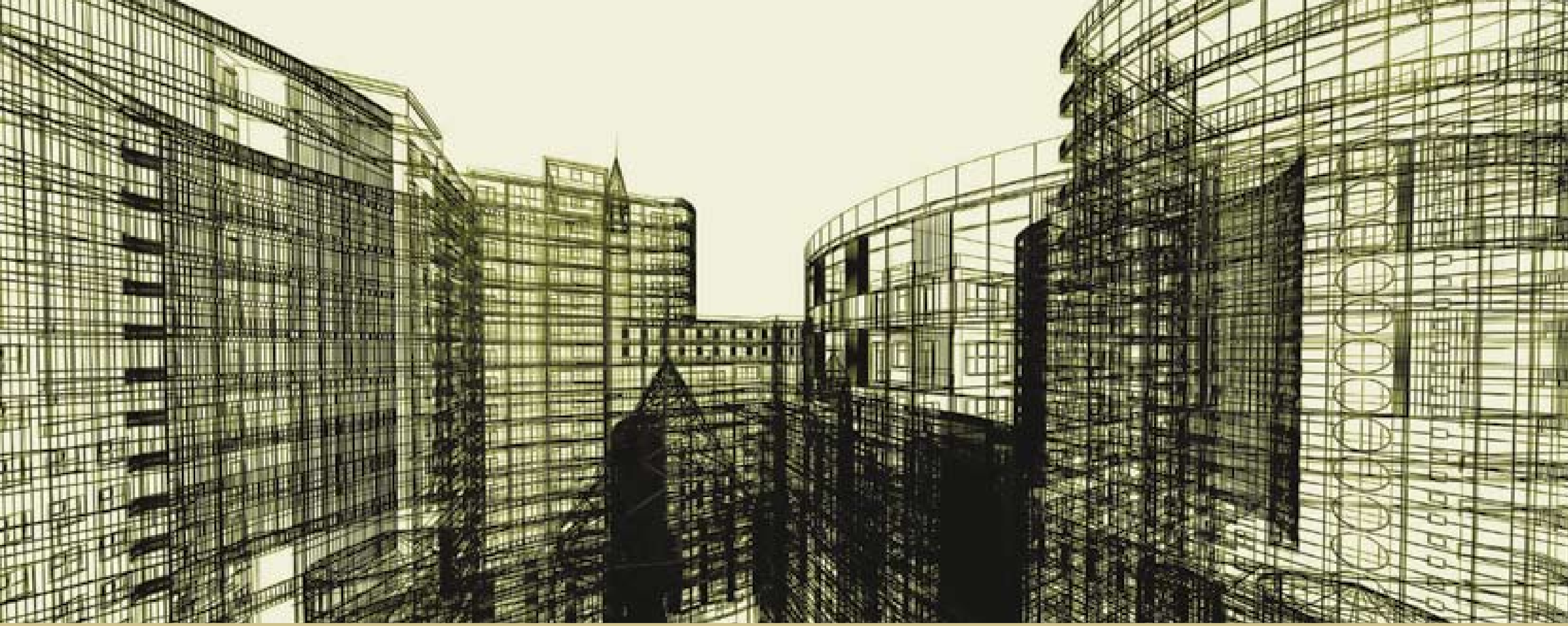


PROFILE

Octodec Investments Limited ("Octodec") is a property loan stock company listed on the JSE Limited ("JSE") under " Financials - Real Estate" with a market capitalisation of R1.4 billion.

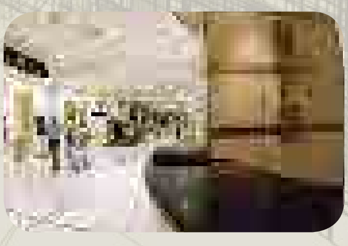
Octodec provides the investor with the opportunity to participate directly in the income and capital growth of a professionally managed portfolio of quality retail, industrial, commercial, office and residential properties.

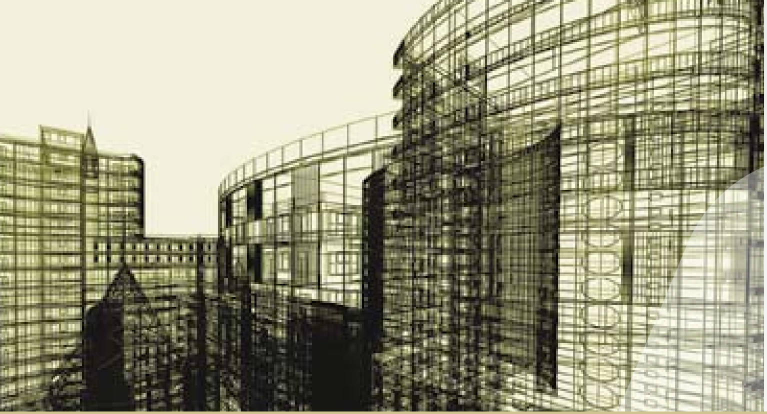
The property portfolio is situated in Gauteng and is valued in excess of R2.0 billion. Retail properties comprise 51% of the value. The portfolio consists of 102 properties with a lettable area of 442 286m^2 on a total of 720 132m^2 of land.

ANNUAL REPORT 2008

OCTODEC
INVESTMENTS LIMITED

THE YEAR IN REVIEW





HIGHLIGHTS

FOR YEAR ENDED 31 August 2008

15.4%

increase in distributions to unitholders from 106,2 cents to 122,6 cents

5.8%

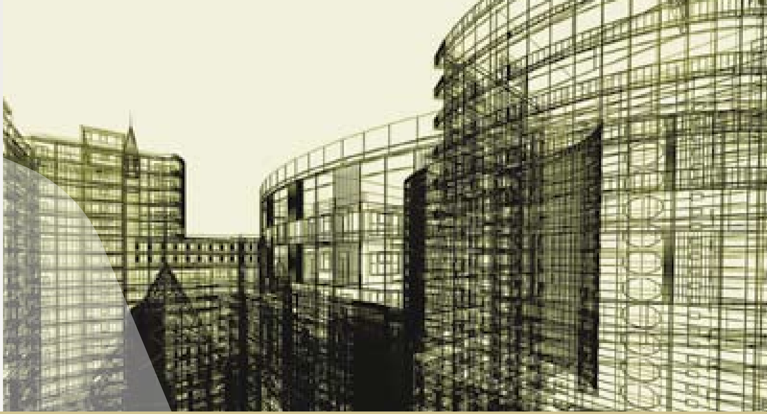
increase in net asset value per linked unit from 1471 cents to 1556 cents

45.8%

of rental income received from retail shopping centres

28.0%

Level of gearing up from 24.0%.



JSE trading statistics

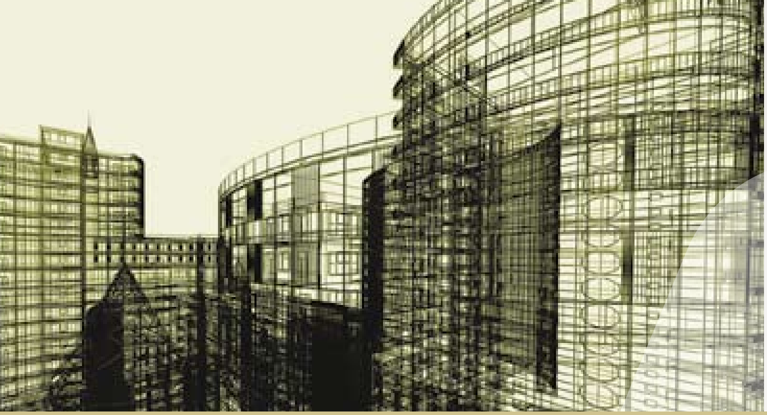
	2008	2007	2006	2005	2004	2003
Unit price - high (cents)	2 146	1 880	1 290	850	540	370
Unit price - low (cents)	1 140	1 085	800	480	350	246
Unit price - at year end (cents)	1 580	1 805	1 199	850	490	365
Volume of units traded during the year	20 499 624	10 598 154	17 556 771	15 651 527	13 209 983	11 903 484
Units traded to average units in issue (%)	23.0	13.4	22.4	20.0	18.1	17.5
Total returns						
Opening unit price (cents)	1 805	1 199	850	490	365	240
Income return (cents)	122,6	106,2	88,7	67,7	60,0	47,5
Capital (loss)/return (cents)	(225,0)	606	350	360	125	125
Total return (cents)	(102,4)	712,2	438,7	427,7	185,0	172,5
Return: opening unit price (%)	(5.7)	59.4	51.6	87.3	50.7	71.9

Distributable Earnings

The following additional information is provided and is aimed at disclosing to the users the basis on which the distribution is calculated:

	2008 R'000	2007 R'000	2006 R'000	2005 R'000 Restated	2004 R'000	2003 R'000
Revenue - earned on contractual basis*	269 535	226 333	179 866	142 154	112 399	105 957
Net rental income from properties - earned on contractual basis*	154 742	135 666	107 758	81 701	74 970	71 737
Investment income	23 426	14 318	9 975	6 945	10 585	6 436
Interest received from prepaid distribution	-	2 738	–	–	–	–
Income before finance costs	178 168	152 722	117 733	88 646	85 555	78 173
Finance costs	(66 624)	(64 499)	(46 926)	(34 303)	(40 114)	(43 168)
Income before taxation	111 544	88 223	70 807	54 343	45 441	35 005
Taxation	(1 550)	(1 454)	(1 235)	(1 261)	(979)	(412)
Unitholders distributable earnings	109 994	86 769	69 572	53 082	44 462	34 593
Trading profit	-	2 198	–	–	–	–
Distributable earnings	109 994	88 967	69 572	53 082	44 462	34 593
Distributable earnings per linked unit (cents) - weighted	123,18	112,60	88,80	67,80	60,80	50,90
Distribution per linked unit (cents)						
Interest	122,00	105,67	88,26	67,40	59,70	47,30
Dividends	0,60	0,53	0,44	0,30	0,30	0,20
	122,60	**106,20**	**88,70**	**67,70**	**60,00**	**47,50**

* Excludes the straight-lining of lease adjustment



Salient Features

The salient features of the Group for the year ended 31 August 2008 are as follows:

	2008 R'000	2007 R'000	2006 R'000	2005 R'000	2004 R'000	2003 R'000
Investment properties	2 084 666	1 899 758	1 531 806	1 159 991	749 156	658 342
Linked unitholders' funds	1 389 112	1 312 605	881 325	647 096	407 821	310 694
Long-term borrowings	640 105	495 543	557 253	420 726	297 811	336 714
Rental income (rental, management fee & recoveries) - earned on contractual basis*	269 535	226 333	179 866	142 154	129 026	119 763
Net property income - earned on contractual basis*	154 742	135 666	107 758	81 701	74 970	71 737
Interest received	22 778	13 044	8 410	5 277	8 054	4 197
Interest paid						
Secured and other loans	66 624	64 499	46 926	34 303	40 114	43 168
Linked unitholders	108 943	85 737	69 147	52 789	43 764	32 095
Capital surplus/(loss) on disposal of fixed properties	-	2 771	377	(15)	(1)	1 124
Dividends	500	392	306	227	177	143
Net operating income to property investments (%)	7.4	7.1	7.0	7.0	10.0	10.9
Net operating income to rental income (%)	57.4	59.9	59.9	65.4	66.7	67.7
Return on linked unitholders' funds (%)	7.9	6.6	7.8	8.2	10.7	10.3
Linked units in issue ("000")	89 297	89 297	78 345	78 345	78 345	67 896
Distribution per linked unit (cents)	122,6	106,2	88,7	67,7	60,0	47,5
Net asset value per linked unit (cents)	1 556	1 471	1 125	826	521	458
Market price per linked unit year-end (cents)	1 580	1 805	1 200	850	490	365
Market capitalisation	1 410 893	1 611 819	940 140	665 933	383 888	247 821

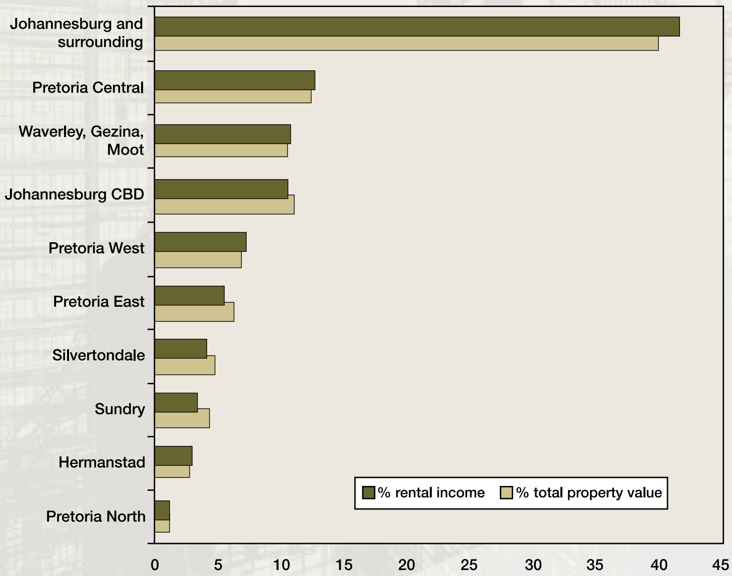
* Excludes the straight-lining of lease adjustment

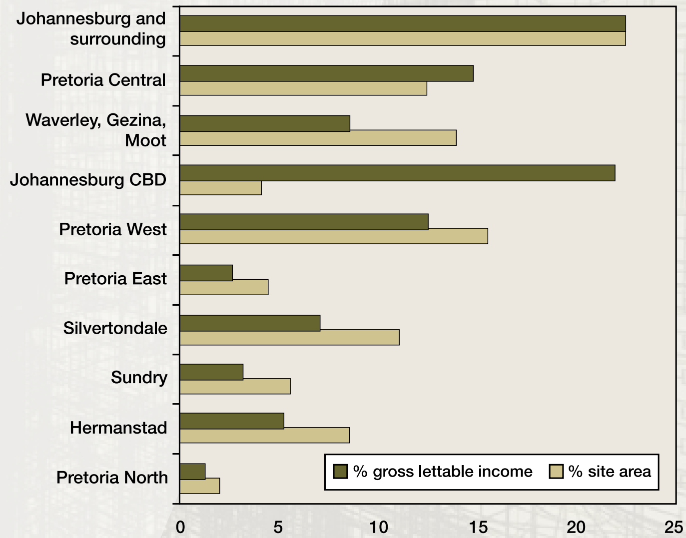
PROPERTY
PORTFOLIO ANALYSIS

Geographical spread

(For details refer to pages 48-52)

Location	Rental income		Property Value		Gross lettable area		Site area	
	R'000	% of total portfolio	R'000	% of total portfolio	m²	% of total portfolio	m²	% of total portfolio
Johannesburg and surrounding	111 283	41.6	834 446	39.9	99 535	22.5	162 065	22.5
Pretoria Central	34 037	12.7	257 703	12.3	65 538	14.8	89 855	12.5
Waverley, Gezina, Moot	28 741	10.7	218 891	10.5	37 934	8.6	100 453	14.0
Johannesburg CBD	28 338	10.6	230 474	11.0	97 365	22.0	29 421	4.1
Pretoria West	19 533	7.3	145 300	7.0	55 453	12.5	111 691	15.5
Pretoria East	14 804	5.5	130 792	6.3	11 758	2.7	31 976	4.4
Silvertondale	10 971	4.1	98 552	4.7	31 217	7.1	79 824	11.1
Sundry	8 986	3.4	90 024	4.3	14 192	3.2	39 385	5.5
Hermanstad	7 912	3.0	58 206	2.8	23 571	5.3	61 426	8.5
Pretoria North	3 213	1.1	25 060	1.2	5 723	1.3	14 036	1.9
Total	**267 818**	**100.0**	**2 089 448**	**100.0**	**442 286**	**100.0**	**720 132**	**100.0**



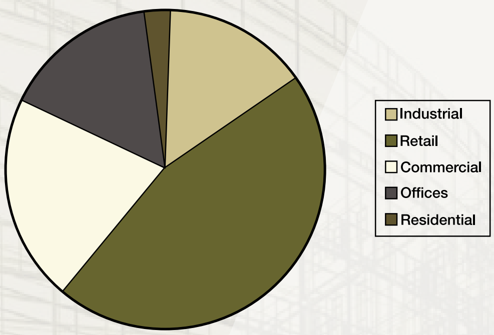


Property portfolio analysis *continued*

Sectoral Information

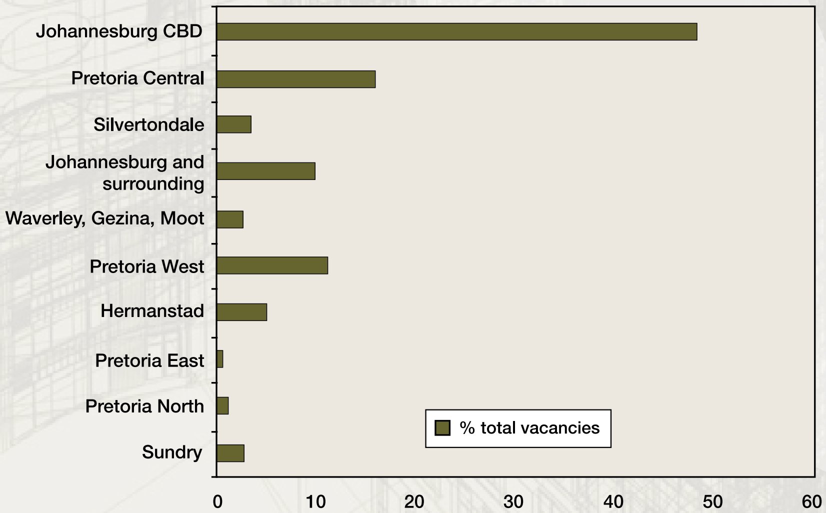
Sector	Rental Income R'000	Rental Income % of total income	Gross lettable area m²	Gross lettable area % of total portfolio
Industrial	41 122	15.3	133 965	30.3
Retail	122 720	45.8	88 476	20.0
Commercial	55 099	20.6	131 921	29.8
Offices	42 292	15.8	80 464	18.2
Residential	6 585	2.5	7 460	1.7
Total	**267 818**	**100.0**	**442 286**	**100.0**

% total gross lettable area



Vacancies by location

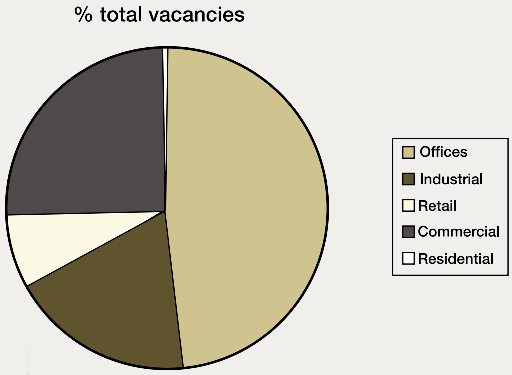
Location	m²	% of total vacancies	% of total GLA	% of total portfolio warehoused for development	% of acquisitions	Core vacancies (% of total portfolio)
Johannesburg CBD	41 662	48.5	9.4	(7.0)	(0.1)	2.3
Pretoria Central	13 686	15.9	3.1	0.0	0.0	3.1
Silvertondale	2 855	3.3	0.7	0.0	0.0	0.7
Johannesburg and surrounding	8 368	9.8	1.9	0.0	0.0	1.9
Waverley, Gezina, Moot	2 156	2.5	0.5	0.0	0.0	0.5
Pretoria West	9 493	11.1	2.1	0.0	0.0	2.1
Hermanstad	4 169	4.9	0.9	0.0	0.0	0.9
Pretoria East	319	0.4	0.1	0.0	0.0	0.1
Pretoria North	866	1.0	0.2	0.0	0.0	0.2
Sundry	2 259	2.6	0.5	0.0	(0.5)	0.0
Total	**85 833**	**100.0**	**19.4**	**(7.0)**	**(0.6)**	**11.8**



