

Distribution up by 14.1% to 61.6 cents per linked unit

Increase in net asset value by 6.9% to 1573 cents

Total investments exceed R2,3 billion

NOTES TO THE FINANCIAL STATEMENTS

The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act (Act 61 of 1973). The results have been prepared and presented in accordance with 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.

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: as at 29 February 2008 there are no material contingent liabilities.

COMMENTS

Review of results

The directors of Octodec are pleased to report that the company has once again produced excellent growth in distributions to linked unitholders. Rental income and net rental income increased by 20.2% and 16.4% respectively.

The total distribution per linked unit for the six months of 61.6 cents (2007: 54 cents) represents an increase of 14.1% on that paid in the previous comparable period.

The redevelopment of properties, favourable renewals of leases, strict expense control as well as favourable trading conditions have all contributed to the growth in distributable earnings. The retail portfolio which comprises five quality shopping centres, continued to enjoy strong growth in earnings due to favourable renewals and contractual rental escalations. The growth in rental income amounted to 9%.

Bad debts increased during the period and management continues to focus on the policies and procedures relating to the collections of rent.

Octodec continued to unlock the value of its Johannesburg and Pretoria CBD portfolios by the redevelopment and refurbishment thereof. Construction has commenced at Fine Art which is situated in Johannesburg CBD, to refurbish this property at a cost of R10 million. The Tiny Town residential development, which is situated adjacent to the Union Building, is due to commence in mid 2008.

During the period under review two properties were purchased and transferred for an aggregate of R53 million. These purchases include Rentmeester, an office block situated in Val-de-Grace, Pretoria.

Due to the strong performance of the associate IPS as well as the advance of additional funds to fund IPS's growth, interest income and dividends received increased to R5,3 million. IPS's property portfolio is valued at an excess of R650 million.

Borrowings

During the period the borrowings increased by R79 million, as a result of acquisitions of investment properties and development costs. Octodec's gearing at the end of the period under review was 22% as against 24% at 31 August 2007. The group has facilities in excess of R300 million available to fund future cash flow requirements.

Interest rates in respect of 57% of borrowings at 29 February 2008 have been fixed at an average interest rate of 10.2% maturing at various dates ranging from October 2008 to November 2010.

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 R104,6 million, increasing net asset value by 6.3% after accounting for deferred tax.

Prospects

The current economic environment, specifically the tightening of consumer spending as well as the increases in the interest rates is likely to have an impact on the distribution growth, however management is optimistic that the company will continue to deliver above average distribution growth.

DECLARATION OF DIVIDEND 36 AND INTEREST PAYMENT

("the distribution")

Notice is hereby given that dividend number 36 of 0.30 cents (2007: 0.27 cents) per ordinary share together with interest of 61.30 cents per debenture (2007: 53.73 cents), for the period 1 September 2007 to 29 February 2008 has been declared, payable to linked unitholders recorded in the register in Friday, 16 May 2008. The last date to trade "CUM" distribution is Friday, 9 May 2008. The units will commence trading "EX" distribution on Monday, 12 May 2008. Payment date will be Monday, 19 May 2008.

No dematerialisation or rematerialisation of linked unit certificates may take place between Monday, 12 May 2008 and Friday, 16 May 2008, both days inclusive.

By order of the Board.

A Wapnick **J P Wapnick**

(Chairman) (Managing director)

21 April 2008

Directors

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

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

Registered Office

CPA House
101 du Toit Street
Pretoria, 0002
P O Box 15, Pretoria, 0001
Tel: (012) 319 8811
Fax: (012) 319 8812

Transfer Secretaries

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
70 Marshall Street, Johannesburg, 2001
P O Box 61051, Marshalltown, 2107
Tel: (011) 370 7700
Fax: (011) 668 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")

