REVIEWED CONDENSED RESULTS OF THE GROUP FOR THE YEAR ENDED 31 AUGUST 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



		Reviewed	Audited
		Year to	Year to
R'000	% change	31 August 2012	31 August 2011
Revenue	Change	461 403	388 516
– earned on contractual basis	19,1	457 452	384 218
– straight-line lease adjustment	12,1	3 951	4 298
Operating costs		(223 401)	(185 891
Net rental income from properties		238 002	202 625
– earned on contractual basis	18,0	234 051	198 327
– straight-line lease adjustment	10,0	3 951	4 298
Administrative costs		(19 233)	(17 594
Depreciation		(3 515)	(3 670
Operating profit	18,7	215 254	181 361
Fair value adjustments of investment properties	,	163 509	(22 026
Investment income		52 947	51 761
– interest received		1 153	1 729
– listed investment		26 588	24 172
– associate			
share of after tax profit		13 293	8 796
fair value adjustment/capital reserves		8 191	13 160
interest		3 722	3 904
Finance costs	27,8	(127 387)	(100 004
– interest on borrowings		(129 200)	(103 217
– interest capitalised		1 813	3 213
Fair value adjustments of interest rate derivatives		(14 910)	(11 342
Amortisation of deemed debenture premium		10 906	10 669
Profit on sale of investment properties		666	464
Profit before debenture interest		300 985	110 883
Debenture interest	11,1	(127 633)	(114 890
Profit/(loss) before taxation		173 352	(4 007
Taxation charge		(63 413)	1 130
– Deferred taxation		(63 061)	1 305
– Normal taxation		(352)	(175
Total comprehensive income for the year			
attributable to equity holders		109 939	(2 877
Weighted linked units in issue – ('000)		89 866	89 297
Linked units in issue ('000)		108 225	89 297
Basic earnings per share (cents)	3 897,1	122,3	(3,2
Fully diluted earnings per share (cents)	3 253,0	101,6	(3,2
Basic earnings per linked unit (cents)	110,8	264,4	125,4
Fully diluted earnings per linked unit (cents)	75,0	219,5	125,4
Distribution per linked unit (cents)			
Dividends		0,68	0,64

	Reviewed	Audited
	Year to	Year to
R'000	31 August 2012	31 August 2011
CASH FLOW FROM OPERATING ACTIVITIES	2012	2011
Net rental income from properties	211 303	177 063
Adjustment for:		
– depreciation and amortisation	12 547	6 479
– working capital changes	7 567	17 030
Cash generated from operations	231 417	200 572
Investment income	31 463	29 805
Finance costs	(127 387)	(100 004)
Taxation paid	(536)	(175)
Distribution to linked unitholders paid	(114 184)	(116 621)
Net cash inflow from operating activities	20 773	13 577
CASH FLOW FROM INVESTING ACTIVITIES		
Investing activities	(313 712)	(256 984)
Proceeds from disposal of investment properties	4 800	4 255
Net cash outflow used in investing activities	(308 912)	(252 729)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of new units	290 624	_
(Decrease)/increase in interest-bearing borrowings	(11 779)	237 654
Net cash generated from financing activities	278 845	237 654
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9 294)	(1 498)
Cash and cash equivalents at beginning of year	(22 797)	(21 299)
Cash and cash equivalents at end of year	(32 091)	(22 797)

CONSOLIDATED STATEMENT OF CASH FLOWS

136,62 137,30

	Reviewed	Audited
R'000	31 August 2012	31 August 2011
ASSETS	2012	2011
Non-current assets	3 565 859	3 023 244
Investment properties	2 834 133	2 375 336
Property, plant and equipment	9 882	13 397
Lease costs	28 159	31 396
Operating lease assets	44 788	40 837
Listed investment	375 981	310 390
Investments – equity accounted	272 916	251 888
Current assets	41 161	42 040
Total assets	3 607 020	3 065 284
EQUITY AND LIABILITIES		
Share capital and reserves	1 395 285	1 242 957
Share capital and premium	102 645	90 302
Non-distributable reserves	1 236 372	1 106 314
Retained earnings	56 268	46 341
Non-current liabilities	1 717 544	1 462 887
Debentures and premium	641 305	363 024
Interest-bearing borrowings	827 123	943 808
Derivative financial instruments	33 221	18 311
Deferred taxation	215 895	137 744
Current liabilities	494 191	359 440
Interest-bearing borrowings	348 918	234 696
Non-interest bearing	74 093	67 611
Linked unitholders	71 180	57 133
Total equity and liabilities	3 607 020	3 065 284
Linked units in issue ('000)	108 225	89 297
Net asset value per linked unit (cents)	1 882	1 798
Net asset value per linked unit (cents) – before providing for deferred tax	2 081	1 953
t- itt (0/)	22.0	20.0

