

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, accountant, legal advisor or other professional advisor.

The interpretation and definitions commencing on page 4 of this circular have been used on this front cover.

Action required

If you have disposed of all of your combined units in Hyprop, then this circular should be forwarded to the purchaser to whom, or the broker, CSDP or agent through whom you disposed of your combined units.

If you do not wish to accept the offer made by the Offeror and you:

1. hold dematerialised or certificated Hyprop combined units and have given your CSDP or broker or any other person a mandate to act on your behalf, instruct them not to accept the offer on your behalf. If your CSDP/broker does not obtain instructions from you regarding whether you wish to accept the offer or not in accordance with the time and manner stipulated in the custody agreement with your CSDP/broker, you will be deemed to have rejected the offer;
2. have given a non-discretionary or partially discretionary mandate to a fund manager, instruct them not to accept the offer on your behalf;
3. retain your Hyprop combined units in certificated form and have not given any mandate to any person to deal with your combined units on your behalf, you need not take any action.

If you wish to accept the offer made by the Offeror, you should refer to the 'Action required by Hyprop combined unitholders' set out in the offer document circulated by Redefine to combined unitholders on 5 August 2010.

Hyprop does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the offer set out in this circular.

HYPROP

Hyprop Investments Limited

(Incorporated in the Republic of South Africa)

(Registration number 1987/005284/06)

JSE code: HYP ISIN: ZAE000003430

("Hyprop" or the "Company")

CIRCULAR TO HYPROP COMBINED UNITHOLDERS

Regarding:

- **the views of the Hyprop Board in respect of a mandatory offer by Redefine to Hyprop minority combined unitholders to acquire all or any of the issued combined units in Hyprop not already owned by Redefine in exchange for the offer consideration, being R50 per Hyprop combined unit;**

and incorporating

- **an independent external advisor's opinion regarding the offer.**

Independent sponsor

Deloitte.

Deloitte & Touche Sponsor Services (Pty) Ltd
(Incorporated in the Republic of South Africa)
(Registration number 1996/000034/07)

Independent advisor

Deloitte.

Corporate Finance Division
Deloitte & Touche

Sponsor

JAVACAPITAL

Date of issue: 5 August 2010

This circular is only available in English. Copies of this circular may be obtained from the registered office of Hyprop, being 3rd Floor, North Wing, Hyde Park Shopping Centre, Jan Smuts Avenue, Sandton, 2196 from Thursday, 5 August 2010 to Friday, 27 August 2010.

CORPORATE INFORMATION

Registered office of Hyprop

3rd Floor
North Wing
Hyde Park Shopping Centre
Jan Smuts Avenue
Sandton, 2196
(PO Box 41257, Craighall, 2024)

Secretary

Probity Business Services (Proprietary) Limited
3rd Floor, The Mall Offices
11 Cradock Avenue
Rosebank, 2196
(PO Box 85392, Emmarentia, 2029)

Independent sponsor

Deloitte & Touche Sponsor Services (Proprietary) Limited
(Registration number 1996/000034/07)
Building 6
The Woodlands
Woodlands Drive
Woodmead
Sandton, 2196
(Private Bag X6, Gallo Manor, 2052)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Sponsor

Java Capital (Proprietary) Limited
(Registration number 2002/031862/07)
2 Arnold Road
Rosebank, 2196
(PO Box 2087, Parklands, 2121)

Independent advisor

Deloitte & Touche Corporate Finance
Building 6
The Woodlands
Woodlands Drive
Woodmead
Sandton, 2196
(Private Bag X6, Gallo Manor, 2052)

Trustees for debenture holders

Webber Wentzel Attorneys
15th Floor, Convention Tower
Heerengracht
Foreshore
Cape Town, 8001
(PO Box 3667, Cape Town, 8000)

ACTION REQUIRED

If you have disposed of all of your combined units in Hyprop, then this circular should be forwarded to the purchaser to whom, or the broker, CSDP or agent through whom you disposed of your combined units.

If you do not wish to accept the offer made by the Offeror and you:

1. hold dematerialised or certificated Hyprop combined units and have given your CSDP or broker or any other person a mandate to act on your behalf, instruct them not to accept the offer on your behalf. If your CSDP/broker does not obtain instructions from you regarding whether you wish to accept the offer or not in accordance with the time and manner stipulated in the custody agreement with your CSDP/broker, you will be deemed to have rejected the offer;
2. have given a non-discretionary or partially discretionary mandate to a fund manager, instruct them not to accept the offer on your behalf;
3. retain your Hyprop combined units in certificated form and have not given any mandate to any person to deal with your combined units on your behalf, you need not take any action.

If you wish to accept the offer made by the Offeror, you should refer to the 'Action required by Hyprop combined unitholders' set out in the offer document circulated by the Offeror to combined unitholders on Thursday, 5 August 2010.

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SALIENT DATES AND TIMES RELATING TO THE OFFER

As set out in the offer document circulated by the Offeror to combined unitholders on 5 August 2010, the salient dates and times relating to the offer by the Offeror, are set out in the table below:

	2010
Offer document posted to Hyprop combined unitholders by Redefine	Thursday, 5 August
Circular from the Board posted to Hyprop combined unitholders	Thursday, 5 August
Offer opens at 09:00 on	Thursday, 5 August
Last day to trade Hyprop's combined units in order to be eligible to participate in the offer	Friday, 20 August
Hyprop combined units trade ex the right to participate in the offer from the commencement of business on	Monday, 23 August
Record date on which Hyprop combined unitholders must be recorded in the register of Hyprop combined unitholders in order to be eligible to participate in the offer	Friday, 27 August
Offer closes at 12:00 on	Friday, 27 August
Results of offer released on SENS on	Monday, 30 August
CSDP or broker accounts of dematerialised combined unitholders to be updated and credited, within five business days of receipt of acceptance by the transfer secretaries	Paid on each Monday as from 16 August to 30 August
Cheques to be posted to certificated combined unitholders who have accepted the offer and submitted their documents of title on or before 12:00 on the closing date, within five business days of receipt of acceptance by the transfer secretaries	Paid on each Monday as from 16 August to 30 August
Results of offer to be published in the press	Tuesday, 31 August

