HYPROP INVESTMENTS LIMITED

Interim distribution of **91 cents** per combined unit

Forecast growth of **12%** for the year

Total assets exceed **R4 billion**

REVIEWED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2005 ("interim period")

COMMENTS

INTRODUCTION
Hyprop continued to achieve growth with a distribution of 91,00 cents per combined unit up 18% over the comparative period. After adjusting for non-recurring income amounting to approximately 4 cents per unit, comprising distributions from linked units in SA Retail Properties Limited ("SA Retail") and the write-back of a bad debt provision in Canal Walk, satisfactory growth of 13% was achieved.

The growth in rentals at Hyprop's shopping centres, especially Canal Walk, remains the driving force behind the strong performance.

FINANCIAL RESULTS
Distributable earnings per combined unit increased by 17% to 93,00 cents over the comparative period as a result of strong retail rental growth, strict expense control and reductions in interest rates.

Net asset value per combined unit increased by 10% to R19,54 from December 2004.

A revaluation surplus of R250 million on the property portfolio represents an 8% increase from December 2004.

DISTRIBUTION
Hyprop combined unitholders are referred to the interim distribution announcement dated 17 June 2005. Hyprop paid an interim distribution of 91,00 cents per combined unit on 4 July 2005.

OFFER TO ACQUIRE LINKED UNITS IN SA RETAIL
Hyprop's offer to linked unitholders of SA Retail remains subject to competition authorities' approval. A decision in this regard is expected shortly.

Hyprop currently holds 14 881 643 linked units in SA Retail acquired at an aggregate cost of R114,3 million. In addition Hyprop has an undertaking in respect of 55 904 550 SA Retail linked units to accept the offer of Hyprop combined units, giving Hyprop a 31% interest in SA Retail.

Hyprop combined units accepted by SA Retail unitholders will rank *pari passu* with existing combined units from 1 July 2005.

DEVELOPMENTS
The Glen Shopping Centre ("The Glen")
The Glen's R91 million expansion is complete and has significantly strengthened the centre's retail offering.

Southcoast Mall
Hyprop owns a 50% undivided share in a 28 000m² shopping centre under development on KwaZulu-Natal's south coast. The centre is scheduled to open in November 2005 and Hyprop's total investment of R96 million is expected to yield an initial 11,5% return.

DISPOSALS
Offices
Hyprop disposed of two commercial properties for a cash consideration of R14,2 million.

Listed securities
Hyprop disposed of 9 637 020 units in Prima Property Trust ("Prima") during the interim period. The balance of 1 541 996 Prima units was sold subsequent to 30 June 2005.

Of Hyprop's 6 705 882 linked units in Freestone Property Holdings Limited, 480 000 were disposed of during the interim period.

BORROWINGS
Hyprop's net borrowings amounted to R972 million, equating to a 28% debt-to-open market value ratio. Subsequent to 30 June 2005 interest rates have been fixed in respect of 82% of borrowings for periods varying from 5 to 10 years. The average interest rate at 30 June 2005 was 10,8%.

VALUATION OF INVESTMENT PROPERTIES
Investment properties have been fair valued for the first time at an interim period. However no adjustment to the comparative period in the previous year has been made. The valuation of the properties was independently undertaken by The Property Partnership.

SEGMENTAL ANALYSIS
The segmental spread of the property portfolio is as follows:

Business segment	Rentable area (m²)	Total value (R000)	Value attributable to Hyprop (R000)	Net property income (R000)
Canal Walk	131 320	1 915 000	1 532 000	85 642
The Glen	51 800	625 000	469 690	28 645
Hyde Park	37 121	562 670	562 670	26 597
The Mall of Rosebank	33 774	436 830	436 830	20 595
Southcoast Mall *	28 000	34 957	34 957	
Retail	**282 015**	**3 574 457**	**3 036 147**	**161 479**
Offices	69 120	382 960	382 960	24 985
Portfolio	**351 135**	**3 957 417**	**3 419 107**	**186 464**
Straight-line rental income accrual				7 487
Fund management expenses				(15 372)
	351 135	**3 957 417**	**3 419 107**	**178 579**

**Valued at cost as the centre is currently under development.*

LETTING ACTIVITIES
Letting activities by rentable area were as follows:

	Activities for the period ended 30 June 2005					
	Renewals		New lettings		Tenants vacated	
Business segment	(m²)	(%)	(m²)	(%)	(m²)	(%)
Canal Walk	10 555	3,3	2 284	0,7	1 883	0,6
The Glen	2 566	0,8	387	0,1	384	0,1
Hyde Park	1 167	0,4	382	0,1	382	0,1
The Mall of Rosebank	1 143	0,4	1 145	0,4	1 299	0,4
Retail	**15 431**	**4,9**	**4 198**	**1,3**	**3 948**	**1,2**
Offices	12 556	3,9	8 211	2,5	3 504	1,1
Total	**27 987**	**8,8**	**12 409**	**3,8**	**7 452**	**2,3**

