



NOTICE TO LINKED UNITHOLDERS: Reviewed results of the group for the year ended 31 August 2008

Distribution up by 15.4% to
122,6 cents per linked unit



Increase in net asset value by
5.9% to 1556 cents



Total investments exceed
R2,3 billion

Abridged consolidated income statement

R'000	% Changes	Reviewed year to 31 August 2008	Audited year to 31 August 2007
Revenue		272,954	223,035
- earned on contractual basis	19.1%	269,535	226,333
- straight line lease adjustment		3,419	(3,298)
Operating costs		(101,634)	(79,792)
Net rental income from properties		171,320	143,243
- earned on contractual basis	14.6%	167,901	146,541
- straight line lease adjustment		3,419	(3,298)
Administrative expenses		(12,438)	(10,219)
Depreciation		(721)	(656)
Income before investment income	19.5%	158,161	132,368
Investment income		50,768	32,928
- Interest received		1,514	1,204
- Investment income - listed investments		10,486	7,683
- Investment income - associate			
share of after tax (loss)/profit		(1,568)	17
fair value adjustment / capital reserves		27,342	18,610
interest and dividends		12,994	5,414
Income before finance costs	26.4%	208,929	165,296
Finance costs	3.3%	(66,624)	(64,499)
Income before debenture interest and capital profits	41.2%	142,305	100,797
Trading profit and other capital items		-	2,771
Fair value adjustment of investment properties			
- net revaluation		78,481	241,858
- gross revaluation		81,900	238,560
- attributable to straight line lease adjustment		(3,419)	3,298
Amortisation of deemed debenture premium		11,074	4,010
Income before debenture interest	(33.6%)	231,860	349,436
Debenture interest	27.1%	(108,943)	(85,737)
Income before taxation	(53.4%)	122,917	263,699
Taxation charge		(13,072)	(63,535)
- Deferred taxation		(11,522)	(61,988)
- Normal taxation		(1,550)	(1,547)
Income attributable to linked unitholders		109,845	200,164
Linked units in issue - ('000)		89,297	89,297
Weighted linked units in issue - ('000)		89,297	78,975
Earnings per share - (cents)*	(51.5%)	123.0	253.5
Earnings per linked unit - (cents)*	(32.3%)	245.0	362.0
Headline earnings per linked unit - (cents)*	24.6%	142.3	114.2
* Based on the weighted number of unit in issue			
Distribution per linked unit (cents)			
- Dividends		0.60	0.53
- Interest		122.00	105.67
Total	15.4%	122.60	106.20

Abridged consolidated cash flow statement

R'000	% Changes	Reviewed year to 31 August 2008	Audited year to 31 August 2007
CASH FLOW FROM OPERATING ACTIVITIES			
Net rental income from properties		154,742	137,863
Adjustment for :			
- Depreciation		721	656
- Working capital changes		8,739	(6,283)
Cash generated from operations		164,202	132,236
Investment income and interest received		24,994	14,301
Finance costs		(66,624)	(64,499)
Taxation paid		(1,658)	(772)
Distribution to linked unitholders paid		(101,620)	(75,763)
Net cash inflow from operating activities		19,294	5,503
CASH FLOW FROM INVESTING ACTIVITIES			
Investing activities		(106,542)	(132,901)
Increase in investments and loans to associate		(56,459)	(28,476)
Proceeds from disposal of investment properties		-	3,573
Net cash outflow used in investing activities		(163,001)	(157,804)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of linked units		-	199,203
Increase/(decrease) in interest bearing borrowings		142,397	(52,409)
Net cash generated from financing activities		142,397	146,794
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,310)	(5,507)
Cash and cash equivalents at beginning of year		(9,327)	(3,820)
Cash and cash equivalents at end of year		(10,637)	(9,327)

Distributable earnings

The following additional information is provided and is aimed at disclosing to the users the basis on which the distributions are calculated.

