

UNAUDITED RESULTS

for the six months ended 30 June 2011

- Net income growth from shopping centres 9,7%
- 4% increase in interim distribution per combined unit to 181 cents
- NAV excluding deferred taxation R58,68 per combined unit up 2,9%
- Acquisition of Attfund Retail completed

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")

HYPROP
INVESTMENTS LIMITED

Property investment excellence.

www.hyprop.co.za

STATEMENT OF COMPREHENSIVE INCOME

| | Unaudited 30 June 2011 R'000 | Unaudited 30 June 2010 R'000 | Audited 31 Dec 2010 R'000 |
|---|---------------------------------------|---------------------------------------|------------------------------------|
| Revenue | 563 851 | 527 770 | 1 119 048 |
| Investment property income | 497 891 | 464 009 | 984 910 |
| Straight-line rental income accrual | 8 400 | 3 106 | 14 148 |
| Listed property securities income | 57 560 | 60 655 | 119 990 |
| Property expenses | (185 725) | (165 578) | (371 932) |
| Net property income | 378 126 | 362 192 | 747 116 |
| Other operating expenses | (19 314) | (17 766) | (36 044) |
| Operating income | 358 812 | 344 426 | 711 072 |
| Net interest | (63 760) | (59 697) | (121 554) |
| Received | 2 731 | 3 682 | 7 006 |
| Paid | (66 491) | (63 379) | (128 560) |
| Net operating income | 295 052 | 284 729 | 589 518 |
| Non-core income | 449 | 449 | 905 |
| Change in fair value | 273 520 | 311 207 | 586 121 |
| Investment property | 284 537 | 187 257 | 517 262 |
| Straight-line rental income accrual | (8 400) | (3 106) | (14 148) |
| Listed property securities | 8 345 | 120 525 | 75 430 |
| Derivative instruments | (10 962) | 6 531 | 7 577 |
| Amortisation of debenture premium | 61 690 | 54 547 | 110 810 |
| Amortisation of financial guarantee for associate | | 357 | 953 |
| Income before debenture interest | 630 711 | 651 289 | 1 288 307 |
| Debenture interest | (300 665) | (289 037) | (593 024) |
| Net income before share of income from associate | 330 046 | 362 252 | 695 283 |
| Share of income from associate | 8 314 | 7 701 | 55 201 |
| Investment property income | 8 196 | 7 715 | 15 518 |
| Straight-line rental income accrual | 118 | (14) | 320 |
| Change in fair value of investment property | | | 39 363 |
| Profit before taxation | 338 360 | 369 953 | 750 484 |
| Taxation | (76 250) | (67 668) | (147 496) |
| Profit for the period | 262 110 | 302 285 | 602 988 |
| Abridged reconciliation - headline earnings and distributable earnings | | | |
| Net income after taxation | 262 110 | 302 285 | 602 988 |
| Debenture interest | 300 665 | 289 037 | 593 024 |
| Earnings | 562 775 | 591 322 | 1 196 012 |
| Headline earnings adjustments | (271 145) | (191 008) | (489 099) |
| Change in fair value of investment property (net of deferred taxation) | (209 455) | (136 461) | (378 289) |
| Amortisation of debenture premium | (61 690) | (54 547) | (110 810) |
| Headline earnings | 291 630 | 400 314 | 706 913 |
| Distributable earnings adjustments | 9 171 | (110 526) | (114 137) |
| Change in fair value of listed property securities (net of deferred taxation) | (7 177) | (103 652) | (64 870) |
| Change in fair value of derivative instruments | 10 962 | (6 531) | |
| Deferred taxation | | | (2 037) |
| Amortisation of financial guarantee for associate | | (357) | (953) |
| Share of income from associate | | 14 | (39 683) |
| Attfund transaction costs | 5 504 | | 983 |
| Distributable earnings | 300 801 | 289 788 | 592 776 |
| Total combined units in issue | 166 113 169 | 166 113 169 | 166 113 169 |
| Weighted average combined units in issue | 166 113 169 | 166 113 169 | 166 113 169 |
| Earnings per combined unit | 338,8 | 356,0 | 720,0 |
| Headline earnings per combined unit | 175,6 | 241,0 | 425,6 |
| Distributable earnings per combined unit | 181,1 | 174,5 | 356,9 |
| Distribution details | | | |
| Total distribution for the year | 181,00 | 174,00 | 357,00 |
| Six months ended 31 December | | | 183,00 |
| Six months ended 30 June | 181,00 | 174,00 | 174,00 |

