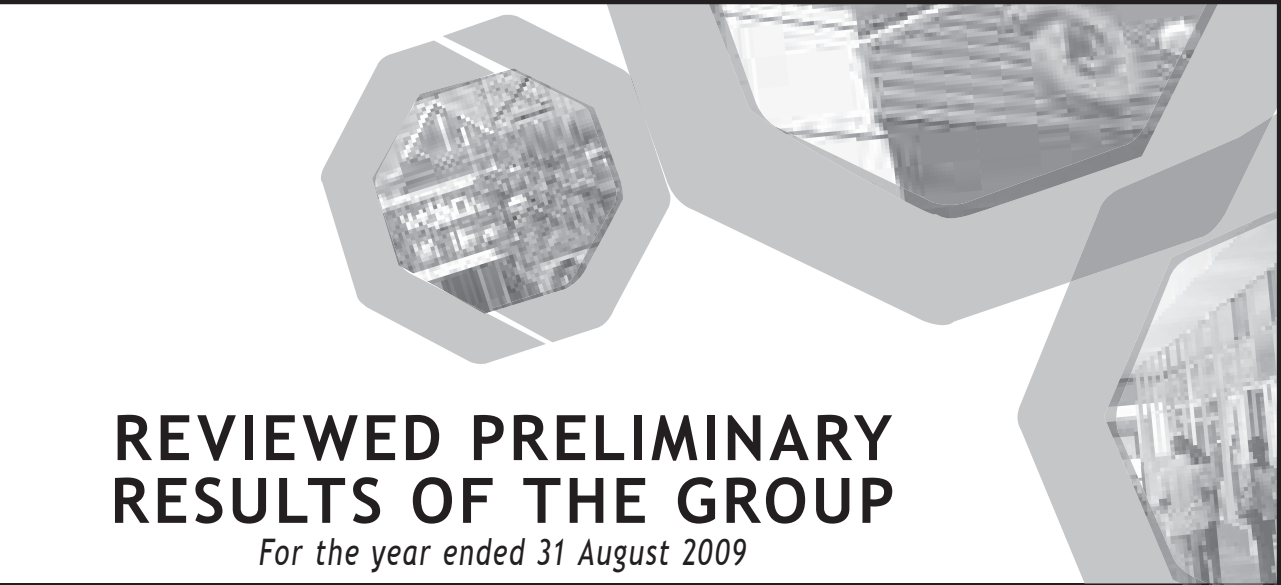




Distribution up by 5,1% to
128,9 cents per linked unit

Net asset value of 1 558 cents

Total investments exceed
R2,4 billion



REVIEWED PRELIMINARY RESULTS OF THE GROUP

For the year ended 31 August 2009

Abridged Consolidated Income Statement

R'000	% Change	Reviewed Year to 31 August 2009	Audited Year to 31 August 2008 (Restated)
Revenue		320 226	272 954
- earned on contractual basis	15,0	309 849	269 535
- straight line lease adjustment		10 377	3 419
Operating costs		(130 275)	(101 634)
Net rental income from properties		189 951	171 320
- earned on contractual basis	7,0	179 574	167 901
- straight line lease adjustment		10 377	3 419
Administrative expenses		(11 536)	(12 438)
Depreciation		(1 307)	(721)
Profit before investment income	12,0	177 108	158 161
Investment income		66 091	50 768
- Interest received		1 446	1 514
- Investment income - listed securities		13 262	10 486
- Investment income - associate			
share of after tax profit/(loss)		3 625	(1 568)
fair value adjustment/ capital reserves		36 902	27 342
interest and dividends		10 856	12 994
Profit before finance charges and capital profit	16,4	243 199	208 929
Fair value adjustments of investment properties			
net fair value adjustment		(98 324)	78 481
gross fair value adjustment attributable to straight line lease adjustment		(87 947)	81 900
		(10 377)	(3 419)
Amortisation of deemed debenture premium		10 669	11 074
Profit on sale of investment property		1 534	-
Profit before finance charges		157 078	298 484
Finance charges	20,3	(80 132)	(66 624)
Profit before debenture interest	5,1	76 946	231 860
Debenture interest		(114 533)	(108 943)
(Loss)/profit before taxation		(37 587)	122 917
Taxation charge		29 475	(9 195)
- Deferred taxation		30 142	(7 645)
- Normal taxation		(667)	(1 550)
(Loss)/profit attributable to ordinary shareholders		(8 112)	113 722
Weighted linked units in issue ('000)		89 297	89 297
Linked units in issue ('000)		89 297	89 297
Basic and diluted (loss)/earnings per share (cents)	(107,1)	(9,1)	127,4
Basic and diluted earnings per linked unit (cents)	(52,2)	119,2	249,4
Headline earnings per linked unit (cents)	5,9	137,5	129,9
Distribution per linked unit (cents)			
Dividends		0,64	0,60
Interest		128,26	122,00
Total	5,1	128,90	122,60