R'000	% Changes	Reviewed year to 31 August 2008	Audited year to 31 August 2007
Revenue			
- earned on contractual basis	19.1%	269,535	226,333
Operating costs		(101,634)	(79,792)
Net rental income from properties	14.6%	167,901	146,541
Administrative expenses		(12,438)	(10,219)
Depreciation		(721)	(656)
Income before investment income	14.1%	154,742	135,666
Investment income			
- Interest received		1,514	1,204
- Interest received - prepaid distribution		-	2,738
- Investment income - associate	110.4%	11,426	5,431
- Investment income - listed investments	36.5%	10,486	7,683
Distributable income before finance charges	16.7%	178,168	152,722
Finance charges	3.3%	(66,624)	(64,499)
Distributable income before taxation	26.4%	111,544	88,223
Taxation charge		(1,550)	(1,454)
Unitholders distributable earnings	26.5%	109,994	86,769
Trading profit		-	2,198
Unitholders distributable earnings	23.6%	109,994	88,967
Earnings distributed ('000)	23.1%	109,443	88,867
Linked units in issue - ('000)		89,297	89,297
Distribution per linked unit (cents)	15.4%	122.60	106.2

Directors: A Wapnick* (Chairman), JP Wapnick* (Managing director), MJ Holmes*, MZ Pollack*, S Wapnick†

* Executive director * Independent non-executive director †Non-executive director

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

Notes to Financial Statements

The condensed consolidated reviewed financial statements have been prepared in accordance with the requirements of the Companies Act (Act 61 of 1973). The results have been prepared and presented in accordance with International Accounting Standards IAS34, Interim Financial Reporting. The accounting policies adopted and methods of computation are consistent with those applied in the financial statements for the year ended 31 August 2007 except for IAS1 - Presentation of financial statements.

In order to comply with International Financial Report Standards, deferred taxation on the fair value adjustment of investment property has been provided at the company income taxation rate which is currently 28% and not at the Capital Gains Tax rate of 14%, which would be payable if properties were sold.

Related party: City Property Administration (Proprietary) Limited is responsible for the property and asset management of the group.

Contingent liability: The company has issued guarantees of R1 690 000 and R582 000 to the Tshwane Metropolitan Municipality and City Power - Johannesburg respectively for the provision of services to its subsidiaries. The company has given surety to Nedbank Property Finance, which at year end amounted to R62 640 000, in favour of its associate company, IPS Investments (Pty) Limited.

Independent review by external auditors – These condensed consolidated financial statements have been reviewed by our auditors Deloitte and Touche. A copy of their unmodified opinion is available for inspection at the company's registered office.

COMMENTS

Review of results

Notwithstanding the challenging trading conditions, the directors of Octodec are pleased to report that the company has once again achieved excellent growth in distributions to linked unitholders. Rental income and net rental income increased by 19.1% and 14.6% respectively.

Octodec paid an interim distribution of 61.6 cents per linked unit. The total distribution per linked unit for the year of 122.6 cents (2007: 106.2 cents) represents an increase of 15.4% on that paid in the previous corresponding period.

A substantial saving in finance costs was achieved as a result of the issue of additional units towards the end of the previous financial year. This together with the benefits of the redevelopment of properties, favourable renewal of leases and strict expense control have all contributed to the growth in distributable earnings. The core portfolio, representing those properties held for 12 comparable months, reflects rental income growth of 8.7%. The retail portfolio which comprises five quality shopping centres, continued to enjoy growth in rental income, although at a slower rate than previous years.

Bad debt increased during the period from 1.5% to 1.7% of revenue. Management continues to focus on the policies and procedures relating to the collection of rent.

Octodec continued to unlock the value of its Johannesburg and Pretoria CBD portfolios by the redevelopment and refurbishment thereof. Construction was completed at Fine Art to refurbish this services to its subsidiaries. The residential component of the property is close to being fully let. The Tiny Town residential development, which is situated adjacent to the Union Buildings is due to commence shortly.