Property portfolio analysis *continued*

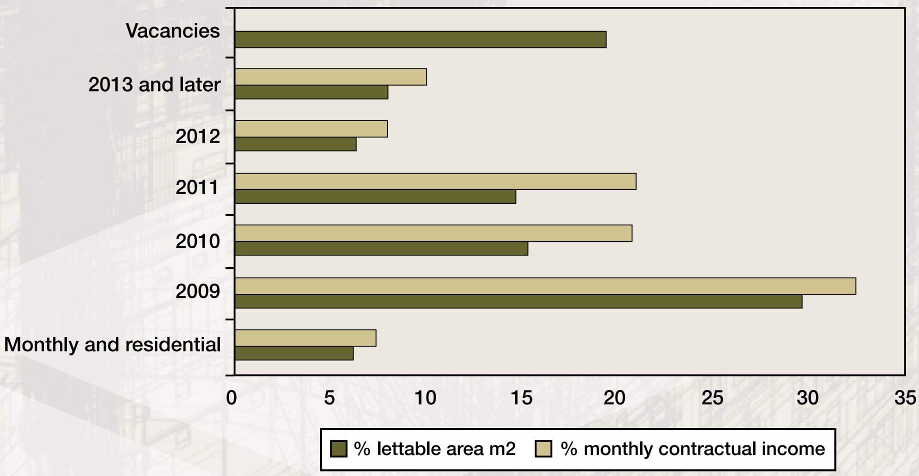
Vacancies by sector

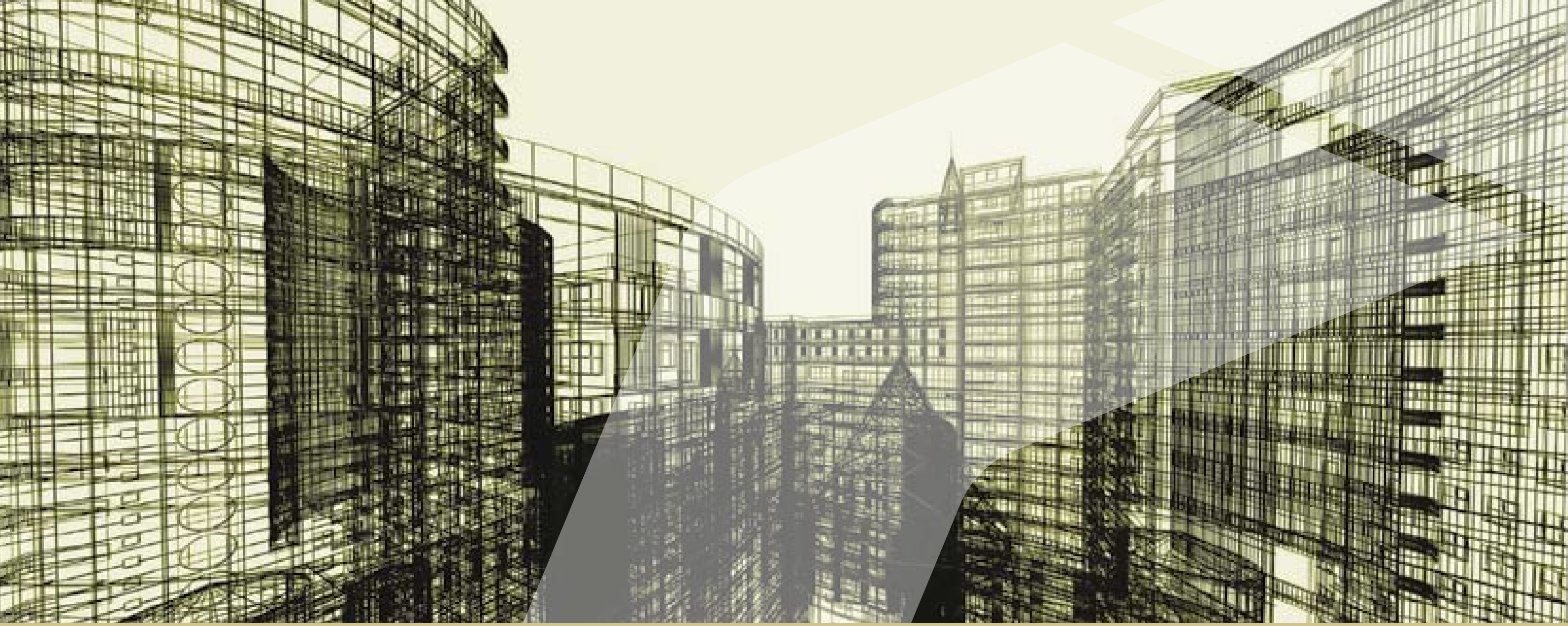
Sector	m²	% of total vacancies	% of total GLA	% of total portfolio warehoused for development	% of new acquisitions	Core vacancies (% of total portfolio)
Offices	41 347	48.2	9.4	(5.7)	(0.5)	3.2
Industrial	16 040	18.7	3.6	0.0	0.0	3.6
Retail	6 542	7.6	1.5	0.0	0.0	1.5
Commercial	21 728	25.3	4.9	(1.3)	(0.1)	3.5
Residential	176	0.2	0.0	0.0	(0.0)	0.0
Total	**85 833**	**100.0**	**19.4**	**(7.0)**	**(0.6)**	**11.8**



Lease expiry profile - GLA m²

Year	Lettable area m²	%	Monthly contractual rental	%
Monthly and residential	27 796	6.3	1 445 180	7.5
2009	131 478	29.7	6 216 340	32.4
2010	68 093	15.4	3 998 571	20.8
2011	64 820	14.7	4 026 583	21.1
2012	28 525	6.4	1 559 426	8.1
2013 and later	35 741	8.1	1 941 594	10.1
Vacancies	85 833	19.4	-	0.0
Total	**442 286**	**100.0**	**19 187 694**	**100.0**





CHAIRMAN'S AND MANAGING DIRECTOR'S REPORT

Introduction
Octodec has generated consistent superior total returns for more than a decade supported by consecutive years of increased annual distributions. Over the past five years, total returns were recorded at a compounded annual growth rate of over 40%. Octodec once again achieved the accolade of being one of the top performers on the JSE as reported by the Business Times Top 100 Companies survey.

During the year, Octodec acquired properties for an aggregate purchase consolidation of R86,1 million, generated strong distribution growth of 15.4%, preserved solid portfolio occupancy and maintained its strong balance sheet. Octodec's one hundred and two properties are located in Gauteng with a total gross lettable area of 442 286 m^2.

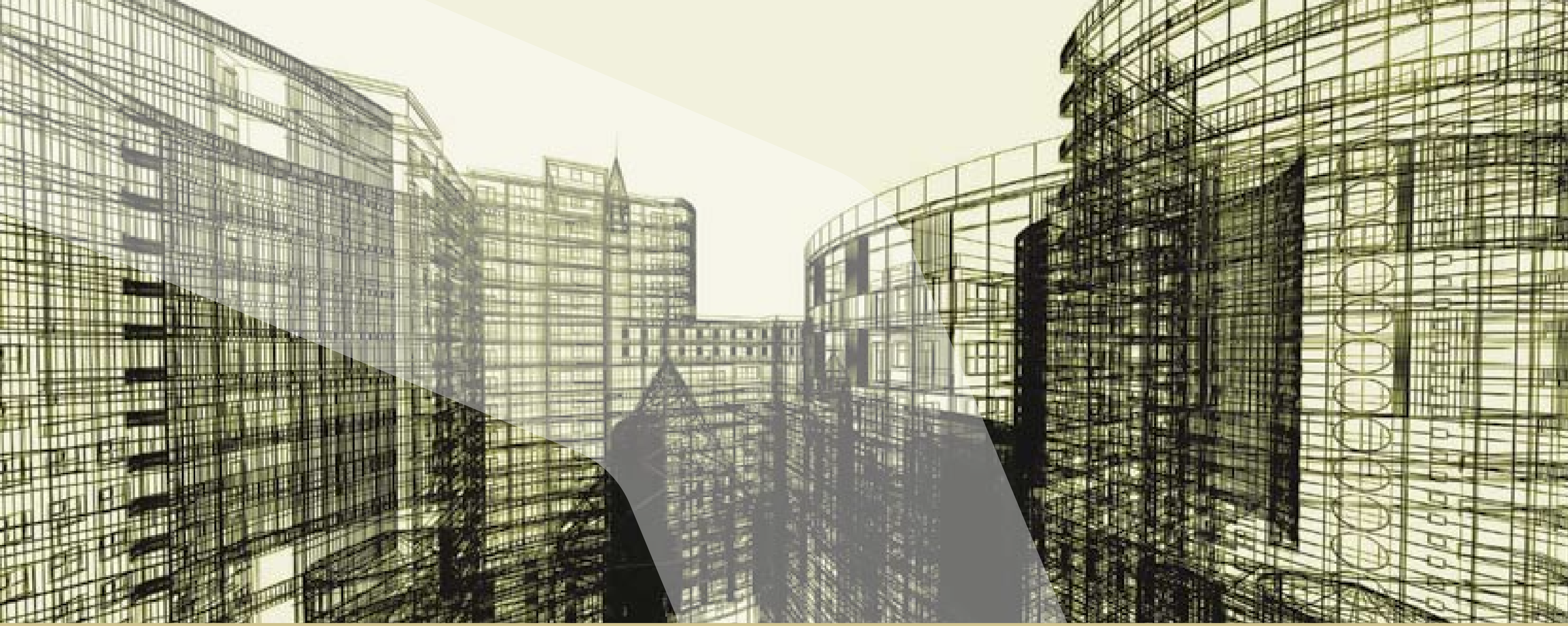
This has been a challenging year for equity investors in general and particularly for property investors. Despite the market turmoil, Octodec achieved a 15.4% increase in distributions. This growth compares favourably with the estimated 11% to 12% growth rate of the Property Loan Stock sector. It is important to note that, even in these challenging market conditions, we are focused on long-term opportunities as we consistently pursue our strategy of acquiring properties situated in the Gauteng region and on redeveloping and upgrading of properties.

Economic overview
An increasingly uncertain economic and financial global market outlook combined with rising interest rates and food and fuel prices has driven consumer and business sentiment sharply lower. This has resulted in a slow down of consumer spending as household budgets have been burdened with ten increases of 50 basis points each since June 2006. As a consequence economic growth is expected to slow further in 2009. It appears however that we are at a turning point with interest rates having peaked and it is expected that the Reserve Bank will start reducing interest rates.

Results
We continue to deliver strong results to our shareholders. Rental income grew by 19.1% to R269,5 million and net income before interest grew by 19.5% for the year. Total costs were R114,8 million, a R24,1 million or 26.6% increase from 2007. Maintenance and repairs expenses increased, utilities expenses, which were partially offset by recoveries from tenants, increased and administration expenses increased mainly due to the increase in the asset management fee. Bad debts increased from 1.5% to 1.7% of revenue. A substantial saving in interest was achieved due to the additional units that were issued towards the end of the previous financial year. This saving was however offset by the increased cost of funding as a result of the subsequent increases in interest rates.

The core portfolio, representing those properties held for the preceding 12 comparable months, reflects rental income growth of 8.7%.

The net asset value as at 31 August 2008 increased to 1556 cents per unit, an increase of 5.8% on that reported at 31 August 2007. This increase was as a result of an increase of R78,5 million in the valuation of the property portfolio to R2,1 billion.



Market movements and in particular, improved leasing and active management of the Octodec properties contributed positively to the upward revaluation. The rising inflation and interest rates over the last few years are expected to place pressure on capitalisation rates, and we are not forecasting further revaluation gains for the portfolio for the next financial year.
Income of R11,4 million, before accounting for fair value adjustments, from the company's 40% interest in IPS Investments (Pty) Ltd remained a strong contributor toward our overall results.

Distribution to unitholders

The growth in distributions is based on earnings derived from the property portfolio and investment income. It excludes capital profits. Octodec paid an interim and final distribution per linked unit of 61.6 cents and 61.0 cents respectively. The total distribution for the year of 122.6 cents per linked unit represents an increase of 15.4% on that paid in the previous corresponding period. The interim and final distributions were paid on 19 May 2008 and 17 November 2008 respectively.

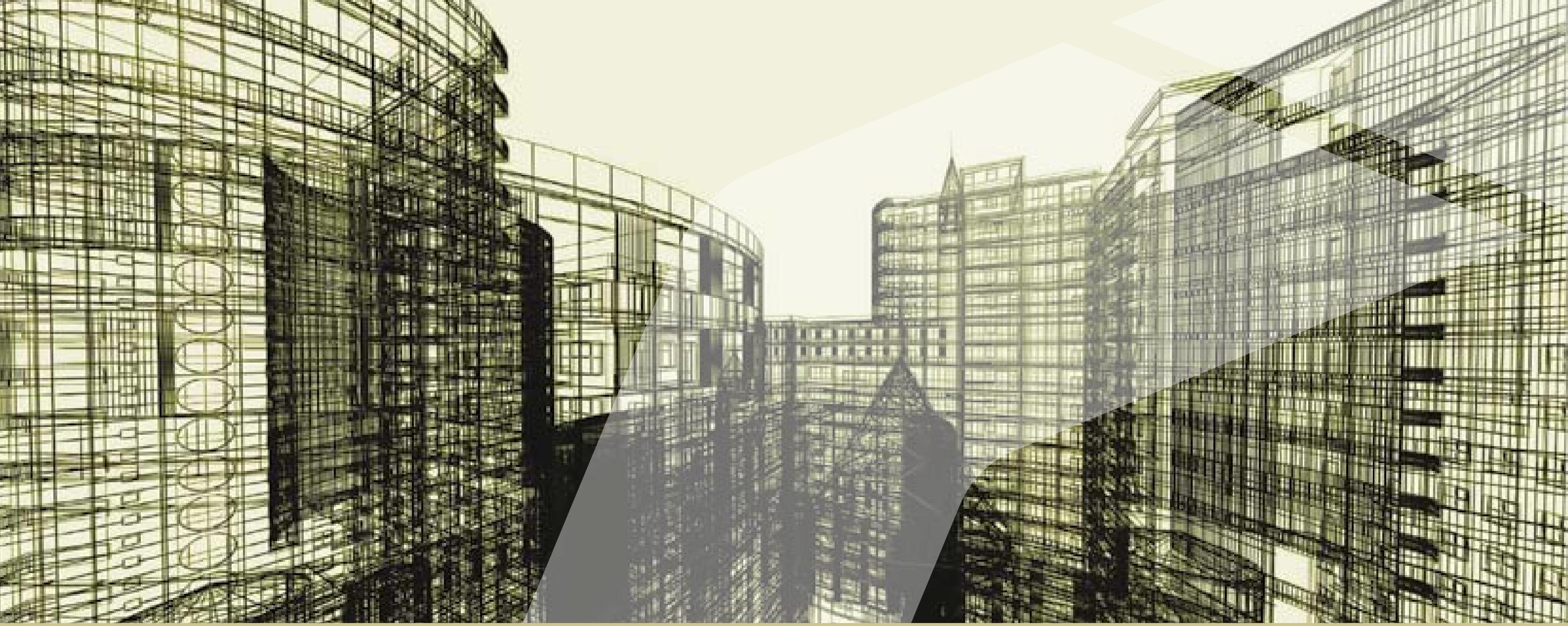
Property and investment portfolio

The performance of the property portfolio was pleasing with strong leasing of recently acquired Johannesburg CBD properties and relatively low-cost refurbishments being a consistent feature. They had a positive impact on both valuation growth and income streams. Demand for office space has increased in both the Pretoria and Johannesburg CBDs over the year and as a result Octodec has been able to secure favourable upward rent reviews in respect of a number of properties.

Octodec continued to unlock the value of its Pretoria and Johannesburg CBD properties by the development and refurbishment thereof. An example of this is the upgrade of the mixed use building, Fine Art House, which is situated in the Johannesburg CBD. This building is close to being fully let. The completion of Fine Art House, along with the upgrade of Registry House across the road, will enhance the value of both properties. Further consideration is being given to converting a portion of Registry House into residential accommodation. The properties in the CBD are well positioned to take advantage of the growth experienced in the inner cities. The Tiny Town residential development, which is situated adjacent to the Union Buildings in Pretoria has commenced and is expected to be completed early in 2010.

The retail portfolio which comprises five quality shopping centres, continued to enjoy growth in rental income, although at a slower rate than previous years.
The portfolio vacancies are at 85 833 m^2 or 19.4% of the total rentable area. Many of the properties are fully let. A large percentage of the vacancies are in respect of properties recently developed or undergoing redevelopment or refurbishment. In recent years a number of properties were acquired with large vacancies, where no or relatively little consideration was paid for the vacant space. The most notable vacancies in the year under review were at Inner Court, Medical City, Bosman Building, Rand Central and Registry House. Inner Court has since been let.

IPS through various joint ventures in which it has a 50% interest has benefited from investment opportunities during the year. For example, IPS formed a joint venture to develop a motor dealership at a cost of R38 million, at an effective yield of 11%. It has secured a 10 year lease with escalations of 8%. Another joint venture of IPS is in respect of Kempton City, which is a mixed use development. Phase I consists of 391 residential units. In total IPS has a committed residential development pipeline to build 977 residential units at a total cost of R339 million. The majority of these units will be built at Kempton City in Kempton Park and Corporation Place and Tayob Towers situated in the Johannesburg CBD. Octodec has an effective 20% interest in these joint ventures.



Chairman's and Managing Directors report *continued*

The following table includes information regarding current developments, major acquisition and refurbishment activities:

Acquisitions during the year:

Name of property	Physical address	Description	Cost R'000	Rentable area m^2	Yield %
Rentmeester Building	Watermeyer Street, Val-de-Grace, Pretoria	Offices	50 573	12 927	12%
Union Club	Cnr Bree & Joubert Streets, Johannesburg	Flats & shops	32 289	3 720	10%

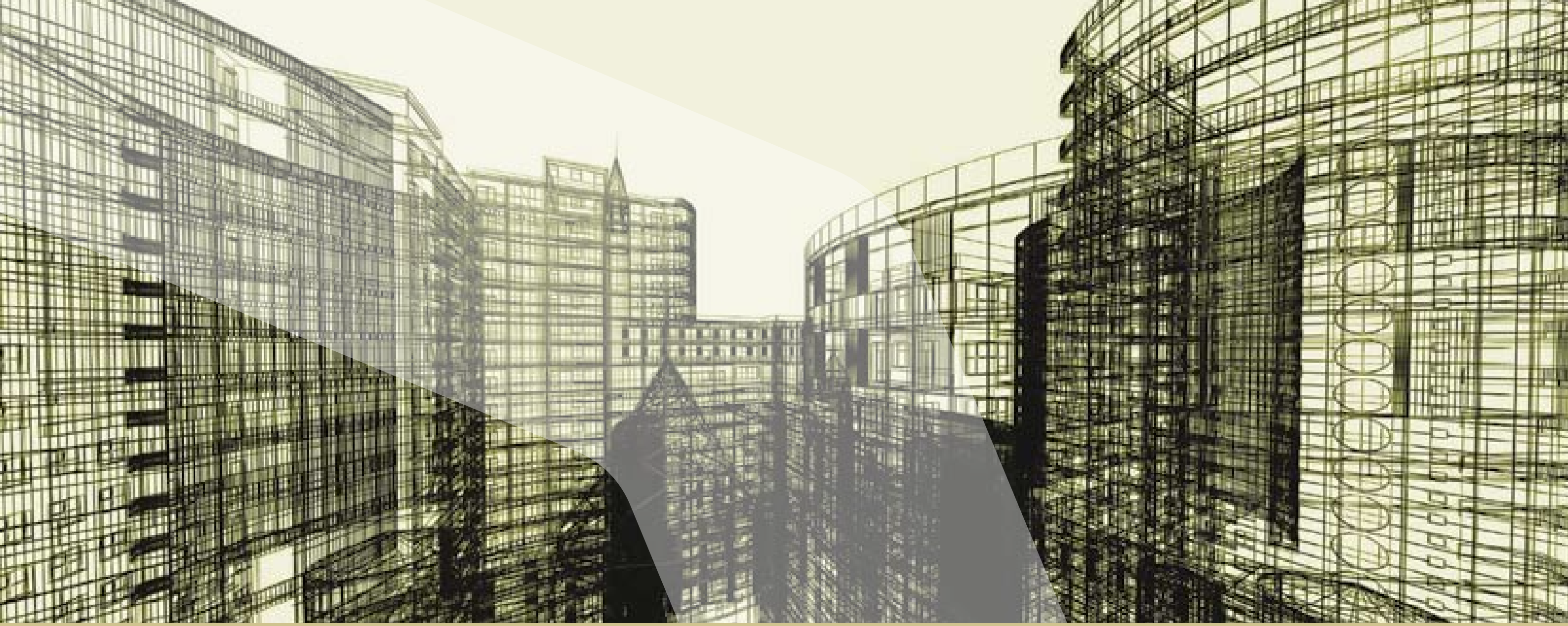
Developments and refurbishments:

Name of property	Physical address	Description	Cost R'000	Yield %
Fine Art House & Court	103 & 105 Pritchard Street, Johannesburg	Refurbishment of shops, offices and flats	12 000	12%
Tiny Town	Church Street, Arcadia, Pretoria	Residential development	100 000	7-8%

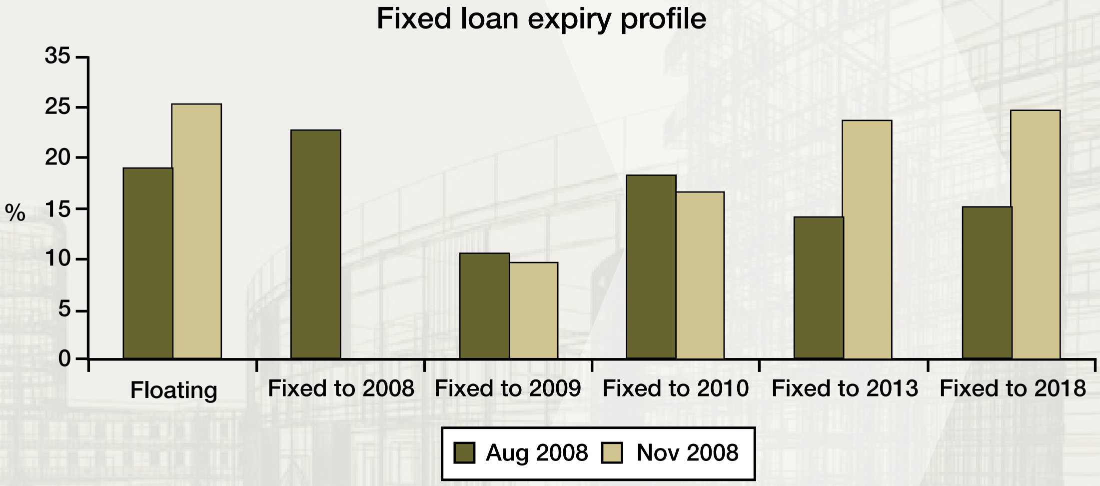
Borrowings

Total borrowings as at 31 August 2008 amounted to R657,0 million, an increase during the year of R142,4 million. Borrowings increased as a result of the advance of further funds to IPS, the purchase of investment properties, an increase in its investment in Premium Properties Limited and the cost of upgrading and development of properties. Octodec's gearing at the end of the financial year was 28% as against the 24% at 31 August 2007.

