AUDITED RESULTS

for the year ended 31 December 2011

- ► Half year distribution growth 10,4%
- ► Market capitalisation R12,9 billion up 37% ► Gearing 26,2%
- ➤ Total assets R20,2 billion up **76**%
- ➤ Total distribution 383 cents up **7,3**%
 ➤ NAV excluding deferred taxation **R57,37**

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"



Property investment excellence.

www.hyprop.co.za

STATEMENT OF COMPREHENSIVE INCOME		
	Audited 31 Dec 2011	Audited 31 Dec 2010 Restated
	R'000	R'000
Revenue	1 583 157	1 119 048
Investment property income	1 350 937	984 910
Straight-line rental income accrual	100 214	14 148
Listed property securities income	132 006	119 990
Property expenses	(511 681)	(371 932
Net property income	1 071 476	747 116
Other operating expenses	(43 855)	(36 044
Operating income	1 027 621	711 072
Net interest	(208 325)	(121 554)
Received	31 416	7 006
Paid	(239 741)	(128 560)
Net operating income	819 296	589 518
Change in fair value	(212 008)	586 121
Investment property	236 654	517 262
Straight-line rental income accrual	(100 214)	(14 148
Listed property securities	258 716	75 430
Goodwill	(547 654)	
Derivative instruments	(59 510)	7 577
Loss on disposal of investment property	(6 129)	
Loss on disposal of listed property securities	(3 706)	
Amortisation of debenture premium	231 354	110 810
Amortisation of financial guarantee for associate		953
Non core income	4 555	005

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Non-core income	4 555	905
Income before debenture interest	833 362	1 288 307
Debenture interest	(741 703)	(593 024)
Net income before share of income from associate	91 659	695 283
Share of income from associate	9 949	55 201
Investment property income Straight-line rental income accrual	9 949	15 518 320
Change in fair value of investment property		39 363
Profit before taxation	101 608	750 484
Taxation Control of the Control of t	(185 639)	(80 696)
Total comprehensive (loss)/income for the year	(84 031)	669 788
Abridged reconciliation - headline earnings and distributable earnings Net (loss)/income after taxation	/OA 021\	669 788
Debenture interest	(84 031) 741 703	593 024
Earnings	657 672	1 262 812
Headline earnings adjustments	122 613	(489 099)
Change in fair value of investment property (net of deferred taxation)	(203 522)	(378 289)
Impairment of goodwill	547 654	(5/0 20/)
Loss on disposal of listed property securities	3 706	
Loss on disposal of investment property	6 129	
Amortisation of debenture premium	(231 354)	(110 810)
Headline earnings	780 285	773 713
Distributable earnings adjustments	(37 054)	(180 937)
Change in fair value of listed property securities (net of deferred taxation)	(222 496)	(64 870)
Change in the fair value of derivative instruments	59 510	(7 577)
Amortisation of financial guarantee for associate		(953)
Share of income from associate		(39 683)
Taxation	87 986	
Deferred taxation	28 302	(68 837)
Attfund transaction costs	9 644	983
Distributable earnings	743 231	592 776
Total combined units in issue	243 113 169	166 113 169
Weighted average combined units in issue	192 061 114	166 113 169
Earnings per combined unit	342,4	760,2
Headline earnings per combined unit	406,3	465,8
Distributable earnings per combined unit	202 /	356,9
Distribution describ	383,6	
Distribution details		
Total distribution for the year	383,00	357,00
Total distribution for the year Six months ended 31 December	383,00 202,00	
Total distribution for the year Six months ended 31 December Four months ended 31 December	383,00 202,00 137,00	357,00
Total distribution for the year Six months ended 31 December	383,00 202,00	357,00