Abridged Consolidated Cash Flow Statement

R'000	Reviewed Year to 31 August 2009	Audited Year to 31 August 2008 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Net rental income from properties	166 730	154 742

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	% Change	Reviewed Year to 31 August 2009	Audited Year to 31 August 2008 (Restated)
Revenue		309 849	269 535
- earned on contractual basis	15,0	(130 275)	(101 634)
Operating costs			
Net rental income from properties	7,0	179 574	167 901
Administrative expenses		(11 536)	(12 438)
Depreciation		(1 307)	(721)
Profit before investment income	7,7	166 731	154 742
Investment income			
- Interest received		1 446	1 514
- Interest received - listed securities		13 262	10 486
- Investment income - associate		14 481	11 426
Distributable profit before finance charges	10,0	195 920	178 167
Finance charges	20,3	(80 132)	(66 624)
Distributable income before taxation	3,8	115 788	111 543
Taxation charge		(667)	(1 550)
Unit holders distributable earnings	4,7	115 121	109 993
Linked units in issue ('000)		89 297	89 297
Distributable earnings per linked unit (cents)	4,7	128,9	123,2
Distribution per linked unit (cents)	5,1	128,9	122,6

Abridged Consolidated Balance Sheet

R'000	Reviewed 31 August 2009	Audited 31 August 2008 (Restated)
ASSETS		
Non-current assets	2 428 105	2 397 634
Investment properties	2 003 782	2 058 559
Property, plant and equipment	14 847	4 782
Investment properties - straight lining of rental leases	36 484	26 107
Investment - listed securities	154 039	146 663
Investment - associated company	218 953	161 523
Current assets	48 507	20 023
Total assets	2 476 612	2 417 658
EQUITY AND LIABILITIES		
Share capital and reserves	1 006 889	1 014 849
Share capital and premium	68 964	58 295
Non-distributable reserves	894 375	920 703
Retained earnings	43 550	35 851
Non-current liabilities	1 265 777	1 286 947
Debentures and premium	384 362	395 031
Interest bearing borrowings	659 632	640 105
Deferred taxation	221 783	251 811
Current liabilities	203 946	115 861
Interest bearing	95 260	27 944
Non-interest bearing	49 419	33 713
Linked unit holders	59 267	54 204
Total equity and liabilities	2 476 612	2 417 658
Linked units in issue ('000)	89 297	89 297
Net asset value per linked unit (cents)	1 558	1 579
Net asset value per linked unit (cents) - before providing for deferred tax	1 806	1 861

Statement of Changes in Equity

R'000	Share capital and premium	Non-distri- butable reserves	Distri- butable reserves	Total
Balance at				
1 September 2007	47 221	829 938	29 341	906 500
Prior year adjustments		16 891		16 891
Profit for the year			113 722	113 722
Transfer to capital - deemed debenture premium	11 074		(11 074)	-
Dividends paid			(500)	(500)
Adjustment to valuation of listed investment, net of deferred tax		(21 764)		(21 764)
Fair value adjustments				

Reconciliation - Earnings to Distributable Earnings

R'000	Reviewed Year to 31 August 2009	Audited Year to 31 August 2008 (Restated)
(Loss)/earnings attributable to ordinary shareholders	(8 112)	113 722
Amortisation of deemed debenture premium	(10 669)	(11 074)
Sale of investment properties	(1 534)	-
Fair value adjustments		
- associate	(36 902)	(27 342)
- investment properties	90 918	(89 462)
- deferred taxation	(25 457)	21 166
Headline earnings before debenture interest	8 244	7 010
Debenture interest	114 533	108 943
Headline earnings	122 777	115 953
Straight line lease adjustment (net)	(7 471)	(2 463)
Straight line lease adjustment	(10 377)	(3 419)
Deferred taxation	2 906	956
Deferred taxation adjustments	(185)	(3 497)
Distributable earnings	115 121	109 993

Notes to the Financial Statements

The condensed consolidated financial statements have been prepared and presented in accordance with International Accounting Standards IAS 34, Interim Financial Reporting and the listing requirements of the JSE Limited and the requirements of the Companies Act 61 of 1973, as amended. The accounting policies adopted and methods of computation are consistent with those applied in the financial statements for the year ended 31 August 2008, except for deferred taxation that is accounted for using a blended tax rate on the revaluation of investment properties.

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 R1,7 million and R0,6 million to the Tshwane Metropolitan Municipality and City Power - Johannesburg respectively for the provision of services to its subsidiaries. The Company has provided a suretyship to Nedbank Property Finance, which at 31 August 2009 amounted to R161 million in favour of its associate company, IPS Investments (Pty) Limited ("IPS").