Notes:

1. The above dates and times are subject to change. Any such change will be released on SENS and published in the press.
2. Certificated Hyprop combined unitholders who intend to accept the offer are required to complete and return the form of acceptance, surrender and transfer attached to the offer document dated 5 August 2010 in accordance with the instructions contained therein to be received by not later than 12:00 on the closing date.
3. Dematerialised offer participants must notify their duly appointed CSDP or broker of their acceptance/rejection of the offer in the manner and time stipulated in the agreement governing the relationship between such offer participant and his CSDP or broker. If your CSDP or broker does not obtain instructions from you regarding whether you wish to accept the offer or not in accordance with the time and manner stipulated in the custody agreement with your CSDP/broker, you will be deemed to have rejected the offer.
4. All times indicated above are South African times.
5. In order to participate in the offer, Hyprop combined units held by offer participants may not be dematerialised or rematerialised between Monday, 23 August 2010 and Friday, 27 August 2010, both days inclusive.

INTERPRETATION AND DEFINITIONS

In this circular and the annexures hereto, unless inconsistent with the context, an expression which denotes a gender includes the other gender, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning assigned to them in the second column.

“Act”	the Companies Act, 1973 (Act 61 of 1973), as amended;
“Acquisition”	the purchase by Redefine of 19 686 558 Hyprop combined units for an aggregate consideration of R984 327 900 from Coronation;
“broker”	any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the Securities Services Act;
“Board”	the board of directors of Hyprop at the last practicable date;
“business day”	any day other than a Saturday, Sunday or statutory public holiday in South Africa;
“certificated unitholders”	Hyprop combined unitholders who hold Hyprop combined units in certificated form, i.e. combined units which are not dematerialised and title to which is represented by physical documents of title;
“closing date”	12:00 on Friday, 27 August 2010, being the closing date of the offer or such extended date that may be advised by the Offeror;
“circular”	this bound document, dated 5 August 2010 (including the Annexures), regarding the views of the Board on the offer made by Redefine, and including the independent external advisor’s opinion regarding the offer;
“combined unitholders”	combined unitholders of Hyprop;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Competition Authorities”	the Competition Commission of South Africa and/or the Competition Tribunal of South Africa and/or the Competition Appeal Court of South Africa, being regulatory and/or judicial authorities established in terms of the Competition Act, 1998 (Act 89 of 1998), as amended;
“Consultancy agreement”	the consultancy agreement concluded between Hyprop and Redefine effective 1 January 2010 for a fixed monthly fee of R1.5 million, (exclusive of VAT), which agreement is to be terminated with effect from 31 August 2010 following Wolf Cesman’s recent resignation from Redefine;
“Coronation”	Coronation Asset Management (Proprietary) Limited (registration number 1993/002807/07), a private company duly incorporated in South Africa acting on behalf of the funds that it manages;
“Coronation units”	the 19 686 558 Hyprop combined units acquired by Redefine from Coronation;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Securities Services Act, appointed by an individual combined unitholder for purposes of, and in regard to, the dematerialisation of documents of title for incorporation into the Strate system;

“custody agreement”	the agreement which regulates the relationship between the CSDP or broker and each beneficial holder of dematerialised combined units;
“dematerialisation”	the process by which combined units held by certificated unitholders are converted to or held in electronic form as uncertificated combined units;
“dematerialised combined units”	Hyprop combined units which have been incorporated into the Strate system, title to which is not represented by physical documents of title;
“dematerialised unitholders”	Hyprop combined unitholders who hold Hyprop combined units which have been incorporated into Strate and which are no longer evidenced by physical documents of title but the evidence of ownership of which is determined electronically and recorded in a sub-registers maintained by a CSDP;
“directors”	the directors of Hyprop at the last practicable date, whose names are set out on in paragraph 10.1 of this circular;
“documents of title”	valid combined unit certificates, certified transfer deeds, balance receipts and/or any other form of acceptable documents of title in respect of Hyprop combined units;
“excluded units”	the Hyprop units owned by Redefine, currently comprising 33.3% of the total issued share capital of the Company and to be increased to 45.2% following the fulfilment of all conditions precedent to the Acquisition;
“Hyprop” or “the Company”	Hyprop Investments Limited (Registration number 1987/005284/06), a public company duly incorporated in terms of the laws of South Africa on 26 October 1987, the combined units issued of which are listed on the JSE;
“Hyprop debenture”	an unsecured variable rate debenture in Hyprop with a face value of 493 cents, governed by the debenture trust deed;
“Hyprop debenture holder” or “debenture holder”	a registered holder of Hyprop debentures;
“Hyprop combined unit” or “combined unit”	a combined unit comprising one Hyprop share and one Hyprop debenture, such share and debenture being combined and not capable of disposal independently each other;
“Hyprop combined unitholders”	the registered holders of Hyprop combined units;
“Hyprop share”	an ordinary share with a par value of 1 cent in the issued ordinary share capital of Hyprop;
“Hyprop shareholder” or “shareholder”	a registered holder of Hyprop shares;
“independent advisor”	Deloitte & Touche Corporate Finance Division, the independent external advisor appointed by the Board to provide an opinion on the offer, the text of which is reproduced in Annexure 1 to this circular;
“the JSE”	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated with limited liability in accordance with the laws of South Africa on 1 July 2005 and licensed as an exchange under the Securities Services Act;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“last practicable date”	30 July 2010, being the last practicable date prior to the finalisation of this circular;

