

AUDITED RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2004

GROUP INCOME STATEMENT

	Audited 12 months ended 31 Dec 2004 R000	Audited 12 months ended 31 Dec 2003 R000
Revenue	517 545	316 691
Property and other operating expenses	(199 278)	(121 440)
Net property income	318 267	195 251
Net finance charges	(101 822)	(43 522)
Received	3 141	1 767
Paid	(104 963)	(45 289)
Net operating income	216 445	151 729
Change in fair value	925 855	118 753
Investment properties	923 955	116 684
Financial assets	1 900	2 069
Net profit on disposal	11 685	6 814
Investment properties	10 994	6 814
Financial assets	691	-
Income before debenture interest and taxation	1 153 985	277 296
Debenture interest	(168 659)	(124 364)
Net income before taxation	985 326	152 932
Taxation	(133 896)	(21 160)
Current taxation	(264)	-
Capital gains taxation attributable to minorities	(4 157)	-
Secondary tax on companies	(44)	(31)
Deferred taxation	(129 431)	(21 129)
Net income after taxation	851 430	131 772
Minority interest	(177 907)	(64 149)
Loss from associates	-	(223)
Net profit for the year	673 523	67 400
EARNINGS AND HEADLINE EARNINGS		
Earnings per combined unit (cents)	819,1	215,4
Headline earnings per combined unit (cents)	163,8	142,4
Reconciliation – headline earnings		
Net profit for the year	673 523	67 400
Change in fair value of investment properties	(923 955)	(116 684)
Deferred capital gains taxation	133 024	20 467
Fair value adjustment attributable to minority shareholders (net of deferred taxation)	128 841	37 687
Profit on disposal of investment properties	(10 994)	(6 450)
Profit on disposal of financial assets (net of CGT)	(673)	-
Debenture interest paid	168 659	124 364
Headline earnings – combined units	168 425	126 784
Total combined units in issue	116 630 923	89 009 179
Weighted average combined units in issue	102 818 269	89 009 179

Distribution details	Total distribution per combined unit (cents per unit)	Interest on deben- tures (cents per unit)	Dividends on ordinary shares (cents per unit)
Total distribution for the year 31 December 2004	163,000	162,670	0,330
Distribution 34 for the five months ended 31 December 2004	74,000	73,850	0,150
Distribution 33 for the seven months ended 31 July 2004	89,000	88,820	0,180
Total distribution for the year 31 December 2003	140,000	139,720	0,280
Distribution 32 for the six months ended 31 December 2003	74,900	74,750	0,150
Distribution 31 for the six months ended 30 June 2003	65,100	64,970	0,130

GROUP BALANCE SHEET

	Audited at 31 Dec 2004 R000	Audited at 31 Dec 2003 R000
Assets		
Non-current assets		
Investment properties	3 681 868	2 715 680
Current assets	118 451	105 298
Receivables	59 534	70 336
Financial assets	46 398	25 939
Cash and cash equivalents	12 519	9 023
Total assets	3 800 319	2 820 978
Equity and liabilities		
Equity capital and reserves	1 480 608	760 518
Share capital and reserves	1 001 596	328 140
Minority interest	479 012	432 378
Non-current liabilities	2 173 599	1 948 412
Debenture and debenture premium	1 087 360	712 706
Long-term loans	929 027	1 207 990
Deferred taxation	157 212	27 716
Current liabilities	146 112	112 048
Payables	59 760	45 348
Taxation	45	32
Combined unitholders for distribution	86 307	66 668
Total equity and liabilities	3 800 319	2 820 978
Net asset value per combined unit (R)	17,91	11,69

GROUP STATEMENT OF CHANGES IN EQUITY

Group	Share capital R000	Non-dis- tributable reserve R000	Retained income R000	Total R000
Balance at 1 January 2003	648	254 651	5 447	260 746
Issue of ordinary share capital	243	-	-	243
Net profit for the year	-	-	67 400	67 400
Net transfer to non-distributable reserve	-	65 491	(65 491)	-
Dividends	-	-	(249)	(249)
Balance at 31 December 2003	891	320 142	7 107	328 140
Issue of ordinary share capital	275	-	-	275
Net profit for the year	-	-	673 523	673 523
Net transfer to non-distributable reserve	-	675 947	(675 947)	-
Dividends	-	-	(342)	(342)
Balance at 31 December 2004	1 166	996 089	4 341	1 001 596

ABRIDGED GROUP CASH FLOW STATEMENT

	Audited 12 months ended 31 Dec 2004 R000	Audited 12 months ended 31 Dec 2003 R000
Cash flows from operating activities	87 189	(2 586)
Cash generated from operations	392 158	167 041
Interest income	3 141	1 767
Finance charges	(104 963)	(45 288)
Distributions to unitholders	(149 361)	(100 848)
Cash distributed to minority shareholders	(53 491)	(25 247)
Taxation	(295)	(11)
Cash flows from investing activities	(179 660)	(1 271 328)
Cash flows from financing activities	95 967	1 279 691
Net increase in cash and cash equivalents	3 496	5 777
Cash and cash equivalents at the beginning of the year	9 023	3 246
Cash and cash equivalents at the end of the year	12 519	9 023