which the distributions are calculated.			
R'000	% change	Reviewed Year to 31 August 2012	Audited Year to 31 August 2011
Revenue			
– earned on contractual basis	19,1	457 452	384 218
Operating costs		(223 401)	(185 891)
Net rental income from properties	18,0	234 051	198 327
Administrative costs		(19 233)	(17 594)
Depreciation		(3 515)	(3 670)
Operating profit	19,3	211 303	177 063
Investment income			
– interest received		1 153	1 729
– listed investment		26 588	24 172
– associate		17 015	12 700
Distributable profit before finance costs	18,7	256 059	215 664
Finance costs	27,4	(127 387)	(100 004)
Distributable income before taxation	11,2	128 672	115 660
Taxation charge		(352)	(175)
Distributable earnings after tax	11,1	128 320	115 485
Add: Accrued distribution		6 814	-
Unitholders' distributable earnings	17,0	135 134	115 485
Weighted linked units in issue ('000)		89 866	89 297
Distribution per linked unit (cents)	6.2	137 3	1293

The following additional information is provided and is aimed at disclosing to the users the basis on

			Retail	D. t. II			
****			shopping	Retail –		Corporate	
R'000	Industrial	Office	centres	shops	Residential	unallocated	Total
Analysis by property usage – 2012							
Revenue							
Rentals and recoveries	80 213	89 488	152 848	98 273	35 032		455 854
Management fee						1 598	1 598
Straight-line lease adjustment	1 923	(1 123)	(835)	3 486	500		3 951
Total revenue	82 136	88 365	152 013	101 759	35 532	1 598	461 403
Operating profit	49 524	43 626	62 467	61 162	17 761	(19 286)	215 254
Assets							
Investment properties	517 543	568 353	905 568	651 990	235 467		2 878 921
Plant and equipment	54	10 721	15 726	6 467	5 073		38 041
Other assets						690 058	690 058
Total assets	517 597	579 074	921 294	658 457	240 540	690 058	3 607 020
Analysis by property usage – 2011							
Revenue							
Rentals and recoveries	53 972	77 987	132 228	89 436	29 124		382 747
Management fee						1 598	1 598
Straight-line lease adjustment	28	(478)	1 815	2 333	473		4 171
Total revenue	54 000	77 509	134 043	91 769	29 597	1 598	388 516
Operating profit	27 680	41 950	60 565	51 285	14 011	(14 130)	181 361
Assets							
Investment properties	346 419	489 850	808 170	605 332	166 402		2 416 173
Plant and equipment	702	10 450	27 433	4 737	1 471		44 793
Other assets						604 318	604 318
Total assets	347 121	500 300	835 603	610 069	167 873	604 318	3 065 284

DIRECTORS' COMMENTARY

SEGMENTAL INFORMATION

Review of results rental income received by the group, less operating costs, administration costs and interest on debt,

is distributed semi-annually. The group does not distribute capital profits. Economic and trading conditions continued to be challenging during the financial period. Rental income increased following the successful upgrades of properties and a proactive approach to letting.

The total distribution per linked unit for the year of 137,30 cents per linked unit (2011: 129,30 cents) represents an increase of 6,2% on that paid in the previous comparative period.

The new linked units issued pursuant to the rights issue resulted in a dilution of the distribution payable per linked unit holder. This is as a result of Octodec receiving the proceeds of the rights issue on 17 August 2012, and the new unitholders' entitlement to a distribution for the period from 1 March 2012

The growth in the unit price from R15,95 to R19,02 at 31 August 2012 provided investors a capital growth of 19,2% for the year. The distribution of 137,30 cents per linked unit together with capital growth provided a total return of 27,8% for the year.

Rental income and net rental income increased by 19,1% and 18,0% respectively. The core portfolio representing those properties held for the previous comparable year with no major development activity reflects rental income growth of 9,2%. Property expenses increased to 48,8% (31 August 2011: 48,4%) of revenue. The increase in revenue was mainly due to improved letting and an increase in the recovery of utility and assessment rate charges. Despite rapidly escalating charges in respect of assessment rates and utility charges, the cost recovery percentage from tenants was maintained during the year. This has impacted on the total occupancy costs of tenants. Provisions and write-offs of bad debts remained at acceptable levels of 1,1% (2011: 0,7%) of total revenue.