“last day to trade”	Friday, 20 August 2010, being the last day to trade Hyprop combined units in order to be eligible to participate in the offer;
“combined unit certificate(s)”	combined unit certificates, certified transfer deeds, balanced receipts, or any other documents of title, as the case may be;
“minority combined unitholders”	combined unitholders, other than the Offeror;
“offer”	the irrevocable mandatory cash offer by the Offeror to Hyprop minority combined unitholders to acquire all or any of the Hyprop combined units for the offer consideration, details of which are set out in the offer document circulated by the Offeror to Hyprop minority combined unitholders on 5 August 2010;
“offer consideration”	the consideration payable by the Offeror in terms of the offer, being R50 per Hyprop combined unit, payable in cash;
“offer document”	the document setting out the details of the offer from the Offeror to Hyprop minority combined unitholders, dated 5 August 2010;
“offer participant”	all Hyprop combined unitholders other than Redefine;
“offer units”	the combined units other than the excluded units, comprising 91 102 641 Hyprop combined units (comprising approximately 54.8% of the total issued share capital of the company);
“offer period”	the period from 09:00 on the opening date to 12:00 on the closing date or such extended closing date;
“opening date”	the opening date of the offer, being 09:00 on Thursday, 5 August 2010;
“Rand” or “R” or “cents”	the official currency of South Africa;
“record date”	Friday, 27 August 2010, being the date on which Hyprop combined unitholders must be recorded in the register of Hyprop combined unitholders in order to be eligible to participate in the offer;
“Redefine” or “Offeror”	Redefine Properties Limited (Registration number 1999/018591/06), a public company duly incorporated in South Africa and listed in the “Real Estate – Holdings & Development” sector of the JSE lists;
“the Securities Services Act”	the Securities Services Act, 2004 (Act 36 of 2004), as amended;
“SENS”	the Securities Exchange News Service of the JSE;
“South Africa” or “SA”	the Republic of South Africa;
“the SRP”	the Securities Regulation Panel constituted in terms of section 440B of the Act;
“the SRP Code”	the Securities Regulation Code on Take-overs and Mergers and the Rules of the SRP;
“STANLIB”	STANLIB Asset Management Limited (Registration number 1997/014748/06) a public company duly incorporated in terms of the laws of South Africa;
“Strate”	the settlement and clearing system used by the JSE, managed by Strate Limited (Registration number 1998/022242/06), a public company duly incorporated in accordance with the laws of South Africa on 9 November 1998;
“Sub-committee”	committee comprising six non-conflicted non-executive directors of Hyprop, being M S Aitken, E G Dube, J R McAlpine, S Shaw-Taylor, M Y Sibisi and L I Weil;

"sub-register"	the record of dematerialised combined units administered and maintained by a CSDP and which forms part of the company's register of members as defined in the Act, excluding any nominees;
"transactions"	collectively, the Acquisition and the offer; and
"the transfer secretaries"	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa on 16 February 2004, details of which appear on the inside front cover of this circular.

HYPROP

Hyprop Investments Limited

(Incorporated in the Republic of South Africa)

(Registration number 1987/005284/06)

JSE code: HYP ISIN: ZAE000003430

("Hyprop" or the "Company")

Directors

M S Aitken ** (*Chairman*)

M F Rodel * (*CEO*)

L R Cohen* (*Financial Director*)

E G Dube **

K Ellerine **

J R McAlpine **

S Shaw-Taylor **

M Y Sibisi **

M Wainer **

L I Weil **

* *Executive*

** *Non-executive*

CIRCULAR TO HYPROP COMBINED UNITHOLDERS

1. INTRODUCTION

It was announced on SENS on 4 August 2010 and in the press on 5 August 2010 that the Offeror has irrevocably offered to acquire all or any of the Hyprop combined units held by minority combined unitholders for an offer consideration of R50 per combined unit. The offer document setting out the details of the offer by the Offeror was sent to Hyprop minority combined unitholders on 5 August 2010.

The mandatory offer was triggered following the conclusion of an agreement by Redefine to acquire an additional 19 686 558 Hyprop combined units from Coronation at a price of R50 per unit, as per the SENS announcements released by Redefine and Hyprop on 24 March 2010. Redefine's stake in Hyprop has, subsequent to the acquisition, increased from 33.3% to 45.2% and, in terms of the SRP Code, such an increase has triggered a mandatory offer to all Hyprop combined unitholders at a price of R50 per unit.

Hyprop combined unitholders should note that the offer has been made by Redefine in terms of the offer document dated 5 August 2010, and not by Hyprop.

In terms of rule 3.1 of the SRP Code, the Board is required to give its view on the offer and to obtain an opinion from an independent external advisor on how the offer affects all combined unitholders, including specifically, minority combined unitholders. The Board has appointed a sub-committee comprising non-conflicted non-executive directors to consider and assess whether the terms of the offer are fair. Marc Wainer, in his capacity as a director and material unitholder of Redefine, and Kevin Ellerine, in his capacity as a unitholder of Redefine, have recused themselves from all Board discussions relating to the Redefine offer.

The Sub-committee has appointed Deloitte & Touche Corporate Finance as the independent external advisor to provide an opinion as to whether the terms of the offer are fair to Hyprop combined unitholders. The views of the Board on the offer are set out in paragraph 3.2 below, and the full text of the opinion from Deloitte & Touche Corporate Finance is reproduced in Annexure 1 to this circular. Deloitte & Touche Corporate Finance have determined, based on their valuation procedures, **a fair value range of R54 to R58 per Hyprop combined unit**, and based on quantitative considerations, are of the opinion that the terms and conditions of the offer are **not fair** to Hyprop combined unitholders.

In deciding whether to accept the offer the Board believes that Hyprop minority combined unitholders should consider its views and commentary as set out in this circular, together with the content of the opinion received from Deloitte & Touche Corporate Finance, and consult their financial or other professional advisers in order to make an informed decision.

The purpose of this circular is to:

- provide Hyprop minority combined unitholders with the views of the Board on the offer and to comment on the statements set out in the offer document dated 5 August 2010 regarding the Offeror's intentions in respect of the Company and its directors;
- communicate to Hyprop combined unitholders the substance of the opinion given to the Sub-committee by the independent external adviser in relation to the offer; and
- provide further information regarding the offer in compliance with the SRP Code and to advise Hyprop minority combined unitholders whether the directors intend to accept or to reject the offer, in respect of their own beneficial holdings of Hyprop combined units.