It is Octodec's policy to hedge the majority of its exposure to interest rate fluctuations thereby ensuring the sustainability of growth in distributions. The Group has substantial fixed loans in place as at balance sheet date, with 81% of debt subject to fixed interest rates at an average cost of 11%. Subsequent to year end interest rates in respect of R150 million of fixed rate loans which expired in October 2008 were fixed, leaving Octodec with limited exposure to fluctuations in interest rates.
R75 million of debt was fixed for a 5 year period and a further R75 million for 10 years at an all-in fixed rate of 11.92% and 11.72% respectively.



Further details of the loan expiry profile are set out below:



Outlook

We recognise that the business environment going forward may be somewhat more challenging than in recent years. Capital may not be as easily available and may become more expensive. Also, tenants may experience less growth than they have in the last few years. Rental growth is therefore expected to slow down and operating costs are expected to increase. Despite the external environment, we are optimistic about Octodec's ability to deliver long term value for our shareholders as we have a high quality portfolio and our balance sheet is very strong with over R200 million of available funds to take advantage of attractive opportunities as they arise. The Board believes that distributable earnings will be on par with, if not better than the previous year.

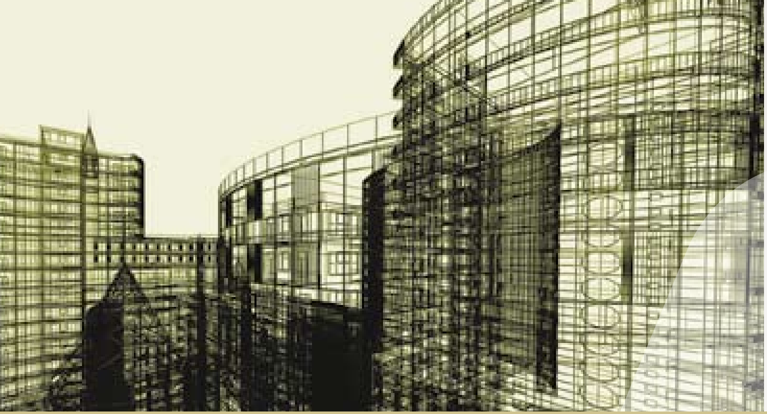
Conclusion

We would like to take the opportunity to thank our fellow directors for their contribution and guidance over the past year as well as the staff of City Property Administration, the management company. The success of Octodec in achieving these exceptional results and growth in distributions is a direct result of the commitment, hard work and talent of our Board and the staff and management of City Property Administration.

A Wapnick
Chairman

JP Wapnick
Managing Director

10 December 2008



CORPORATE
GOVERNANCE STATEMENT

The Board of Directors endorses the Code of Corporate Practices and Conduct, and supports the principles of openness, integrity and accountability as set out in the 2002 King Committee Report on Corporate Governance (King II). The directors believe that in all relevant respects the Company complied with the recommendations of the King II report.

Board of directors

The constitution of the Board of directors is set out on page 57 of this report. The Board meets at least quarterly and consists of three non-executive directors and two executive directors, including the Chairman. As the Chairman has always been, and remains, a driving force behind the Company's direction, the directors consider that it is in the Group's interest that he be the Chairman.
The Board aims to ensure that the structure, size, composition and effectiveness of the Board and the committees are maintained at levels that are appropriate in the context of the Group's strategy. All directors are subject to retirement by rotation and re-election by Octodec shareholders in accordance with the Articles of Association.
The directors' remuneration is subject to recommendation made by the Board and approved from time to time in a general meeting.

The Board has set the strategic objectives of the Group and determines investment and performance criteria as well as being responsible for the proper management, control, compliance and ethical standards of the business.

Independent non-executive directors are independent of management and free from any relationship that could materially interfere with the execution of their independent judgment. Their business experience enables them to evaluate strategy and act in the Company's best interest.

Directors have to obtain approval from the Chairman of the Company to buy or sell linked units in the Company, whether directly or indirectly. Directors and any employees who become aware of sensitive financial information cannot directly or indirectly deal in the Group's linked units until the information is in the public arena.

All the directors may seek independent professional advice, if necessary, and have access to the services of the Company Secretary, who is responsible to ensure both the effective functioning of the Board and the proper administration of Board proceedings.

Directors' responsibility

The directors are responsible, inter alia, for the preparation of the annual financial statements, which fairly present the state of the Company and Group at the end of the financial year, and the results for that year.

The directors review the controls and procedures in place so as to ensure the accuracy and integrity of the accounting records. The directors are of the opinion that adequate accounting records are maintained and take cognisance of reports and recommendations received from the audit committee from time to time.

The external auditors are responsible for reporting on the annual financial statements.

Appropriate accounting policies supported by reasonable and prudent judgments and estimates are applied in the preparation of the annual financial statements, and there are no material departures from International Financial Reporting Standards.

The directors consider and approve the Group's annual budget.

Internal control

The effectiveness of the internal control system is monitored through management overview and comprehensive reviews. The Group does not have an internal audit function as this has been deemed unnecessary in the past.

The Board is responsible for the Group's systems of internal control. These systems are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability of its assets and to identify and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations.

There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and asset safeguarding. Furthermore, the effectiveness of an internal control system can change with circumstances. The system is therefore designed to manage rather than eliminate risk of failure and opportunity risk.

The controls throughout the Group concentrate on critical risk and these are closely monitored. Continued reviews and reporting structures enhance the control environment. Nothing has come to the attention of the directors to indicate that a material breakdown in the controls within the Group has occurred during the year.

Risk management

The objective of risk management is to identify, assess, manage and monitor the risks to which the Group is exposed. This is the Board's responsibility.

Management is involved in a continuous process of developing and enhancing its comprehensive systems for risk identification and management and this process has been in place for the year under review and up to the date of this report. These risks encompass such areas as tenant vacancies, total or partial destruction of investment properties, compliance with regulations and legislation and public liability. Furthermore, the level of borrowings and the exposure to interest rate movements are carefully monitored and covered.

In consultation with insurance consultants, appropriate insurance cover is purchased for all the material risks above pre-determined limits. Levels of cover are assessed annually and adjusted according to the circumstances.

Financial risk management is dealt with in the notes to the annual financial statements.

Audit committee

The committee comprises two independent non-executive directors. Mr MJ Holmes, an independent non-executive director, acts as chairman.

The external auditors and the financial manager attend the meetings by invitation. This committee has its own written terms of reference. These include the review of the annual financial statements before they are presented to the Board, the review of internal control systems with reference to the findings of the external auditors and considering any changes in accounting policies. It also reviews any material audit recommendations. The committee has complied with the terms of reference during the period under review.

External audit

The Group's external auditors are Deloitte & Touche. The independence of external auditors is recognised, and reviewed by the audit committee on an annual basis. The external auditors attend the audit committee meetings and have access to the chairman of the audit committee.

Investment committee

The board has not formed a separate investment committee as it considers the acquisition and sale of properties and meets as often as required.

Going concern

The annual financial statements have been prepared on the going concern basis since the directors have every reason to believe that the Group has adequate resources in place to continue in operation for the foreseeable future.

Relations with unitholders

The Board understands the information needs of unitholders. It places great importance on meaningful dialogue with unitholders to ensure they are kept appropriately informed of matters affecting the Group and have access to the Group.

The Board is also committed to transparency and disclosure of relevant and appropriate information in the annual report as well as other communication channels to enable all unitholders and potential unitholders to have access to relevant information.

Employment equity and remuneration committee

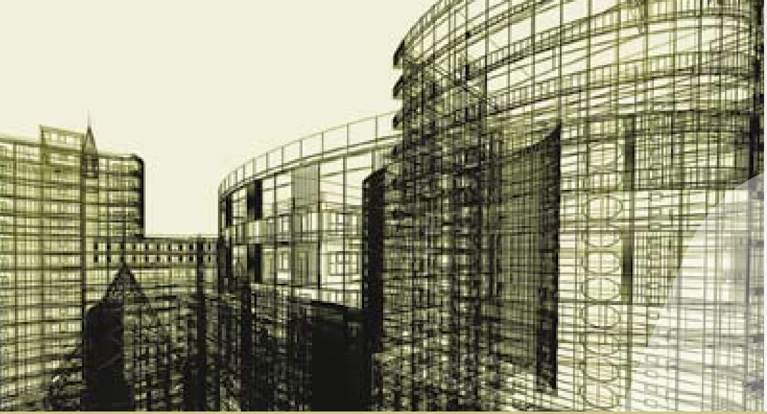
As the Group has a limited number of employees, having contracted out the management of the affairs of the Group to City Property Administration (Proprietary) Limited, it has neither worker participation nor employment equity programmes, nor has it formed a remuneration committee.
It does however, encourage and support such practices.

Directors' remuneration

As the executive directors' are paid by City Property Administration (Proprietary) Limited, no remuneration is paid by the group other than directors and audit committee fees. No non-executive or executive directors' hold service contracts. Details of directors' remuneration which is determined by the Board, are set out on page 22 of this report.

Code of ethics

The Company's code of ethics requires all employees within the Company to act with utmost good faith and integrity in all transactions and with all stakeholders with whom they interact. It commits the Company and employees to sound business practices and compliance with legislation.



RESPONSIBILITY
FOR THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 20 to 52 are the responsibility of the directors.

The directors are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for the safeguarding of assets, and for developing and maintaining a system of internal control that, among other things, will ensure the preparation of financial statements that achieve fair presentation.

After conducting appropriate procedures the directors are satisfied that the Company will be a going concern for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

The annual financial statements were approved by the directors on 10 December 2008 and are signed on their behalf by:

A Wapnick
Chairman

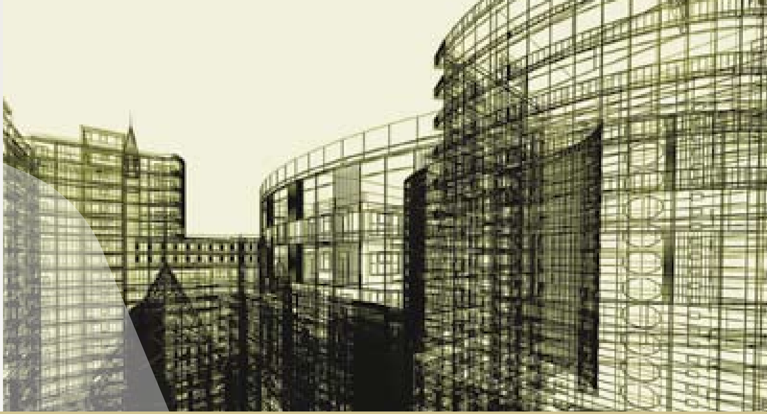
JP Wapnick
Managing Director

Certification by the Company

The Company Secretary hereby certifies, in compliance with section 268G(d) of the Companies Act 1973, as amended, that all returns required have been lodged with the Registrar of Companies and that all such returns are true, correct, and up to date.

City Property Administration
(Proprietary) Limited
Company Secretary
10 December 2008
Pretoria

REPORT OF THE
INDEPENDENT AUDITORS TO THE UNITHOLDERS OF OCTODEC INVESTMENTS LIMITED



We have audited the annual financial statements and group annual financial statements of Octodec Investments Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 31 August 2008, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, cash flow statement and the consolidated cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 20 to 52.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes:
designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

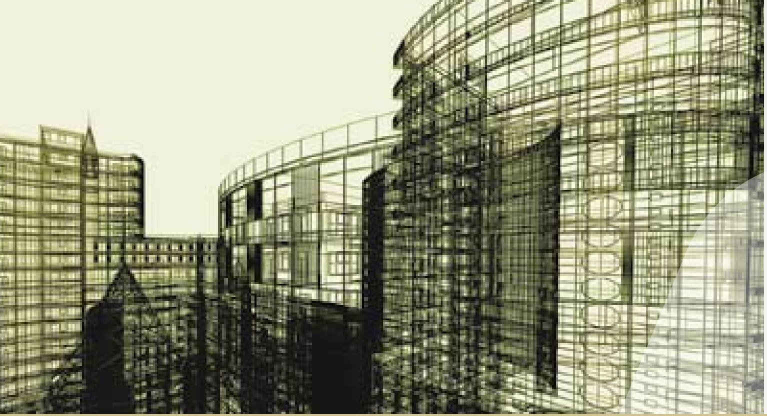
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the group and company as at 31 August 2008 and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Deloitte & Touche
Registered Auditors
Audit – Pretoria
Per A J van den Berg – Partner
Deloitte Waterkloof House
221 Waterkloof Road
Waterkloof 0181
Docex 6 Pretoria
10 December 2008

National Executive: GG Gelink Chief Executive AE Swiegers Chief Operating Officer GM Pinnock Audit DL Kennedy Tax L Geeringh Consulting L Bam Strategy CR Beukman Finance TJ Brown Clients and Markets NT Mtoba Chairman of the Board
Regional Leader: X Botha

A full list of partners and directors is available on request.



REPORT OF THE DIRECTORS

To the linked unitholders of Octodec Investments Limited

Your directors have pleasure in submitting their report for the year ended 31 August 2008.

Nature of business
Octodec Investments Limited is a property loan stock company listed on the JSE Limited ("JSE") under the "Financials – Real Estate Holdings" sector, investing in retail, commercial, industrial and residential properties and deriving income from rental.

Share capital and debentures
The authorised share capital comprises of 100 000 000 linked units of 1 cent each.

At 31 August 2008 there were 89 297 472 (2007: 89 297 472) linked units in issue, each comprising one ordinary share of 1 cent and one unsecured variable rate debenture of 209 cents each. The ordinary share and debentures trade as linked units on the JSE. In terms of the debenture trust deed, the interest payable on the debenture component of the linked unit is always 200 times greater than the dividend payable per ordinary share.

Post-balance sheet events
No material facts or circumstances have occurred between the balance sheet date and the date of this report.

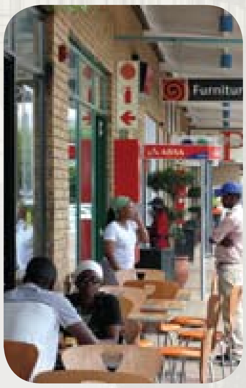
Non-current assets
There were no major changes during the year to the nature of the non-current assets or to the policy relating to the use thereof.

Borrowing powers
The directors are authorised to borrow funds up to an amount not exceeding 67% of the directors valuation of the consolidated property portfolio.

Subsidiaries
The Company's interest in property owning subsidiaries is fully set out on pages 48 to 52.

Management contract and Administration
The Group's investment properties continue to be managed (in terms of an agreement) by City Property Administration (Proprietary) Limited, the entire share capital of which is effectively owned by Messrs A Wapnick and JP Wapnick.

Directors and meetings attended
The directors of the Company during the year and to the date of this report were Messrs MJ Holmes, MZ Pollack, A Wapnick, JP Wapnick and S Wapnick.



Summary of results for year

	GROUP	
	2008 R'000	**2007** R'000
Net income before interest	158 161	132 368
Trading profit	-	2 198
Capital profit on disposal of investment properties	-	573
Revaluation of investment properties	78 481	241 858
Amortisation of debenture premium	11 074	4 010
Investment income	50 768	32 928
Income before interest	298 484	413 935
Finance costs	(66 624)	(64 499)
Income before debenture interest	231 860	349 436
Debenture interest	(108 943)	(85 737)
Income before taxation	122 917	263 699
Taxation	(13 072)	(63 535)
Income for the year	**109 845**	**200 164**

Distribution to unitholders (cents)

	Dividend		**Interest**		**Total**	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
Interim	0,30	0,27	61,30	53,73	61,60	54,00
Final	0,30	0,26	60,70	51,94	61,00	52,20
Total	**0,60**	**0,53**	**122,00**	**105,67**	**122,60**	**106,20**

Board meetings and directors remuneration

	Board meetings		Audit Committee meetings	
	Held	Attended	Held	Attended
MZ Pollack • ♦	4	4	3	2
MJ Holmes • ♦	4	4	3	2
S Wapnick †	4	4	3	2 (by invitation)
JP Wapnick * o	4	4	3	3 (by invitation)
A Wapnick *	4	4	-	-

* Executive director

• Independent non-executive director

† Non-executive director

♦ Member of the Audit Committee

o Member of the Audit Committee to 31 December 2007

Directors' Remuneration

	2008			2007		
	As a Board member	As an Audit Committee member	Total	As a Board member	As an Audit Committee member	Total
MJ Holmes	90 000	30 000	120 000	60 000	24 000	84 000
MZ Pollack	90 000	24 000	114 000	60 000	18 000	78 000
A Wapnick	90 000	-	90 000	60 000	–	60 000
JP Wapnick	90 000	-	90 000	60 000	–	60 000
S Wapnick	90 000	-	90 000	60 000	–	60 000
RJ Inggs	-	-	-	25 000	–	25 000
	450 000	**54 000**	**504 000**	**325 000**	**42 000**	**367 000**

The above directors' remuneration is paid by the holding company.