Property and investment portfolio

Octodec invests in the retail, industrial and office property sectors. It also has a small residential property investment component in its portfolio.

Octodec continued to expand its property portfolio in the Johannesburg and Pretoria central business districts (CBDs). Various properties were redeveloped and upgraded during the year at a total cost of R77,0 million. This included the office block, Elephant House, and the mixed-use properties, Dan's Place and Temple Court. All of these properties are situated in the Johannesburg CBD. Octodec's total investment of R45 million in Dan's Place created 143 residential units and was completed in March 2012 at a fully-let yield of 9,9%. Octodec has various projects earmarked for completion in the 2013 financial year. These include the upgrade of the mixed-use residential property Kerk Street Building in the Johannesburg CBD. A 5 233 m² retail development in the Pretoria CBD is scheduled for completion in March 2013. This will be occupied by Cambridge, part of the Walmart Group, and other retailers

Octodec's investment in IPS continued to provide acceptable earnings with profits earned from the associate company, excluding capital profits, increasing to R17,0 million. This was an increase of 34,0% on the prior comparable period. The growth achieved by IPS was positively impacted by the mixed-use developments Kempton Place, Craig's Place and Tali's Place due to the improved occupancy levels

During the period, Octodec acquired and transferred three properties for an aggregate purchase price of R216,2 million, providing an average weighted yield of 9,6%.

Details of the properties are:

	Description	Rentable m ²	Purchase price including costs R million	Initial yield %	Date of transfer
309 Derdepoort Road,	Industrial				1 November
Silverton, Pretoria	units	39 563	150,4	10,4	2011
2023 Hendrik Verwoerd					17 November
Drive, Centurion	Retail	1 874	24,8	9,6	2011
Cnr Eloff and Von Brandis	Retail and				11 April
Streets, Johannesburg	offices	34 224	41,0	6,6	2011
		75 661	216,2	9,6	
	Silverton, Pretoria 2023 Hendrik Verwoerd Drive, Centurion Cnr Eloff and Von Brandis	309 Derdepoort Road, Industrial Silverton, Pretoria units 2023 Hendrik Verwoerd Drive, Centurion Retail Cnr Eloff and Von Brandis Retail and	Descriptionm²309 Derdepoort Road, Silverton, PretoriaIndustrial units39 5632023 Hendrik Verwoerd Drive, CenturionRetail1 874Cnr Eloff and Von Brandis Streets, JohannesburgRetail and offices34 224	Joseph Per LagrangPer LagrangPer LagrangPer Lagrang309 Derdepoort Road, Silverton, PretoriaIndustrial units39 563150,42023 Hendrik Verwoerd Drive, CenturionRetail187424,8Cnr Eloff and Von Brandis Streets, JohannesburgRetail and offices34 22441,0	Silverton, Pretoria Silverton, Pretoria Prick pescription Prick plestription Prick plestription Prick pescription Prick pescription

Vacancies in the Octodec portfolio at 31 August 2012 including properties held for redevelopment amounted to 12,9% (2011: 15,9%) of the total area. Details of these vacancies, are set out in the

	Total lettable area	Total vacancies	Properties held for redevelopment	Core vacancies
	m ²	%	%	%
31 August 2012				
Offices	115 949	6,9	(4,3)	2,6
Retail – shops	139 016	2,4	(0,9)	1,5
Retail – shopping centres	84 088	0,2	-	0,2
Industrial	198 806	2,9	-	2,9
Residential	30 104	0,5	(0,3)	0,2
Total (%)	567 963	12,9	(5,5)	7,4
31 August 2011				
Offices	117 948	9,3	(5,3)	4,0
Retail – shops	94 196	2,6	(1,3)	1,3
Retail – shopping centres	85 454	0,7	-	0,7
Industrial	171 478	2,8	(0,1)	2,7
Residential	24 401	0,5	(0,4)	0,1
Total (%)	493 477	15,9	(7,1)	8,8

Most of the properties remained fully let. As anticipated a number of properties under development or those which were recently upgraded for example, Scott's Corner, had high vacancies. In recent years certain properties for example, Bosman Building, were acquired by Octodec with large vacancies and for little or no consideration for the vacant space and that offered redevelopment opportunities. As the opportunities arise the potential of these vacancies is being realised.

Octodec was successful in letting a number of properties that had been vacant for a considerable period. The office vacancies reduced to 6,9% partly due to 7 776 m² of office space having been converted to residential accommodation. The residential vacancies consist of, as expected, vacant units at the recently upgraded Temple Court.

The shopping centre vacancies are at 0,2% of lettable area with a significant improvement in the occupancy levels at Gezina Shopping Centre and at Killarney Mall.