During the year under review three properties were purchased and transferred for an aggregate cost of R86 million. These purchases are Rentmeester, an office block situated in Val-de-Grace, Pretoria, Union Club, a residential block situated in the Johannesburg CBD and 39 Rudolph Street in Sunderland Ridge.

Interest income and dividends received from IPS, increased to R13 million due to the strong performance of the portfolio as well as the advance of additional funds to IPS to fund IPS's growth. IPS's property portfolio is valued in an amount of in excess of R790 million. IPS has a committed residential development pipeline to build 977 units of residential accommodation at a total cost of R339 million. The majority of these units will be built at Kempton City in Kempton Park, Tayob Towers and Corporation Place in the Johannesburg CBD.

Vacancies at 31 August 2008 amounted to 19.4% of total lettable area which is in line with the previous financial year. Further details are set out below:

	31 August 2008	31 August 2007
Offices	9.4%	9.9%
Retail	1.5%	2.0%
Commercial	4.9%	3.0%
Industrial	3.6%	4.2%
TOTAL	19.4%	19.1%

A large percentage of the vacancies are in respect of properties recently acquired or undergoing redevelopment or refurbishment. A number of these properties were acquired with large vacancies and where little or no consideration was paid for the vacant space.

Borrowings

During the period the borrowings increased by R142.4 million, as a result of the advance of further funds to IPS, purchases of investment properties and development costs incurred. Octodec's gearing at the end of the period under review was 28% as against 24% at 31 August 2007. The group remains financially sound with facilities available in excess of R230 million to fund future cash flow requirements.

Interest rates in respect of 81% of borrowings at 31 August 2008 have been fixed at an average interest rate of 11% maturing at various dates ranging from October 2008 to April 2018.

Revaluation of property portfolio

At each financial year end at least one-third of the property portfolio is valued on a rotational basis by an external valuer. The directors' valuation of the portfolio, taking into account prevailing market rentals, occupation levels and capitalisation rates increased by R81.9 million, increasing net asset value by 5.9% after accounting for deferred tax.

Prospects

The difficult retail trading environment is expected to continue and will impact on distribution growth. International markets are depressed and the effects continue to spill over into the domestic economy. Rental growth is expected to slow and higher operating costs and interest are expected to impact on profitability. Despite this, the board believes that distributable earnings will be on a par with, if not better than the previous year.

DECLARATION OF DIVIDEND 37 AND INTEREST PAYMENT

("the distribution")

Notice is hereby given that dividend number 37 of 0.30 cents (2007: 0.26 cents) per ordinary share together with interest of 60.70 cents per debenture (2007: 51.94 cents), for the six months 1 March 2008 to 31 August 2008 has been declared, payable to linked unitholders recorded in the register on Friday, 14 November 2008. The last date to trade "CUM" distribution is Friday, 7 November 2008. The units will commence trading "EX" distribution on Monday, 10 November 2008. Payment date will be Monday, 17 November 2008.

No dematerialisation or rematerialisation of linked unit certificates may take place between Monday, 10 November 2008 and Friday, 14 November 2008, both days inclusive.

By order of the Board.

City Property Administration (Proprietary) Limited
23 October 2008

A WAPNICK JP WAPNICK
(Chairman) (Managing Director)

Segmental information

Analysis by property usage - 2008	Indus-trial	Office	Retail	Com-mercial	Resi-dential	Corporate unallocated	Total
Revenue							
Rentals and recoveries	40,693	42,130	122,850	55,561	6,585	-	26,7817
Management fee	-	-	-	-	-	1,717	1,717
Straight-line 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	23,579	24,412	71,184	32,194	3,815	2,976	158,161
Assets							
Investment Properties	319,198	354,355	908,945	437,180	65,051	-	2,084,666
Plant and Equipment	65	951	2,075	501	1,189	-	4,782
Other Assets	-	-	-	-	-	328,209	328,209
Total Assets	319,198	355,306	911,022	437,682	66,240	328,209	2,417,657

