

HYPROP DELIVERS A STRONG FIRST HALF TO DECEMBER 2013

HIGHLIGHTS

- **Distribution up 9,5% to 231cpu**
- **Total property assets up to R25 billion**
- **Acquired Manda Hill in Zambia (87% of African Land)**
- **Somerset Mall included from 1 October 2013**
- **Rosebank Mall redevelopment remains on track**

Continuing its trend of sustainable distribution growth, Hyprop Investments Limited (“Hyprop”) (JSE: HYP) today announced an interim distribution of 231 cents per unit for the six months to December 2013, up 9,5% on the corresponding period in 2012.

Operating performance

CEO Pieter Prinsloo says the portfolio’s resilience was driven by the continued strong performance at Hyprop’s shopping malls. Distributable earnings from regional and super-regional malls (excluding Somerset Mall) was up 9,6% benefitting in part from extensions at Canal Walk and The Glen. The property cost-to-income ratio improved to 33,1% from 34,4% due to timing delays in operating cost expenditure.

Ongoing demand for space at Hyprop’s shopping malls remains strong with vacancies of less than 1%. Occupancy levels in the total portfolio increased to 98,2% (June 2013: 97,3%), reducing retail vacancies to 1,2%. Office vacancies saw a slight increase from 8,1% to 8,2%. “In line with our strategy to maximise opportunities in the portfolio, extensions were completed to Edgars and other stores at The Glen and Canal Walk, on time and within budget.”

Property portfolio

The total portfolio value grew from R22,5 billion to R25 billion, primarily due to developments, the acquisition of African Land and a fair value adjustment of R658 million. Excluding Somerset Mall, the value of investment property increased by 4,9%, driven by income growth, supported by strong demand for quality shopping centres.

Developments

Prinsloo says he is pleased with the progress of the Rosebank Mall redevelopment, which remains on track for completion in September 2014, with lease commitments at 98% and 30 new stores already open.

Sub-Saharan Africa (excluding South Africa)

During the period Hyprop made further strides in its investment strategy in the rest of Africa with the acquisition of 87% in African Land for R768 million gaining exposure to Manda Hill in Lusaka, Zambia.

In line with Hyprop's strategy to become a dominant African shopping centre REIT, Hyprop intends to invest up to R3 billion in sub-Saharan Africa (excluding South Africa) over the next five years, up from the original R750 million. "These African investments are already contributing to distributable earnings", says Prinsloo referring to the R2,5 million and R3,8 million received from Atterbury Africa and African Land, respectively.

Borrowings

Net borrowings increased to R6,7 billion, mainly due to the acquisition of African Land, capital expenditure on the Rosebank Mall redevelopment and developments in Atterbury Africa. Hyprop's debt capital markets issuances stand at R2,1 billion, or 30% of total borrowings, following the issuance of a R450 million six-year bond in November 2013.

Energy saving initiatives

As part of its Green Design and Environmental Strategy, Hyprop commenced with an R11,5 million electricity reduction project. "Once completed, the project is estimated to save Hyprop around R9,7 million in electricity cost annually," says Prinsloo.

Prospects

Looking ahead Prinsloo says the challenging economic environment is expected to decrease consumer spend. However, he is confident that Hyprop with quality assets, strong contractual lease escalations and sound balance sheet is well-positioned to withstand any negative impact."

Hyprop has improved its distribution growth forecast to between 8,5% and 10,5% for the full year to June 2014 primarily due to the anticipated benefit from African Land for the rest of the financial year and strong net income growth from the existing portfolio.

Combined units in Hyprop closed yesterday at R73.79.

Ends.

Issued by: Envisage Communications
Nicole Katz, Michèle Mackey
(011) 325 5944/082 497 9827

On behalf of: Hyprop Investments Limited
Pieter Prinsloo, CEO

(011) 447 0090/082 451 3103
Nikki Catrakilis-Wagner, Investor Relations
(011) 447 0090/083 309 6720
JSE: HYP

Issue date: 21 February 2014
Website: www.hyprop.co.za

About Hyprop

Hyprop is South Africa's largest JSE-listed specialist shopping centre Real Estate Investment Trust ("REIT") and one of South Africa's oldest listed property companies (1988). The company currently has R25 billion in assets under management. The property portfolio includes 12 prime shopping centres in South Africa, exposure to malls in the rest of Africa through Atterbury Africa, a joint venture with Attacq Limited (previously the Atterbury Group) and African Land Investments Limited ("African Land"), Atterbury Africa has a 47% interest in Accra Mall (19 000m²) in Accra, Ghana while African Land owns Manda Hill Shopping Centre (43 400m²) in Lusaka, Zambia.