Rights issue Octodec successfully concluded a rights issue on 17 August 2012 for an amount of R300 million.

18 927 445 new linked units were issued at R15,85 each. The rights issue proceeds included an accrued distribution of R6 813 880 or 36 cents per linked unit.

OCTODEC INVESTMENTS LIMITED and its subsidiaries ("Octodec" or "the group" or "the company") (Incorporated in the Republic of South Africa) (Registration number 1956/002868/06), Share code: OCT, ISIN: ZAE000005104

Octodec's gearing at the end of the year under review was 33,0% of the total value of its investment portfolio against 39,0% at 31 August 2011, decreasing largely as a result of the rights issue undertaken. Interest rates in respect of 66,3% of borrowings as at 31 August 2012 have been hedged, maturing at various dates ranging from April 2013 to October 2018. The average weighted interest rate of all borrowings is 9,4% per annum.

* Executive Director * Independent Non-executive Director † Non-executive Director

Details of borrowings are as follows.		
	Nominal	Interest rate
R'000	amount	%
Fixed rate borrowings expiry		
April 2013	40 000	12,77
May 2013	53 250	12,72
November 2013	75 000	11,92
May 2018	100 000	12,06
October 2018	75 000	11,72
	343 250	12,14

Pre-rights issue distributable earnings up by **11,1%**

Distribution up by 6,2% to

137,30 cents per linked unit

Increase in net asset value up by 4,6% to

1882 cents per linked unit

Total investments of R3,6 billion

27,9% total return to investors for the year

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Non-		
	Share	distributable	Retained	
R'000	capital	reserves	earnings	Total
Balance at 1 September 2010	79 633	1 143 659	45 678	1 268 970
Total comprehensive income for the year			(2 877)	(2 877)
Transfer to capital – deemed debenture premium	10 669		(10 669)	-
Dividends paid			(580)	(580)
Adjustment to valuation of listed investment,				
net of deferred tax		(22 556)		(22 556)
Sale of investment properties		464	(464)	-
Fair value adjustments				
 Investment properties, net of deferred taxation 		(20 246)	20 246	-
– Associate		13 160	(13 160)	-
 Interest rate derivatives, net of deferred tax 		(8 167)	8 167	
Balances at 31 August 2011	90 302	1 106 314	46 341	1 242 957
Issue of new units	1 437			1 437
Total comprehensive income for the year			109 939	109 939
Transfer to capital – deemed debenture premium	10 906		(10 906)	-
Dividends paid			(598)	(598)
Adjustment to valuation of listed investment,				
net of deferred tax		41 550		41 550
Sale of investment properties		666	(666)	-
Fair value adjustments				
 Investment properties, net of deferred taxation 		90 386	(90 386)	-
– Associate		8 191	(8 191)	-
 Interest rate derivatives, net of deferred tax 		(10 735)	10 735	_
Balances at 31 August 2012	102 645	1 236 372	56 268	1 395 285

RECONCILIATION - EARNINGS TO DISTRIBUTABLE EARNINGS

	Reviewed	Audited
	Year to	Year to
	31 August	31 August
R'000	2012	2011
Earnings/(losses) attributable to equity holders	109 939	(2 877)
Amortisation of deemed debenture premium	(10 906)	(10 669)
Profit on sale of investment properties	(666)	(464)
Fair value adjustments		
– associate	(8 191)	(13 160)
 investment properties 	(163 509)	22 026
– deferred tax	73 123	(1 780)
Headline earnings before debenture interest	(210)	(6 924)
Debenture interest	127 633	114 890
Headline earnings attributable to linked unitholders	127 423	107 966
Straight line lease adjustment, net of deferred tax	(2 845)	(3 094)
Fair value adjustments of interest rate derivatives, net of deferred tax	10 735	8 167
Deferred taxation adjustments	(6 993)	2 446
Accrued distribution	6 814	_
Distributable earnings attributable to linked unitholders	135 134	115 485
Headline earnings per linked unit (cents)	141,8	120,9

NOTES TO THE FINANCIAL STATEMENTS

Basis of preparation: The condensed consolidated financial statements have been prepared in accordance pass up preparations: the condensed consolidated financial statements have been prepared in accordance with the framework, concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the AC 500 standards as issued by the Accounting Practices Board, the information as required by IAS 34: Interim Financial Reporting, the JSE Listings Requirements and the requirements of the South African Companies Act (71 of 2008), as amended.

