

- ▶ **6,5% increase** in total distribution per combined unit to **328 cents**
- ▶ Total return **17%**
- ▶ NAV excluding deferred taxation **R53,16** per combined unit **up 7%**
- ▶ Total assets R10,8 billion **up 14%**
- ▶ Market capitalisation R7,6 billion **up 9%**
- ▶ Gearing **13%**

Hyprop Investments Limited (Incorporated in the Republic of South Africa) (Registration No. 1987/005284/06)
Share Code: HYP ISIN Code: ZAE000003430 ("Hyprop" or "the company")

www.hyprop.co.za

Statement of comprehensive income

	Audited 31 Dec 2009 R'000	Audited 31 Dec 2008 R'000
Revenue	923 655	781 343
Investment property income	790 568	658 674
Straight-line rental income accrual	13 318	15 769
Listed property securities income	119 769	106 900
Property expenses	(259 380)	(205 209)
Net property income	664 275	576 134
Other operating expenses	(47 840)	(41 353)
Operating income	616 435	534 781
Net interest	(70 829)	(17 080)
Received	26 931	39 408
Paid	(97 760)	(56 488)
Net operating income	545 606	517 701
Non-core income	905	1 871
Change in fair value	583 733	157 091
Investment property	580 121	225 630
Straight-line rental income accrual	(13 318)	(15 769)
Listed property securities	32 391	(52 770)
Derivative instruments	(15 461)	
Profit on disposal of investment property		8 392
Amortisation of debenture premium	97 696	85 492
Amortisation of financial guarantee for associate	715	4 139
Income before debenture interest	1 228 655	774 686
Debenture interest	(544 851)	(511 629)
Net income before share of income from associate	683 804	263 057
Share of income from associate	20 305	(11 799)
Investment property income	11 566	8 449
Straight-line rental income accrual	386	1 039
Change in fair value of investment property	8 353	(26 072)
Profit on disposal of investment property		4 785
Profit before taxation	704 109	251 258
Taxation	(152 084)	100 615
Total comprehensive income for the year	552 025	351 873
Abridged reconciliation – headline earnings and distributable earnings		
Net income after taxation	552 025	351 873
Debenture interest	544 851	511 629
Earnings	1 096 876	863 502
Headline earnings adjustments	(434 053)	(166 385)
Change in fair value of investment property (net of deferred taxation)	(434 053)	(157 993)
Profit on disposal of investment property		(8 392)
Headline earnings	662 823	697 117
Distributable earnings adjustments	(118 064)	(184 866)
Change in fair value of listed property securities (net of deferred taxation)	(27 856)	45 382
Change in the fair value of derivative instruments	15 461	
Deferred taxation	1 481	(160 865)
Amortisation of debenture premium	(97 696)	(85 492)
Amortisation of financial guarantee for associate	(715)	(4 139)
Share of income from associate	(8 739)	20 248
Distributable earnings	544 759	512 251
Total combined units in issue	166 113 169	166 113 169
Weighted average combined units in issue	166 113 169	166 113 169
Earnings per combined unit	660,3	519,8
Headline earnings per combined unit	399,0	419,7
Distributable earnings per combined unit	327,9	308,4
Distribution details		
Total distribution for the year	328,00	308,00
Six months – ended 31 December	167,00	158,00
– ended 30 June	161,00	150,00

Statement of financial position

	Audited 31 Dec 2009 R'000	Audited 31 Dec 2008 R'000
ASSETS		
Non-current assets		
Investment property	8 858 711	7 695 869
Building appurtenances and tenant installations	20 993	21 091
Investment in associate	169 499	178 983
Loan receivable	47 364	45 232
Listed property securities	1 453 838	1 421 447
Current assets	258 153	126 026
Receivables	80 591	59 936
Cash and cash equivalents	177 562	66 090
Total assets	10 808 558	9 488 648
EQUITY AND LIABILITIES		
Share capital and reserves		
	4 799 207	4 247 182
Liabilities		
Non-current liabilities		
Debentures and debenture premium	2 558 705	2 656 401
Long-term loans	1 550 000	900 000
Derivative instruments	12 447	
Financial guarantee for associate	953	1 668
Deferred taxation	1 472 131	1 320 047
Current liabilities	415 115	363 350
Payables	134 691	100 891
Derivative instruments	3 015	
Combined unitholders for distribution	277 409	262 459
Total liabilities	6 009 351	5 241 466
Total equity and liabilities	10 808 558	9 488 648
Net asset value per combined unit (R)	44,29	41,56
Net asset value per combined unit – excluding deferred taxation liability (R)	53,16	49,51

