

UNAUDITED INTERIM RESULTS

for the six months ended 30 June 2012

- ▶ Half year distribution up 9,4% to 198 cents per combined unit
- ▶ Total assets R20,6 billion, up 2,1%
- ▶ Gearing 24,7%

- ▶ R920 million re-development of Rosebank Mall approved
- ▶ Investment into Africa through Atterbury Africa

Hyprop Investments Limited (Incorporated in the Republic of South Africa) (Registration No. 1987/005284/06) Share Code: HYP ISIN Code: ZAE00003430 ("Hyprop" or "the company")

HYPROP
INVESTMENTS LIMITED

Property investment excellence.

www.hyprop.co.za

STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 30 June 2012	Unaudited 30 June 2011 Restated	Audited 31 Dec 2011
	R'000	R'000	R'000
Revenue	1 066 395	563 851	1 583 157
Investment property income	1 002 045	497 891	1 350 937
Straight-line rental income accrual	(14 049)	8 400	100 214
Listed property securities income	78 399	57 560	132 006
Property expenses	(363 650)	(185 725)	(511 681)
Net property income	702 745	378 126	1 071 476
Other operating expenses	(24 423)	(19 314)	(43 855)
Operating income	678 322	358 812	1 027 621
Net interest	(210 986)	(63 760)	(208 325)
Received	10 844	2 731	31 416
Paid	(221 830)	(66 491)	(239 741)
Net operating income	467 336	295 052	819 296
Change in fair value	422 786	273 520	(212 008)
Investment property	437 275	284 537	236 654
Straight-line rental income accrual	14 049	(8 400)	(100 214)
Listed property securities	56 882	8 345	258 716
Goodwill			(547 654)
Derivative instruments	(85 420)	(10 962)	(59 510)
Profit/(loss) on disposal	308		(9 835)
Investment property			(6 129)
Listed property securities	308		(3 706)
Amortisation of debenture premium	238 002	61 690	231 354
Non-core income		449	4 555
Income before debenture interest	1 128 432	630 711	833 362
Debenture interest	(481 364)	(300 665)	(741 703)
Net income before share of income from associate	647 068	330 046	91 659
Share of income from associate		8 314	9 949
Profit before taxation	647 068	338 360	101 608
Taxation	(561 787)	(41 003)	(185 639)
Total comprehensive income/(loss)	85 281	297 357	(84 031)
Abridged reconciliation - headline earnings and distributable earnings			
Net income/(loss) after taxation	85 281	297 357	(84 031)
Debenture interest	481 364	300 665	741 703
Earnings	566 645	598 022	657 672
Headline earnings adjustments	(593 960)	(306 392)	122 613
Change in fair value of investment property (net of deferred taxation)	(355 650)	(244 702)	(203 522)
Impairment of goodwill			547 654
(Profit)/loss on disposal of listed property securities	(308)		3 706
Amortisation of debenture premium	(238 002)	(61 690)	(231 354)
Loss on disposal of investment property			6 129
Headline earnings	(27 315)	291 630	780 285
Distributable earnings adjustments	508 700	9 171	(37 054)
Change in fair value of listed property securities (net of deferred taxation)	(46 264)	(7 177)	(222 496)
Change in the fair value of derivative instruments	85 420	10 962	59 510
Taxation			87 986
Deferred taxation	469 544		28 302
Attfund transaction costs		5 504	9 644
Share of income from associate		(118)	
Distributable earnings	481 385	300 801	743 231
Total combined units in issue	243 113 169	166 113 169	243 113 169
Weighted average combined units in issue	243 113 169	166 113 169	192 061 114
Earnings per combined unit	233,1	360,0	342,4
Headline earnings per combined unit	(11,2)	175,6	406,3
Distributable earnings per combined unit	198,0	181,1	383,6
Distribution details			
Total distribution for the year	198,00	181,00	383,00
Six months ended 31 December			202,00
Four months ended 31 December			137,00
Special distribution - two months ended 31 August			65,00
Six months ended 30 June	198,00	181,00	181,00