STATEMENT OF FINANCIAL POSITION

| | Unaudited 30 June 2011 R'000 | Unaudited 30 June 2010 R'000 | Audited 31 Dec 2010 R'000 |
|--|---------------------------------------|---------------------------------------|------------------------------------|
| ASSETS | | | |
| Non-current assets | 11 617 170 | 10 914 955 | 11 303 054 |
| Investment property | 9 797 910 | 9 099 758 | 9 481 454 |
| Building appurtenances and tenant installations | 20 087 | 19 785 | 21 237 |
| Investment in associate | 210 407 | 171 021 | 210 055 |
| Derivative instruments | 3 371 | 13 227 | |
| Loan receivable | 47 782 | 47 901 | 47 813 |
| Listed property securities | 1 537 613 | 1 574 363 | 1 529 268 |
| Current assets | 175 504 | 113 682 | 154 331 |
| Derivative instruments | 1 197 | | |
| Receivables | 130 066 | 78 972 | 86 584 |
| Cash and cash equivalents | 44 241 | 34 710 | 67 747 |
| Total assets | 11 792 674 | 11 028 637 | 11 457 385 |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | 5 664 305 | 5 101 492 | 5 402 195 |
| Liabilities | | | |
| Non-current liabilities | 5 675 497 | 5 495 990 | 5 578 633 |
| Debentures and debenture premium | 2 386 205 | 2 504 158 | 2 447 895 |
| Long-term loans | 1 570 000 | 1 451 437 | 1 490 000 |
| Derivative instruments | 23 415 | | 21 111 |
| Financial guarantee for associate | | 596 | |
| Deferred taxation | 1 695 877 | 1 539 799 | 1 619 627 |
| Current liabilities | 452 872 | 431 155 | 476 557 |
| Payables | 152 207 | 131 061 | 172 570 |
| Derivative instruments | | 11 057 | |
| Combined unitholders for distribution | 300 665 | 289 037 | 303 987 |
| Total liabilities | 6 128 369 | 5 927 145 | 6 055 190 |
| Total equity and liabilities | 11 792 674 | 11 028 637 | 11 457 385 |
| Net asset value per combined unit (R) | 48,46 | 45,79 | 47,26 |
| Net asset value per combined unit - excluding deferred taxation liability (R) | 58,67 | 55,06 | 57,01 |

ABRIDGED STATEMENT OF CHANGES IN EQUITY

| | Unaudited 30 June 2011 R'000 | Unaudited 30 June 2010 R'000 | Audited 31 Dec 2010 R'000 |
|---|---------------------------------------|---------------------------------------|------------------------------------|
| Balance at beginning of the period | 5 402 195 | 4 799 207 | 4 799 207 |
| Total comprehensive income for the period | 262 110 | 302 285 | 602 988 |
| Balance at end of the period | 5 664 305 | 5 101 492 | 5 402 195 |

ABRIDGED STATEMENT OF CASH FLOWS

| | Unaudited 30 June 2011 R'000 | Unaudited 30 June 2010 R'000 | Audited 31 Dec 2010 R'000 |
|---|---------------------------------------|---------------------------------------|------------------------------------|
| Cash flows from operating activities | (68 863) | 11 612 | 62 608 |
| Cash generated from operations | 290 921 | 342 539 | 735 963 |
| Interest received | 2 731 | 3 682 | 7 006 |
| Interest paid | (66 491) | (63 379) | (128 560) |
| Distribution to combined unitholders | (303 987) | (277 409) | (566 446) |
| Income from associate | 7 963 | 6 179 | 14 645 |
| Cash flows from investing activities | (34 643) | (55 901) | (112 423) |
| Cash flows from financing activities | 80 000 | (98 563) | (60 000) |
| Net increase in cash and cash equivalents | (23 506) | (142 852) | (109 815) |
| Cash and cash equivalents at the beginning of the period | 67 747 | 177 562 | 177 562 |
| Cash and cash equivalents at the end of the period | 44 241 | 34 710 | 67 747 |