Abridged statement of changes in equity

	Audited 31 Dec 2009 R'000	Audited 31 Dec 2008 R'000
Balance at beginning of year	4 247 182	4 832 041
De-consolidation of minority interests		(936 732)
Total comprehensive income for the year	552 025	351 873
Balance at end of year	4 799 207	4 247 182

Abridged statement of cash flows

	Audited 31 Dec 2009 R'000	Audited 31 Dec 2008 R'000
Cash flows from operating activities	53 089	35 396
Cash generated from operations	624 030	526 801
Interest received	26 931	39 408
Interest paid	(97 760)	(56 488)
Distribution to combined unitholders	(529 901)	(481 728)
Income from associate	29 789	7 403
Cash flows from investing activities	(591 617)	(52 668)
Cash flows from financing activities	650 000	
Net increase/(decrease) in cash and cash equivalents	111 472	(17 272)
Cash and cash equivalents at the beginning of the year	66 090	83 362
Cash and cash equivalents at the end of the year	177 562	66 090

FINANCIAL RESULTS

Hyprop, a property loan stock company which owns premium quality regional and super regional shopping centres across South Africa, continued to achieve growth in distributions to unitholders for the year ended 31 December 2009 ("the year").

Hyprop has declared a total distribution of 328 cents per combined unit for the year, an increase of 6,5% on the previous year. The final distribution of 167 cents represents growth of 5,7% compared with the corresponding period in 2008.

Business segment	31 Dec 2009		31 Dec 2008	
	Revenue R'000	Distributable earnings R'000	Revenue R'000	Distributable earnings R'000
Canal Walk	339 144	244 496	295 137	206 913
The Glen	113 530	75 429	92 631	65 487
Hyde Park	121 084	79 536	109 029	71 206
The Mall of Rosebank	94 093	66 047	86 885	61 206
Stoneridge	47 767	23 174	12 395	6 135
Southcoast Mall	20 520	13 624	18 792	12 567
Shopping centres	736 138	502 306	614 869	423 514
Offices	36 101	23 668	33 818	23 548
Hotels	18 329	5 214	9 987	6 402
Investment property	790 568	531 188	658 674	453 464
Listed property securities	119 769	119 769	106 900	106 900
Straight-line rental income accrual	13 318	13 318	15 769	15 769
	923 655	664 275	781 343	576 133
Fund management expenses		(47 840)		(41 353)
Net interest (paid)/received		(70 829)		(17 080)
Net operating income		545 606		517 700
Non-core income		905		1 871
Share of income from associate		11 566		8 449
Straight-line rental income accrual		(13 318)		(15 769)
Total	923 655	544 759	781 343	512 251

Hyprop's shopping centres contributed 95% of distributable earnings from investment property (2008: 93%).

On a comparative basis (excluding Stoneridge, which opened in September 2008 and the additional retail at Canal Walk and The Glen, which opened in the second half of 2009) revenue and distributable earnings from shopping centres increased by 11% and 12%, respectively.

Total revenue from shopping centres increased by 20%, while total property expenses increased by 26%, mainly due to an increase in gross lettable area and increases in municipal rates and electricity costs.

INVESTMENT PORTFOLIO

Business segment	Rentable area (m ²)	Value attributable to Hyprop		Value per rentable area (R/m ²)
		Dec 2009 R'000	Dec 2008 R'000	
Canal Walk	150 394	4 040 000	3 368 000	33 578
The Glen	74 583	1 439 234	1 083 747	25 676
Hyde Park	36 894	1 250 000	1 217 000	33 881
The Mall of Rosebank	37 009	905 000	880 000	24 454
Stoneridge	50 241	425 700	463 500	9 415
Southcoast Mall	29 361	140 500	165 000	9 571
Shopping centres	378 482	8 200 434	7 177 247	26 088
Offices	22 221	300 500	186 000	13 523
	400 703	8 500 934	7 363 247	25 392
Hotels		288 000	95 600	
Investment property		8 788 934	7 458 847	
Development property		87 743*	257 095*	
Listed property securities		1 453 838	1 421 447	
Investment in associate		169 499	178 983	
	400 703	10 500 014	9 316 372	

*Rosebank Gardens

*Construction costs in respect of additional retail at Canal Walk, The Glen and Southern Sun Hyde Park

Investment Property

Investment property was independently valued by Old Mutual Investment Group: Property Investments (Pty) Limited using the discounted cash flow method.

Investment property increased in value by R580 million, a 7,5% increase, to R8,8 billion.

Vacancies at 31 December 2009 increased to 4,5% from 3,3% at 31 December 2008. Excluding Stoneridge, total vacancies at year-end were 1,9% (2008: 1,5%).