2. TERMS OF THE OFFER

Hyprop combined unitholders are referred to the offer document circulated by the Offeror to Hyprop combined unitholders on 5 August 2010 which sets out the terms of the offer and the corresponding action required from Hyprop combined unitholders, the details of which are summarised below:

- Redefine has offered to acquire all or any of the Hyprop combined units held by minority combined unitholders in exchange for the offer consideration. Each offeree may elect to accept the offer in whole or in part;
- the consideration payable per Hyprop combined unit surrendered in terms of the offer is R50 per combined unit, which shall be payable in cash;
- the offer opened for acceptance at 09:00 on 5 August 2010 and will close at 12:00 on Friday, 27 August 2010, which will be the deemed effective date of disposal of combined units by the offer participants. The last date for Hyprop combined unitholders to trade to be eligible to participate in the offer will be Friday, 20 August 2010. Accordingly, the offer is only applicable to those Hyprop combined unitholders that are recorded in the register on Friday, 27 August 2010. The Offeror has reserved the right to extend the offer period prior to the closing date, with the approval of the SRP. Any such change will be published in the press by the Offeror prior to the closing date;
- pursuant to the implementation of the offer, the Offeror will become the beneficial owner of the offer participants' combined units exchanged pursuant to acceptances of the offer;
- the offer is conditional upon Redefine receiving the requisite unitholder approval for the transactions at a general meeting of Redefine unitholders on Thursday, 12 August 2010. The offer opens on Thursday, 5 August 2010, and will therefore for the first week of the offer be an offer conditional upon Redefine receiving unitholder approval at the general meeting and thereafter will be an unconditional offer for the following two weeks; and
- Redefine received approval for the acquisition from the Competition Authorities on 15 July 2010.

3. OPINIONS AND RECOMMENDATIONS

3.1 Appointment of independent external advisor

The Board appointed a Sub-committee to consider and assess whether the terms of the offer are fair.

The Sub-committee has, in turn, appointed Deloitte & Touche Corporate Finance as the independent external advisor to provide an opinion as to whether the terms of the offer are fair to Hyprop combined unitholders.

Hyprop combined unitholders are referred to Annexure 1 to this circular wherein the text of the opinion from the independent external adviser has been reproduced. Deloitte & Touche Corporate Finance rendered its opinion to the Sub-committee to the effect that it has considered the terms and conditions of the offer and, based upon quantitative considerations and subject to the conditions contained in its opinion, Deloitte & Touche Corporate Finance is of the opinion that the terms of the offer are **not fair** to Hyprop combined unitholders. Deloitte & Touche Corporate Finance have determined, based on their valuation procedures, a **fair value range of R54 to R58 per Hyprop combined unit**.

3.2 Views of the Board on the Offer

The Board, having considered the terms of the offer and opinion of the Sub-committee and independent advisor, is of the view that the offer **is not fair and recommends that Hyprop combined unitholders reject the Offer**.

The members of the Board will not be accepting the Offer in respect of the combined units owned by them.

This view is based on the following:

- Deloitte & Touche Corporate Finance have determined, based on their valuation procedures, a fair value range of R54 to R58 per Hyprop combined unit.
- The offer is priced at R50, which is only a 3.3% premium to the 30 day VWAP at which Hyprop combined units traded prior to 24 March 2010, being the date of Redefine's announcement of the acquisition.
- Unitholders who accept the offer will not receive the Hyprop distribution for the six months ended 30 June 2010, to be paid in September 2010 ("the interim distribution"):
 - The clean offer price is therefore R50 reduced by the interim distribution;
 - Hyprop's income distribution for the six months ended 31 December 2009, paid in March 2010, was R1,67 per combined unit ("the final distribution"); and
 - Redefine acquired the Coronation units ex the entitlement to the final distribution. The latter distribution was received by Coronation.

Therefore, in assessing the price to be realised should they sell their Hyprop units in terms of the offer, Hyprop minority unitholders should deduct an estimated amount for the interim distribution from the R50 being offered by Redefine. This will facilitate an approximation of a clean price comparable to the R50 that was received by Coronation.

To the extent that Redefine acquires sufficient Hyprop combined units to afford Redefine control of Hyprop, the Board is of the view that the price paid should include an appropriate premium for control, which premium should be approximately 20% above the 30 day VWAP at which Hyprop combined units traded prior to Redefine's announcement of the acquisition. This would equate to an indicative price per combined unit of approximately R58.

Hyprop combined unitholders should also be cognisant of the fact that the listed property sector has increased 5.4% since Redefine's announcement of the acquisition was made (based on the movement in the SA Listed Property Index from 24 March to 28 July 2010).

Furthermore, any take-up by Hyprop combined unitholders of the offer will further increase Redefine's stake in Hyprop, which will in turn increase the likelihood of Redefine eventually absorbing Hyprop entirely.

In this regard, the Board is of the view that:

- Hyprop is a niche retail property fund with highly sought after, quality assets and significant growth potential. The nature and quality of the Redefine and Hyprop portfolios differ quite considerably, and combining Hyprop's assets with Redefine's assets will result in a dilution of the overall quality of the underlying portfolio of assets held by existing Hyprop combined unitholders.
- There has been a high degree of consolidation within the South African listed property sector over the last number of years, resulting in a significant reduction in the listed property investment universe. An eventual merger of Hyprop with Redefine will result in a further reduction in the number and choice of listed property counters.

- Hyprop has over a number of years built up a highly skilled management team, with executives who share an extensive and specialised knowledge of regional and super regional shopping centres. A focused and dedicated team of retail professionals is in line with international trends which favour the existence of specialised niche funds.
- Hyprop has a structure that is easily understood by investors, analysts and fund managers alike. Merging Hyprop with Redefine will result in a loss of this structure, being that Hyprop would become part of a much larger Redefine with a significantly more complex structure.
- Any increase in Redefine's interest in Hyprop will further reduce the free float, tradability and liquidity of Hyprop combined units.
- Investors can currently access Hyprop's high quality portfolio by directly investing in Hyprop. The Board is of the view that there is no advantage in adding another layer by merging the assets of Hyprop and Redefine.