STATEMENT OF FINANCIAL POSITION

	Unaudited 30 June 2012	Unaudited 30 June 2011 Restated	Audited 31 Dec 2011
	R'000	R'000	R'000
Assets			
Non-current assets	19 996 275	11 617 170	19 746 691
Investment property	17 750 318	9 797 910	17 357 277
Building appurtenances and tenant installations	44 548	20 087	35 873
Investment in associate	117 702	210 407	117 658
Goodwill	12 493		12 493
Derivative instruments		3 371	
Loan receivable	47 496	47 782	47 217
Listed property securities	2 023 718	1 537 613	2 176 173
Current assets	345 600	175 504	327 641
Derivative instruments		1 197	
Receivables	210 277	130 066	119 247
Cash and cash equivalents	135 323	44 241	208 394
Non-current assets held-for-sale	290 337		123 822
Investment property	180 808		123 822
Listed property securities	109 529		
Total assets	20 632 212	11 792 674	20 198 154
Equity and liabilities			
Share capital and reserves	6 155 388	6 451 495	6 070 107
Liabilities			
Non-current liabilities	12 489 184	4 888 307	12 116 277
Debentures and debenture premium	6 121 539	2 386 205	6 359 541
Long-term loans	4 146 304	1 570 000	4 191 622
Derivative instruments	139 227	23 415	44 463
Deferred taxation	2 082 114	908 687	1 520 651
Current liabilities	1 987 640	452 872	2 011 770
Payables	367 397	152 207	308 482
Short-term loans	1 125 292		1 347 292
Derivative instruments	13 587		22 931
Combined unitholders for distribution	481 364	300 665	333 065
Total liabilities	14 476 824	5 341 179	14 128 047
Total equity and liabilities	20 632 212	11 792 674	20 198 154
Net asset value per combined unit (R)	50,50	53,20	51,12
Net asset value per combined unit - excluding deferred taxation liability (R)	59,06	58,67	57,37

ABRIDGED STATEMENT OF CHANGES IN EQUITY

	Unaudited 30 June 2012	Unaudited 30 June 2011 Restated	Audited 31 Dec 2011
	R'000	R'000	R'000
Balance at beginning of period	6 070 107	6 154 138	6 154 138
Total comprehensive income/(loss) for the period	85 281	297 357	(84 031)
Balance at end of period	6 155 388	6 451 495	6 070 107

ABRIDGED STATEMENT OF CASH FLOWS

	Unaudited 30 June 2012	Unaudited 30 June 2011	Audited 31 Dec 2011
	R'000	R'000	R'000
Cash flows from operating activities	121 820	(68 863)	(47 667)
Cash generated from operations	666 195	290 921	879 948
Interest received	10 844	2 731	31 416
Interest paid	(221 830)	(66 491)	(239 741)
Taxation paid	(324)		(17 983)
Distribution to combined unitholders	(333 065)	(303 987)	(712 625)
Income from associate		7 963	11 318
Cash flows from investing activities	72 427	(34 643)	(4 420 885)
Cash flows from financing activities	(267 318)	80 000	4 609 200
Net (decrease)/increase in cash and cash equivalents	(73 071)	(23 506)	140 648
Cash and cash equivalents at beginning of period	208 394	67 747	67 746
Cash and cash equivalents at end of period	135 323	44 241	208 394

COMMENTARY

INTRODUCTION

Hyprop is South Africa's largest listed shopping centre fund, with 11 directly owned shopping centres. All rental income earned by the company less property expenses and interest on debt is distributed to unitholders semi-annually. Hyprop's primary objective is to provide sustainable income growth and capital appreciation to investors over the long term.

FINANCIAL RESULTS

Hyprop has declared an interim distribution of 198 cents, an increase of 9,4% on the distribution for the comparable period in 2011.

Distribution growth benefited from a good performance and a positive trading environment at Hyprop's larger shopping centres, savings in interest costs and improved performance from Sycrom Property Fund Limited ("Sycrom") and Southern Sun Hyde Park Hotel.