Available for letting by rentable area at 30 June 2005:

	30 June 2005		31 December 2004	
Business segment	(m²)	(%)	(m²)	(%)
Canal Walk	3 712	1,1	4 113	1,3
The Glen	449	0,1	452	0,1
Hyde Park				
The Mall of Rosebank	299	0,1	145	0,1
Retail	**4 460**	**1,3**	**4 710**	**1,5**
Offices	2 776	0,8	7 407	2,2
Total	**7 236**	**2,1**	**12 117**	**3,7**

Vacancies in the retail portfolio remain low. The office portfolio reflects a substantial reduction in vacancies. Canal Walk is expected to benefit from the high number of lease renewals to take place in the last quarter of 2005.

PROSPECTS
Hyprop anticipates growth in distributions of 12% for the year ending 31 December 2005. This exceeds the previous forecast of 7% made in the 2004 annual results announcement. The revised forecast excludes any financial impact relating to Hyprop's offer to acquire linked units in SA Retail. The forecast has not been reviewed or reported on by Hyprop's auditors.

DIRECTORATE
Mr EG Dube was appointed to the board as an independent non-executive director on 15 April 2005.

BASIS OF PREPARATION AND ACCOUNTING POLICIES
This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standard (IAS) 34 – Interim Financial Reporting.

In order to comply with international interpretation of IAS17 – Leases, total revenue reflects rental income recognised on a straight-line basis. The comparative figures have been restated accordingly. To retain comparability with prior periods, the rental income charged to tenants and the straight-line rental income accrual have been separately disclosed. In order to avoid double counting in the income statement, the fair value adjustment to investment properties has been reduced by the straight-line rental income accrual. To avoid double counting in the balance sheet, the fair value of investment properties has been reduced by the cumulative straight-line rental income accrual and the latter separately disclosed. Prior year reserves have been adjusted by the deferred taxation differential on the straight-line rental income accrual.

Whilst debenture capital was previously recognised at cost, it is now recognised at amortised cost in terms of IAS39. The comparative period income statements, balance sheets and reserves have been restated accordingly and the amortised portion of debenture capital has been transferred to non-distributable reserves.

Neither of the above two changes in accounting policy will have any effect on the company's distributions or distributable earnings, either in the current period or in future periods. All other accounting policies have remained consistent with prior periods.

The effect of the changes in accounting policies referred to above on the prior period earnings, headline earnings and net asset value per combined unit is as follows:

	Reviewed 30 June 2004 R000	Audited 31 December 2004 R000
Earnings per combined unit (cents) – as previously reported	79,2	819,1
Change in accounting policies	(0,9)	(1,4)
Earnings per combined unit (cents) – restated	78,3	817,7
Headline earnings per combined unit (cents) – as previously reported	78,6	163,8
Change in accounting policies	10,4	16,4
Headline earnings per combined unit (cents) – restated	89,0	180,2
Net asset value per combined unit (R) – as previously reported	11,89	17,91
Change in accounting policies	(0,11)	(0,11)
Net asset value per combined unit (R) – restated	11,78	17,80

REVIEW OPINION
Grant Thornton has reviewed the financial information set out in this interim report. Their review report is available for inspection at the company's registered office.