Directors' Shareholding

The beneficial and non-beneficial interest held by the directors in the Company at 31 August 2008 amounted to:

	31 August 2008				
	Direct beneficial	Indirect beneficial	Indirect non-beneficial	Total	% held
MJ Holmes	500	66 000	25 000	91 500	0.1
MZ Pollack	280 333	-	519 667	800 000	0.9
A Wapnick	300 809	696 836	10 167 643	11 165 288	12.5
JP Wapnick	20 000	5 546 077	2 629 304	8 195 381	9.2
S Wapnick	19 920	5 128 034	2 629 304	7 777 258	8.7
	621 562	**11 436 947**	**15 970 918**	**28 029 427**	**31.4**

	31 August 2007				
	Direct beneficial	Indirect beneficial	Indirect non-beneficial	Total	% held
MJ Holmes	500	66 000	25 000	91 500	0.1
MZ Pollack	280 333	–	519 667	800 000	0.9
A Wapnick	300 809	696 836	8 594 078	9 591 723	10.7
JP Wapnick	20 000	5 529 410	1 082 205	6 631 615	7.4
S Wapnick	19 920	5 111 368	1 082 205	6 213 493	7.0
	621 562	**11 403 614**	**11 303 155**	**23 328 331**	**26.1**

Valuation of portfolio

Octodec property portfolio was valued by the directors at R2,089 billion (2007: R1,902 billion). Each year one third of the properties are valued on a rotational basis by independent external valuers. The valuation of one third of the portfolio by external valuers, Van Zyl Valuers and Amanda de Witt Attorneys, was 0.34% (2007: 1.7%) less than the directors' valuation. The directors are confident, taking all factors into account, that their valuation represents fair value.

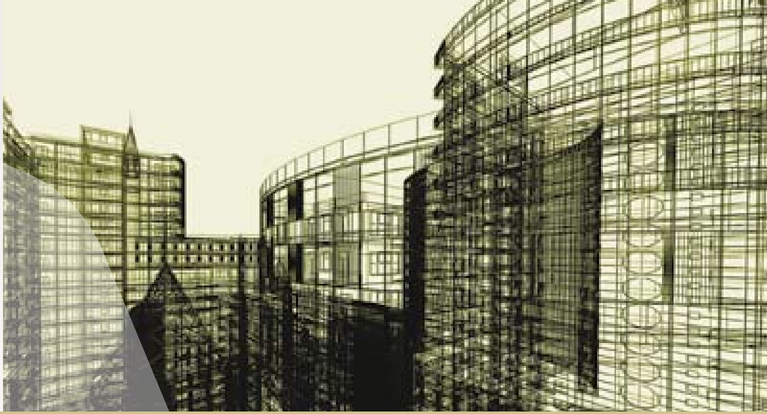
Net asset value

The net asset value per linked unit is 1 556 cents (2007: 1 471 cents). After adding back the provision for deferred taxation of R271,3 million (2007: R256,3 million), the net asset value is 1 863 cents (2007: 1 757 cents) per linked unit. The closing price per linked unit at 31 August 2008 is 1 580 cents (2007: 1 805 cents) which is a discount to net asset value of 15.2% after adding back the provision for deferred taxation.

Company Secretary

City Property Administration (Proprietary) Limited

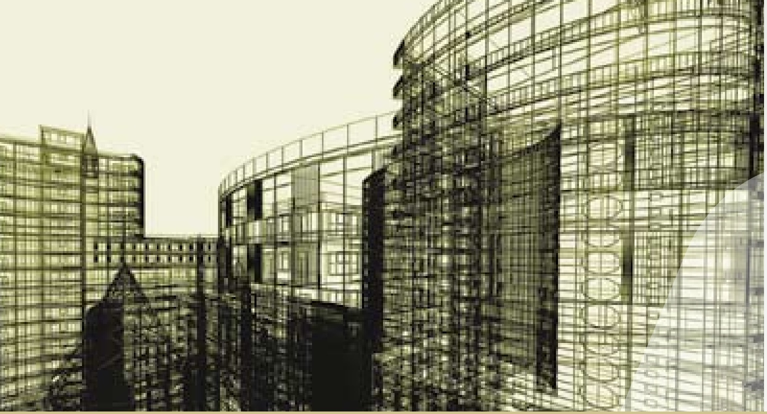
CPA House	PO Box 15
101 Du Toit St	Pretoria, 0001
Pretoria, 0002	



BALANCE SHEETS

AT 31 August 2008

	Notes	GROUP 2008 R'000	GROUP 2007 R'000	COMPANY 2008 R'000	COMPANY 2007 R'000
ASSETS					
Non-current assets		**2 397 634**	**2 152 906**	**908 620**	**830 001**
Plant and equipment	2	4 782	1 969	–	–
Investment properties	3	2 084 666	1 899 758	11 843	5 356
Subsidiary companies	4	–	–	694 446	653 547
Listed investment	5	146 663	132 742	146 663	132 742
Investment in associate	6	161 523	118 437	55 668	38 356
Current assets		**20 023**	**22 520**	**16 688**	**15 386**
Taxation receivable		-	35	-	261
Accounts receivable	7	19 633	22 211	16 356	14 860
Bank balances and cash		390	274	332	265
Total assets		**2 417 657**	**2 175 426**	**925 308**	**845 387**
EQUITY AND LIABILITIES					
Share capital and reserves		**994 081**	**906 500**	**158 512**	**153 475**
Share capital and premium	8	58 295	47 221	58 295	47 221
Non-distributable reserves	9	899 935	829 938	66 237	85 605
Distributable reserves		35 851	29 341	33 980	20 649
Non-current liabilities		**1 307 715**	**1 166 166**	**659 587**	**618 279**
Debentures and capital premium	10	395 031	406 105	395 031	406 105
Long-term borrowings	11	640 105	495 543	254 038	199 127
Deferred tax liability	12	272 579	264 518	10 518	13 047
Current liabilities		**115 861**	**102 760**	**107 209**	**73 633**
Accounts payable	13	33 069	26 909	12 597	14 656
Bank overdraft	14	11 027	9 601	35 434	9 601
Short-term borrowings		16 917	19 082	4 917	2 995
Taxation liability		644	787	57	-
Linked unitholders		54 204	46 381	54 204	46 381
Total equity and liabilities		**2 417 657**	**2 175 426**	**925 308**	**845 387**

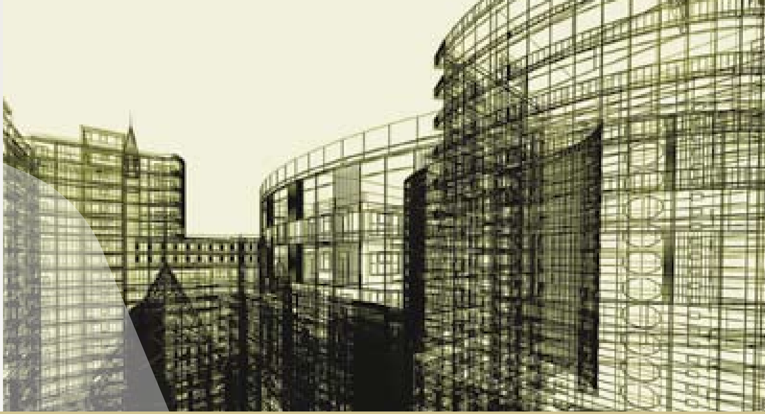


INCOME

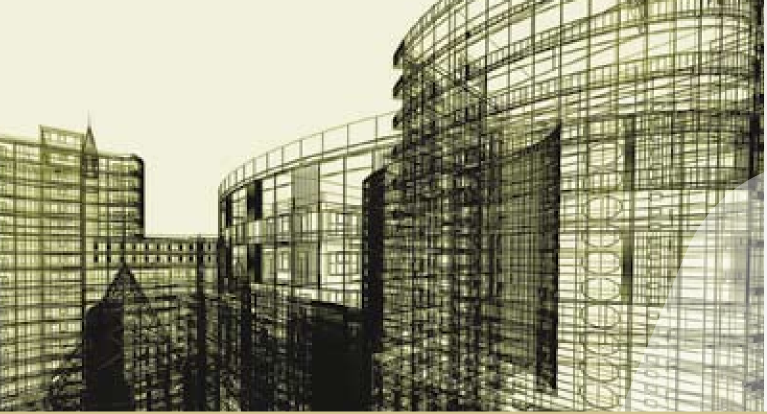
STATEMENTS FOR THE YEAR ENDED 31 August 2008

	Notes	GROUP 2008 R'000	GROUP 2007 R'000	COMPANY 2008 R'000	COMPANY 2007 R'000
Revenue		**272 954**	**223 035**	**96 349**	**84 988**
Revenue earned on contractual basis	15	269 535	226 333	95 930	91 124
Straight-lining of rental lease adjustment		3 419	(3 298)	419	(6 136)
Operating costs		(114 793)	(90 667)	(40 463)	(36 995)
Net income before interest	16	**158 161**	**132 368**	**55 886**	**47 993**
Investment income	17	12 000	8 887	11 247	7 561
Share of profit from associate	18	38 768	24 041	12 994	5 414
Investment income from subsidiary	19	-	-	69 439	57 081
Income before finance costs		208 929	165 296	149 566	118 049
Finance costs	20	(66 624)	(64 499)	(26 597)	(34 223)
Income before debenture interest and capital profit		**142 305**	**100 797**	**122 969**	**83 826**
Trading profit		-	2 198	-	2 198
Capital profit on disposal of investments properties		-	573	-	573
Amortisation of debenture premium		11 074	4 010	11 074	4 010
Revaluation of investment properties		78 481	241 858	3 327	–
Income before debenture interest		**231 860**	**349 436**	**137 370**	**90 607**
Debenture interest		(108 943)	(85 737)	(108 943)	(85 737)
Income before taxation		**122 917**	**263 699**	**28 427**	**4 870**
Taxation	21	(13 072)	(63 535)	(1 126)	(7)
Income attributable to linked unitholders		**109 845**	**200 164**	**27 301**	**4 863**
Earnings per share (cents)		123,0	253,5		
Earnings per linked unit (cents)					
Basic and diluted	23	245,0	362,0		
Distribution per linked unit (cents)					
Dividend		0,60	0,53		
Interest		122,00	105,67		
		122,60	**106,20**		

STATEMENTS
OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 August 2008



	Share capital and premium R'000	Non-distributable reserves R'000	Distributable reserves R'000	Total R'000
GROUP				
Balances at 1 September 2007	42 224	599 156	28 046	669 426
Net income attributable to linked unitholders			200 164	200 164
Issue of new units	987	-	-	987
Reallocation of deemed debenture premium	4 010	-	(4 010)	–
Dividends paid			(392)	(392)
Adjustment to valuation of listed investment, net of deferred tax at Capital Gains Tax rate	-	36 315	-	36 315
Transfer to non-distributable reserve				
Capital profit on disposal of investment property	-	481	(481)	–
Fair value adjustment of investment properties				
- investment properties, net of deferred tax	-	175 376	(175 376)	–
- associate, net of deferred tax	-	18 610	(18 610)	–
Balances at 31 August 2007	**47 221**	**829 938**	**29 341**	**906 500**
Net income attributable to linked unitholders			109 845	109 845
Reallocation of deemed debenture premium	11 074	-	(11 074)	-
Dividends paid			(500)	(500)
Adjustment to valuation of listed investment, net of deferred tax at Capital Gains Tax rate	-	(21 764)	-	(21 764)
Transfer to non-distributable reserve				
Fair value adjustment of investment properties				
- investment properties, net of deferred tax	-	64 419	(64 419)	-
- associate, net of deferred tax	-	27 342	(27 342)	-
Balances at 31 August 2008	**58 295**	**899 935**	**35 851**	**994 081**
COMPANY				
Balances at 1 September 2007	42 224	48 809	20 669	111 702
Issue of new units	987	-	-	987
Net income attributable to linked unitholders	-	-	4 863	4 863
Reallocation of deemed debenture premium	4 010	-	(4 010)	-
Dividends paid	-	-	(392)	(392)
Adjustment to valuation of listed investment, net of deferred tax at Capital Gains Tax rate	-	36 315	-	36 315
Capital profit on disposal on investment property	-	481	(481)	-
Balances at 31 August 2007	**47 221**	**85 605**	**20 649**	**158 475**
Net income attributable to linked unitholders	-	-	27 301	27 301
Reallocation of deemed debenture premium	11 074	-	(11 074)	-
Dividends paid	-	-	(500)	(500)
Adjustment to valuation of listed investment, net of deferred tax at Capital Gains Tax rate	-	(21 764)	-	(21 764)
Adjustment to valuation of investment property, net of deferred tax	-	2 396	(2 396)	-
Balances at 31 August 2008	**58 295**	**66 237**	**33 980**	**158 512**

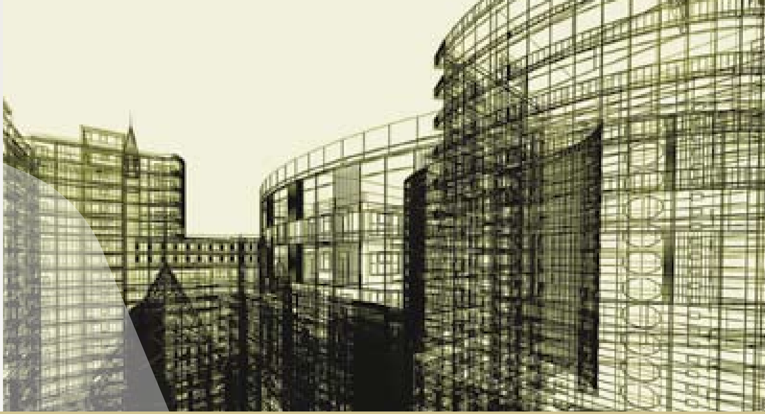


CASH FLOW

STATEMENTS FOR YEAR ENDED 31 August 2008

	Notes	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Cash generated from operating activities					
Receipts from customers		270 555	225 669	96 306	100 608
Payments to suppliers and employees		(106 354)	(93 433)	(43 975)	(34 592)
Cash generated from operations	24	164 201	132 236	52 331	66 016
Investment income		24 994	14 301	93 680	70 056
Finance costs		(66 624)	(64 499)	(26 597)	(34 223)
Debenture interest	25	(101 120)	(75 371)	(101 120)	(75 371)
Taxation (refunded)/paid	26	(1 657)	(772)	125	(225)
Dividends paid		(500)	(392)	(500)	(392)
Net cash generated from operating activities		**19 294**	**5 503**	**17 919**	**25 861**
Cash utilised in investing activities					
Acquisition of investment properties, plant and equipment		(106 542)	(132 901)	(3 160)	(5 356)
- New acquisitions		(86 064)	(101 098)	(3 160)	(5 356)
- Additional development		(20 478)	(31 803)	-	-
Proceeds on disposal of investment properties		-	3 573	-	–
Investment in and amounts advanced to subsidiary companies		-	–	(40 899)	(165 597)
Increase in investments and loans to associates		(56 459)	(28 476)	(56 459)	(28 476)
Net cash utilised in investing activities		**(163 001)**	**(157 804)**	**(100 518)**	**(199 429)**
Cash generated from financing activities					
Issue of new units		-	199 203	-	199 203
(Decrease)/increase in short-term borrowings		(2 165)	9 301	1 922	(2 989)
Increase/(decrease) in long-term borrowings		144 562	(61 710)	54 911	(28 154)
Net cash generated from financing activities		**142 397**	**146 794**	**56 833**	**168 060**
Net decrease in cash and cash equivalents		(1 310)	(5 507)	(25 766)	(5 508)
Cash and cash equivalents at beginning of year		(9 327)	(3 820)	(9 336)	(3 828)
Cash and cash equivalents at end of year	27	**(10 637)**	**(9 327)**	**(35 102)**	**(9 336)**

NOTES TO THE
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 August 2008



1. Accounting policies

The annual financial statements incorporate the principal accounting policies set out below, which are consistent in all material respects with those of the previous year except for amendments to IAS1 - Presentation of Financial Statements and IFRS 7 - Financial Instruments: Disclosures. These standards affect financial statement disclosures and have no impact on the Group's financial results for the year. The annual financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"). The annual financial statements have been prepared in the Republic of South Africa under the historical cost convention.

1.1 Basis of consolidation

The Group annual financial statements incorporate those of the holding company and its subsidiaries. The results of subsidiaries are included from the effective dates of their acquisition until the effective dates of their disposal. Intercompany balances and transactions are eliminated on consolidation. Certain subsidiaries are share block companies and as a result all income and expenses accrue directly to the holding company.

Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain the benefits of its activities.

1.2 Reserves

Realised profits on the disposal of investment properties, although legally distributable, are transferred to a non-distributable reserve, as it is the Group's policy to regard such profits as not being available for distribution. Gains and losses on revaluation of investment property are similarly transferred to a non-distributable reserve.

1.3 Investment properties

Investment properties are recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property, will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Subsequent expenditure relating to investment property that has been recognised is added to the carrying amount of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the enterprise. All other subsequent expenditure is expensed in the period in which it is incurred.

Leasehold property comprising of buildings erected on land secured by means of long-term land leases are classified as investment property. Operating lease payments, which are based on a percentage of rental income are charged to the income statement as incurred.

Fair value

At the balance sheet date all investment property is measured at fair value. A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises and is transferred to a non-distributable reserve.

1.4 Plant and equipment

Plant and equipment are stated at cost less depreciation and any accumulated impairment losses. Subsequent expenditure relating to an item of plant and equipment that has already been recognised is added to the carrying amount of the asset to the extent that it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise.

Depreciation is provided on all plant and equipment to write down the cost, less estimated residual value by equal installments over the shorter of the lease term or their useful lives at a rate of 20% per annum.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

1.5 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

– Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
– Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:
– expenditures for the asset have occurred;
– borrowing costs have been incurred, and
– activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.6 Investments in subsidiaries

Investments in subsidiaries are stated in the Company's financial statements at cost, less any impairment losses.

1.7 Investment in associates

An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor. In the Group financial statements, investments in associates are accounted for under the equity method adjusted for any impairment losses.

1.8 Listed investments

Listed investments are initially recorded at cost and subsequently measured at fair value. Gains and losses arising from a change in fair value are recognised directly in equity through the statement of changes in equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the year.

1.9 Impairment

At each balance sheet date, the Group reviews the carrying amount of its assets to determine whether there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If the recoverable amount of an asset or cash-generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount in order that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment is recognised as income immediately.

1.10 Financial assets

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised when the Company becomes a party to the transaction. Initial measurement is at cost, which includes transaction costs.

Subsequent to initial recognition, these instruments are measured as follows:

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate except for short-term receivables when the recognition of interest would be immaterial.

Trade and other payables

Trade and other payables are recognised and subsequently stated at fair value.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

1.11 Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

1.12 Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base's used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

1.13 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

1.14 Provisions

A provision is recognised when the Group has a legal or constructive obligation arising from a past event that will probably be settled, and a reliable estimate of the amount can be made. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

1.15 Critical estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Areas in which estimates and judgements are made include the following:

Investment property

In the application of the accounting policies, which are described in note 1, management is required to make judgements, estimates and assumptions about the fair value of investment properties that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The fair values of investment properties are obtained from the Group's property managers, City Property Administration (Pty) Ltd and determined on an open market basis taking into account the expected future rental that a particular building will generate. An appropriated discount rate or valuation multiple is used that reflects the risk associated with the particular building.

Property, plant and equipment

Asset impairments

The Group evaluates its non-current assets for impairment annually whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Judgements regarding the existence of impairment indicators are based on market conditions and operational performance of the business. Future events could cause management to conclude that impairment indicators exist.

Residual values

The Group is required to measure the residual value of an item of property, plant and equipment. An estimate is made of the amount it would receive currently for the asset if the asset was already of the age and condition expected at the end of its useful life. IAS 16 requires residual values (if material) to be estimated first at the date of acquisition and thereafter to be reviewed at each balance sheet date. If these change from the prior period, the depreciation charge is adjusted prospectively.

Useful life

The useful life of an asset is the period over which the Group expects to use the asset, and not necessarily the asset's economic life. Useful lives of assets are reviewed annually. If these change from the prior period, the depreciation charge is adjusted prospectively. The Group uses the following indicators to determine useful lives:

Expected usage of assets;
Expected physical wear and tear;
Technical or commercial obsolescence.

Provisions

Provisions are required to be recorded when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation.
Best estimates, being the amount that the Group would rationally pay to settle the obligation, are recognised as provisions at balance sheet date.

1.16 Segmental reporting

The Group earns revenue in the form of property rentals. On a primary basis the Group is organised into five major operating segments:

- Industrial
- Office
- Retail
- Commercial
- Residential

Segment results include revenue and expenses that can be allocated on a reasonable basis to that segment.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to a segment on a reasonable basis.