SEGMENTAL OVERVIEW

	30 June 2012		30 June 2011	
Business segment	Revenue R'000	Distributable earnings R'000	Revenue R'000	Distributable earnings R'000
Canal Walk	225 845	161 850	202 905	146 493
Super regional	225 845	161 850	202 905	146 493
The Glen	92 566	59 847	85 830	54 855
CapeGate Precinct	89 348	57 408		
Clearwater Mall	139 256	98 881		
Woodlands Boulevard	88 302	60 623		
Large regional	409 472	276 759	85 830	54 855
Hyde Park	78 168	48 400	73 409	46 019
Rosebank Mall	53 191	29 072	51 106	35 864
Southcoast Mall	10 466	5 762	10 395	5 731
Regional	141 825	83 234	134 910	87 614
Stoneridge	29 930	12 330	28 974	13 414
Atterbury Value Mart	47 753	37 937		
Somerset Value Mart	10 135	6 795		
Willowbridge Shopping Centre	37 850	21 752		
Value centres	125 668	78 814	28 974	13 414
Shopping centres	902 810	600 657	452 619	302 376
Stand-alone offices	55 826	36 351	21 365	13 414
Hotels	24 659	563	23 907	(3 518)
Investment property	983 295	637 571	497 891	312 272
Listed property securities	78 399	78 399	57 560	57 560
Fund management expenses		(24 423)		(13 467)
Net interest paid		(210 986)		(63 760)
Share of income from associate				8 196
Word4Word Marketing	18 750	824		
Straight-line rental income accrual	(4 049)		8 400	
Total	1 066 395	481 385	563 851	300 801

Income from the properties acquired from Attfund Retail was included from 1 September 2011, the effective date of the acquisition. The comparative period ended June 2011 therefore does not include any income from Attfund Retail.

On a like-for-like basis, net income from Canal Walk and The Glen showed strong growth, increasing by 10,5% and 9,1% respectively, while Rosebank Mall underperformed partly due to planned vacancies ahead of its re-development.

Income from hotels in the period under review includes Southern Sun Hyde Park only, following the sale of The Grace in the second half of 2011. Income from Southern Sun Hyde Park improved due to higher occupancies.

Share of income from associate in the comparative period relates to income received from Vunani Property Investment Fund Limited ("Vunani"). This income was included in listed property securities income in the period under review, following Vunani's listing on the JSE Limited in August 2011.

Taxation comprises deferred taxation in respect of the fair value adjustment to investment property and listed property securities, as well as a charge for the increase in the capital gains taxation rate, resulting in a headline loss for the period.

Total arrears in the portfolio at 30 June 2012, comprising normal arrears, legal cases and outstanding tenant deposits were R25,7 million (31 December 2011: R41,3 million) and the total provision for doubtful debts was R9,4 million (31 December 2011: R17,4 million).

Vacancies

Total vacancies in the portfolio at 30 June 2012 were 3,8% (31 December 2011: 4,1%).

Vacancy profile by sector	% of total GLA	
	30 June 2012	31 Dec 2011
Retail	2,8	3,6
Office	13,7	10,0

PROPERTY PORTFOLIO

Business segment	Value attributable to Hyprop			Value per m ²
	Rentable area (m ²)	30 June 2012 R'000	31 Dec 2011 R'000	
Super regional	157 447	4 960 000	4 880 000	39 378
The Glen	74 624	1 642 906	1 623 365	29 294
CapeGate Precinct	106 061	1 472 000	1 435 000	13 879
Clearwater Mall	85 174	2 641 000	2 500 000	31 007
Woodlands Boulevard	70 159	1 680 000	1 604 000	23 946
Large regional	336 018	7 435 906	7 162 365	23 746
Hyde Park	36 894	1 372 000	1 337 000	37 188
Rosebank Mall	35 950	922 000	923 000	25 647
Southcoast Mall	29 361	110 543	122 000	7 530
Regional	102 205	2 404 543	2 382 000	70 364
Stoneridge	51 293	414 900	409 500	8 988
Atterbury Value Mart	47 694	943 000	885 000	19 772
Somerset Value Mart	12 546	162 000	154 000	12 912
Willowbridge	44 027	629 000	607 000	14 287
Value centres	155 560	2 148 900	2 055 500	14 110
Shopping centres	751 230	16 949 349	16 479 865	25 144
Stand-alone offices	51 243	775 500	769 000	15 134
Hotels		130 000	145 000	
Investment property	802 473	17 854 849	17 393 865	24 667
Development property		116 000	116 000	
Listed property securities		2 133 247	2 176 172	
Total	802 473	20 104 096	19 686 037	24 667

Investment Property

Old Mutual Investment Group: Property Investments (Pty) Limited updated the valuations prepared by them at the previous year-end to determine an independent valuation of the Hyprop portfolio at 30 June 2012.