Independent review by external auditors - These condensed consolidated financial statements have been reviewed by our auditors Deloitte and Touche, whose unmodified review report is available for inspection at the company's registered office.

Subsequent events - There have been no significant subsequent events that require reporting.

Prior year adjustments - Deferred taxation has been accounted for using a blended tax rate on the revaluation of investment properties. This splits the revaluation between land and buildings and calculates deferred tax on revaluation surpluses on land at the capital gains taxation rate of 14% as the intention is to recover through sale and on buildings at 28% as the intention is to recover through use. This is a change from previous years, but the adjustments have no effect on the distributable income to the unit holders.

The above resulted in adjustments to 2008 as follows:

<i>Balance sheet items</i>	
Decrease in opening deferred tax liabilities	(16 891)
Decrease in deferred tax liabilities	(3 877)
Increase in transfer to opening fair value reserve	16 891
Increase in transfer to fair value reserve	3 877

<i>Income statement items</i>	
Decrease in deferred taxation charge	(3 877)

Comments

Review of results
Trading conditions in the retail property market deteriorated further during the year as a result of a weakening economy. It has become increasingly more difficult to increase rentals on renewals and new tenants are reluctant to take on new space.

Rental income and net rental income increased by 15,0% and 7,0% respectively. Octodec paid an interim distribution of 62,20 cents per linked unit. The total distribution per linked unit for the year of 128,90 cents (2008: 122,60 cents) represents an increase of 5,1% on that paid in the previous corresponding period.

The core portfolio, representing those properties held for 12 comparable months, reflects rental income growth of 2,1%. Octodec's retail portfolio comprises 50% of the total portfolio value and is dominated by smaller retail centres. As a result of challenging market conditions, no growth was achieved in rental income from the retail portfolio.

Octodec continued to unlock the value of its Johannesburg and Pretoria CBD portfolios by the redevelopment and refurbishment thereof. During the year an amount of R25,3 million was spent on the upgrade to the Inner Court property located in the Johannesburg CBD. A lease with a government tenant was concluded for 10 000m² of office space. Various other properties were upgraded at a total cost of R35,2 million, which included Waverley Plaza Shopping Centre, Tiny Town and Protea House.

Income from the associate, IPS increased to R14,5 million due to the strong performance of the portfolio as well as the advance of additional funds to IPS to fund its growth. IPS's property portfolio is valued at an amount in excess of R1 billion. IPS has a committed residential development pipeline to build 1085 units of residential accommodation at a total cost in excess of R480 million. The majority of these units will be built at Kempton City in Kempton Park and Tayob Towers and Corporation Place in the Johannesburg CBD.

During the year 10 and 39 Rudolph Street and Erf 35 Talkar were sold for a total consideration of

CASH FLOW FROM OPERATING ACTIVITIES		
Net rental income from properties	166 730	154 742
Adjustment for:		
- Depreciation	1 307	721
- Working capital changes	(12 980)	8 738
Cash generated from operations	155 057	164 201
Investment income	25 564	24 994
Finance costs	(80 132)	(66 624)
Taxation paid	(667)	(1 657)
Distribution to linked unit holders paid	(110 015)	(101 620)
Net cash (outflow)/inflow from operating activities	(10 193)	19 294
CASH FLOW FROM INVESTING ACTIVITIES		
Investing activities	(89 452)	(163 001)
Proceeds from disposal of investment properties	12 600	-
Net cash outflow used in investing activities	(76 852)	(163 001)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in interest bearing borrowings	71 610	142 397
Net cash generated from financing activities	71 610	142 397
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15 435)	(1 310)
Cash and cash equivalents at beginning of year	(10 637)	(9 327)
Cash and cash equivalents at end of year	(26 072)	(10 637)

Adjustment to valuation of listed investment, net of deferred tax	(21 764)	(21 764)	
Fair value adjustments			
- Investment properties, net of deferred taxation	68 296	(68 296)	-
- associate, net of deferred tax	27 342	(27 342)	-
Balance at 31 August 2008	58 295	920 703	35 851 1 014 849
Balances as previously reported	58 295	899 935	35 851 994 081
Restatement of 2007 fair value adjustment		16 891	16 891
Prior year restatement fair value adjustment		3 877	3 877
Loss for the year		(8 112)	(8 112)
Transfer to capital - deemed debenture premium	10 669	(10 669)	-
Dividends paid		(545)	(545)
Adjustment to valuation of listed investment, net of deferred tax		697	697
Sale of investment properties		1 534	(1 534) -
Fair value adjustments			
- Investment properties, net of deferred taxation		(65 461)	65 461 -
- associate, net of deferred tax		36 902	(36 902) -
Balance at 31 August 2009	68 964	894 375	43 550 1 006 889

development pipeline to build 1085 units of residential accommodation at a total cost in excess of R480 million. The majority of these units will be built at Kempton City in Kempton Park and Tayob Towers and Corporation Place in the Johannesburg CBD.