Six months ended 30 June		181,00	174,00
STATEMENT OF FINANCIAL POSITION			
	Audited 31 Dec 2011	Audited 31 Dec 2010 Restated	Audited 31 Dec 2009 Restated
	R'000	R'000	R'00
Assets			
Non-current assets	19 746 691	11 303 054	10 550 40
Investment property	17 357 277	9 481 454	8 858 7
Building appurtenances and tenant installations	35 873	21 237	20 99
Investment in associate	117 658	210 055	169 49
Goodwill	12 493		
Derivative instruments		13 227	
Loan receivable	47 217	47 813	47 36
Listed property securities	2 176 173	1 529 268	1 453 83
Current assets	327 641	154 331	258 15
Receivables	119 247	86 584	80 59
Cash and cash equivalents	208 394	67 747	177 56
Non-current assets held-for-sale			
Investment property	123 822		
Total assets	20 198 154	11 457 385	10 808 55
Equity and liabilities			
Share capital and reserves	6 070 107	6 154 138	5 484 35
Liabilities			
Non-current liabilities	12 116 277	4 826 690	4 909 09
Debentures and debenture premium	6 359 541	2 447 895	2 558 70
Long-term loans	4 191 622	1 490 000	1550 00
Derivative instruments	44 463	21 111	12 44
Financial guarantee for associate			95
Deferred taxation	1 520 651	867 684	786 98
Current liabilities	2 011 770	476 557	415 11
Payables	308 482	172 570	134 69
Short term loans	1 347 292		
Derivative instruments	22 931		3 01
Combined unitholders for distribution	333 065	303 987	277 40
Total liabilities	14 128 047	5 303 247	5 324 208
Total equity and liabilities	20 198 154	11 457 385	10 808 558
Net asset value per combined unit (R)	51,12	51,78	48,4
Net asset value per combined unit - excluding deferred taxation liability (R)	57,37	57,01	53,10

ABRIDGED STATEMENT OF CASH FLOWS			
	Audited A 31 Dec 2011 R'000		
Cash flows from operating activities	(47 667)	62 608	
Cash generated from operations	879 948	735 963	
Interest received	31 416	7 006	
Interest paid	(239 741)	(128 560)	
Taxation paid	(17 983)		
Distribution to combined unitholders	(712 625)	(566 446)	
Income from associate	11 318	14 645	
Cash flows from investing activities	(4 420 885)	(112 423)	
Cash flows from financing activities	4 609 200	(60 000)	
Net increase/(decrease) in cash and cash equivalents	140 648	(109 815)	
Cash and cash equivalents at the beginning of the year	67 746	177 562	
Cash and cash equivalents at the end of the year	208 394	67 747	

COMMENTARY

Hyprop is South Africa's largest listed specialised shopping centre fund, with twelve directly owned shopping centres. All rental income earned by the company less property expenses and interest on debt is distributed to unitholders semi-annually. The company's primary objective is to provide sustainable income growth and capital appreciation to investors over the long term.

Hyprop has declared a total distribution for the year of 383 cents per combined unit, an increase of 7,3% on the previous year. The final distribution of 137 cents, together with the special distribution of 65 cents paid on 17 October 2011, reflects aggregate growth of 10,4% compared with the corresponding period in 2010.

SEGMENTAL OVERVIEW

	31 Decem	31 December 2010		
Business segment	Revenue R'000	Distributable earnings R'000	Revenue R'000	Distributable earnings R'000
Canal Walk	423 566	301 315	387 809	276 462
Super regional	423 566	301 315	387 809	276 462
Clearwater Mall*	96 654	61 562		
The Glen	178 087	112 927	163 328	103 096
Woodlands Boulevard*	59 054	40 619		
CapeGate*	57 266	36 911		
Large regional	391 061	252 019	163 328	103 096
Hyde Park	152 944	93 963	140 613	88 080
The Mall of Rosebank	105 823	70 222	107 414	64 995
Southcoast Mall	20 968	11 565	21 600	13 372
Regional	279 735	175 750	269 627	166 447
Willowbridge *	25 932	15 253		
Stoneridge	58 339	25 795	49 523	27 552
Somerset Value Mart*	6 903	4 597		
Atterbury Value Mart*	31 062	24 163		
Value centres	122 236	69 808	49 523	27 552
Shopping centres	1 216 598	798 892	870 287	573 557
Offices #	70 569	45 320	49 857	28 015
Hotels	47 326	(5 866)	64 766	11 406
Investment property	1 334 493	838 346	984 910	612 978
Listed property securities	132 006	132 006	119 990	119 990
Fund mangement expenses		(34 209)		(35 061)
Net interest (paid) / received		(208 325)		(121 554)
Share of income from associate - VPIF		9 949		15 518
Word4Word Marketing*	16 444	909		
Straight-line rental income accrual	100 214		14 148	
Non-core income		4 555		905
Total revenue	1 583 157	743 231	1119 048	592 776

Includes offices acquired from Attfund Retail from 1 September 2011

The Attfund Retail portfolio has been included from 1 September 2011, being the effective date of the acquisition.

Like-for-like growth from Hyprop's shopping centres in revenue and distributable earnings was 8,0% and 7,4%, respectively. Canal Walk and The Glen performed particularly well during the year, with distributable earnings growth of 9% and 10%, respectively. Property expenses increased by 9%.

