of Oracle Shopping Centre Limited (see note 11).

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2005

11. PRIOR YEAR ADJUSTMENTS

In the prior year, the company accounted for its share in the ordinary share capital of Oracle Shopping Centre Limited as an investment. The directors of the company now consider it would be more appropriate to account for Oracle Shopping Centre as a joint arrangement, not an entity, and therefore reflect its share of the assets, liabilities, cash flow and result of the Oracle Shopping Centre Limited. The 2004 comparatives have been restated, as shown below:

	As previously stated £'000	Adjustment £'000	Restated £'000
Net rental income	-	111	111
Administration expenses	-	(14)	(14)
Net cost of finance	-	1	1
Taxation	-	(16)	(16)
Total adjustment to profit and loss account	-	82	82
Land & buildings	-	2,264	2,264
Investments	1	(1)	-
Debtors	-	399	399
Cash	-	22	22
Creditors less than 1 year	-	(100)	(100)
Creditors more than 1 year	-	(1,182)	(1,182)
Total adjustment to net assets	1	1,402	1,403
Share capital	1	-	1
Revaluation reserve	-	1,056	1,056
Profit and loss account	-	346	346
Total adjustment to shareholders' funds	1	1,402	1,403

12. CASHFLOW AND RELATED PARTY DISCLOSURE

As the Company is a wholly owned subsidiary, it has taken exemption under the terms of Financial Reporting Standard 1 (revised 1996) "Cash flow statements" from preparing a cash flow statement, as it is included in the consolidated financial statements of Hammerson plc, which are publicly available.

The Company is also exempt under the terms of Financial Reporting Standard 8 "Related party disclosures" from disclosing related party transactions with entities that are part of the Hammerson plc group. In the opinion of the directors there are no other related party transactions to be disclosed during the current or preceding years.

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2005**

13. ULTIMATE CONTROLLING PARTIES

The immediate parent company is Hammerson UK Properties plc. The ultimate parent company is Hammerson plc, which is incorporated in Great Britain and is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of its financial statements are available from that company's registered office, 100 Park Lane, London, W1K 7AR