In light of the above, the Board believes it is important for Hyprop minority combined unitholders, in deciding whether to accept or reject the offer, to consider the views and commentary set out in this circular, together with the content of the opinion from Deloitte & Touche Corporate Finance, and to consult their financial or other professional advisors, in order to make an informed decision, taking into account their personal circumstances and the taxation consequences of the offer.

The taxation treatment of offer participants is dependent on their individual circumstances and the tax jurisdiction applicable to such offer participants. It is recommended that, if offer participants are uncertain about the taxation treatment applicable in their particular circumstances, they seek appropriate advice in this regard.

Hyprop combined unitholders are advised that the offer is made by Redefine in terms of the offer document dated 5 August 2010, and not by Hyprop. The Board is required to give its view in respect of the offer and to obtain an opinion from the independent external advisor.

Hyprop is obliged in terms of the Act, and the SRP Code to distribute this circular to all combined unitholders in the register of the Company, regardless of jurisdiction. In those events where combined unitholders are in jurisdictions other than South Africa in which jurisdictions it would be illegal or otherwise prohibited or restricted from making or sending or accepting an offer by the use of mails, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce, or any facility of the national securities exchanges of, the United States of America, Australia, Canada, Japan or any other jurisdiction if it is illegal for the offer to be made or accepted in that jurisdiction ("restricted jurisdiction"), then this circular is sent to such combined unitholders in such restricted jurisdictions for information purposes only. Such combined unitholders should obtain independent professional advice in respect of the offer made by the Offeror.

3.3 The intentions of Redefine in respect of Hyprop and its directors

According to Redefine, as set out in the offer document, after the implementation of the offer and subject to the Listings Requirements, Redefine may consider making changes to Hyprop's current board of directors in order to reflect its increased holding of Hyprop units. However, Redefine has indicated that no final decision has been made in this regard.

Redefine will not acquire a 100% interest in Hyprop as a consequence of the irrevocable undertaking as set out in paragraph 7 below and accordingly Redefine intends to retain the separate listing of Hyprop. Redefine considers Hyprop to be well placed in an industry which has significant growth opportunities. To the extent that there are Hyprop combined units available post the offer, Redefine has indicated that it intends to continue to acquire combined units in Hyprop in the open market.

Redefine has further advised that it does not intend to invoke the provisions of section 440K of the Act.

4. MAJOR UNITHOLDERS OF HYPROP

The names of those Hyprop combined unitholders that, directly or indirectly, are beneficially interested in 5% or more of the total Hyprop combined units in issue at the last practicable date are the following:

Holder	Number of Hyprop combined units	Percentage of issued Hyprop combined units
Redefine Properties	55 323 970	33.30
STANLIB	11 766 883	7.08
Old Mutual Investment Group	11 372 786	6.85
Total	78 463 639	47.23

5. MAJOR UNITHOLDERS OF REDEFINE

The names of those Redefine combined unitholders that, directly or indirectly, are beneficially interested in 5% or more of the total Redefine combined units in issue at the last practicable date are the following:

Holder	Number of Hyprop combined units	Percentage of issued Hyprop combined units
Old Mutual Investment Group	216 024 655	8.06
STANLIB	176 749 252	6.59
Investec	161 540 542	6.03
Total	554 314 449	20.68

6. HOLDINGS OF SECURITIES AND DEALINGS

6.1 Hyprop currently does not own any combined units in Redefine

6.2 Interests of directors in Hyprop combined units

On the last practicable date, Hyprop directors held the following interests in Hyprop combined units:

Director	Direct beneficial	Indirect beneficial	Percentage
L R Cohen		124 109	0.074
M S Aitken	15 000		0.009
E Dube		58 535*	0.035
K Ellerine		50 646*	0.030
S Shaw-Taylor	8 479		0.005
L I Weil	1 953		0.001
M Wainer		386 664*	0.233
Total	25 432	619 954	0.387

* Held via Redefine's 33.3% interest in Hyprop.

M Aitken, L Cohen and S Shaw-Taylor hold additional fractional combined units in Hyprop via Redefine's 33.3% interest in Hyprop (in addition to what is disclosed in the table above), however these holdings are not material.

6.3 Interests of Hyprop directors in Redefine units

Director	Direct beneficial	Indirect beneficial	Total	Percentage
M Wainer	5 407 839	13 324 104	18 731 943	0.70
K Ellerine		2 835 713	2 835 713	0.11
M S Aitken	24 708		24 708	0.00
S Shaw-Taylor	120 000		120 000	0.00
L I Weil				0.00
E Dube		2 453 600	2 453 600	0.09
L R Cohen		22 500	22 500	
M Rodel				0.00
R McAlpine				0.00
M Sibisi				0.00
Total	5 552 547	18 635 917	24 188 464	0.90

6.4 Interests of Hyprop directors in Hyprop and in Redefine combined units

The interests of Hyprop directors in Hyprop and in Redefine are disclosed in paragraphs 6.2 and 6.3 above, respectively.

There have been no dealings in Hyprop units in the previous six months by the above parties.

- 6.5** Following the acquisition and procuring the requisite approval of Redefine unitholders, Redefine will hold 75 010 528 Hyprop combined units, comprising 45.2% of the issued combined units in Hyprop. Other than Redefine's purchase of 19 686 559 Hyprop combined units on 19 March 2010, Redefine has not dealt for value in Hyprop combined units in the six months preceding the firm intention to make an offer announcement, dated 4 August 2010.

Other than Marc Wainer's indirect unitholding of 0.23%, no other directors of Redefine have any direct or indirect beneficial interest in Hyprop.

- 6.6** Redefine has advised in its offer document that there are no persons acting in concert with Redefine and none of the offer units acquired by Redefine in pursuance of the offer will be transferred to any other person.