Distributable earnings from hotels reduced due to a net loss at The Grace (prior to sale) as well as underperformance at Southern Sun Hyde Park.

Distributable earnings from listed property securities increased by 10% as a result of improved distribution growth from Sycom and due to the addition of 8,9 million Sycom units, acquired in terms of the Attfund Retail acquisition.

Distributable earnings in the second half include a once-off benefit amounting to 3,7 cents resulting from a deferred payment in respect of the 15 million Attfund Retail consideration units which were re-purchased by the company.

Non-core income includes Hyprop's investment in Word4Word Marketing (Pty) Limited and fee income from Vunani Property Investment Fund ("VPIF").

Income from associate relates to distributions received from VPIF. This income reduced due to Hyprop selling 50% of its interest in VPIF concurrently with VPIF's listing on the JSE.

Notwithstanding the larger portfolio, total arrears at 31 December 2011 were R41 million, the same as the previous year-end. Total provision for doubtful debts at year-end amounted to R17,4 million (2010: R20,8 million).

Total vacancies in the portfolio at 31 December 2011 were 4,1% (2010: 3,9%):

Vacancy profile by sector	% of 1	% of total GLA		
	2011	2010		
Retail	3,6	3,8		
Office	10,0	4,7		

PAYMENT OF DEBENTURE INTEREST

Distribution 49 of 137 cents per combined unit for the four months ended 31 December 2011 will be paid to combined unitholders as follows:

2012
Thursday, 15 March
Friday, 16 March
Friday, 23 March
Monday, 26 March

Unitholders may not dematerialise or rematerialise their combined units between Friday, 16 March 2012 and Friday, 23 March 2012, both days inclusive.

CHANGE IN ACCOUNTING POLICY

Hyprop has early adopted the amendment to IAS 12. Deferred taxation is now recognised on the revaluation of the building component of investment properties at the capital gains tax rate on the presumption that the investment will be recovered through disposal and will therefore attract capital gains tax. Hyprop has applied the amendment retrospectively as required by IAS 8.

The early adoption has had the effect of reducing the 2009 deferred taxation balance with a corresponding increase in opening 2010 reserves by R685 million. The effect on the 2010 deferred taxation balance and opening reserves was a net decrease of R752 million. The prior year adjustments are disclosed by way of a third column in the statement of financial

BASIS OF PREPARATION

Audited

31 Dec 2010

Restated

5 484 350

669 788

6 154 138

R'000

Audited 31 Dec 2011

R'000

6 154 138

(84 031)

6 070 107

Balance at beginning of year

Balance at end of year

Restatement of prior period balances

Total comprehensive (loss)/income for the period

Audited

Restated

R'000

4 247 182

685 143

552 025

5 484 350

31 Dec 2009

These results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standard IAS34 'Interim Financial Reporting', the AC 500 Standards as issued by the Accounting Standards Board, the JSE Limited Listings Requirements and the South African Companies Act, 2008.

Other than the change in accounting policy referred to above, the accounting policies applied in preparation of these results are consistent with those applied in the audited financial statements for the prior financial year. Grant Thornton has audited the group annual financial statements. Their unqualified audit report is available for inspection

at the company's registered office. Preparation of the financial information was supervised by Laurence Cohen CA(SA) in his capacity as Financial Director.

PROF	ERTY	PORTE	OLIO

	Value attributable to Hyprop renta			
	Rentable	31 December	31 December	31 December
Business segment	area (m²)	2011 R'000	2010 R'000	2011 (R/m²)
Canal Walk	157 450	4 880 000	4 556 000	38 742
Super regional	157 450	4 880 000	4 556 000	38 742
Clearwater *	85 370	2 500 000	4 330 000	29 284
The Glen	74 624	1623 365	1 535 433	28 945
Woodlands Boulevard *	69 867	1604 000	1 333 733	22 958
CapeGate *	106 016	1435 000		13 536
Large regional	335 877	7 162 365	1 535 433	22 922
Hyde Park	36 910	1337 000	1277 000	36 223
The Mall of Rosebank	35 950	923 000	918 000	25 675
Southcoast Mall	29 361	122 000	129 500	8 310
Regional	102 221	2 382 000	2 324 500	24 496
Willowbridge *	45 011	607 000		13 486
Stoneridge	51 293	409 500	407 700	8 871
Somerset Value Mart *	12 546	154 000		12 275
Atterbury Value Mart *	47 707	885 000		18 551
Value centres	156 557	2 055 500	407 700	13 420
Shopping centres	752 105	16 479 865	8 823 633	24 470
Offices#	51 240	769 000	331 000	15 008
Hotel		145 000	271 000	
Investment property	803 345	17 393 865	9 425 633	24 047
Development property		116 000	73 674	
Listed property securities		2 176 173	1 529 268	
Investment in VPIF			210 055	
	803 345	19 686 038	11 238 630	24 047
* Acquired from 1 Sentember 2011				

Includes offices acquired from Attfund Retail from 1 September 2011

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

Offices include the three Pretoria office buildings acquired with the Attfund Retail portfolio.