COMMENTARY

FINANCIAL RESULTS

SEGMENTAL OVERVIEW

| Business segment | 30 June 2011 | | 30 June 2010 | |
|-------------------------------------|------------------|------------------------------------|------------------|------------------------------------|
| | Revenue R'000 | Distributable earnings R'000 | Revenue R'000 | Distributable earnings R'000 |
| Canal Walk | 202 905 | 146 493 | 185 786 | 134 795 |
| The Glen | 85 830 | 54 855 | 75 123 | 50 401 |
| Hyde Park | 73 409 | 46 019 | 65 518 | 41 800 |
| The Mall of Rosebank | 51 106 | 35 864 | 48 475 | 31 098 |
| Stoneridge | 28 974 | 13 414 | 23 557 | 10 430 |
| Southcoast Mall | 10 395 | 5 731 | 10 993 | 7 136 |
| Shopping Centres | 452 619 | 302 376 | 409 452 | 275 660 |
| Offices | 21 365 | 13 414 | 21 243 | 13 661 |
| Hotels | 23 907 | (3 518) | 33 314 | 9 176 |
| Investment property | 497 891 | 312 272 | 464 009 | 298 497 |
| Listed property securities | 57 560 | 57 560 | 60 655 | 60 655 |
| Straight-line rental income accrual | 8 400 | 8 400 | 3 106 | 3 106 |
| Total | 563 851 | 378 232 | 527 770 | 362 258 |
| Fund management expenses | | (13 916) | | (17 831) |
| Net interest (paid) / received | | (63 760) | | (59 697) |
| Net operating income | | 300 556 | | 284 730 |
| Non-core income | | 449 | | 449 |
| Share of income from associate | | 8 196 | | 7 715 |
| Straight-line rental income accrual | | (8 400) | | (3 106) |

Hyprop has declared an interim distribution of 181 cents per combined unit, an increase of 4% on the distribution for the comparable period in 2010.

Hyprop's quality shopping centre portfolio achieved strong growth during the interim period, with like-for-like revenue and distributable earnings up by 10,5% and 9,7% respectively.

Affected by severe trading conditions in the hospitality sector, hotels underperformed and recorded a net loss for the period.

Property expenses increased by 12,2%. Excluding municipal expenses, property expenses increased by 5,4%.

Total arrears in the portfolio at 30 June 2011, comprising normal arrears, legal cases and outstanding tenant deposits, improved to R32 million (31 December 2010: R41 million). Total provision for doubtful debts was R18,5 million (31 December 2010: R15,7 million).

PROPERTY PORTFOLIO

| Business segment | Rentable area (m ²) | Value attributable to Hyprop | | Value per square metre |
|----------------------------|------------------------------------|---------------------------------|----------------------|---------------------------|
| | | June 2011 R'000 | Dec 2010 R'000 | |
| Canal Walk | 150 394 | 4 800 000 | 4 556 000 | 39 895 |
| The Glen | 74 583 | 1 546 706 | 1 535 433 | 27 593 |
| Hyde Park | 36 894 | 1 316 000 | 1 277 000 | 35 670 |
| The Mall of Rosebank | 37 009 | 948 000 | 918 000 | 25 615 |
| Stoneridge | 50 241 | 436 500 | 407 700 | 9 653 |
| Southcoast Mall | 29 361 | 132 500 | 129 500 | 9 026 |
| Shopping Centres | 378 482 | 9 179 706 | 8 823 633 | 29 254 |
| Offices | 22 221 | 332 000 | 331 000 | 14 941 |
| Hotels | 400 703 | 9 511 706 | 9 154 633 | 28 460 |
| Investment property | 400 703 | 9 733 706 | 9 425 633 | 29 014 |
| Development property | | 81 248 ^a | 73 674 ^a | |
| Listed property securities | | 1 537 613 | 1 529 268 | |
| Investment in associate | | 210 407 | 210 055 | |
| Total | 400 703 | 11 562 974 | 11 238 630 | |

^a Rosebank Gardens - directors' valuation

Investment Property

Old Mutual Investment Group: Property Investments (Proprietary) Limited updated the valuations prepared by them at the previous year-end to determine an independent valuation of the Hyprop portfolio at 30 June 2011.