7. IRREVOCABLE UNDERTAKINGS

STANLIB, a Hyprop combined unitholder holding 17 999 616 Hyprop units, has irrevocably undertaken **not** to accept the offer in respect of:

- 7.1** 7 999 616 combined units, representing 8.8% of the offer units, such undertaking to lapse on 27 August 2010; and
- 7.2** in respect of the balance of 10 000 000 combined units, representing 10.9% of the offer units, such undertaking shall automatically lapse on the earlier of either: (i) 27 August 2010 and (ii) the date on which the closing price of Hyprop combined units drops below R49.

8. ARRANGEMENTS, UNDERTAKINGS, AGREEMENTS AND UNDERSTANDINGS

Other than the Consultancy agreement, there are no other arrangements, agreements or understandings (including any compensation arrangement) existing between Redefine and the Company or any directors of the Company or persons who were directors of the Company within the period of 12 months prior to the date of this offer or holders of shares or persons who were holders thereof within the period of 12 months prior to the date of this offer, which has any connection with or dependence on the offer.

9. ARRANGEMENTS IN RELATION TO DEALINGS

Other than the Acquisition, the Board is not aware of any arrangements with, undertakings by or agreements with the Offeror, in relation to dealings in Hyprop combined units or shares in the Offeror.

10. DIRECTORS OF HYPROP

10.1 Full names, ages, qualifications, positions in Hyprop addresses, occupations and experience of the directors

Director, age, role and qualification	Address	Occupation and experience
Executive		
Mike (MF) Rodel (48) BSc (Civil Engineering) CEO	3rd Floor North Wing Hyde Park Shopping Centre Jan Smuts Avenue Sandton	Mike has over 20 years' experience in the property industry involving the development and management of regional and super-regional shopping centres. He spent eight years at Liberty Life Properties before joining Old Mutual Investment Group (Property Investments) as General Manager of Gateway Shopping Centre in Durban in 2000. Mike was later appointed Regional General Manager of KwaZulu-Natal and Eastern Cape in 2006 before joining Hyprop in August 2009.
Laurence (LR) Cohen (37) BCom CA(SA) Financial Director	3rd Floor North Wing Hyde Park Shopping Centre Jan Smuts Avenue Sandton	Laurence joined Hyprop in 2003 as Financial Director of Hyprop Manco, having spent three years working in Grant Thornton's corporate finance division. He was appointed to the Board in 2006 and has been involved extensively in various aspects of the business since joining the Company. He also serves as a non-executive director of Vunani Property Investment Fund (Pty) Limited.
Non-executive		
Michael (MS) Aitken (53) BA LLB Chairman	Corocap, 1st Floor 3 Melrose Boulevard Melrose Arch	Michael has over 20 years' experience in property-related activity with specific expertise in asset management and investment relating to both directly held and listed property vehicles. He is currently managing director of Corovest Property Group Limited and a non-executive director of Strategic Real Estate Managers, the asset managers for Emira Property Fund Limited.
Ethan (EG) Dube (50) MSc (Statistics) Executive MBA (Sweden)	Athol Ridge 151 Katherine Street Sandton	Ethan has gained significant corporate finance and asset management experience over the years. He worked for Southern Asset Managers for three years as a Senior Analyst and for Standard Chartered and Merchant Bank for two years in the Corporate Finance department. In 1996 Ethan founded Infinity Asset Management with three other partners and in 1998 he founded Vunani Limited, a financial services company, where he is the current CEO.

Director, age, role and qualification	Address	Occupation and experience
Non-executive (continued)		
Roy (JR) McAlpine (69) BSc CA	Dalkeith Management Services (Pty) Limited Suite 115, 1st Floor Killarney Mall 60 Riviera Road Killarney	Roy has over 30 years' experience in South African investment markets as well as having been an executive director of the Liberty Group for 16 years. He is currently also a non-executive director of Imperial Holdings Limited and African Rainbow Minerals Limited.
Makhosazana ("Khosi") (MY) Sibisi (50) BA (Social Sciences) Diploma Supply Chain Management	68 11th Street Off 3rd Road Parkhurst	Khosi is currently CEO and founder of Khusela Women Investments and is a non-executive director of Iliad Africa Limited and Peregrine Holdings Limited. She spent 15 years in the USA before returning to SA in 1993 to serve on the Independent Electoral Commission.
Les (LI) Weil (65) BCom, CA(SA), MBA	Ground Floor The Mall Office Building 11 Cradock Avenue Rosebank	Les has more than 35 years' experience in real estate, prior to which he spent several years in merchant banking and commerce. He holds numerous directorships including the chairmanship of JHI Properties and membership of The King Committee on Corporate Governance.
Marc (M) Wainer (61)	2 Arnold Road Rosebank	Marc has been involved in all aspects of the real estate industry for 35 years. He is CEO of Redefine Properties Limited and serves on the boards of Redefine International (plc) and The Cromwell Group (Aus).
Stewart (S) Shaw-Taylor (58) CA(SA), Harvard PMD	The Standard Bank of SA Limited 3rd Floor, The Firs Corner Cradock and Biermann Avenue Rosebank	Stewart has almost 30 years' experience in investment banking and real estate. He is currently Global Head of Real Estate Investments for the Corporate and Investment Banking Division of the Standard Bank Group and is responsible for the real estate equity and asset management-related activities undertaken by this division.
Kevin (KM) Ellerine (41) National Diploma in Company Administration	Ground Floor, 6th Avenue 51 West Street, Houghton	Kevin joined the family business, Ellerine Holdings, in January 1991 as merchandise manager. In 1993 he became property manager of Ellerine Bros. (Pty) Limited, and was appointed managing director of the Property Division in 2000, a position he still holds today. He sits on the boards of all the property and private equity companies in which Ellerine Bros. is invested.

10.2 Directors' service contracts

There are no fixed-term service contracts for executive or non-executive directors.