Segment assets and liabilities do not include deferred income taxes.

It is the Group's investment philosophy to invest only in properties in the Gauteng area, therefore the Group can only report on a primary segment basis.

1.17 Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

1.18 Business Combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the aggregate fair value of the underlying assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill and is tested for impairment on an annual basis.

If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, attributable goodwill is included in the determination of the profit or loss on disposal.

1.19 Statement and interpretations not yet effective

At the date of authorisation of these annual financial statements, the International Accounting Standards Board (IASB) issued its latest Standard, titled Improvements to International Financial Reporting Standards 2008. The standard included 35 amendments to various standards. The directors are still assessing the impact of these on the group annual financial statements. The following Standards and Interpretations were in issue but not yet effective:

		Effective for financial years commencing on or after
IFRS 1	First time adoption of IFRS	1 January 2009
IFRS 2	Share-based payments	1 January 2009
IFRS 3	Business Combinations	1 July 2009
IFRS 8	Operating Segments	1 January 2009
IAS 1	Presentation of Financial Statements	1 January 2009 (development starting)
IAS 23	Borrowing Costs	1 January 2009
IAS 27	Consolidated and separate financial statements	1 July 2009
IAS 31	Interest in Joint ventures	1 July 2009
IAS 32	Financial instruments; Presentation – amendments regarding Puttable Financial Instruments and Obligations arising on Liquidation	1 January 2009
IAS 39	Financial Instruments: Recognition and Measurement	1 July 2009
IFRIC 11	IFRS2 -Group and Treasury Share Transactions	1 March 2009
IFRIC 12	Service Concession Arrangements	1 January 2009
IFRIC 13	Customer loyalty programme	1 July 2008
IFRIC 14	The limit on a Defined Benefit Asset, minimum Funding Requirement and their Interaction	1 January 2008

IFRIC 15	Agreements for the construction of Real Estate	1 January 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 17	Distributions of non-cash assets to owners	1 July 2009

The group has not early adopted any of these pronouncements. The new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements are as follows:

IAS 1: This statement relates to the presentation of the owners changes in equity and introduces a statement of comprehensive income. This amendment does not affect the financial position or the results of the group but will result in additional disclosures.

IAS 23: This amendment requires the capitalisation of borrowing costs directly attributable to the acquisition, production or construction of qualifying assets until the asset is ready for its intended use. Borrowing cost can only be capitalised if assets are not revalued in term of IAS 40.
Octodec currently adopts a policy of capitalising all borrowing costs and therefore the changes will result an increase in finance costs expensed in the income for new developments after 1 January 2009 as the group adopts a policy of fair valuing its investment property.

1.20 Compound interest

Linked units are classified as compound instruments, consisting of a liability component and an equity component. At the date of issue, the liability component is recognised at fair value. Subsequent to initial recognition the liability component is recognised at amortised cost. The premium relating to the liability component is amortised over the period to the maturity date of the debenture.

1.21 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessor

Contractual rental income is recognised on a straight-line basis over the period of the lease term. An adjustment is made to contractual rental income earned to bring to account in the current period the difference between the rental income that the company is currently entitled to and the rental for the period calculated on a smoothed straight-line basis.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in the income statement.

	GROUP		COMPANY	
	2008 R'000	**2007** R'000	**2008** R'000	**2007** R'000
2.Plant and equipment				
Opening cost	5 138	4 628	-	-
Opening accumulated depreciation	(3 169)	(2 513)	-	-
Opening carrying value	1 969	2 115	-	-
Movement during the year:				
Additions	3 534	510	-	-
Depreciation charge	(721)	(656)	-	-
Closing carrying value	**4 782**	**1 969**	**-**	**-**
Cost	8 672	5 138	-	-
Accumulated depreciation	(3 890)	(3 169)	-	-
Closing carrying value	**4 782**	**1 969**	**-**	**-**

	GROUP		COMPANY	
	2008 R'000	**2007** R'000	**2008** R'000	**2007** R'000
3. Investment properties				
Fair value				
Freehold and leasehold properties				
Opening gross carrying value	1 899 758	1 531 806	5 356	-
At valuation	1 877 070	1 505 820	5 356	-
Straight-lining of rental lease adjustment	22 688	25 986	-	-
Movement during the year:				
Acquisitions and subsequent expenditure	103 008	132 390	3 160	5 356
Disposals	-	(2 998)	-	-
Revaluation	81 900	238 560	3 327	-
At valuation	78 481	241 858	3 327	-
Straight-lining of rental lease adjustment	3 419	(3 298)	-	-
Closing carrying value	**2 084 666**	**1 899 758**	**11 843**	**5 356**
Straight-lining of rental lease adjustment				
Opening balance as previously stated	22 688	25 986	-	-
Arising during the year	3 419	(3 298)	-	-
Closing value	**26 107**	**22 688**	**-**	**-**

A register of investment properties is maintained at the Company's registered office, which may be inspected by members or their duly authorised agents. The fair value of the Group's investment property at 31 August 2008 has been arrived at on the basis of a valuation carried out at that date by taking into account prevailing market rentals, occupation levels and capitalisation rates. The investment properties are valued annually and the valuations are determined by the directors. A 1% decrease in the capitalisation rates would increase the property valuation by R232 million and a 1% increase in the capitalisation rates would decrease the property valuation by R204 million. On an annual basis, independent valuations are obtained for one-third of the properties in the portfolio. Van Zyl Valuers and Amanda de Witt Attorney's are registered valuers in terms of Section 19 of the Property Valuers Profession Act (Act no. 47 of 2000) and have extensive experience in commercial property valuations. The valuers' valuation was 0.34% less than the directors valuation. The directors are confident, taking all factors into account, that their valuations represent fair market value.

The Group has pledged certain of its investment properties to secure general banking facilities granted to the Group. All the Group's investment properties are leased out under operating leases.

Woodmead Value Mart is situated on leasehold land. The lease commenced in January 1995. The term of the lease is 40 years and is renewable for a further 40 years.

A schedule of investment properties owned by the group is set out on pages 48 to 52.

	GROUP 2008	GROUP 2007	COMPANY 2008	COMPANY 2007
4. Subsidiary companies				
Shares at cost	-	-	21 344	21 344
Net amounts due by subsidiaries	-	-	673 102	632 203
Amounts due by subsidiaries	-	-	712 702	637 276
Amounts owed by subsidiaries	-	-	(39 600)	(5 073)
Net investment in subsidiaries	**-**	**-**	**694 446**	**653 547**

A schedule of the Company's interest in subsidiaries is fully set out on pages 48 to 52.

The aggregate net profits after taxation of the subsidiaries amounts to R82 544 000 (2007: R195 301 000). The Group has pledged and ceded the shares and loan accounts of certain of its subsidiary companies to secure banking facilities granted to the Group (see note 11).

	GROUP		COMPANY	
	2008 R'000	**2007** R'000	**2008** R'000	**2007** R'000
5. Listed Investment				
Premium Properties Limited				
12 753 339 (2007: 9 488 355) linked units at cost	82 522	43 375	82 522	43 375
Fair value adjustment	64 141	89 367	64 141	89 367
	146 663	**132 742**	**146 663**	**132 742**
Market valuation at 31 August	**146 663**	**132 742**	**146 663**	**132 742**

Fair market value represents the listed market price as at 31 August 2008.

The investment has been pledged to secure banking facilities granted to the Group (see note 11).

	GROUP 2008 R'000	GROUP 2007 R'000	COMPANY 2008 R'000	COMPANY 2007 R'000
6. Investment in associate				
Equity accounted				
Cost of investment	1	1	1	1
Loans to associate	55 667	38 355	55 667	38 355
Reserves since acquisition	105 855	80 081	-	-
	161 523	**118 437**	**55 668**	**38 356**
Directors' valuation	**161 523**	**118 437**	**55 668**	**38 356**

Summarised financial information of associate (100%)

	GROUP 2008 R'000	GROUP 2007 R'000	COMPANY 2008 R'000	COMPANY 2007 R'000
Assets				
Non-current	790 933	561 270	-	-
Current	11 851	17 622	-	-
	802 784	**578 892**	**-**	**-**
Equity and liabilities				
Equity capital and reserves	264 638	200 205	-	-
Non-current liabilities	490 553	355 232	-	-
Current liabilities	47 593	23 455	-	-
	802 784	**578 892**	-	-
Results of operations				
Rental income	71 589	54 294	-	-
Net income before interest	28 565	13 578	-	-
Interest	(26 945)	(10 475)	-	-
Revaluation	68 355	46 525	-	-
Dividends	(5 540)	(3 060)	-	-
Profit for the period	64 435	46 568	-	-
Share of the profit for the period	**25 774**	**18 627**	**-**	**-**

Details of the Groups' associate are as follows:

Name of associate:	IPS Investments (Proprietary) Limited
Place of Incorporation:	Republic of South Africa
Proportion of ownership and voting power held:	40%
Principal activity:	Property investment company, deriving income from rentals.
Financial year end:	28 February 2008

	GROUP		COMPANY	
	2008	**2007**	**2008**	**2007**
	R'000	R'000	R'000	R'000
7. Accounts receivable	2 339	3 359	880	1 256
Trade debtors	5 821	9 243	2 056	4 298
Less Provision	(3 482)	(5 884)	(1 176)	(3 042)
Sundry Receivables	17 294	18 852	15 476	13 604
	19 633	**22 211**	**16 356**	**14 860**

All trade and other receivables are short term in nature. The carrying value of trade receivables are considered a reasonable approximation of fair value. Rent is paid in advance, interest is charged at prime plus 2% on the outstanding balance. The Group has provided fully for all receivables over 90 days.

Before accepting any new tenant, the Group uses an internal credit scoring system to assess the potential tenant's credit quality.

Included in the Group's trade receivable balance of R19 633 000 (2007: R 22 211 000) are rental debtors with a carrying amount of R2 339 000 (2007: R3 359 000), which are past due at reporting date and not provided for as there has not been a significant change in the credit quality and the amounts are still considered recoverable. The average age of these receivables is 3.4 days (2007: 6 days).

All of the Group's trade and other receivable have been reviewed for impairment. Certain trade receivables were found to be impaired and a provision of R3 482 000 (2007: R5 883 000) has been recorded accordingly. The impaired trade receivables are from tenants who are experiencing financial difficulties.

The age analysis of trade receivables outstanding is as follows:				
30 days or less	332	1 342	247	169
More than 30 days less than 60 days	980	1 160	224	760
More than 60 days less than 90 days	1 027	857	409	327
Total	**2 339**	**3 359**	**880**	**1 256**
Reconciliation of provision for bad debts				
Opening Balance	5 884	3 425	3 042	1 338
Additional provisions for the year	598	3 402	65	1 798
Provisions reversed	(3 000)	(943)	(1 931)	(94)
Closing Balance	**3 482**	**5 884**	**1 176**	**3 042**
8. Share capital and premium				
Authorised				
100 000 000 (2007: 100 000 000) shares of one cent each	1 000	1 000	1 000	1 000
Issued				
89 297 472 (2007:89 297 472) shares of one cent each	892	892	892	892
Share premium	57 403	46 329	57 403	46 329
Opening balance	46 329	41 441	46 329	41 441
Transfer from retained earnings	11 074	4 010	11 074	4 010
New issue of linked units	-	878	-	878
Closing balance share capital and premium	**58 295**	**47 221**	**58 295**	**47 221**

The unissued ordinary shares are under the control of the directors subject to the conditions of the Company's Articles of Association, and the requirements of the JSE Limited. This authority remains in force until the Company's next annual general meeting.

	GROUP		COMPANY	
	2008	**2007**	**2008**	**2007**
	R'000	R'000	R'000	R'000
9. Non-distributable reserves				
Surplus on disposal of investment properties	9 156	9 156	6 262	6 262
Revaluation of investment properties	728 943	664 524	2 396	-
Fair value adjustment	1 025 418	943 518	3 327	-
Straight-lining of rental lease adjustment	(26 107)	(22 688)	-	-
Deferred tax	(270 368)	(256 306)	(931)	-
Revaluation of investments	158 942	153 364	54 685	76 449
Associate, net of taxation	104 257	76 915	-	-
Listed investment	64 141	89 367	64 141	89 367
Deferred tax on revaluation of listed investment	(9 456)	(12 918)	(9 456)	(12 918)
Acquisition of loan at a discount	2 894	2 894	2 894	2 894
	899 935	**829 938**	**66 237**	**85 605**
10.Debenture capital and premium				
Debenture capital				
89 297 472 (2007: 89 297 472) unsecured variable rate debentures of R2,09 each	186 631	186 631	186 631	186 631
Debenture capital premium	208 400	219 474	208 400	219 474
Opening balance	219 474	48 159	219 474	48 159
New issues of linked units	-	175 325	-	175 325
Amortisation of debenture capital premium	(11 074)	(4 010)	(11 074)	(4 010)
	395 031	**406 105**	**395 031**	**406 105**

In terms of the debenture trust deed, the aggregate interest entitlement of every debenture linked to each ordinary share in respect of any financial year shall be 200 times the dividend declared on each share for the same period. The aggregate dividend entitlement shall be not less than 85% of the company's profit after taxation, but excluding profits derived from the sale of properties. The interest is payable twice a year. The debentures are redeemable after 25 years from the date of first allotment in 1990. Each debenture is linked to a share of the Company and is treated as a single linked unit for trading on the JSE Limited and income distribution purposes.

11.Long-term borrowings				
11.1 Loans at book value				
Secured loans				
(a) Nedbank Limited	1 391	1 391	1 391	1 391
The loan expiry date is November 2009. Interest is charged at 2.15% below the prime overdraft rate. The loan is secured by the cession of shares and loan accounts of certain subsidiaries as well as mortgage bonds over certain properties.				
(b) Nedbank Limited	250 001	259 122	-	-
The loan expiry date is November 2018. R100 million of the loan bears interest at a fixed rate of 12.06% per annum until April 2018. R150 million of the loan bears interest at a fixed rate of 9.772% per annum until October 2008. The loans are secured by a mortgage bond over Erven 364-366, 392-394, 669 and 673 Killarney.				
(c) Nedbank Limited	2 062	4 252	2 062	4 252
The loan expiry date is January 2011. Interest is charged at 2.15% below the prime overdraft rate. The loan is secured by the pledge of shares in Premium Properties Limited and the shares in certain subsidiaries.				

	Notes	GROUP 2008 R'000	GROUP 2007 R'000	COMPANY 2008 R'000	COMPANY 2007 R'000
(d) Nedbank Limited		13 618	13 615	-	-
The loan expiry date is August 2015. Interest is charged at 2.15% below the prime overdraft rate. The loan is secured by the mortgage bond over portion 3, 4, 7, 8 and 13 of Erf 212 Silvertondale Extension 1.					
(e) Nedbank Limited		34 161	124	34 161	124
The loan expiry date is June 2012. Interest is charged at 2.15% below the prime overdraft rate. The loan is secured by the mortgage bond over various properties.					
(f) Nedbank Limited		3 302	348	3 302	348
The loan expiry date is June 2012. Interest is charged at 2.15% below the prime overdraft rate. The loan is secured by the mortgage bond over various properties.					
(g) Nedbank Limited		69 001	68 960	69 001	68 960
The loan expiry date is November 2009. The loan bears Interest at a fixed rate of 10.89% until November 2009. The loan is secured by the mortgage bond over various properties.					
(h) Nedbank Limited		53 250	221	-	-
The loan expiry date is April 2013. Interest is charged at a fixed rate of 12.72%. The loan is secured by the mortgage bond over ERF 5255 Johannesburg and ERF 1265 Marshall town.					
(i) Nedbank Limited		13 602	13 600	-	-
The loan expiry date is 1 June 2012. Interest is charged at 2.15% below the prime overdraft rate. The loan is secured by the mortgage bond over ERF 212 portion 7 & 8 Silvertondale Ext 1.					
(j) Nedbank Limited		1 598	1 800	1 598	1 796
The loan expiry date is 24 April 2012. Interest is charged at 2.15% below the prime overdraft rate. The loan is secured by the mortgage bond over Erf 97,98,99,412 and 413 Johannesburg.					
(k) Nedbank Limited		27 255	-	27 255	-
The loan expiry date is March 2013. Interest is charged at 2.15% below the prime overdraft rate. A loan is secured by a mortgage bond over various properties.					
(l) Standard Bank of South Africa Limited		12 000	12 000	-	-
The loan is repayable by January 2009. Interest is charged at 1.75% below the prime overdraft rate. The loan is secured by a mortgage bond over Erven 4846-4848 Johannesburg.					
Less: Short-term portion		(12 000)	(12 000)		
(m) Standard Bank of South Africa Limited		12 490	10 551	-	-
The loan is repayable by 31 October 2009. Interest is charged at 1.75% below the prime overdraft rate. The loan is secured by a mortgage bond over erf 923 – 927 Johannesburg.					

	Notes	GROUP 2008 R'000	GROUP 2007 R'000	COMPANY 2008 R'000	COMPANY 2007 R'000
(n) Standard Bank of South Africa Limited		40 000	-	-	-
The loan is repayable by April 2013 Interest is charged at a fixed rate of 13.12%. The loan is secured by a mortgage bond over Erven 3509 and 3039 Pretoria					
(o) Investec Bank Limited		120 185	125 251	120 185	125 251
The loan expiry dates are between November 2010 to June 2011. R48.6 million of the loan bears interest at a fixed rate of 11.04% per annum to April 2010, thereafter at a floating rate of 1.5% below the prime overdraft rate. R71.6 million of the loan bears interest at a fixed average rate of 9.65% per annum to April 2010. The loan is secured by suretyships by certain subsidiaries as well as a mortgage bonds over various properties and pledge of shares in Woodmead Mart (Pty) Ltd.					
Less: Short-term portion		(4 917)	(7 082)	(4 917)	(2 995)
(p) Investec Bank Limited		-	71	-	-
The loan expiry date is June 2011. Interest is charged at a floating rate of 1.5% below the prime overdraft rate. The loan is secured by a suretyships received from certain subsidiaries as well as a mortgage bond over remaining extent of erf 3058 Pretoria.					
(q) Investec Bank Limited		3 106	3 319	-	-
The loan expiry date is August 2011. Interest is charged at a floating rate of 1.5% below the prime overdraft rate. The loan is secured by a suretyships from Octodec as well as a mortgage bond over erf 916 and 917 Johannesburg.					
Total		**640 105**	**495 543**	**254 038**	**199 127**
Repayable as follows:					
Two to five years		376 486	137 878	254 038	198 779
More than five years		263 619	357 665	-	348
		640 105	495 543	254 038	199 127
Within one year		16 917	19 082	4 917	2 995
		657 022	**514 625**	**258 955**	**202 122**

The weighted average cost of borrowings is 11.5% (2007: 10.6%), which is 4% below the prime overdraft rate. At year end 81% (2007: 86%) of the borrowings are fixed at an average rate of 11% (2007:10.5%). The remaining loans are financed through variable borrowings at a weighted average of 13.4% (2007: 11.6%).

	GROUP		GROUP	
	2008	2008	2007	2007
	Book Value	Fair Value	Book Value	Fair Value
	R'000	R'000	R'000	R'000
11.2 Fair Value of long term loans				
Nedbank Limited Loan (a)	1 391	1 391	1 391	1 391
Nedbank Limited Loan (b)	250 001	236 542	259 122	255 993
Nedbank Limited Loan (c)	2 062	2 062	4 252	4 252
Nedbank Limited Loan (d)	13 618	13 618	13 615	13 615
Nedbank Limited Loan (e)	34 161	34 161	124	124
Nedbank Limited Loan (f)	3 302	3 302	348	348
Nedbank Limited Loan (g)	69 001	67 305	68 960	67 766
Nedbank Limited Loan (h)	53 250	55 664	221	221
Nedbank Limited Loan (i)	13 602	13 602	13 600	13 600
Nedbank Limited Loan (j)	1 598	1 598	1 800	1 800
Nedbank Limited Loan (k)	27 255	27 255	-	-
Standard Bank of South Africa Limited (l)	-	-	-	-
Standard Bank of South Africa Limited (m)	12 490	12 490	10 551	10 551
Standard Bank of South Africa Limited (n)	40 000	42 376	-	-
Investec Bank Limited (o)	115 268	111 256	118 169	113 932
Investec Bank Limited (p)	-	-	71	71
Investec Bank Limited (q)	3 106	3 106	3 319	3 319
Total	**640 105**	**625 728**	**495 543**	**486 983**

Assumptions used in determining fair value of fixed interest loans.
The average interest rate used to discount the cash flows on the fixed interest rate loans was 11.78% (2007: 10.21%) based on the quoted swap rate at year end for loans with similar maturities. The average credit risk margin used was 1.67% (2007: 1.56%) based on the Groups most recent fixed rate loan agreements with Nedbank Limited.