Lease expiry profile

Lease expiry	Based on income (%)	Based on area (%)
Vacancies		4
December 2010	22	21
December 2011	17	13
December 2012	15	10
December 2013	17	18
December 2014+	29	34
Total	100	100

Developments

The extensions at Canal Walk and The Glen were successfully completed at a total cost of R479 million and fully let during the year. Initial yields based on achieved rentals for these two projects are 8,2% and 10,2%, respectively.

Southern Sun Hyde Park Hotel opened during the last week of September 2009 and experienced a challenging first few months. The hotel has been well received and is expected to benefit from increased occupancies as 2010 progresses and from full occupancy during the FIFA World Cup.

The Planet Fitness gym at The Mall of Rosebank and the food court extensions at Canal Walk were completed during the year at a total cost of R41,3 million and an average initial yield of 12,8%.

Planning for a refurbishment of Hyde Park and a refurbishment of an extension to The Mall of Rosebank, incorporating Rosebank Gardens (formerly Nedbank Gardens), is in process.

Listed Property Securities

Income from Hyprop's investment in Sycom Property Fund Limited ("Sycom") increased by 12%.

The investment in Sycom increased by R32 million to R1,5 billion at 31 December 2009, based on the closing price of R19,30 per unit on that date.

NET ASSET VALUE

The net asset value per combined unit ("NAV") at year-end was R44,29, representing a 6,6% increase on the NAV of R41,56 at 31 December 2008.

Excluding deferred taxation, the NAV at year-end was R53,16, which is a premium of 15,9% to Hyprop's combined unit price at 31 December 2009 of R45,85.

BORROWINGS

Net borrowings at 31 December 2009 of R1,4 billion equate to a gearing ratio of 13%.

During the year, Hyprop secured a R250 million facility to fund its acquisitions in the Rosebank node and the balance of the development programme that was completed during 2009. R200 million of this facility was utilised in September 2009, with an interest rate fixed for five years at 10,11%.

The average interest rate on long-term loans of R1,55 billion was 9,48% (2008: 9,54%).

R450 million of borrowings was re-financed at year-end, resulting in an increase in the average interest rate on long-term loans to 9,65% from January 2010.

MANAGEMENT CONTRACT

As previously reported, Hyprop's management agreements with Madison Property Fund Managers ("Madison") expired on 31 December 2009.

Property asset management was internalised from 1 January 2010.

A consultancy agreement with Redefine Properties Limited, which acquired Madison during 2009, was implemented on 1 January 2010 for a period of eighteen months at a fixed fee of R1,5 million per month.

DIRECTORATE

Effective 1 September 2009, Kevin Ellerin was appointed to the board as a non-executive director.

PROSPECTS

Based on the board's assessment of current economic conditions, Hyprop's distribution for the financial year ending 31 December 2010 will be between 355 cents and 359 cents per combined unit, an increase of between 8% and 9,5% on the distribution for 2009. This forecast has not been reviewed or reported on by Hyprop's auditors.

PAYMENT OF DEBENTURE INTEREST

Distribution of 44 of 167 cents per combined unit for the six months ended 31 December 2009 will be paid to combined unitholders as follows:

	March 2010
Last day to trade cum distribution	Thursday, 18
Combined units trade ex distribution	Friday, 19
Record date	Friday, 26
Payment date	Monday, 29

Unitholders may not dematerialise or rematerialise their combined units between Friday, 19 March 2010 and Friday, 26 March 2010, both days inclusive.

BASIS OF PREPARATION AND AUDIT OPINION

These annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standard IAS34 'Interim Financial Reporting', JSE Listings Requirements and the Companies Act, 1973.

The accounting policies applied in preparation of the annual financial statements are consistent with those applied in the audited financial statements for the prior financial year.

Grant Thornton has audited the financial information set out in these results. Their unqualified audit report is available for inspection at the company's registered office.

On behalf of the board.

MS Aitken
Chairman

MF Rodol
CEO

1 March 2010

DIRECTORS

MS Aitken*† (Chairman); MF Rodol (CEO); LR Cohen (FD); WE Cesman* (alternate JA Finn); EG Dube*; KM Ellerin*; JR McAlpine*†; LI Weil*†; S Shaw-Taylor*; MY Sibisi*†; M Wainer* (* Non-executive † Independent)

REGISTERED OFFICE

3rd Floor, Hyde Park Shopping Centre, Jan Smuts Avenue, Sandton, 2196 (PO Box 41257, Craighall 2107)

TRANSFER SECRETARIES

Computershare Investor Services (Proprietary) Limited, Ground Floor 70 Marshall Street, Johannesburg (PO Box 61051, Marshalltown 2107)

COMPANY SECRETARY

Probit Business Services (Proprietary) Limited

SPONSOR

Java Capital (Proprietary) Limited