11. SHARE CAPITAL OF HYPROP

The authorised and issued share capital of Hyprop as at the last practicable date, is set out below:

	Rand
Authorised	
200 000 000 ordinary shares of 1 cent each	2 000
Issued	
166 113 169 ordinary shares of 1 cent each	1 661
Total issued share capital	1 661

12. GENERAL

12.1 Litigation statement

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened of which Hyprop is aware, that may have or have had in the recent past, being at least the previous 12 months, a material effect on Hyprop's financial position.

12.2 Material contracts

Other than the Consultancy agreement, Hyprop has not entered into any contracts in the two years preceding the date of this circular which contain an obligation for settlement that is material to Hyprop as at the date of this circular.

Further, other than in the ordinary course of business, Hyprop has not at any time entered into any contracts which contain an obligation or settlement that is material to Hyprop as at the date of this circular.

12.3 Material changes

At the last practicable date there were no material changes in the financial or trading position of Hyprop since its year-end results for the 12 months ended 31 December 2009.

12.4 Controlling shareholder

Following the acquisition, Redefine will still be the single largest shareholder of Hyprop, with a unitholding of 45.2% of the issued combined units of Hyprop.

12.5 Directors' responsibility statement

The directors, whose names are given in paragraph 10.1 above, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, there are no other facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by law and the Listings Requirements.

12.6 Consents

Each of independent sponsor, sponsor, independent advisor and Computershare have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

12.7 Directors' interests in transactions

Other than as a consequence of some of Hyprop's directors' interests in Redefine as detailed in paragraph 6.3 above, none of the Hyprop directors have any material beneficial interests, whether direct or indirect, in any transactions that have been effected by Hyprop during the current or preceding financial year, or during an earlier financial year that remain outstanding or unperformed.

12.8 Expenses

The costs of and expenses incidental to the preparation and posting of this circular will be borne by Hyprop. Any securities transfer tax resulting from acceptances in terms of the offer will be paid by Redefine.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The documents listed below will be available for inspection during normal office hours on business days from 5 August 2010 until 27 August 2010 at the offices of the Company at 3rd Floor, North Wing, Hyde Park Shopping Centre, Jan Smuts Avenue, Sandton, 2196:

- Hyprop's memorandum and articles of association;
- Hyprop's debenture trust deed;
- the consent letters referred to in paragraph 12.6 above;
- the irrevocable undertaking referred to in paragraph 7 above;
- the independent external advisor's opinion letter;
- the audited annual financial statements for Hyprop for the years ended 31 December 2006, 2007, 2008 and 2009;
- the offer document by Redefine dated 5 August 2010; and
- this circular.

Signed in Hyde Park, Sandton by Laurence Cohen in his capacity as Financial Director of Hyprop and on behalf of the directors of Hyprop in terms of a board resolution dated 28 June 2010.

By order of the Board

Hyprop Investments Limited

5 August 2010

Registered office

3rd Floor, North Wing
Hyde Park Shopping Centre
Jan Smuts Avenue
Sandton, 2196

INDEPENDENT ADVISOR'S OPINION

"The Directors
Hyprop Investments Limited
3rd Floor
Hyde Park Shopping Centre
Sandton
2196

30 July 2010

Dear Sirs

EXTERNAL ADVISOR'S OPINION TO THE COMBINED UNITHOLDERS OF HYPROP INVESTMENTS LIMITED ("HYPROP") REGARDING THE IRREVOCABLE OFFER BY REDEFINE PROPERTIES LIMITED ("REDEFINE") TO ACQUIRE ALL OF THE COMBINED UNITS IN HYPROP NOT ALREADY OWNED BY REDEFINE FOR A CASH CONSIDERATION OF R50 PER COMBINED UNIT

Introduction

On 24 March 2010, Hyprop issued an announcement drawing the attention of its combined unitholders to the announcement by Redefine on that date of the agreement entered into with Coronation Asset Management (Proprietary) Limited ("Coronation") whereby Redefine had entered into an agreement to acquire an additional 19 686 558 combined units from Coronation for a cash consideration of R50 per combined unit ("the Transaction").

Redefine's stake in Hyprop's combined units will, subsequent to the Transaction increase from 33.3% to 45.2% and, in terms of the Securities Regulation Code on Takeovers and Mergers ("SRP Code"), such an increase will trigger a mandatory offer to all Hyprop combined unitholders for a cash consideration of R50 per combined unit ("the Offer").

Scope

An opinion is required from an independent professional expert in terms of Rule 3 of Section D of the SRP Code, indicating whether or not the Offer is fair to combined unitholders of Hyprop.

As a consequence of the above, the board of directors of Hyprop has appointed Deloitte & Touche Corporate Finance for the purpose of providing the required opinion.

Definition of the term "fair"

The assessment of fairness is primarily based on quantitative issues. The Offer would be considered fair to Hyprop combined unitholders if the consideration payable were equal to or in excess of the fair market value of Hyprop combined units.

Sources of information

We have relied on information from the following sources in arriving at our opinion:

- the annual reports of Hyprop for the 2008 and 2009 financial years;
- forecast income statements and distributions of Hyprop for the 2010 financial year, prepared by Hyprop management;
- external independent property valuers' reports on the fair value of properties of Hyprop;
- recent analysts' reports on the real estate sector and on Hyprop;
- the price history and traded volumes of Hyprop linked units on the JSE;
- historic and one year forecast forward distribution yields of Hyprop and other listed counters in the real estate sector of the JSE;

- the Redefine category 1 circular issued to Redefine unitholders dated 28 July 2010;
- the offer circular to Hyprop combined unitholders issued by Redefine and the response circular to be issued by Hyprop, of which this letter forms part; and
- interviews and correspondence with management of Hyprop.

Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, including publicly available information, whether in writing or obtained in discussion with management and directors of Hyprop.

Our procedures and enquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express an audit opinion on the financial data or other information used in arriving at our opinion.

Our approach to considering the Offer

In considering the Offer we performed independent indicative valuations of the combined units of Hyprop, adopting two primary methodologies.