ABRIDGED CONSOLIDATED INCOME STATEMENT

R'000	% Changes	Unaudited	Unaudited	Audited
		29 Feb 2008	28 Feb 2007	31 Aug 2007
Revenue		143,046	110,663	223,035
- earned on contractual basis	20.2%	133,017	109,785	226,333
- straight line lease adjustment		10,029	878	(3,298)
Operating costs		(49,056)	(37,629)	(79,792)
Net rental income from properties		93,990	73,034	143,243
- earned on contractual basis	16.4%	83,961	72,156	146,541
- straight line lease adjustment		10,029	878	(3,298)
Administrative expenses		(6,753)	(5,265)	(10,219)
Depreciation		(327)	(297)	(656)
Income before investment income	28.8%	86,910	67,472	132,368
Investment income		31,770	14,099	32,928
- Interest received		827	518	1,204
- Investment income - listed investments		4,589	3,520	7,683
- Investment income - associate				
share of after tax profit/(loss)		(480)	573	17
fair value adjustment / capital reserves		21,504	7,111	18,610
interest and dividends		5,330	2,377	5,414
Income before finance costs	45.5%	118,680	81,571	165,296
Finance costs	2.4%	(31,270)	(30,522)	(64,499)
Income before debenture interest and capital profits	71.2%	87,410	51,049	100,797
Trading profit and other capital items		-	-	2,771
Fair value adjustment of investment properties				
- net revaluation		94,589	186,340	241,858
- gross revaluation		104,618	187,218	238,560
- attributable to straight line lease adjustment		(10,029)	(878)	3,298
Amortisation of deemed debenture premium		7,523	1,783	4,010
Income before debenture interest	(20.8%)	189,522	239,172	349,436
Debenture interest	30.0%	(54,739)	(42,095)	(85,737)
Income before taxation	(31.6%)	134,783	197,077	263,699
Taxation charge		(21,473)	(54,943)	(63,535)
- Deferred taxation		(20,617)	(54,293)	(61,988)
- Normal taxation		(856)	(650)	(1,547)
Income attributable to linked unitholders		113,310	142,134	200,164
Linked units in issue - ('000)		89,297	78,345	89,297
Weighted linked units in issue - ('000)		89,297	78,345	78,975
Earnings per share - (cents)*	(30.1%)	126.9	181.4	254.7
Earnings per linked unit - (cents)*	(20.0%)	188.2	235.1	363.2
Headline earnings per linked unit - (cents)*	36.3%	77.9	57.2	114.2
* Based on the weighted number of unit in issue				
Distribution per linked unit (cents)				
- Dividends		0.30	0.27	0.53
- Interest		61.30	53.73	105.67
Total	14.1%	61.60	54.00	106.20

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT

R'000	% Changes	Unaudited	Unaudited	Audited
		29 Feb 2008	28 Feb 2007	31 Aug 2007
Cash flow from operating activities		76,881	67,769	137,788
Net rental income from properties		76,881	67,769	137,788
Adjustment for:				
- Depreciation		327	297	656
- Working capital changes		3,045	(4,183)	(6,283)
Cash generated from operations		80,253	63,883	132,161
Investment income and interest received		10,747	6,415	14,301
Finance costs		(31,270)	(30,522)	(64,499)
Taxation paid		(1,368)	(940)	(679)
Distribution to linked unit holders paid		(46,613)	(36,195)	(75,763)
Net cash inflow from operating activities		11,749	2,641	5,521
Cash flow from investing activities		(65,437)	(58,336)	(132,901)
Investing activities		(65,437)	(58,336)	(132,901)
Increase in investments and loans to associate		(32,759)	(6,001)	(28,493)
Proceeds from disposal of investment properties		-	-	3,572
Net cash outflow used in investing activities		(98,196)	(64,337)	(157,822)
Cash flow from financing activities		-	-	199,203
Issue of linked units		-	-	199,203
Increase/(decrease) in interest bearing borrowings		79,153	61,099	(52,409)
Net cash generated from financing activities		79,153	61,099	146,794
Net (decrease)/increase in cash and cash equivalents		(7,295)	(597)	(5,507)
Cash and cash equivalents at beginning of year		(9,327)	(3,820)	(3,820)
Cash and cash equivalents at end of year		(16,622)	(4,417)	(9,327)

