

Hyprop Continues Sustainable Distribution Growth

HIGHLIGHTS

- Dividend up 13.7%
- Total return (six months) 25,9%
- Investments in sub-Saharan Africa (excluding South Africa) R2 billion
- Rosebank Mall redevelopment completed

Reporting healthy growth in returns, Hyprop Investments Limited ("Hyprop") (JSE: HYP) today announced an interim dividend of 262.7 cents per share for the six months to December 2014, up 13.7% on December 2013. Distribution growth was driven by a strong performance across the Hyprop portfolio.

Revenue and distributable earnings from investment property (excluding Somerset Mall, acquired 1 October 2013) increased by 11.1% and 13.2%, respectively. CEO Pieter Prinsloo says this increase was positively marked by the completion of Rosebank Mall's redevelopment project in September 2014 "with the mall subsequently posting good trading results in the holiday period."

Vacancies in the retail portfolio increased marginally to 1.4% from 1.2% in June 2014, primarily due to an increase in vacancies at the value centres. Demand for retail space in the shopping malls remains strong, with the retail portfolio constituting 91% of the total portfolio by rentable area. Office vacancies reduced by almost half to 6.6% from the preceding period (June 2014: 13.8%), mainly due to new lettings at Lakefield Office Park and Canal Walk offices.

Smaller refurbishment projects at Hyde Park, Canal Walk, Willowbridge and CapeGate were completed during the period totalling R54,8 million. The extensions of the Woolworths' stores at Canal Walk and Somerset Mall, including additional parking, has commenced at a combined cost of R112 million and an average forward yield of 8.3%.

Hyprop progressed its strategy to become a dominant African shopping centre REIT with the successful opening of West Hills Mall in Accra, Ghana. Following the restructure of African Land from 1 July 2014, Hyprop's investments in sub-Saharan Africa amount to R2 billion and consist of three income-producing centres, namely Accra Mall and West Hill Mall in Ghana and Manda Hill in Zambia. The 13 400m² Achimoto Centre also located in Accra, Ghana is on track for opening in October 2015.

The total cost-to-income ratio for the fund reduced to 34,9%, in part due to timing differences and the deconsolidation of fund management costs relating to African Land, following its restructure. Net borrowings dropped slightly to R6,9 billion from R7,1 billion, also as a result of the African Land restructure and a reduced shareholding in Manda Hill, Zambia. The total portfolio value increased 2,7% to R27,1 billion from R26,4 billion in June 2014.

Prinsloo highlights that Hyprop advanced its energy efficiency programmes as part of its Green Design and Environmental Strategy. "In November 2014 we launched the solar pv plant at Clearwater Mall and initial results have proven positive". Further solar projects are planned and the installation of smart metering at Hyprop's shopping centres has commenced. "We were particularly pleased that sustainability initiatives such as these have contributed to Hyprop's inclusion for the first time on the JSE SRI Index," he says.

In response to the frequent power cuts, Hyprop will be installing additional back-up generators at some of its shopping centres to ensure uninterrupted trading.

Prinsloo is confident that Hyprop's high quality portfolio, firm contractual lease escalations and healthy balance sheet will support and maintain the company's strength.

Hyprop expects dividend growth of between 12% and 15% for the full year to 30 June 2015, an upward revision from the guidance in August 2014 of 10% to 12%.

Shares in Hyprop closed Friday at R103,79 .

Ends.

Issued by: Envisage Communications
Nicole Katz, Michèle Mackey
(011) 325 5944

On behalf of: Hyprop Investments Limited
Pieter Prinsloo, CEO
(011) 447 0090
Viki Watson, Investor Relations
(011) 447 0090

Issue date: 23 February 2015

Website: www.hyprop.co.za