Development property relates to the Rosebank Gardens site, which will form part of The Mall of Rosebank redevelopment. During the year Hyprop acquired Intaprop (Pty) Limited's 30% undivided share in the Rosebank Gardens site for R45 million. The investment in associate is Hyprop's 20% interest in Garden Route Mall (2010: VPIF).

Disposals

In terms of a pre-emptive right, Attfund Retail's 25% interest in Centurion Mall was sold to Fountainhead Property Trust for R751,5 million, effective 1 September 2011. The Grace Hotel was sold during the year for R85 million. The sale was effective in November and transfer was registered

in January 2012.

The planned redevelopment of The Mall of Rosebank ("The Mall") has progressed further with the commencement of demolitions on the Rosebank Gardens site. Redevelopment of The Mall itself will commence once town-planning approvals have been received and letting requirements have been met. It is anticipated that construction will start during 2012. Further information will be communicated to unitholders in due course.

Further extensions to Canal Walk, to meet tenant demand, and the refurbishment of Willowbridge South are also planned to commence in the next 12 months

Listed Property Securities

Hyprop had the following listed property investments at 31 December 2011

sprop had the renorming instead property investments at 575 eccumen 2011.					
	Fund type	Number of units	% held	Value R' 000	
Sycom Property Fund Limited	PUT	84 225 688	39,0%	1980	
Vunani Property Investment Fund Limited	PLS	14 198 976	11,8%	99	
Acucap Properties Limited	PLS	2 610 430	1,5%	97	
Total value				2 176	

The investments in listed property securities do not form part of Hyprop's core portfolio and will be evaluated in line with the company's long term strategy.

The net asset value per combined unit ("NAV") at year-end was R51,12, representing a 1,3% decrease on the re-stated NAV of R51,78 at 31 December 2010.

Excluding deferred taxation, the NAV at year-end was R57,37, a premium of 7,7% to Hyprop's closing combined unit price of R53,25 on 31 December 2011

BORROWINGS

Net borrowings at 31 December 2011 of R5,3 billion equate to a gearing ratio of 26,2%, up from 12,6% in 2010.

At year-end, interest rates were hedged in respect of 60% of borrowings, at a weighted average rate of 8,2% (2010: 9,4%) and

Subsequent to year-end, a further R450 million of floating debt was hedged for four years at a weighted average rate of 8,2%, taking the hedged book to 70% of borrowings at a weighted average rate of 8,3%. The weighted average maturity

DIRECTORATE Louis Norval and Louis van der Watt were appointed to the board as non-executive directors effective 1 September 2011.

David Rice resigned from the board on 25 November 2011. The board thanks David for his contribution to the company.

The board will continue to focus on the disposal of non-core assets, the expansion and redevelopment of existing centres and improvement of operational efficiencies. Attention will also be given to alternative forms of finance to further reduce the overall cost of debt

Hyprop will continue to invest in high quality, sizable shopping centres. The board will consider investment in shopping centres elsewhere, including in the rest of Africa.

Taking into account the implementation of the Attfund Retail acquisition and short term dilution due to higher gearing, Hyprop expects to show distribution growth of between 4% and 6% for 2012.

PG Prinsloo

This forecast has not been reviewed or reported on by the company's auditors. On behalf of the board

MS Aitken

Chairman

28 February 2012

MS Aitken*† (Chairman); PG Prinsloo (CEO); LR Cohen (FD); EG Dube*; KM Ellerine*;

L Engelbrecht*†; MJ Lewin*; L Norval*; S Shaw-Taylor*; LLS van der Watt*; M Wainer*; LI Weil*† (* Non-executive † Independent)

REGISTERED OFFICE:

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(PO Box 41257, Craighall, 2024)

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

COMPANY SECRETARY Probity Business Services (Proprietary) Limited

SPONSOR

Java Capital (Proprietary) Limited

INVESTOR RELATIONS

Envisage Investor & Corporate Relations