Analysis by property usage - 2007							
Revenue							
Rentals and recoveries	30,665	22,794	113,333	51,871	6,350	-	225,013
Management fee	-	-	-	-	-	1,320	1,320
Straight-line lease adjustment	(1146)	312	(1,112)	(1,380)	28	-	(3,298)
Total Revenue	29,519	23,105	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
Assets							
Investment Properties	260,087	209,020	963,567	419,080	48,018	-	1,899,758
Plant and Equipment	14	264	1402	155	134	-	1,969
Other Assets	-	-	-	-	-	273,700	273,700
Total Assets	260,087	209,284	964,969	419,235	48,152	273,700	2,175,427

Abridged consolidated balance sheet

R'000	Reviewed year to 31 August 2008	Audited year to 31 August 2007
ASSETS		
Non-current assets	2,397,634	2,152,906
Investment properties, plant and equipment		
- Investment properties	2,058,559	1,877,070
- Plant and equipment	4,782	1,969
Investment properties - straight line lease adjustment	26,107	22,688
Investment - listed securities	146,663	132,742
- associate company	161,523	118,437
Current assets	20,023	22,520
Total assets	2,417,657	2,175,426
EQUITY AND LIABILITIES		
Share capital and Reserves		
Share capital and premium	994,081	906,500
Share capital and premium	58,295	47,221
Non-distributable reserve	903,355	829,938
Retained profit	32,431	29,341
Non - current liabilities	1,307,715	1,166,166
Debentures capital and premium	395,031	406,105
Interest bearing borrowings	640,105	495,543
Deferred tax liability	272,579	264,518
Current liabilities	115,861	102,760
Interest bearing	27,943	28,683
Non - interest bearing	33,714	27,696
Linked unitholders	54,204	46,381
Total equity and liabilities	2,417,657	2,175,426

Linked units in issue ('000)	89,297	89,297
Net asset value per linked unit (cents)	1,556	1,470
Net asset value per linked unit (cents) - before deferred tax	1,861	1,766

Abridged statement of changes in equity

R'000	Share capital and premium	Non-Distributable reserve	Distributable reserve	Total
Balance at 1 September 2006	42,224	599,156	28,046	669,426
Net income attributable to ordinary shareholders			200,164	200,164
Issue of linked 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 Capital Gains Tax		36,315		36,315
Transfer to non-distributable reserve				
Capital profit on disposal of investment property		481	(481)	-
Fair value adjustment of investment properties				
- associate, net of deferred tax		18,610	(18,610)	-
- investment properties, net of deferred tax		175,376	(175,376)	-
Balances at 31 August 2007	47,221	829,938	29,341	906,500
Net income attributable to ordinary shareholders			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 Capital Gains Tax		(21,764)		(21,764)
Fair value adjustment of investment properties				
- investment properties, net of deferred tax		67,839	(67,839)	-
- associate, net of deferred tax		27,342	(27,342)	-
Balances at 31 August 2008	58,295	903,355	32,431	994,081

Reconciliation - earnings to distributable earnings

	Reviewed year to 31 August 2008 R'000	Reviewed year to 31 August 2008 cents	Audited year to 31 August 2007 R'000	Audited year to 31 August 2007 cents
Earnings per share	109,845	123.0	200,164	253.5
Add: debenture interest per linked unit	108,943	122.0	85,737	108.5
Earnings per linked unit	218,788	245.0	285,901	362.0
Trading profits and other capital items	-	-	(2,771)	(3.5)
Fair value adjustments				
- associate, net of deferred tax	(27,342)	(30.6)	(18,610)	(23.6)
- investment properties, net of deferred tax	(64,420)	(72.1)	(174,328)	(220.7)
Headline earnings per linked unit	127,026	142.3	90,192	114.2
Straight line lease adjustment	(2,463)		2,342	