HIGHLIGHTS

Distribution per combined unit of 163 cents
up **16,4%**

Distribution per combined unit exceeded
forecast of 150,50 cents by **8,3%**

Net asset value per combined unit up
53,2% to R17,91

Total assets up **34,7%** to
R3,8 billion

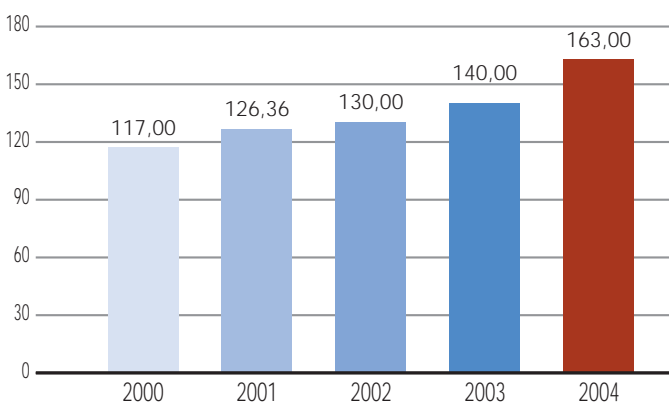
55,5% total return for 2004

Valuation of investment properties
increased by R924 million

Excellent performance by Canal Walk

COMMENTS

DISTRIBUTION PER COMBINED UNIT (CENTS)



INTRODUCTION

Hyprop achieved exceptional distribution growth of 16,4% for the year ended 31 December 2004 (*the year*), exceeding the forecast of 150,50 cents per combined unit by 8,3%. Hyprop's premium regional shopping centres contributed 80% of the group's total income.

Canal Walk Shopping Centre (*Canal Walk*), the group's flagship super-regional shopping centre in the Western Cape purchased in October 2003, yielded a net return on cost of 12,4% for the year.

Hyprop further benefited from the expansion of a number of its shopping centres, low vacancies, limited tenant replacements and strict expense control.

FINANCIAL RESULTS

Headline earnings for the year increased by 15,0% to 163,80 cents per combined unit, exceeding the forecast of 150,50 cents and continuing an uninterrupted 11-year growth in earnings.

Turnover and net property rental income both increased by 63% through portfolio expansion and exceptional trading performances from Hyprop's shopping centres.

Combined unitholder funds increased by 101% to R2,09 billion arising from the issue of 27 621 744 combined units and a revaluation surplus of R924 million.

Net asset value increased by 53,2% to R17,91 per combined unit.

The reduction in the debt-to-open market value ratio from 51% to 28% highlights Hyprop's solid financial position.

DISTRIBUTION

Hyprop paid an interim distribution of 89,00 cents per combined unit for the seven months to 31 July 2004 (77,00 cents for six months to 30 June 2004 and 12,00 cents for July 2004).

The board has approved a final distribution of 74,00 cents per combined unit for the five months to 31 December 2004.

The total distribution for the year of 163,00 (2003: 140,00) cents per combined unit equates to 16,4% growth, exceeding the forecast of 150,50 cents.

ACQUISITIONS

Hyprop increased its interest in The Glen Shopping Centre (*The Glen*) to 75,15% by acquiring an additional 25,05% for a consideration of R112,80 million, effective from 1 October 2004. The initial yield on the acquisition is expected to be 10,4%.

DEVELOPMENTS

Following its strategy of strengthening and expanding its retail portfolio, Hyprop's developments during the year included:

The Glen

The first phase of The Glen's R92 million expansion was completed in November 2004, on time and on budget. Retailers in the expanded centre recorded outstanding trading results during December 2004.

On final completion, expected to be in June 2005, The Glen will provide 51 800 m² of retail space mainly tenanted by national retailers. Hyprop's additional investment of R69,14 million is expected to yield a 13,0% return.

Southcoast Mall

In November 2004 Hyprop acquired a 50% undivided share in the development of a 27 000m² shopping centre on KwaZulu-Natal's south coast. The centre, to be anchored by Checkers, Game, House and Home and Mica, is scheduled for opening in November 2005. Hyprop's investment of R96 million is expected to yield an initial 11,5% return.

DISPOSALS

Offices

Hyprop disposed of 12 commercial properties aggregating 20 000 m² of office space to various parties, for a total consideration of R78,6 million, in line with its strategy of reducing its investment in non-core commercial properties. The largest single sale comprised 10 office buildings sold to Freestone Property Holdings Limited (*Freestone*) for an aggregate consideration of R57 million. The consideration will be settled in part by cash of R28,50 million and the balance by the issue of 6 705 882 Freestone-linked units at R4,25 per unit. The transaction is effective from 31 December 2004 and transfer is expected to be completed by the end of March 2005.