RECONCILIATION - EARNINGS TO DISTRIBUTABLE EARNINGS

	Unaudited six months		Unaudited six months		Audited year to	
	29 February 2008	28 February 2007	29 February 2008	28 February 2007	31 August 2007	31 August 2007
	R'000	cents	R'000	cents	R'000	cents
Earnings per share	113,310	126.9	142,134	181.4	200,164	253.5
Add: debenture interest per linked unit	54,739	61.3	42,095	53.7	85,737	108.6
Earnings per linked unit	168,049	188.2	184,229	235.2	285,901	362.0
Trading profits and other capital items	-	-	-	-	(2,771)	(3.5)
Fair value adjustments						
- associate, net of deferred tax	(21,504)	(24.1)	(7,111)	(9.1)	(18,610)	(23.6)
- investment properties, net of deferred tax	(76,942)	(86.2)	(132,301)	(168.9)	(174,328)	(220.7)
Headline earnings per linked unit	69,603	77.9	44,817	57.2	90,192	114.2
Straight line lease adjustment	(7,221)		(623)		2,342	
Deferred taxation adjustments	162		-		(4,493)	
Interest received - prepaid distribution	-		-		2,738	
Amortisation of deemed debenture premium	(7,523)		(1,783)		(4,010)	
Trading profit	-		-		2,198	
Distributable earnings	55,021		42,411		88,967	

ABRIDGED CONSOLIDATED BALANCE SHEET

R'000	Unaudited	Audited
	29 February 2008	31 August 2007
Assets		
Non-current assets	2,361,225	2,152,906
Investment properties, plant and equipment		
- Investment properties	2,035,431	1,877,070
- Plant and equipment	3,308	1,969
Investment properties - straight line lease adjustment	32,717	22,688
Investment - listed securities	129,060	132,742
- associate company	160,709	118,437
Current assets	19,003	22,520
Total assets	2,380,228	2,175,426
Equity and liabilities		
Share capital and Reserves	1,006,442	906,500
Share capital and premium	54,744	47,221
Non-distributable reserve	915,248	829,938
Retained profit	36,450	29,341
Non - current liabilities	1,268,142	1,166,166
Debentures capital and premium	398,582	406,105
Interest bearing borrowings	586,482	495,543
Deferred tax liability	283,078	264,518
Current liabilities	105,644	102,760
Interest bearing	24,213	28,683
Non - interest bearing	26,692	27,696
Linked unitholders	54,739	46,381
Total equity and liabilities	2,380,228	2,175,426
Linked units in issue ('000)	89,297	89,297
Net asset value per linked unit (cents)	1,573	1,471
Net asset value per linked unit (cents) - before deferred tax	1,890	1,766

ABRIDGED CONSOLIDATED 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
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	-	-	113,310	113,310
Reallocation of deemed debenture premium	7,523	-	(7,523)	-
Dividends paid	-	-	(232)	(232)
Adjustment to valuation of listed investment, net of deferred Capital Gains Tax	-	(13,136)	-	(13,136)
Transfer of non-distributable reserves	-	-	-	-
Fair value adjustment of investment properties - investment properties, net of deferred tax	-	76,942	(76,942)	-
- associate, net of deferred tax	-	21,504	(21,504)	-
Balances at 29 February 2008	54,744	915,248	36,450	1,006,442

SEGMENTAL INFORMATION

R'000	Corporate					Total
	Indus-trial	Office	Retail	Com-mercial	Resi-dential	
Analysis by property usage - 2008						
Revenue						
Rentals and recoveries received	18,555	19,311	61,051	30,159	3,023	133,017
Straightline lease adjustment	-	-	-	-	-	10,029
Total revenue	18,555	19,311	61,051	30,159	3,023	143,046
Income before investment income	11,486	11,875	39,625	18,080	1,671	86,910
Assets						
Investment Properties	283,773	285,981	991,086	455,329	55,287	2,071,456
Other Assets (unallocated)	-	-	-	-	-	308,772
Total Assets	283,773	285,981	991,086	455,329	55,287	2,380,228

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	Unaudited	Unaudited	Audited
		29 Feb 2008	28 Feb 2007	31 Aug 2007