OCTODEC INVESTMENTS LIMITED - REVIEWED CONDENSED CONSOLIDATED PROVISIONAL RESULTS OF THE GROUP FOR THE YEAR ENDED 31 AUGUST 2015

4 November 2015

HIGHLIGHTS

- DISTRIBUTIONS UP BY 7,7% TO 189,2 cents PER SHARE
- CORE PORTFOLIO GROWTH IN RENTAL INCOME OF 6,7%
- MERGER WITH PREMIUM PROPERTIES LIMITED SUCCESSFULLY IMPLEMENTED
- INCREASE OF 12,5% IN NET ASSET VALUE TO R27,69 PER SHARE

Review of results

During the year under review, Octodec delivered good results despite the tough business environment and muted economic growth. The property portfolio continued to deliver growth in earnings, with an increase in rental income following a number of successful upgrades of properties and a proactive approach to letting. The total distribution per share for the year of 189,2 cents (2014: 175,7 cents) represents an increase of 7,7% on that paid in the comparative year. The dividend exceeds the dividend of 187,4 cents per share, which was forecasted in the merger circular dated 1 July 2014.

In the determination of distributable earnings Octodec may elect to make an adjustment for the antecedent dividend arising as a result of the issue of shares during the period for which the entity did not have full access to the cash flow from such issue. In order to limit the total dividend payment to only distributable earnings for the year, Octodec has, however, elected not to add back the antecedent dividend when determining its distributable earnings. Had Octodec elected to add back the antecedent dividend, the distributable earnings would have increased by R11,8 million.

The increase in revenue was mainly due to the merger with Premium Properties Limited (Premium), contractual escalations, improved letting and an increase in the recovery of utility and assessment rate charges. The residential portfolio continued to perform ahead of expectation. The core growth in residential rental income was 6,0%, with core vacancies at below 3,5% of gross lettable area (GLA).

The year saw a slight improvement in the industrial rental market and a decrease in vacancies. One of the primary objectives continued to be the improvement of existing properties in order to attract new tenants. The ratio of net property expenses (property expenses less recoveries) to rental income for the group was maintained at 31,0%.

Bad debt write-offs and provisions during the year were at 0,5% (2014: 1,0%) of total tenant income. Arrears and doubtful debt provisions remain at acceptable levels as a result of tight credit risk management, and no significant deterioration is anticipated.

Please see the attached SENS booklet for further details.

ENQUIRIES

Octodec Investments 012 319 8709
Jeffrey Wapnick

Anthony Stein