Prima Property Trust (*Prima*) units

During the year Hyprop reduced its investment of 25 861 111 units in Prima by disposing of 14 682 095 Prima units, at an average price of 98 cents per unit.

SEGMENTAL ANALYSIS

The segmental spread of the property portfolio is as follows:

Business segment	Rentable area (m ²)	Total value (R000)	Value attributable to Hyprop (R000)	Net property income (R000)
Canal Walk	131 320	1 800 000	1 440 000	143 665
The Glen	51 800	598 620	449 860	46 059
Hyde Park	37 121	516 710	516 710	47 968
The Mall of Rosebank	33 774	398 000	398 000	36 963
Southcoast Mall *	27 000	11 681	11 681	-
Retail	281 015	3 325 011	2 816 251	274 655
Offices	72 484	354 000	354 000	58 778
	353 499	3 679 011	3 170 251	333 433
Investments	-	2 857	1 819	(15 166)
	353 499	3 681 868	3 172 070	318 267

*Valued at cost as the centre is currently under construction

The portfolio was independently valued at year-end. The gross value increased by 40%, largely due to strong income growth and higher occupancy in the retail portfolio supported by a successful acquisition and expansion strategy. Specifically the expansion of Hyde Park and an increased share in The Glen's expansion contributed to the growth.

Shopping centres constitute 89% in value of Hyprop's aggregate property investments, in line with its strategy of investing in regional shopping centres. Hyprop's revaluation surplus for the year of R924 million increased its property investments to R3,7 billion.

LETTING ACTIVITIES

Letting activities for the year by rentable area were as follows:

Business segment	Activities for the year ended 31 December 2004							
	Renewals		New lettings		Tenants vacated		Area additions	
	(m ²)	(%)	(m ²)	(%)	(m ²)	(%)	(m ²)	(%)
Canal Walk	2 330	0,7	8 895	2,8	2 695	0,8	974	0,3
The Glen	2 871	0,9	12 580	3,9	6 274	1,9	5 799	1,8
Hyde Park	2 076	0,6	2 975	0,9	1 337	0,4	1 279	0,4
The Mall of Rosebank	1 711	0,5	3 243	1,0	2 061	0,6	707	0,2
Retail	8 988	2,7	27 693	8,6	12 367	3,7	8 759	2,7
Offices	12 421	3,8	12 442	3,9	14 315	4,4	(5 950)	(1,8)
	21 409	6,5	40 135	12,5	26 682	8,1	2 809	0,9

Available for letting by rentable area at 31 December 2004:

Business segment	31 December 2004		31 December 2003	
	(m ²)	(%)	(m ²)	(%)
Canal Walk	4 113	1,3	9 339	2,8
The Glen	452	0,1	959	0,3
Hyde Park	-	-	359	0,1
The Mall of Rosebank	145	0,1	620	0,2
Retail	4 710	1,5	11 277	3,4
Offices	7 407	2,2	11 483	3,4
	12 117	3,7	22 760	6,8

Retail vacancy at Canal Walk reduced significantly through the consolidation of space and subsequent letting to larger retailers. The Glen and Hyde Park, despite expansion, maintained low vacancies. Trading conditions at The Mall of Rosebank remained robust with a continued demand for retail space.

Vacancies in the office portfolio were further reduced in a challenging market.

BORROWINGS

During the year Hyprop significantly reduced its borrowings, after payment for The Glen acquisition and expansion, utilising R376 million raised from the issue of combined units.

At 31 December 2004 Hyprop's net borrowings amounted to R882,6 million, equating to a 28% debt-to-open market value ratio.

Subsequent to year-end interest rates have been fixed in respect of 34% of borrowings for a five-year period from 1 November 2005. The balance has been fixed for various periods up to three years. The average rate of interest at year-end was 11,3%.

DIRECTORATE

Mr JR McAlpine was appointed to the board as an independent non-executive director effective from 1 February 2005.

PROSPECTS

Hyprop should continue to achieve increased investment returns through a combination of income growth and capital enhancement, with economic conditions for 2005 predicted to remain positive.

The growth in distributions for the year was exceptional. The board has budgeted growth in distributions to combined unitholders for the year ending 31 December 2005 to be approximately 7%. This budget has not been reviewed or reported on by Hyprop's auditors.

PAYMENT OF DEBENTURE INTEREST AND DIVIDEND

Combined unitholders will receive debenture interest payment 34 of 73.85 cents per debenture and dividend payment 34 of 0.15 cents per share for the period 1 August 2004 to 31 December 2004. The distribution aggregates to 74,00 cents per combined unit.

Last date to trade <i>cum</i> distribution	Friday, 11 March 2005
Date combined units will trade	
ex distribution	Monday, 14 March 2005
Record date	