

CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2019 (the period)

HEADLINES

Progress made towards achieving strategic priorities set **in 2019**

- Atterbury Value Mart **trading density up 9.6%**
- US\$ debt **reduced by \$73m**
- Vacancies of 1.6% in South Africa and 0.2% in Eastern Europe

Trading density of South African portfolio increased by 0.6% for the period, and 1.4% for the last twelve months.

Strengthening the balance sheet by repaying R1.3 billion of borrowings.

Edcon exposure reduced and new Checkers Fresh-X stores introduced.

Hyde Park Corner celebrates its **50th birthday** with seven original tenants still trading in the centre.

- **Acquisition** by Hystead of the remaining 10% interest in City Center One East and City Center One West in Zagreb, Croatia, which are now wholly owned by Hystead.

	Unaudited 6 months December 2019	Unaudited 6 months December 2018	Audited 12 months June 2019
	R'000	R'000	R'000
Net operating income (R'000)	679 116	884 494	1 536 039
Headline earnings/(loss) per share (cents)	329.9	(80.7)	223.5
Basic (loss)/earnings per share (cents)	(109.5)	71.2	64.5
Dividend per share	308.73709	385.55078	744.89034
Net asset value per share	91.07	99.87	95.77

Hyprop is a retail-focused REIT listed on the JSE. The Company currently has interests in a R48 billion portfolio of shopping centres in South Africa, Eastern Europe and Sub-Saharan Africa.

Prospects

The Group remains focused on achieving the strategic priorities set in 2019, the objective of which is to create a more defensive balance sheet and a base for sustainable long-term growth. The growth will emanate from the repositioned South African portfolio and the investments in Eastern Europe.

Hyprop's guidance for the 2020 financial year remains unchanged from that provided in September 2019. The Group expects a reduction in distributable income for the year ending 30 June 2020 of approximately 10% to 13%.

This guidance is based on the following key assumptions:

- Forecast investment property income is based on contractual rental escalations, and market-related renewals;

- Appropriate allowances for vacancies and rent reversions have been incorporated into the forecast;
- No major corporate and tenant failures will occur;
- The impact of the Edcon rent reduction/share subscription until March 2021;
- No further deterioration in performance of the remaining Sub-Saharan Africa (S-SA) assets;
- The remaining S-SA assets will be disposed of by 31 December 2020 and the proceeds used to settle USD denominated debt;
- Earnings from offshore investments will not be materially impacted by exchange rate volatility or disruptions in the financial markets;
- Exchange rates (which have not been

hedged) have been assumed at R15.00 and R16.50 to the US Dollar and Euro, respectively.

This guidance has not been reviewed or reported on by the Company's auditors.

Dividend

Payment of a cash dividend with the election to reinvest the cash dividend for additional shares in Hyprop (DRIP)

A dividend of 308.73709 cents per share for the six months ended 31 December 2019 will be paid to shareholders, who will be entitled to elect to reinvest the net cash dividend in return for additional Hyprop shares through a DRIP.

All amounts raised from the DRIP will be utilised to strengthen the Group's balance sheet and to reduce the LTV.

The board of directors of Hyprop may, in its discretion, withdraw the DRIP should market conditions warrant such action. Any such withdrawal will be communicated to shareholders prior to the release of the DRIP finalisation announcement on SENS, which will be released on SENS in due course.

A circular in this regard is in the process of being prepared and will be distributed to shareholders in due course. A detailed announcement relating to the dividend and the DRIP, including salient dates, the discount to the market price at which shareholders will be entitled to subscribe for additional Hyprop shares and the tax treatment of the dividend and the DRIP, will be released separately once the relevant regulatory approvals have been obtained and the circular has been published.

27 February 2020

This short-form announcement is the responsibility of the directors and is only a summary of the information contained in the full announcement. The full announcement is available on the JSE website <https://senspdf.jse.co.za/documents/2020/jse/issue/HYPE/HY2020.pdf> and on the company website at <https://www.hyprop.co.za/results/interims-2020/pdf/booklet.pdf>. Copies of the full announcement may also be requested at the Company's registered office and at the office of the sponsor, at no charge, during office hours from Friday, 28 February 2020 to Friday, 6 March 2020. Any investment decision should be based on the full announcement published on the JSE and the Company's website.

Corporate information

Directors

G.R. Tipper*[†] (Chairman), M.C. Wilken (CEO), B.C. Till (CFO), A.W. Nauta (CIO), K.M. Ellering*, Z. Jasper*[†], A.A. Dallamore*[†], N. Mandindi*[†], T.V. Mokgatha*, L. Norval, S. Shaw-Taylor*[†] *Non-executive | [†]Independent

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