During the year 10 and 39 Rudolph Street and Erf 35 Talkar were sold for a total consideration of R12,6 million. The total profit amounted to R1,5 million.

Vacancies at 31 August 2009 amounted to 20,9% of the total lettable area.

Further details are set out below:

	31 August 2009	28 February 2009
	%	%
Offices	9,7	10,5
Retail	2,0	1,8
Commercial	3,8	4,5
Industrial	5,4	6,0
TOTAL	20,9	22,7

A large percentage of the vacancies is in respect of properties recently acquired or undergoing redevelopment or refurbishment. The vacant retail space is largely attributable to smaller line shops. A slow down in economic activity during the year is affecting the letting of vacant space. It is taking longer than anticipated to let vacant space and it is more difficult to increase rentals on the renewal of leases. The decrease in office vacancies is mainly due to the letting of Inner Court.

Borrowings

During the period the borrowings increased by R71,6 million as a result of the advance of further funds to IPS and development and upgrade costs incurred. Octodec's gearing at the end of the year under review was 31,1% of the total value of the portfolio as against 27,9% at 31 August 2008. The group remains financially sound with facilities available to fund future cash flow requirements.

Interest rates in respect of 72,6% of borrowings at 31 August 2009 have been fixed at an average interest rate of 11,5% maturing at various dates ranging from November 2009 to October 2018.

Revaluation of property portfolio

The directors have valued the property portfolio by applying market related yields. 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 decreased by R87,9 million, which gives rise to a net asset value of 1 558 cents per unit.

Investment in Premium Properties

During the period, Octodec increased its holding in Premium to 13,3 million linked units or 10%. Further, as announced on SENS on Friday, 28 August 2009, Octodec together with the Wapnick Family have made a partial offer to all independent Premium linked unit holders to acquire from them up to a maximum of 10% of their Premium linked units. The offer price is R12,44 per linked unit. Details of the offer acceptance will be released on SENS on Monday, 26 October 2009.

Prospects

The current economic environment has influenced the demand for space, causing a slower take up of vacancies and slowing rental growth. Despite this, the board believes that distributable earnings will be on a par with the previous year.

DECLARATION OF DIVIDEND 39 AND INTEREST PAYMENT ("the distribution")

Notice is hereby given that dividend number 39 of 0,33 cents (2008: 0,30 cents) per ordinary share together with interest of 66,37 cents per debenture (2008: 60,70 cents), has been declared for the period 1 March 2009 to 31 August 2009, payable to linked unit holders recorded in the register on Friday, 20 November 2009. The last date to trade "cum" distribution is Friday, 13 November 2009. The units will commence trading "ex" distribution on Monday, 16 November 2009. Payment date will be Monday, 23 November 2009.

No dematerialisation or rematerialisation of linked unit certificates may take place between Monday, 16 November 2009 and Friday, 20 November 2009, both days inclusive.

By order of the Board.

A WAPNICK (Chairman) JP WAPNICK (Managing Director)
23 October 2009

Directors
A Wapnick* (Chairman), JP Wapnick* (Managing), AK Stein* (Financial), MJ Holmes*, MZ Pollack*, S Wapnick†, DP Cohen*
* Executive director * Independent non-executive director † Non-executive director

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Tel: (011) 370 7700 Fax: (011) 688 7712

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")



Segmental Information							
	Industrial	Office	Retail	Commercial	Residential	Corporate unallocated	Total
Analysis by property usage - 2009							
Revenue							
Rentals and recoveries	45 147	61 606	131 204	62 988	8 904		309 849
Straight-line lease adjustment	422	7 518	1 325	1 022	90		10 377
Total revenue	45 570	69 124	132 529	64 010	8 994		320 227
Net rental income from properties	28 394	42 190	76 847	38 042	4 151	(12 516)	177 108
Assets							
Investment properties	299 494	396 376	825 640	460 890	57 866		2 040 266
Plant and equipment	118	4 991	5 348	3 457	933		14 847
Other assets						421 499	421 499
Total assets	299 612	401 367	830 988	494 347	58 799	421 499	2 476 612
Net rental income from properties							
Analysis by property usage - 2008							
Revenue							
Rentals and recoveries	40 693	42 130	122 850	55 561	6 584		267 818
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	25 470	31 197	77 321	32 294	2 939	(11 060)	158 161
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						328 209	328 209
Total assets	319 198	355 306	911 022	437 682	66 240	328 209	2 417 657