The first approach comprised a compilation of the adjusted net asset value of Hyprop at 31 December 2009, based on the balance sheet at that date and the most recent independent property valuations, adjusted where necessary for events and market conditions subsequent to the dates of such valuations. We also considered the current fair values of other assets and liabilities of Hyprop, including investments in other listed securities (Sycom Property Fund) and investments in and loans to unlisted entities. Finally, we reviewed the relationships between net asset values and current market prices of the listed units of peer companies in the real estate sector on the JSE.

The key value drivers of the adjusted net asset value method included the fair market values of the property portfolio of Hyprop, the market value of Sycom Property Fund units, the fair values of the other assets and liabilities of Hyprop, and the premium or discount to net asset value of peer company unit prices.

Our second approach involved a consideration of implied historic and one and two year forward clean distribution yields of the Hyprop combined units relative to its peers in the real estate sector and weighted averages for the sector. We considered Hyprop's own forecast distributions and analysts' forecasts for Hyprop and its peer group.

The key value drivers of the distribution yield method included the forecast distributions and the growth rate in distributions for Hyprop relative to its peer group and the real estate sector.

In performing our work, described above, we have:

- considered the nature and pricing of the Offer;
- considered price histories, volatility and volumes traded of Hyprop combined units on the JSE;
- reviewed historical and forecast financial information of Hyprop and considered estimates made of future cost savings from the cancellation of the Redefine consultancy agreement;
- discussed the future prospects of Hyprop with management;
- considered the composition of the property portfolio of Hyprop; and
- been assisted by a reputable, independent professional valuer, in reviewing the independent valuation reports prepared on Hyprop's properties.

Indicative valuation results

The results of our indicative valuations indicate a fair value range for Hyprop combined units between R54 and R58 per unit.

Opinion

Based on the information considered and our indicative valuation results, we are of the opinion that the terms and conditions of the Offer are not fair to the combined unitholders of Hyprop as the Offer price of R50 falls below our indicative valuation range.

It should be noted that Hyprop combined unitholders who accept the Offer will not be entitled to receive the interim distribution that is expected to be paid by Hyprop during September 2010.

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated as at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

Conclusion

An individual combined unitholder's decision may be influenced by his or her particular circumstances. Our fair and reasonable opinion does not purport to cater for each combined unitholder's circumstances, but rather the general body of combined unitholders taken as a whole. Should a combined unitholder be in any doubt as to what action to take, he or she should consult an independent advisor.

We confirm that we have no financial interest in Hyprop, Redefine, the Transaction, and the Offer. Furthermore, we confirm that our professional fees are not contingent upon the success of the Offer.

We confirm that the scope of our procedures and work performed were not subject to any limiting conditions.

We hereby consent to the inclusion of this letter and references thereto, in the form and context in which they appear, in the circular to combined unitholders of Hyprop to be dated on or around 5 August 2010.

Yours faithfully

D McDuff

Partner

**Deloitte & Touche
Corporate Finance
Registered Auditors**

Woodlands Drive
Woodmead
Sandton
2196"

PRICE HISTORY OF HYPROP COMBINED UNITS

	High (cents)	Low (cents)	Close (cents)	Volume (shares)
Quarter ended				
2007				
June	5 000	4 200	4 385	5 854 787
September	4 800	4 150	4 650	8 151 884
December	5 000	4 477	4 500	9 884 287
2008				
March	5 000	3 600	4 025	8 452 594
June	4 300	3 000	3 135	14 059 577
September	4 395	3 080	3 940	11 495 358
December	4 441	3 200	4 200	10 928 016
2009				
March	4 350	3 624	3 901	17 367 346
June	4 302	3 500	3 855	10 634 208
September	4 735	3 750	4 230	18 231 268
December	4 696	4 100	4 585	14 765 386
2010				
March	5 142	4 460	4 990	10 336 563
June	5 500	4 866	4 999	4 328 573
Month ended				
2009				
June	3 900	3 803	3 855	842 397
July	4 255	3 750	4 059	6 566 013
August	4 419	3 980	4 400	5 832 424
September	4 735	4 210	4 230	5 832 831
October	4 696	4 100	4 550	7 247 923
November	4 680	4 240	4 375	4 862 698
December	4 620	4 225	4 585	2 654 765
2010				
January	4 700	4 460	4 588	3 866 637
February	4 999	4 482	4 999	2 811 254
March	5 142	4 810	4 990	3 658 672
April	5 500	4 975	5 200	2 079 907
May	5 200	4 866	4 951	1 305 092
June	5 100	4 910	4 999	943 574

	High (cents)	Low (cents)	Close (cents)	Volume (shares)
Daily				
June 2010				
1	4 980	4 935	4 980	282 928
2	5 050	4 980	5 050	66 631
3	5 100	5 001	5 001	7 100
4	5 010	5 000	5 000	13 300
7	5 050	4 999	5 050	46 045
8	5 000	5 000	5 000	6 874
9	4 985	4 950	4 985	9 160
10	5 050	4 990	5 000	42 299
11	–	–	5 000	–
14	4 984	4 949	4 950	41 323
15	5 000	4 950	5 000	16 600
17	5 030	5 000	5 030	5 873
18	5 047	4 980	4 980	8 888
21	5 010	4 980	5 009	36 980
22	5 001	4 981	5 000	15 251
23	5 028	4 975	5 000	34 588
24	5 016	4 990	5 000	241 961
25	5 000	5 000	5 000	17 800
28	5 000	5 000	5 000	7 618
29	5 000	5 000	5 000	46 668
30	5 000	4 910	4 999	35 687
July 2010				
1	5 000	4 998	5 000	60 461
2	5 000	4 910	5 000	95 034
5	5 001	4 950	5 000	83 570
6	5 015	5 000	5 000	195 796
7	5 030	5 000	5 000	5 148
8	5 075	5 000	5 060	93 449
9	5 050	5 050	5 050	11 559
12	5 150	5 000	5 025	137 805

Source: McGregor BFA