Investment property increased in value by R308 million to R9,7 billion, a 3,3% increase. The valuation of hotels declined as a result of reduced income.

Vacancies at 30 June 2011 were 3,9%, the same level as at 31 December 2010.

Developments

Planning for the redevelopment of The Mall of Rosebank and Rosebank Gardens is progressing, with pre-letting well underway. The majority of town planning requirements have been completed with final approval expected in September 2011. Subject to obtaining the requisite approvals, the project is anticipated to commence in 2012.

Listed Property Securities

Income from Hyprop's investment in Sycom Property Fund ("Sycom") was down by 5%, reflecting Sycom's continued underperformance in its office portfolio.

The investment in Sycom was valued at R1,5 billion at 30 June 2011 based on the closing price of R20,80 per unit, resulting in a write-up for the period of R8,3 million.

Vunani Property Investment Fund ("VPIF") listed on the JSE on 11 August 2011. Pursuant to the listing, Hyprop sold 50% of its interest in VPIF, realising R100 million and reducing Hyprop's interest to 11,5%.

BORROWINGS

Net borrowings of R1,57 billion equate to a gearing ratio of 13,2%.

The average interest rate on long-term loans is 9,29% (2010: 9,37%).

NET ASSET VALUE

The net asset value per combined unit ("NAV") at 30 June 2011 was R48,46, representing a 2,5% increase on the NAV of R47,26 at 31 December 2010.

Excluding deferred taxation, NAV at 30 June 2011 was R58,67, a premium of 7,7% to Hyprop's closing combined unit price of R54,50 on 30 June 2011.

ATTFUND RETAIL

As previously announced, the effective date of Hyprop's acquisition of 100% of the shares in Attfund Retail will be 1 September 2011.

Hyprop will issue 92 million new combined units as part settlement of the Attfund Retail purchase consideration, with the balance of the purchase price to be settled in cash. Up to 30 million of the consideration units ("the placement units") may be placed in the market within 60 days of the effective date.

The extent of the placement will depend on market demand. If any of the placement units cannot be placed at a price of at least R54 per unit Hyprop can either make good the difference or repurchase some or all of the placement units, resulting in increased gearing and fewer units in issue. Excluding the effect of possible additional debt raised to repurchase all or a portion of the placement units, Hyprop's gearing post implementation of the Attfund Retail transaction is anticipated to be approximately 27%.

As the 92 million consideration units are being issued ex the entitlement to any distributable income earned prior to the 1 September effective date, Hyprop unitholders will be paid a special distribution for the two months ending 31 August 2011. Details relating to the amount and salient dates in respect of the special distribution will be announced in due course.

Also as previously announced, Hyprop has concluded an agreement with Fountainhead Property Trust to dispose of Attfund Retail's 25% interest in Centurion Mall for R751,5 million. The effective date of this disposal is 1 September 2011.

DIRECTORATE

Pieter Prinsloo was appointed to the board as CEO effective 1 May 2011.

Having turned 70, Roy McAlpine retired from the board effective 30 June 2011. The board thanks Roy for his many years of service and valuable contribution to the company.

Louis Norval and Louis van der Watt will be appointed to the board as non-executive directors effective 1 September 2011, being the effective date of the Attfund Retail acquisition.

PROSPECTS

The Attfund Retail acquisition will strengthen Hyprop's position as the leading South African listed shopping centre fund, with a diverse, high quality portfolio of sizable shopping centres.

Focus for the immediate future will be to extract value from the Attfund Retail acquisition. In line with Hyprop's strategy to focus on large, regional shopping centres, attention will also be given in the year ahead to the disposal of non-core assets.

Based upon current trading conditions, the board anticipates an improvement in distributions for the second six month period ending 31 December 2011. This forecast has not been reviewed or reported on by Hyprop's auditors.

PAYMENT OF DEBENTURE INTEREST

Distribution of 47 of 181 cents per combined unit for the six months ended 30 June 2011 will be paid to combined unitholders as follows:

| | SEPTEMBER 2011 |
|---|----------------|
| Last day to trade <i>cum</i> distribution | Friday, 16 |
| Combined units trade <i>ex</i> distribution | Monday, 19 |
| Record date | Friday, 23 |
| Payment date | Monday, 26 |