	GROUP		COMPANY	
	2008	2008	2007	2007
	R'000	R'000	R'000	R'000
12.Deferred tax liability				
The deferred taxation liability arises from the following temporary differences:				
Prepayments	129	129	129	129
Tax losses created	(7 374)	(4 835)	-	-
Fair value adjustments				
Investment properties	270 368	256 306	933	-
Listed investments	9 456	12 918	9 456	12 918
	272 579	**264 518**	**10 518**	**13 047**
The movement for the year was as follows:				
Opening balance	264 518	196 371	13 047	6 880
Charge to income statement				
- prepaid expenses	-	8	-	8
- tax loss created	(2 539)	(4 501)	-	-
Charge to income statement/non-distributable reserves	10 600	72 640	(2 529)	6 159
Revaluation of investment property	14 062	66 481	933	-
Revaluation of listed investment	(3 462)	6 159	(3 462)	6 159
Closing balance	**272 579**	**264 518**	**10 518**	**13 047**

	GROUP		COMPANY	
	2008	**2007**	**2007**	**2007**
	R'000	R'000	R'000	R'000
13. Accounts payable				
Trade payables	16 600	17 871	6 180	6 454
Other Payables	16 469	9 038	6 417	8 202
Total	**33 069**	**26 909**	**12 597**	**14 656**

Accounts payable approximates fair value. The Group has financial policies in place to ensure that all payable are paid within the credit timeframe.

14. Bank overdraft

The group's overdraft is unsecured and bears interest at 2% below the prime overdraft rate. An overdraft of R20 000 000. (2007: R20 000 000) has been arranged and has no terms of repayment.

15. Revenue earned on contractual basis				
Rental income	225 653	191 593	69 666	65 155
Electricity and water recoveries	42 165	33 420	14 428	10 839
Rental income and recoveries	267 818	225 013	84 094	75 994
Management fees	1 717	1 320	11 836	15 130
	269 535	**226 333**	**95 930**	**91 124**
16. Net income before interest				
Net rental income from properties is arrived at after taking the following items into account:				
Auditor's remuneration	739	178	739	178
Audit fees				
current year	739	-	739	-
under provision prior year	-	178	-	178
Depreciation				
Plant and equipment	721	656	-	-
Fees for services				
Administration fees	10 429	9 175	12 438	9 175
Collection fees	15 036	12 065	4 869	4 318
JSE Limited	193	131	193	131
Operating lease payment - leasehold property	3 509	3 313	-	-
Staff costs	3 492	3 001	755	697
Pension fund contributions	208	191	-	-
Director's emoluments	504	367	504	367
Repairs and maintenance	8 455	5 168	3 607	2 127
17. Investment income				
Dividends received	-	33	-	33
Interest received				
Listed Investment	10 486	7 453	10 486	7 453
Other	1 514	1 401	761	75
	12 000	**8 887**	**11 247**	**7 561**
18. Share of profits from associate				
Dividends received	2 216	1 224	2 216	1 224
Interest received	10 778	4 190	10 778	4 190
Equity accounted earnings	25 774	18 627	-	-
Share of (losses)/earnings	(1 568)	17	-	-
Share of revaluation reserve	27 342	18 610	-	-
	38 768	**24 041**	**12 994**	**5 414**

	GROUP		COMPANY	
	2008	**2007**	**2007**	**2007**
	R'000	R'000	R'000	R'000
19. Income from subsidiaries				
Dividends received	-	-	5 000	4 000
Interest received	-	-	64 439	53 081
	-	**-**	**69 439**	**57 081**
20. Finance costs				
Loans and bank overdraft	67 603	66 341	26 597	34 223
Less: interest capitalised	(979)	(1 842)	-	-
	66 624	**64 499**	**26 597**	**34 223**
21. Taxation				
South African normal taxation				
Current	1 549	1 547	194	-
Deferred taxation				
Current	-	8	-	7
Fair value adjustments	14 062	66 481	932	-
Tax losses created	(2 539)	(4 501)	-	-
	13 072	**63 535**	**1 126**	**7**
Reconciliation between effective tax rate and applicable tax rate	%	%	%	%
South African normal rate of taxation	28.0	29.0	28.0	29.0
Non-deductable expenses	-	-	-	(0.5)
Exempt income	(9.3)	(0.5)	(21.3)	(17.9)
Rate adjustment	(7.2)	-	-	-
Permanent differences	(0.4)	(3.2)	(0.4)	-
Deferred taxation not raised on computed losses	(0.5)	(1.2)	(2.3)	(10.5)
Effective tax rate	**10.6**	**24.1**	**4.0**	**0.1**

No provision has been made in the Company for 2008 normal taxation as a result of a tax loss. The estimated tax loss available for set off against taxable income amounts to R2 294 079 (2007 : R8 580 101). No deferred tax asset has been recognised as the directors are of the opinion that the company would not have taxable income in the near future.

22. Minimum future rentals receivable				
Non-cancellable lease agreements				
Less than one year	218 690	194 322	67 378	61 904
Later than one year and not later than five years	410 109	277 315	110 424	79 081
Later than five years	14 433	31 500	1 725	7 209
	643 232	**503 137**	**179 527**	**148 194**

Rental receivable represents contractual rental income excluding other recoveries for leases in existence at 31 August 2008.

23. Earnings per linked unit (cents)				
Basic (weighted)	245,0	362,0	-	-
Headline (weighted)	142,3	114,2	-	-

The calculation of basic earnings per linked unit is based on net income attributable to unitholders (after taxation and before debenture interest) of R218 788 000 (2007: R285 902 000) and the weighted number of linked units in issue during the year of 89 297 472 (2007: 78 974 736). The calculation of headline earnings per linked unit is reflected below.

	GROUP		COMPANY	
	2008	**2007**	**2008**	**2007**
	R'000	R'000	R'000	R'000
Profit before debenture interest, after taxation	**222 207**	**282 604**		
Profit before debenture interest	231 860	349 437	-	-
Straight-line lease adjustment	3 419	(3 298)	-	-
Taxation	(13 072)	(63 535)	-	-
Adjustments:				
Profit on sale of investment properties	-	(2 771)	-	-
Revaluation of investment properties	(81 900)	(238 560)	-	-
Total tax effects of revaluation on investment properties	14 061	67 530	-	-
Revaluation of investment properties, associate	(27 342)	(18 610)	-	-
Total adjustments	**95 181**	**192 411**	**-**	**-**
Headline earnings	**127 026**	**90 193**	**-**	**-**
Headline earnings per linked unit (cents)	**142,3**	**114,2**	**-**	**-**

24. Cash generated from operations

Income before taxation	122 917	263 699	28 427	4 870
Adjusted for:				
Straight-lining lease adjustment	(3 419)	3 298	(419)	6 136
Debenture interest	108 943	85 737	108 943	85 737
Revaluation of investment properties	(78 481)	(241 858)	(3 327)	-
Capital profit on disposal of investment property	-	(573)	-	-
Finance costs	66 624	64 499	26 597	34 223
Amortisation of deeemed debenture premium	(11 074)	(4 010)	(11 074)	(4 010)
Investment income and share of profit from associate	(50 768)	(32 928)	(93 680)	(70 057)
Depreciation	721	656	-	-
Operating income before working capital changes	**155 463**	**138 520**	**55 467**	**56 899**
Increase/(decrease) in accounts receivable	2 578	(5 744)	(1 077)	3 349
Increase/(decrease) in accounts payable	6 160	(540)	(2 059)	5 768
Cash generated from operations	**164 201**	**132 236**	**52 331**	**66 016**

25. Debenture interest

Amounts unpaid at beginning of the year	46 381	36 015	46 381	36 015
Amounts charged to the income statement	108 943	85 737	108 943	85 737
Amount unpaid at end of the year	(54 204)	(46 381)	(54 204)	(46 381)
	101 120	**75 371**	**101 120**	**75 371**

26. Taxation paid/(received)

Taxation paid is reconciled to the amounts disclosed in the income statement as follows:

Amounts unpaid/(overpaid) at beginning of year	752	(23)	(261)	(36)
Amounts charged to the income statement	1 549	1 547	193	-
Amounts overpaid at end of year	(644)	(752)	(57)	261
	1 657	**772**	**(125)**	**225**

27.Cash and cash equivalents at end of year

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

Cash at bank	390	274	332	265
Bank overdraft	(11 027)	(9 601)	(35 434)	(9 601)
	(10 637)	**(9 327)**	**(35 102)**	**(9 336)**

28.Contingencies

28.1 The Company has issued a guarantee of R1 690 100 in favour of Tshwane Metropolitan Municipality for the provision of certain services to its subsidiaries.

28.2 The company has issued a guarantee of R582 000 in favour of City Power – Johannesburg for the provision of certain services to its subsidiaries.

28.3 The Company has given surety to Nedbank Property Finance, which at year-end amounted to R126 991 200, in favour of its associate company, IPS Investments (Proprietary) Limited.

29.Commitments

29.1 An amount of R119 516 761 (2007: R135 430 941) has been committed by the Group in respect of capital expenditure relating to the improvement of certain properties. These developments will be financed by way of existing facilities.

29.2 Operating lease commitments

Within one year	3 509	3 313
Two to five years	14 036	13 252
More than five years	80 707	79 512
	98 252	**96 077**

The land leases above relate to Woodmead Value Mart and will be funded from the proceeds of rental income. These commitments have been determined based on a fixed percentage of current rental income, assuming no escalations and excluding any option period.

30. Segmental information

	Industrial R'000	Office R'000	Retail R'000	Commercial R'000	Residential R'000	Corporate unallocated R'000	Total R'000
Analysis by property usage							
2008							
Revenue							
Rentals and recoveries received	40 693	42 130	122 850	55 561	6 584	-	267 818
Management fee	-	-	-	-	-	1 717	1 717
Straight-line operating lease adjustment	264	2 268	609	326	(48)	-	3 419
Total revenue	**40 957**	**44 398**	**123 459**	**55 887**	**6 536**	**1 717**	**272 954**
Net rental income from properties	**25 470**	**31 197**	**77 321**	**32 294**	**2 939**	**(11 060)**	**158 161**
Net revaluation of investment properties	29 355	22 732	(16 191)	44 524	(1 939)	-	78 481
Revaluation of investment properties	29 619	25 000	(15 582)	44 850	(1 987)	-	81 900
Straight-line operating lease adjustment	(264)	(2 268)	(609)	(326)	48	-	(3 419)
Amortisation of debenture premium	-	-	-	-	-	11 074	11 074
Investment income	-	-	-	-	-	50 768	50 768
Income before financing costs and taxation	**54 825**	**53 929**	**61 130**	**76 818**	**1 000**	**50 782**	**298 484**

Notes to the annual financial statements for the year ended 31 August 2008 *continued*

	Industrial R'000	Office R'000	Retail R'000	Commercial R'000	Residential R'000	Corporate unallocated R'000	Total R'000
Assets							
Investment properties	319 133	354 355	908 946	437 181	65 051	-	2 084 666
Plant and equipment	65	951	2 076	501	1 189	-	4 782
Other assets (unallocated)	-	-	-	-	-	328 209	328 209
Total assets	**319 198**	**355 306**	**911 022**	**437 682**	**66 240**	**328 209**	**2 417 657**
Total liabilities (unallocated)	**-**	**-**	**-**	**-**	**-**	**1 423 576**	**1 423 576**

A geographical split of the revenue and investment property is disclosed on page 9

	Industrial R'000	Office R'000	Retail R'000	Commercial R'000	Residential R'000	Corporate unallocated R'000	Total R'000
2007							
Revenue							
Rentals and recoveries received	30 665	22 794	113 333	51 871	6 350	-	225 013
Management fee	-	-	-	-	-	1 320	1 320
Straight-line operating lease adjustment	(1 146)	312	(1 112)	(1 380)	28	-	(3 298)
Total revenue	**29 519**	**23 106**	**112 221**	**50 491**	**6 378**	**1 320**	**223 035**
Net rental income from properties	**17 898**	**15 194**	**67 729**	**29 435**	**3 308**	**(1 196)**	**132 368**
Net revaluation of investment properties	48 179	16 147	113 268	55 267	8 997	-	241 858
Revaluation of investment properties	47 033	16 459	112 156	53 887	9 025	-	238 560
Straight-line operating lease adjustment	1 146	(312)	1 112	1 380	(28)	-	3 298
Capital loss on disposal of investment properties	-	-	-	-	-	573	573
Trading profit	-	-	-	-	-	2 198	2 198
Amortisation of debenture premium	-	-	-	-	-	4 010	4 010
Investment income	-	-	-	-	-	32 928	32 928
Income before financing costs and taxation	**66 077**	**31 341**	**180 997**	**84 702**	**12 305**	**38 513**	**413 935**
Assets							
Investment properties	260 073	209 020	963 567	419 080	48 018	-	1 899 758
Plant and equipment	14	264	1 402	155	134	-	1 969
Other assets (unallocated)	-	-	-	-	-	273 699	273 699
Total assets	**260 087**	**209 284**	**964 969**	**419 235**	**48 152**	**273 699**	**2 175 426**
Total liabilities (unallocated)	**-**	**-**	**-**	**-**	**-**	**1 268 926**	**1 268 926**

31. Retirement benefits

The Group has no arrangement whereby benefits are provided for employees on or after termination of service as all employees are employed by the management company, City Property Administration (Proprietary) Limited.

32. Financial risk management

The Group's financial instruments consist mainly of deposits with banks, bank overdrafts, accounts receivable and payable, and loans to and from subsidiaries. In respect of all financial instruments listed above, the carrying value approximates fair value.

32.1 Capital Management - The company's policy is to maintain an adequate capital base so as to maintain creditor confidence and to sustain future development of the business. The capital comprises shareholders' equity, including capital and reserves. The level of dividends paid to the holding company is determined with reference to the liquidity and solvency of the company as well as consideration of budgets and forecasts. There were no changes in the company's approach to capital management during the year. The company is not subject to externally imposed capital requirements.

32.2 Credit risk - Credit risk consists mainly of cash deposits, cash equivalents and trade receivables. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables consist of a large spread of tenants. The Group monitors the financial position of its tenants on an on-going basis. Provision is made for both specific and general bad debts and at year-end management does not consider there to be any material credit risk exposure. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	GROUP		COMPANY	
	2008 R'000	**2007** R'000	**2008** R'000	**2007** R'000
Trade and other receivables	19 633	22 211	16 356	14 860
Trade receivables	2 339	3 359	880	1 256
Other receivables	17 294	18 852	15 476	13 604
Cash and cash equivalent	390	274	332	255
	20 023	**22 520**	**16 688**	**15 386**

The maximum exposure to credit risk for tenants and related receivables at the reporting dates was:

Trade and other receivables	2 339	3 359	880	1 256
Less: tenants deposits and bank guarantee	(11 745)	(11 016)	-	-

32.3 Interest risk: At 31 August 2008, the Group had borrowings of R657 022 031 (2007: R514 625 005) at various negotiated rates. The weighted average interest rate for 2008 was approximately 11.5% (2007: 10.6%) and 81% (2007: 86%) of borrowings at year-end are fixed. Interest rate trends are constantly monitored and appropriate steps taken to ensure the Group's exposure to interest costs is limited. The policy is to minimise interest rate cash flow risk exposure on long term financing. At 31 August 2008, Octodec is exposed to changes to market interest rates through bank borrowings. 19% (2007: 14%) of bank borrowings are subject to variable interest rates. A breakdown of the borrowings is detailed in note 11.

The table below illustrates the sensitivity of the net result for the year and equity to reasonable changes to interest rates of ±1% and ±2% (2007: ±1% and ±2%) with effect from the beginning of the year. These changes are considered to be reasonably possible based on current market conditions.

	2008 R'000	**2008** R'000	**2007** R'000	**2007** R'000
Effect of a 1% change	+1%	-1%	+1%	-1%
Net result for the year	875	(875)	513	(513)
Equity	875	(875)	513	(513)
Effect of a 2% change	+2%	-2%	+2%	-2%
Net result for the year	1 750	(1 750)	1 025	(1 025)
Equity	1 750	(1 750)	1 025	(1 025)

Cash flow interest rate risk

Financial Instrument	Current interest Rate R'000	Due in less than 1 year R'000	Due 1-2 years R'000	Due 2-3 years R'000	Due 3-4 years R'000	Due 4-5 years R'000	Due 5 years after R'000
Interest pay on future Floating borrowings	13.35% - 13.75%	31 525	31 315	30 607	29 574	22 634	44 855
Interest pay on future Fixed Borrowings	9.44% - 13.12%	46 311	35 176	25 421	24 081	19 073	56 280
		77 836	66 491	56 028	53 656	41 707	101 135

32.4 Liquidity risk

The Groups risk to liquidity is a result of the funds available to cover future commitments. Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet funding requirements. The table below analyses the Groups financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed are the undiscounted cash flows.

	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
Borrowings	16 917	157 645	218 841	263 619
Trade and other payables	33 069	-	-	-
	49 986	**157 645**	**218 841**	**263 619**

33. Related party transactions

Parties are considered to be related parties if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions.

Related parties where control existed during the year are as follows:

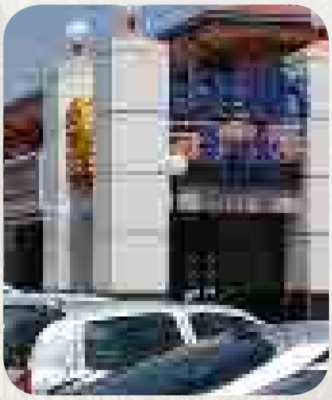
Directors: A Wapnick; JP Wapnick; S Wapnick; M Pollack; MJ Holmes.

Company: City Property Administration (Proprietary) Limited

Related party with whom the Group transacted during the year.

33.1 City Property Administration (Proprietary) Limited – company which manages the Group's property and investment portfolios and over which control is exercised by the abovementioned directors.

Pricing policy: Fixed percentage of collections made, a percentage of property acquisitions and property sales, fixed percentage of the aggregate of the Group's average market capitalisation and total indebtedness to banks and other financial institutions in respect of mortgage bond loans.



Management fees:	Average market capitalisation (based on average market price) plus secured loans
Collection fee:	Commercial: 5% of gross receipts
	Offices: 7.5% of gross receipts for lettable units smaller than 500m^2 and the remainder at 5% of gross receipts
	Residential: 7.5% of gross receipts
Major repairs and renovations:	5%
Properties disposed of:	Institute of Estate Agents tariff and in excess of R6 million by agreement between parties.
Letting fee (Commercial):	50% of the SAPOA tariff in respect of new commercial leases and R1 000 or 50% of the first month's rental, whichever is the lesser in respect of existing leases.
Letting fee (Residential):	R500 in respect of new residential leases.
Acquisition of properties:	3% of cost, and if in excess of R6 million, by agreement between parties.
New construction and development:	By agreement between parties.