These condensed consolidated results were prepared under the supervision of Mr AK Stein (CA)SA, in his conscribed consumated results were prepared under the supervision of Mr AK Stein (CA)SA, in his capacity as Group Financial Director and have been independently reviewed in terms of Section 29(1) of the Companies Act.

The accounting policies adopted and methods of computation are consistent with those applied in the financial statements for the year ended 31 August 2011. The effective Capital Gains Taxation ("CGT") rate applied to the revaluation of investments has increased

from 14% to 18.6%. An adjustment relating to prior years amounting to R42.6 million was made to the current year deferred tax charge to account for the increased CGT rate. **Related party:** City Property Administration Proprietary Limited is responsible for the property and asset management of the group.

Subsequent events: Subsequent to year end Octodec disposed of the Eloff Ext. Mini Units property for an

Commitments: Octodec has capital commitments in an amount of R44,7 million relating to various re

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 provided a suretyship to Nedbank Property Finance in favour of its 40% held associate company, IPS Investments Proprietary Limited ("IPS"). At 31 August 2012, the suretyship appropriet of a P3241 pulling.

amounted to R224.2 million. Auditors' review: The condensed provisional financial information for the year ended 31 August 2012 has been reviewed by the group's auditors, Deloitte & Touche. The review was conducted in accordance with ISRE 2410 Review of Interim Financial Information performed by the Independent Auditor of the Entity. A copy of the unmodified review report is available for inspection at the company's registered office. Any reference to future financial performance in this announcement has neither been reviewed nor reported on by the company's auditors. The auditor's report does not necessarily cover all the information contained in this announcement/financial report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the registered office of the company.

R'000	Nominal amount	Interest rate %
Swap maturity		
January 2014	15 000	11,99
August 2017	200 000	9,00
September 2017	50 000	9,31
January 2018	50 000	9,43
May 2018	50 000	10,13
August 2018	50 000	9,4
	415 000	9,38
Total hedged borrowings	758 250	10,63
Variable rate borrowings	385 307	7,00
Total borrowings	1 143 557	9,4

It is the group's policy to perform a director's valuation of all the properties in the interim stage and at year-end. At the year-end one third of the properties in the portfolio are valued by external registered valuers. The increase in the directors' valuation of the portfolio by R167,5 million to R2,92 billion

Directorate changes

ness that the directors note the passing of Mr Alec Wapnick, the founder of the It is with great sadness that t company, on 29 August 2012.

Unitholders are referred to the SENS announcement on 4 September 2012 advising that Mr Michael (Mike) Holmes retired from the board of Octodec as non-executive director with effect from 1 September 2012. The board wishes to express its appreciation and gratitude to Mr Holmes for his guidance and his invaluable contribution made to the company over the years.

Mr Petrus (Pieter) Strydom was appointed to the board as an independent non-executive director from 6 February 2012. He is a chartered accountant and has many years' experience in the financial services sector. He also serves as the chairman of the audit and risk committees. He brings a wealth of experience to the board from an accounting and corporate governance perspective and we look forward to his

Growth in the local economy is expected to remain subdued. Notwithstanding this environment, and barring unforeseen events, Octodec anticipates that growth in distributions per linked unit for the 2013 financial year should be at least in line with the sector average.

Unitholders are advised that the abovementioned forecast has not been reviewed nor reported on by

DECLARATION OF DIVIDEND 45 AND INTEREST PAYMENT ("the distribution")

Notice is hereby given that dividend number 45 of 0,33 cents (2011: 0,32 cents) per ordinary share (out of income reserves) and interest of 65,77 cents per debenture (2011: 63,98 cents), has been declared for the period 1 March 2012 to 31 August 2012, payable to linked unitholders recorded in the register on Friday, 16 November 2012. The last date to trade "cum" distribution is Friday, 9 November 2012. The units will commence trading "ex" distribution on Monday, 12 November 2012. Payment date will be Monday, 19 November 2012.

No dematerialisation or rematerialisation of linked unit certificates may take place between Monday, 12 November 2012 and Friday, 16 November 2012, both days inclusive.

The dividend component of the distribution is subject to dividend withholding tax at 15%. In determining dividend withholding tax, Secondary Tax on Companies ("STC") credits must be taken into account. The STC credits utilised as part of this declaration amount to R357 142 being 0,33 cents per share, and consequently no dividend withholding tax is payable by shareholders who are normally not exempt from dividend withholding tax. Shareholders will receive the dividend of 0,33 cents per share.

The number of linked units in issue at the date of this declaration is 108 224 917 and the company's tax reference number is 9925/033/71/5.

By order of the board

S Wapnick 22 October 2012 JP Wapnick





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