On behalf of the board

PF Kirchmann
Chairman

PG Prinsloo
Managing Director

23 August 2005

GROUP INCOME STATEMENT

	Reviewed 30 June 2005 R000	Reviewed 30 June 2004 R000	Audited 31 December 2004 R000
Revenue	**283 155**	267 385	543 926
Conventional rental income	**275 668**	252 585	517 545
Straight-line rental income accrual	**7 487**	14 800	26 381
Property and other operating expenses	**(104 576)**	(100 399)	(200 662)
Net property income	**178 579**	166 986	343 264
Distributions received from listed securities	**6 188**	479	1 384
Net interest	**(48 310)**	(53 720)	(101 822)
Received	**1 789**	1 844	3 141
Paid	**(50 099)**	(55 564)	(104 963)
Net operating income	**136 457**	113 745	242 826
Change in fair value	**255 734**	(16 434)	899 474
Investment properties	**249 838**		923 955
Straight-line rental income accrual	**(7 487)**	(14 800)	(26 381)
Listed securities	**13 383**	(1 634)	1 900
Profit/(Loss) on disposal	**618**	199	11 685
Investment properties	**274**		10 994
Listed securities	**344**	(451)	
Associates		650	691
Amortisation of debenture premium	**1 703**	1 283	2 535
Income before debenture interest and taxation	**394 512**	98 793	1 156 520
Debenture interest	**(105 920)**	(71 400)	(168 659)
Net income before taxation	**288 592**	27 393	987 861
Taxation	**(36 436)**	(2 938)	(137 853)
Net income after taxation	**252 156**	24 455	850 008
Attributable to –			
Hyprop combined unitholders	**204 603**	(565)	672 101
Minority interests	**47 553**	25 020	177 907
	252 156	24 455	850 008
Reconciliation – headline earnings and distributable earnings			
Net income after taxation – attributable to Hyprop combined unitholders	**204 603**	(565)	672 101
Headline earnings adjustments	**(186 298)**	9 697	(655 478)
Change in fair value of investment properties (net of deferred capital gains taxation and minority interests)	**(191 113)**		(662 090)
Straight-line rental income accrual (net of deferred capital gains taxation and minority interests)	**5 089**	10 246	18 279
Profit on disposal of investment properties	**(274)**	(549)	(10 994)
Profit on disposal of investment in associates (net of capital gains taxation)			(673)
Debenture interest	**105 920**	71 400	168 659
Headline earnings	**124 225**	80 531	185 282
Distributable earnings adjustments	**(15 813)**	(8 402)	(19 329)
Change in fair value of listed securities (net of deferred capital gains taxation)	**(11 442)**	1 389	(1 615)
Amortisation of debenture premium	**(1 703)**	(1 283)	(2 535)
Straight-line rental income accrual (net of deferred income taxation and minority interests)	**(4 226)**	(8 508)	(15 179)
Other fair value adjustments	**1 558**		
Distributable earnings	**108 412**	72 130	165 953
Total combined units in issue	**116 630 923**	98 009 179	116 630 923
Weighted average combined units in issue	**116 630 923**	90 509 179	102 818 269
Earnings, headline earnings and distributable earnings per combined unit			
Earnings per combined unit (cents)	**266,2**	78,3	817,7
Headline earnings per combined unit (cents)	**106,5**	89,0	180,2
Distributable earnings per combined unit (cents)	**93,0**	79,7	161,4

Distribution details	Total distribution per combined unit (cents per unit)	Interest on debentures (cents per unit)	Dividends on ordinary shares (cents per unit)
Distribution 35 for the six months ended 30 June 2005	**91,00**	90,82	0,18
Total distribution for the year 31 December 2004	**163,00**	162,67	0,33
Distribution 34 for the **five** months ended 31 December 2004	**74,00**	73,85	0,15
Distribution 33 – for July 2004	**12,00**	11,98	0,02
– for the six months ended 30 June 2004	**77,00**	76,84	0,16