The following related party transactions took place in the Group during the year under review:

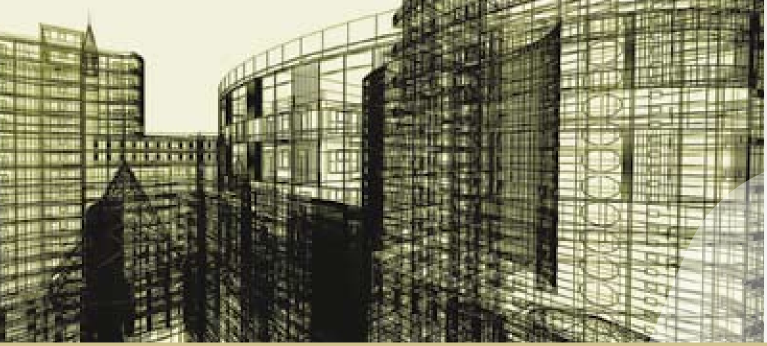
	GROUP	
	2008 R'000	**2007** R'000
Type of transaction		
Expenditure		
Administration fees	10 429	9 175
Collection fees	14 934	12 065
Commission paid	1 967	1 012
Investment properties		
Commissions paid on sale and purchase of investment property and major improvements	2 686	3 415
Accounts payable		
Creditor	741	4 245

33.2 Tugendhaft, Wapnick, Banchetti and Partners – a firm of attorneys which renders legal services and over which significant influence is exercised by S.Wapnick
Pricing policy: Market related

	GROUP	
	2008 R'000	**2007** R'000
Expenditure		
Professional Fees	51	186

33.3 Related party transactions with subsidiaries have been disclosed in notes 3-6, 17-19 and 30

33.4 Details of the directors remunerations are set out on page 22



SUBSIDIARY

COMPANIES AND PROPERTY PORTFOLIO FOR THE YEAR ENDED 31 August 2008

Subsidiary (Pty) Ltd / (property name)	Address	St Nº	Property value at 31 August 2008 (R'000)	% of port-folio	Description of buildings	Site area (m²)	GLA (m²)	Vacancy %	Issued share capital	Cost of shares (R)	Amounts owing by/to sub-sidiaries 2008 (R'000)	Amounts owing by/to sub-sidiaries 2007 (R'000)
Pretoria Central												
Alert Investments - (Valcourt)	Struben St	336	5 305	0.3	Shops, offices and warehouses	3,480	2,562		600	600	2 536	2 536
Carine Properties - (Provincial House)	Van der Walt and Brown St	Cnr	7 482	0.4	Shops and offices	1,060	2,939	40.8	200	107 875	771	735
Cold Air Investments - (CPA House)	Du Toit, Proes and Vermeulen St	Cnr	31 493	1.5	Shops, offices and parking	5,104	7,437	24.7	1,000	1 000	22 678	22 358
Dusku Investments	Du Toit and Schoeman St	Cnr	1 298	0.1	Motor showroom	334	351	2.7	100	803 933	86	86
Indacom Properties	Struben St	130	11 105	0.5	Shops and warehouses	3,245	2,592	9.0	16	16	4 369	4 369
	Struben St	116			Warehouses	1,907	2,347	26.3				
	Bloed St	117			Shops	1,512	1,210	50.7				
Middelpip - (Scott's Corner)	Struben and Bloed St	288	18 887	0.9	Showroom and warehouse	5,104	5,371		1,000	1 000	7 737	7 739
Octbos Properties - (Time Place)	Pretorius St	153	30 000	1.4	Flats and shops	1,429	5,405	1.9	100	100	6 683	6 140
Potproes Properties	Pretorius St	37	19 442	0.9	Shops, workshop and motor showroom	5,439	2,005		1,000	3 086 426	12 746	12 746
	Potgieter St	233			Motor showroom	638	333					
	Potgieter and Pretorius St	Cnr			Workshop and warehouse	1,914	1,000					
Potproes Properties - (Jetset Park)	Potgieter and Pretorius St	Cnr			Filling station, shops and workshops	22,208	6,658	26.6				
Pretvin - (Sharp Centre)	Pretorius St	13	5 896	0.3	Shops, office and showrooms	2,552	2,350	8.4	4,000	4 000	1 606	1 606
Prinsben Properties	Struben and Prinsloo St	Cnr	7 006	0.3	Shops	2,552	1,312	11,7	1,000	1 000	3 855	3 855
Prinstruben	Struben and Prinsloo St	Cnr	7 093	0.3	Shops	2,552	1,884	31.9	1,000	1 000	3 586	3 585
Rumpro Investments - (Letari Building)	Proes St	276	4 204	0.2	Shops, offices and warehouses	2,561	3,281	33.7	120	1 713 213	563	563
SKD Beleggings (Skof Vyf)	Visagie St	70	7 005	0.3	Shops and warehouse	2,339	1,381	46.2	100	100	2 831	2 851
	Visagie St	87			Offices	3,737	1,592	53.8				
	Visagie St	78			Shops and warehouse	1,886	1,276					
Steynscor	Van der Walt St	19	41 375	2.0	Shops and offices	5,104	3,693	12.7	18	18	4 368	4 403
Strubgel Properties									1	1	(121)	(121)
Tuel	Paul Kruger and Jacob Mare St	Cnr	3 623	0.2	Shops	740	1,065		300	300	1 498	1 498
Viskin	Visagie St	10A	3 236	0.2	Workshop	3,536	313	100.0	1,000	1 000	634	633
Woodmead Mart - (Centre Forum)	Van der Walt St	89	53 253	2.5	Shops and offices	8,922	7,181	13.9			23 712	31 635
			257 703	**12.3**		**89,855**	**65,538**	**3.1**				

Subsidiary (Pty) Ltd / (property name)	Address	St Nº	Property value at 31 August 2008 (R'000)	% of port-folio	Description of buildings	Site area (m²)	GLA (m²)	Vacancy %	Issued share capital	Cost of shares (R)	Amounts owing by/to sub-sidiaries 2008 (R'000)	Amounts owing by/to sub-sidiaries 2007 (R'000)
Pretoria West												
Airoterp	DF Malan Dve	302	2 783	0.1	Shops	2,332	1,361	22.5	100	100	1 447	1 447
Coogers									200	200		
Dirk du Toit	Mitchell St	323	6 886	0.3	Workshop	1,152	1,141		100	100	1 589	1 587
	Mitchell St	327			Shop and workshop	1,428	1,768					
	Mitchell St	325			Shop and workshop	1,428						
Goleda Properties	Carl St	523	19 777	1.0	Warehouse	3,663	3,727		200	200	6 752	6 762
	Carl St	529			Workshops and warehouse	1,428	1,568	34.9				
	Mitchell St	536			Filling station	2,855	1,583	28.4				
	Mitchell St	546			Filling station, shops, factories and flats	3,847	3,169	3.4				
	Rose-Etta St	40			Shops, showroom and workshops	2,674	415					
Henwoods (Pretoria) Development Company	Mitchell St	403	11 089	0.5	Factories	5,710	3,446	15.1	1,000	1 000	2 654	2 654
Lasmitch Properties	Mitchell St	120	5 154	0.2	Warehouse and showroom	2,855	1,859		1,000	1 000	955	937
Lutbridge Investments	Church St	535	9 732	0.5	Shops and warehouse	1,428	531		70	70	3 714	3 714
	Church St	541			Shops, filling station and warehouse	5,710	4,750	40.1				
Metromitch	Carl St	563	26 116	1.2	Shops, showroom and warehouse	2,855	2,496	17.8	100	100	6 750	6 591
	Mitchell St	552			Shops, showroom and warehouse	3,765	1,586	26.1				
	Mitchell St	582			Shops and warehouses	3,827	1,605	79.9				
	Mitchell St	564			Shops, warehouse and flats	2,855	2,842	19.2				
Mitchpap	Mitchell and Ketjen St	Cnr	10 532	0.5	Shops and warehouses	5,710	4,622	45.4	200	200	3 475	3 475
Nedwest Centre	Mitchell St	360	26 191	1.3	Shops, filling station, warehouses and workshops	40,740	9,286	25.8	4,000	4 000	8 222	8 222
Panag Investments	Mitchell St	395	5 139	0.3	Shops and workshops	2,855	1,878	40.7	200	200	1 368	1 368
Rovon Investments	Mitchell, Rose-Etta and Soutter St	Cnr	13 832	0.7	Shops, workshops and warehouses	9,719	3,855		4	316 642	4 218	4 221
Soutwest Properties	Soutter, Von Wielligh and Lourentz St	Cnr	8 069	0.4	Warehouses and workshops	2,855	1,965		1,000	1 000	1 091	1 044
Tomwest									100	100	47	140
			145 300	**7.0**		**111,691**	**55,453**	**2.1**				

Subsidiary companies and property portfolio for the year ended 31 August 2008 *continued*

Subsidiary (Pty) Ltd / (property name)	Address	St Nº	Property value at 31 August 2008 (R'000)	% of port-folio	Description of buildings	Site area (m²)	GLA (m²)	Vacancy %	Issued share capital	Cost of shares (R)	Amounts owing by/to sub-sidiaries 2008 (R'000)	Amounts owing by/to sub-sidiaries 2007 (R'000)
Waverley, Gezina, Mayville												
Fawn Properties	Paul Kruger and Fred Nicholson St, Mayville	Cnr	14 467	0.7	Shops and motor valet	1,991	739		200	200	4 009	4 009
	Paul Kruger and Fred Nicholson St, Mayville	Cnr			Shops	7,560	4,617	1.4				
FrederikaStraat Beleggings	Frederika St and 12th Ave, Gezina	Cnr	5 483	0.3	Shops	2,552	1,555	8.6	100	100	1 489	1 489
Fredvoor Investments									100	100	(1)	(6)
Gezfarm Properties - (Gezina City Shopping Centre)	Michael Brink St, Gezina	593	76 223	3.6	Shopping Centre	43,153	16,055	4.4	1,000	1 000	36 912	36 793
Karkap Properties	Frederika St and 12th Ave, Gezina	Cnr	3 135	0.2	Shops	2,552	1,163	20.9	100	100	1 494	1 494
Swemvoor Investments	Voortrekkers Rd and Swemmer St, Gezina	545	7 238	0.3	Shops and offices	2,552	2,783	9.5	100	100	2 632	2 632
	Voortrekker Rd, Gezina	537			Showroom	1,584						
Tomnick Investments									200	200	(2 713)	(2 696)
Troymona	Hertzog St, Waverley	1146	613		House	1,018			1,000	48 303	491	513
	32nd Ave, Waverley	764			House	1,276						
Waverley Plaza Properties - (Waverley Plaza Shopping Centre)	Hertzog St, Waverley	1120	111 732	5.4	Shopping Centre	36,215	11,022	4.8	1,000	746 096	50 371	41 246
Voorhertz									4,000	4 000	(3)	(4)
			218 891	**10.5**		**100,453**	**37,934**	**0.5**				
Hermanstad												
Das Properties Investments	Mooi St	559	5 441	0.3	Shops	1,983	1,013		300	300	876	876
Erf One Eight One, Hermanstad	Kruger St	9238	28 869	1.4	Factories, workshops and warehouses	30,610	12,416	30.1	100	100	9 356	9 356
Hannyhof	Van der Hoff, Elsa and Hanny St	Cnr	5 707	0.3	Shops	3,750	1,177	33.2	1,000	1 000	1 694	1 697
	Van der Hoff, Elsa and Hanny St	Cnr			Shops	1,983	545					
Hardwood Properties	Rood St	720	1 603	0.1	Warehouse	5,239	1,150	56.6	3	3	32	32
Pretboy	Attie St	578	3 137	0.2	Factories	5,102	463		100	100	823	625
Talkar Properties	Taljaard St	360	13 449	0.5	Workshops and warehouse	2,552	6,807		100	100	4 269	4 269
	Taljaard St	386			Factories, workshops and warehouses	10,207						
Thorobred Investments									200	200	(51)	(52)
			58 206	**2.8**		**61,426**	**23,571**	**0.9**				

Subsidiary (Pty) Ltd / (property name)	Address	St Nº	Property value at 31 August 2008 (R'000)	% of port-folio	Description of buildings	Site area (m²)	GLA (m²)	Vacancy %	Issued share capital	Cost of shares (R)	Amounts owing by/to sub-sidiaries 2008 (R'000)	Amounts owing by/to sub-sidiaries 2007 (R'000)
Silvertondale												
Anke Properties - (Sildale Park)	Asetileen, Conveyor and Voorhamer St	Cnr	86 049	4.1	Industrial units	63,120	22,392	9.9	1,000	1 000	25 746	22 216
Janvoel Properties	Stormvoel St	266	3 362	0.2	Shops	4,461	1,760	12.7	1,000	1 000	2 979	2 886
Muntstreet Properties	Mundt St	329	9 141	0.4	Factories	5,998	7,065	7.6	1,000	1 000	3 590	3 566
	Mundt St	331			Factories	6,245						
			98 552	**4.7**		**79,824**	**31,217**	**0.6**				
Pretoria North												
Erf Agt Nul Nege	Gerrit Maritz and Danie Theron St	Cnr	5 699	0.3	Shops	2,552	1,757	9.6	95	95	2 321	2 321
Erf Six Five One, Pretoria North	Koos de la Rey St	319	3 965	0.2	Factories	2,552	1,320	33.3	1,000	1 000	994	994
Ramreg Properties - (North Place)	Eeufees St	284	10 497	0.5	Flats	3,828	1,084		1	1	6 966	6 678
Ramreg Properties	Gerrit Maritz St	590			Shops and offices	2,552	100	28.0				
Tronap Investments	Gerrit Maritz and General Beyers St	Cnr	4 899	0.2	Shops	2,552	1,462	12.3	100	100	1 680	1 680
			25 060	**1.2**		**14,036**	**5,723**	**0.2**				
Pretoria East												
Elarduspark - (Elarduspark Shopping Centre)	Barnard St	837	130 792	6.3	Shopping Centre	31,976	11,758	2.7	1,000	7 362 821	27 882	27 194
			130 792	**6.3**		**31,976**	**11,758**	**0.1**				
Sundry												
Bronktram Properties									1,000	1 000	(1 912)	(1 912)
Browbid Investments									100	100	-	-
Cradvoer Investments									100	100	(193)	(193)
Landkirk Properties	Bonita Crescent	568	2 533	0.1	Warehouse and workshop	2,334	1,265		1,000	20 800	129	213
Octprop Properties - (Tiny Town)	Church St, Arcadia	680	10 706	0. 6	Cottages	1,388			100	100	10 503	7 908
	Church St, Arcadia	682			Cottages	1,388						
	Church St, Arcadia	682A			Cottages	1,301						
	Church St, Arcadia	684			Vacant land	5,378						
	Church St, Arcadia	700			Cottages	1,301						
Octprop Properties	Church St, Arcadia	191			House	1,057						
Van Ryneveld Beleggings	Rudolf and van Tonder St, Sutherland Ridge	Cnr							200	200	(2 449)	(2 445)
10 Rudolph Steet	Sunderland Ridge	257	4 326	0.2	Factories	3,150	***				(43)	
39 Rudolph Street	Sunderland Ridge	82	3 105	0.1	Factories	2,320	***					
Durban	Portions 1,2,5 of Erf 12214		4 412	0.2	Shops & flats	553					1	
Waverley Plaza Properties - (Rentmeester Building)	Watermeyer Street, Val de Grace	74	64 942	3.1	Offices	19,215	12.927	18.5			394	
			90 024	**4.3**		**39,385**	**14,192**	**0.5**				

Subsidiary companies and property portfolio for the year ended 31 August 2008 *continued*

Subsidiary (Pty) Ltd / (property name)	Address	St Nº	Property value at 31 August 2008 (R'000)	% of port-folio	Description of buildings	Site area (m²)	GLA (m²)	Vacancy %	Issued share capital	Cost of shares (R)	Amounts owing by/to sub-sidiaries 2008 (R'000)	Amounts owing by/to sub-sidiaries 2007 (R'000)
Johannesburg and surrounding												
Heracle - (Protea House)	Woburn and Rothsay Ave, Benoni	Cnr	2 418	0.1	Shops and offices	1,784	3,200	67.5	1,000	753 047	2 064	1 209
Killarney Mall Properties - (Killarney Mall Shopping Centre)	Fourth St & Riviera Rd, Killarney	34-54	595 605	28.5	Shopping Centre	57,603	45,027	6.4	100	2 392 153	143 160	120 718
Pretwade	Strauss Crescent, Germiston		4 235	0.2	Workshops	6,719	3,380		2	2	1 535	1 535
Presmooi - (John Street)	John St	18-20	25 290	1.2	Office and shops	19,467	14,365				15 246	16 718
Presmooi - (Kyalami Crescent)	Kyalami Business Park, Kyalami		44 274	2.1	Warehouses	21,967	9,659				(4 433)	(2 445)
Presmooi - (Selby 515)	Prop St, Selby Ext 11 Township	15	10 950	0.5	Warehouses	12,270	6,682				(921)	(481)
Woodmead Mart - (Woodmead Value Mart Shopping Centre*)	Waterval Crescent, Woodmead		151 674	7.3	Shopping Centre	42,255	17,222	5.5	1,000	3 438 345	68 840	23 677
			834 446	**39.9**		**162,065**	**99,535**	**1.9**				
Johannesburg CBD												
Presmooi	Mooi, President and Pritchard St	Cnr	7 262	0.3	Shops and offices	2,975	3,664	3.4	1,000	523 031	75 994	120 604
Presmooi - (Bosman Building)	Eloff St	99	28 427	1.4	Shops and offices	2,234	15,809	62.7			431	3 220
Presmooi - (Medical City)	Eloff St	106	12 624	0.6	Shops and offices	979	6,652	76.8			2 465	3 522
Presmooi - (Klamson House)	Commissioner St	151	16 038	0.8	Shops and offices	993	5,949	27.6			6 135	7 272
Presmooi - (Rand Central)	Jeppe St	165	15 820	0.8	Shops and offices	1,242	10,206	80.6			3 616	5 209
Presmooi - (Anderson Place)	Harrison St	9	15 058	0.7	Office and shops	992	5,441	0.7			(179)	500
Presmooi - (Elephant Place)	Market St	107	9 217	0.4	Office and shops	991	4,750	31.5			9 630	
Presmooi - (Inner Court)	Eloff St	88	49 800	2.4	Office and shops	3,735	23,911	34.0				
Presmooi - (Reliance Centre)	Heidelberg Rd, City Deep	107	6 989	0.3	Office and shops	11,397	7,000	14.0			5 712	6 087
Waverley Plaza Properties												
- Fine Art House	Pritchard St	105	5 582	0.3	Shops and offices	499					1 762	99
- Fine Art Court	Pritchard St	103	9 385	0.4	Shops and flats	248					1 984	227
- Registry House	Troye St	64	21 983	1.1	Shops and offices	1,994	10,263	67.4			7 373	1 774
	Kerk St	102-108										
Woodmead Mart - (Union Club)	Bree & Joubert St	Cnr	32 289	1.5	Shops and flats	1,142	3,720	12.3				
			230 474	**11.0**		**29,421**	**97,365**	**9.4**				
		**	**2 089 448**	**100.0**		**720,132**	**442,286**	**19.4**		**21 344 391**	**673 102**	**632 203**

* leasehold property

** including plant and equipment

*** buildings are in the process of being sold

LINKED

UNITHOLDERS ANALYSIS
FOR THE YEAR ENDED 31 August 2008

Unitholders' Classification	Number of unitholdings	%	Number of units	%
1 - 1 000 shares	212	17.9	114 338	0.1
1 001 - 10 000 shares	546	46.0	2 558 553	2.9
10 001 - 100 000 shares	334	28.1	10 385 780	11.6
100 001 - 1 000 000 shares	74	6.2	24 749 178	27.7
1 000 001 shares and over	21	1.8	51 488 623	57.7
	1 187	**100.0**	**89 297 472**	**100.0**
Unitholders' Profile				
Banks	7	0.6	743 451	2.3
Close corporations	32	2.7	2 019 297	2.6
Endowment funds	25	2.1	1 571 014	1.8
Individuals	778	65.5	10 041 477	13.4
Insurance companies	8	0.7	9 927 473	0.7
Investment companies	2	0.2	251 000	11.3
Medical Aid Schemes	5	0.4	180 962	0.2
Mutual funds	41	3.4	20 964 515	28.1
Nominees and trusts	146	12.3	12 994 612	14.4
Other corporations	18	1.5	1 617 689	1.9
Pension funds	28	2.4	8 709 492	6.0
Private companies	92	7.8	19 606 345	17.0
Public companies	5	0.4	670 145	0.3
	1 187	**100.00**	**89 297 472**	**100.0**
Public/Non-Public Unitholders				
Non - public shareholders				
Directors and family	46	3.9	28 029 427	31.4
Public shareholders	1 141	96.1	61 268 045	68.6
	1 187	**100.0**	**89 297 472**	**100.0**
Beneficial unitholders holding of 3% or more				
Directors and family			28 029 427	31.4
Liberty Group			8 715 610	9.8
Investec			4 331 802	4.9
Transnet Pension Fund			2 975 968	3.3

SHARE TRADING ANALYSIS	Highest (cents)	Lowest (cents)	Volume traded (units)	Value traded (rands)
September 2007	1900	1850	1 117 721	20 853 507
October	2000	1850	1 240 779	23 688 278
November	2146	1897	1 046 284	21 003 302
December	1975	1850	534 149	10 072 347
January 2008	1860	1545	1 193 929	20 728 735
February	1900	1550	1 114 982	18 502 777
March	1845	1600	39 546	658 865
April	1620	1400	2 684 699	42 491 334
May	1700	1280	1 787 811	26 420 731
June	1340	1140	4 856 344	58 897 771
July	1400	1180	1 811 485	22 971 987
August 2008	1590	1340	3 071 895	47 238 855

NOTICE OF
ANNUAL GENERAL MEETING
FOR THE YEAR ENDED 31 August 2008

Octodec Investments Limited
(Incorporated in the Republic of South Africa)
(Registration number 1956/002868/06)
ISIN: ZAE000005104
Share code: OCT
("Octodec" or "the Company")

Notice is hereby given that the sixteenth annual general meeting of linked unitholders of Octodec will be held on Friday 6 February 2009 at 11h30 at CPA House, 101 Du Toit St, Pretoria, for the following purposes:

1. To receive, approve and adopt the audited annual financial statements of the Company and the Group, together with the directors' and independent auditors' reports for the year ended 31 August 2008.

2. To re-elect the following directors who retire by rotation in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-election:

   2.1 MJ Holmes
   Michael John Holmes (70) is a chartered accountant and has over forty years of banking and corpo rate finance experience. He serves on the Board of Premium Properties Limited

   2.2 S Wapnick
   Sharon Wapnick (46) is a senior partner in TWB, and serves on the board of other companies including Premium Properties Limited. She has a wealth of experience in the property industry with particular emphasis on legal related matters.

3. To confirm the re-appointment of the auditors, Deloitte & Touche for the ensuing year and to authorise the directors to determine the auditors remuneration for the year ending 31 August 2008.

4. To approve the payment of the remuneration of the directors for the year ended 31 August 2008 as reflected on page 22 of the annual report of which this notice forms part.

5. As special business, to consider and, if deemed fit, pass with or without modification the following resolutions:

   Ordinary resolution 1
   To place the unissued linked units under the directors' control.

   "Resolved that, the authorised but unissued linked units of the Company be placed under the control of the directors of the Company until the next annual general meeting with the authority to allot and issue linked units in the capital of the Company to such persons and upon such terms and conditions as the directors in their sole discretion deem fit, subject to sections 221(2) and 222 of the Companies Act, 61 of 1973, as amended ("the Act"), and the JSE Limited ("JSE") Listings Requirements."

   Ordinary resolution 2
   Approval to issue linked units for cash.

   "Resolved that subject to not less than 75% of the linked unitholders present in person or by proxy and entitled to vote at the annual general meeting at which this ordinary resolution is to be considered, voting in favour thereof, the directors of the Company be and are hereby authorised by way of a general authority to issue all or any of the authorised but unissued shares, together with debentures linked thereto ("linked units"), in the capital of the Company for cash as they in their discretion deem fit, subject to the following limitations:

- this authority shall not extend beyond the later of the date of the next annual general meeting of the Company or the date of expiry of 15 (fifteen) months from the date of this annual general meeting;
- a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within any one financial year, 5% (five percent) or more of the number of linked units in issue prior to such issue;
- issues in terms of this authority will not exceed 5% (five percent) in the aggregate of the number of linked units in the Company's issued share capital in any one financial year. The number of linked units to be issued shall be based on the number of linked units in issue at the date of application, less any linked units issued by the Company during the current financial year, provided that any linked units to be issued for cash pursuant to an acquisition (concluded up to the date of application) may be included as though they were linked units in issue at the date of application;
- in determining the price at which an issue of linked units will be made in terms of this authority the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of such linked units, as determined over a 30-day period to the datethat the price of the issue is determined or agreed by the directors;
- any such issue will only be made to public shareholders as defined by the JSE, and not to related parties; and
- the linked units which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue."

Ordinary resolution 3

"Resolved that the directors and secretary of the Company be and are hereby authorised to do all such things and sign all documents and take all actions as they consider necessary to implement the resolutions set out in the notice convening the annual general meeting at which this ordinary resolution 2 will be considered."

6. **Special Resolution 1**

To authorise the Company and/or its subsidiaries to acquire its linked units.

"Resolved that the Company and/or any of its subsidiaries be and is here authorised by way of a general approval as contemplated in Section 85 and Section 89 of the Act to acquire the issued securities of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine but subject to the Articles of Association of the Company, the provision of the Act and the JSE Listings Requirements, where applicable, and provided that:

(a) the repurchase of securities is implemented through the open order book of the JSE trading system, without any prior understanding or arrangement between the Company and the counter party;
(b) this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
(c) the Company is authorised thereto by its Articles of Association;
(d) the general repurchase by the Company is limited to a maximum of 20% (twenty percent) in aggregate of the Company's issued capital from the date of the grant of this authority;
(e) the general repurchase by the subsidiaries of the Company is limited to a maximum of 10% (ten percent) in aggregate of the Company's issued share capital from the date of the grant of this authority;
(f) the repurchase is not made at a price greater than 10% (ten percent) above the weighted average of the market value for the securities for five business days immediately preceding the date on which the transaction was effected;
(g) the repurchase does not take place during a prohibited period as defined in paragraph 3.67 of the JSE Listing Requirements; unless the repurchase programme is in place and full details thereof are announced on SENS prior to the commencement of the prohibited period.
(h) the Company publishes an announcement after it or its subsidiaries has cumulatively acquired 3% (three percent) of the number of securities in issue at the time that the linked unitholders' authority for the purchase is granted and for each 3% (three percent) in aggregate of the initial number acquired thereafter;
(i) the Company and the Group are in a position to repay their debt in ordinary course of business for a period of twelve months after the date of such repurchase;
(j) the assets of the Company and the Group being fairly valued in accordance with South African Statement of Generally Accepted Accounting Practice, are in excess of the liabilities of the Company and the Group for a period of twelve months after the date of such repurchase;
(k) the capital and reserves of the Company and the Group are adequate for a period of twelve months after the date of such repurchase;
(l) the available working capital is adequate to continue the operations of the Company and the Group

for a period of twelve months after the date of such repurchase;

(m) upon entering the market to proceed with the repurchase, the Company's Sponsor has complied with its responsibilities contained in Schedule 25 of the JSE Listings Requirements;

(n) the Company remains in compliance with paragraphs 3.37 to 3.41 of the JSE Listings Requirements concerning shareholder spread after such a repurchase; and

(o) the Company appoints only one agent to effect any repurchase on its behalf."

The reason for and effect of the special resolution is to authorise the Company and its subsidiaries, by way of general approval, to acquire its own issued securities, on terms and conditions and in amounts to be determined by the directors of the Company, subject to certain statutory provisions and JSE Listings Requirements.

Directors' statement regarding the utilisation of the authority sought

The directors of the Company ("the Board") have no immediate intention to use this authority to pur chase the securities of the Company. However, the Board is of the opinion that this authority should be in place should it be appropriate to undertake a repurchase during the currency of the authority.

Other disclosure in terms of Section 11.26 of the JSE Listings Requirements

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- Directors and management – page 57
- Major beneficial linked unitholders – page 53
- Directors' interest in securities – page 22
- Share capital of the Company – page 35

Litigation statement

The directors of the Company whose names appear on page 57 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or had in the recent past, (being at least the previous 12 months) a material effect on the Groups' financial position.

Director's responsibility statement

The directors whose names appear on page 57 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information.

Material changes

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs of the financial position of the Company and its subsidiaries since the date of signature of the audit report and up to the date of notice.

7. To transact such other business as may be transacted at an annual general meeting.

8. Voting and proxies

A member entitled to attend, speak and vote at the annual general meeting may appoint a proxy to attend, speak and vote in his/her stead and the person so appointed need not be a member of the Company. A proxy form is enclosed for use at this sixteenth annual general meeting. Proxy forms should be forwarded to reach the transfer secretaries not later than Wednesday 4 February 2009.

On a show of hands, every linked unitholder of the Company present in person or represented by proxy shall have one vote for every linked unit held in the Company by such linked unitholder.

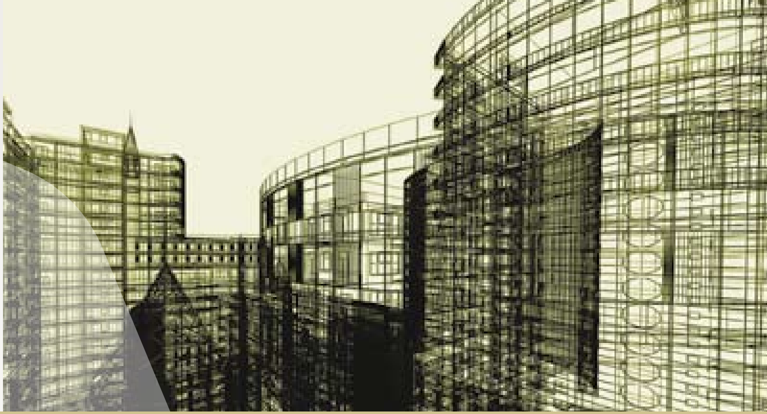
If you are a certificated or "own-name" dematerialised linked unitholder and unable to attend the annual general meeting of linked unitholders to be held at 11h30 on Friday, 6 February 2009 at the registered office of the Company, CPA House, 101 Du Toit St, Pretoria and wish to be represented thereat, you must complete and return the attached form of proxy in accordance with the instructions therein. If you have dematerialised your linked units with a Central Securities Depository Participant ("CSDP") or broker other than "own-name" registered dematerialised linked units, you must instruct your CSDP or broker to provide you with the necessary letter of representation to attend the annual general meeting or you must instruct your CSDP or broker as to how you wish to vote in this regard. This must be done in terms of the custody agreement entered into between you and the CSDP or broker.

By order of the Board

City Property Administration (Proprietary) Limited
Company Secretary
10 December 2008
Pretoria

DIRECTORATE

AND ADMINISTRATION AND UNITHOLDERS DIARY



Octodec Investments Limited
Incorporated in the Republic of South Africa
Registration number: 1956/002868/06
Share code: OCT
ISIN: ZAE000005104

Directors
A Wapnick* (Chairman)
JP Wapnick* ° (Managing)
MJ Holmes • ♦
MZ Pollack• ♦
S Wapnick†
* Executive director
• Independent non-executive director
† Non-executive director
° Member of the Audit Committee to 31 December 2007
♦ Member of the Audit Committee

Secretary
City Property Administration
(Proprietary) Limited
CPA House
101 Du Toit St
Pretoria 0002

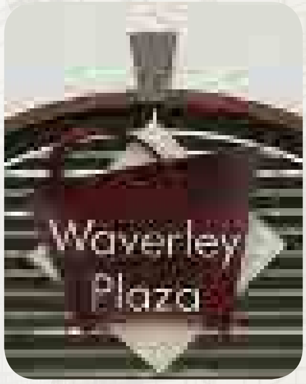
Business address
CPA House
101 Du Toit St
Pretoria 0002

Postal address
PO Box 15
Pretoria 0001

E-mail
propworld@cityprop.co.za

Bankers
Nedbank
(A division of Nedcor Bank Limited)
PO Box 1144
Johannesburg 2000

Auditors
Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (SA)
221 Waterkloof Road
Waterkloof 0181



Sponsor
Nedbank Capital
PO Box 1144
Johannesburg 2000

Attorneys
TWB & Partners
PO Box 786728
Sandton 2146
Tel: (011) 291 5000

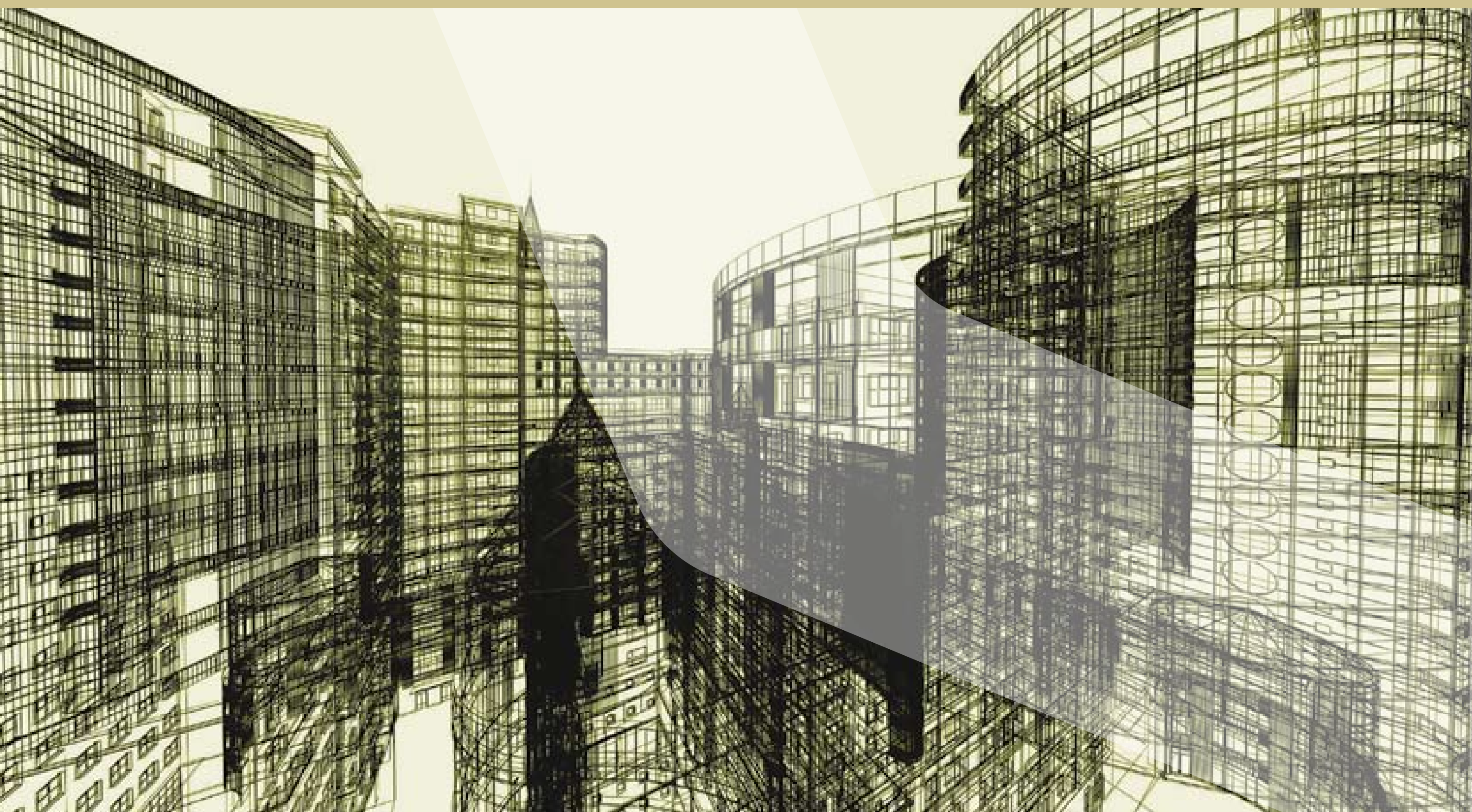
Trustees for debenture holders
O Tugendhaft
TWB & Partners
PO Box 786728
Sandton 2146
Tel: (011) 291 5000

Transfer secretaries
Computershare Investor Services (Pty) Ltd
70 Marshall St
Marshalltown 2001
PO Box 61051
Marshalltown 2107

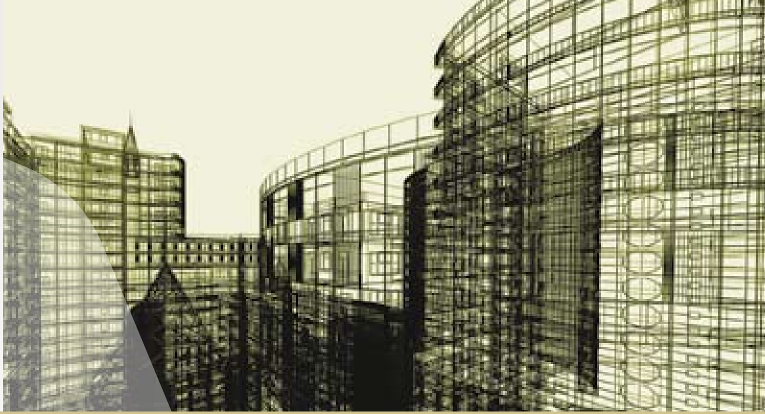
Unitholders' Diary

31 August 2008	Financial year end
23 October 2008	Announcement of final dividend and debenture interest distribution
17 November 2008	Payment of dividend and debenture interest
6 February 2009	Annual general meeting
April 2009	Publication of interim results and announcement of interim dividend and debenture interest distribution
May 2009	Payment of interim dividend and debenture interest

WOODMEAD
VALUE MART



FORM
OF PROXY



(Incorporated in the Republic of South Africa)
(Registration number 1956/002868/06)
ISIN: ZAE000005104
Share code: OCT
("Octodec" or "the Company")

Annual General Meeting: Friday, 6 February 2009
For use by certificated linked unitholders or dematerialised linked unitholders with "own name" registration of Octodec ("linked unitholders") at the sixteenth annual general meeting of Octodec to be held on 6 February 2009 at 11h30 ("the annual general meeting") at CPA House, 101 Du Toit St, Pretoria.

If linked unitholders have dematerialised their linked units with a Central Securities Depository Participant ("CSDP") or broker, other than with "own name" registration, they must instruct the CSDP or broker concerned to provide them with the necessary letter of representation to attend the general meeting or the linked unitholder concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the custody agreement entered into between the linked unitholder and the CSDP or broker concerned.

I/We ______________________________

(Name/s in block letters)

Address ______________________________

being the registered holder/s of [ ] linked units in Octodec, appoint (see note 1).

1. ______________________________

2. ______________________________

3. the Chairman of the annual general meeting

As my/our proxy to act for me/us and on my/our behalf at the annual general meeting which will be held for the purpose of considering, and if deemed fit, with or without modification, the resolution to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the linked units registered in my/our name/s, in accordance with the following instructions (see note 2).

	Number of votes (1 vote per linked unit)		
	In favour of	Against	Abstain
1 To receive, approve and adopt the annual financial statements.			
2. To re-elect the following directors:			
2.1 MJ Holmes			
2.2 S Wapnick			
3. To confirm the re-appointment of the auditors.			
4. To approve the payment of remuneration to directors.			
5 Ordinary resolutions:			
5.1 To place the unissued linked units under the control of the directors.			
5.2 Issue of linked units for cash.			
5.3 Authorising the directors and secretary of the Company to implement Resolution 5.2.			
6. Special Resolution:			
6.1 Repurchase of linked units.			

Signed at __________ this __________ day of __________ 20 ____

Signature ______________________________

1. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialed by the signatory(ies).

2. A member entitled to attend and vote may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided, with or without deleting "the Chairman of the annual general meeting". A proxy need not be a member of the Company. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.

3. A member is entitled to one vote on a show of hands and, on a poll, one vote in respect of each linked unit held. A member's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the member in the appropriate box(es). Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the members' votes.

4. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the linked units in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries not less than 48 hours before the commencement of the annual general meeting.

5. The Chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.

6. The completion and lodging of this form of proxy will not preclude the relevant member from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.

7. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or transfer secretaries or unless this requirement is waived by the Chairman of the annual general meeting.

8. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company.

9. Where there are joint holders of linked units:
   - Any one holder may sign the form of proxy
   - The vote(s) of the senior members (for that purpose seniority will be determined by the order in which the names of members appear in the Company's register of linked members who tender a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint member(s).

10. Forms of proxy should be lodged with, mailed to or faxed to Computershare Investor Services (Pty) Ltd:

Hand deliveries to:
Computershare Investor Services
(Pty) Ltd
Ground Floor
70 Marshall St
Johannesburg, 2001

Postal deliveries to:
Computershare Investor Services
(Pty) Ltd
P O Box 61051
Marshalltown, 2107
Fax: (011) 688 7712

To be received no later than 11h30 on Wednesday, 4 February 2009