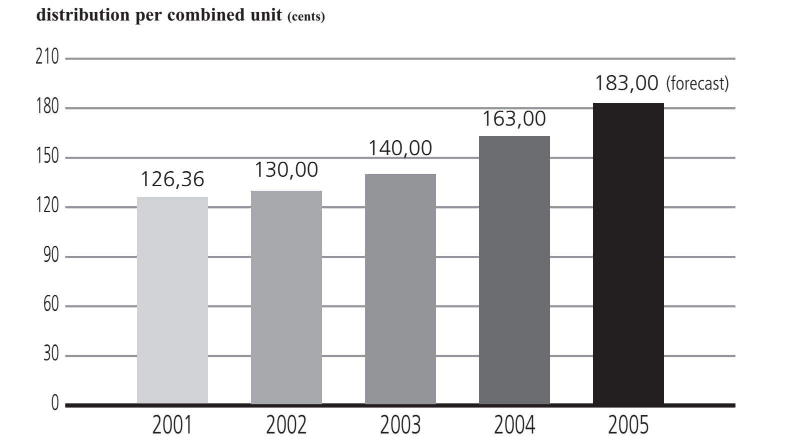
GROUP BALANCE SHEET

	Reviewed 30 June 2005 R000	Reviewed 30 June 2004 R000	Audited 31 December 2004 R000
Assets			
Non-current assets	**4 086 580**	2 736 604	3 681 868
Investment properties	**3 810 827**	2 645 830	3 563 983
Investment properties under development	**34 957**		11 681
Straight-line rental income accrual	**94 739**	75 671	87 252
Building appurtenances and tenant installations	**20 158**	15 103	18 952
Listed securities	**125 899**		
Current assets	**57 751**	42 343	118 451
Listed securities	**34 626**	19 007	46 398
Receivables	**7 640**	15 900	59 534
Cash and cash equivalents	**15 485**	7 436	12 519
Total assets	**4 144 331**	2 778 947	3 800 319
Equity and liabilities			
Equity capital and reserves	**1 706 923**	750 309	1 475 502
Share capital and reserves	**1 200 878**	323 704	996 490
Minority interests	**506 045**	426 605	479 012
Non-current liabilities	**2 272 197**	1 912 652	2 178 705
Debentures and debenture premium	**1 078 112**	830 542	1 079 815
Long-term loans	**987 811**	1 042 916	929 027
Deferred taxation	**206 274**	39 194	169 864
Current liabilities	**165 211**	115 986	146 112
Payables	**59 028**	40 480	59 760
Taxation	**49**	39	45
Combined unitholders for distribution	**106 134**	75 467	86 307
Total equity and liabilities	**4 144 331**	2 778 947	3 800 319
Net asset value per combined unit (R)	**19,54**	11,78	17,80

ABRIDGED GROUP CASH FLOW STATEMENT

	Reviewed 30 June 2005 R000	Reviewed 30 June 2004 R000	Audited 31 December 2004 R000
Cash flows from operating activities	**71 632**	57 307	87 189
Cash generated from operations	**231 467**	204 843	392 158
Interest received	**1 789**	1 844	3 141
Interest paid	**(50 099)**	(55 564)	(104 963)
Distribution to Hyprop combined unitholders	**(86 307)**	(62 745)	(149 361)
Distributions to minority shareholders	**(25 196)**	(30 793)	(53 491)
Taxation	**(22)**	(278)	(295)
Cash flows from investing activities	**(127 451)**	(18 039)	(179 660)
Cash flows from financing activities	**58 785**	(40 855)	95 967
Net increase/(decrease) in cash and cash equivalents	**2 966**	(1 587)	3 496
Cash and cash equivalents at the beginning of the period	**12 519**	9 023	9 023
Cash and cash equivalents at the end of the period	**15 485**	7 436	12 519

distribution per combined unit (cents)



GROUP STATEMENT OF CHANGES IN EQUITY

Group	Share capital R000	Non-distributable reserve R000	Retained income R000	Minority interests R000	Total R000
Balance at 1 January 2004					
– as previously reported	891	320 142	7 107	432 378	760 518
– change in accounting policy – amortisation of debenture premium		5 010			5 010
– deferred taxation differential on straight-line rental income accrual		(8 826)			(8 826)
Balance at 1 January 2004 – restated	891	316 326	7 107	432 378	756 702
Issue of ordinary share capital	90				90
Net (loss)/profit for the year *			(565)	25 020	24 455
Net transfer from non-distributable reserve		(1 203)	1 203		
Dividends			(145)		(145)
Distributions to minority shareholders				(30 793)	(30 793)
Balance at 30 June 2004	981	315 123	7 600	426 605	750 309
Balance at 1 January 2005					
– as previously reported	1 166	996 089	4 341	479 012	1 480 608
– change in accounting policy – amortisation of debenture premium		7 545			7 545
– deferred taxation differential on straight-line rental income accrual		(12 651)			(12 651)
Balance at 1 January 2005 – restated	1 166	990 983	4 341	479 012	1 475 502
Net profit for the year *			204 603	47 553	252 156
Net transfer to non-distributable reserve		201 991	(201 991)		
Dividends			(215)		(215)
Distributions to minority shareholders				(25 196)	(25 196)
Minority share of additions to investment properties				4 676	4 676
Balance at 30 June 2005	1 166	1 192 974	6 738	506 045	1 706 923

* Minority net profit includes minority share of fair value adjustment to investment properties.

REGISTERED OFFICE
3rd Floor Hyde Park Shopping Centre Jan Smuts Avenue Sandton 2196 (PO Box 41257 Craighall 2024)

TRANSFER SECRETARIES
Computershare Investor Services 2004 (Proprietary) Limited Ground Floor 70 Marshall Street Johannesburg 2001 (PO Box 61051 Marshalltown 2107)

SPONSOR
Java Capital (Proprietary) Limited

DIRECTORS
PF Kirchmann* (Chairman) PG Prinsloo (Managing Director) MS Aitken* WE Cesman* EG Dube*† JR McAlpine*† LE Weil* S Shaw-Taylor* PJ Thurling* M Wainer* SV Webb*

** Non-executive † Independent*

COMPANY SECRETARY
Probity Business Services (Proprietary) Limited

Hyprop Investments Limited | Reg No 1987/005284/06 | "Hyprop" or "the company" | Share code HYP | ISIN code ZAE 000003430

visual **IGNITION** 1974