

Octodec Investments Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1956/002868/06)  
Share Code: OCT  
ISIN Code: ZAE000005104  
("Octodec")  
REIT status approved

Premium Properties Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1994/003601/06)  
Share Code: PMM  
ISIN Code: ZAE000009254  
("Premium")  
REIT status approved

**Posting of circulars and additional information pertaining to the firm intention of Octodec to acquire the entire linked unit capital of Premium that it does not already own ("the Proposed Transaction")**

1. Posting of circulars

Further to the firm intention announcement that was released on the stock exchange news service ("SENS") of the JSE Limited on 10 June 2014 ("Firm Intention Announcement") regarding the Proposed Transaction and the proposed capital restructure of Octodec ("Octodec Capital Restructure"), linked unitholders of Octodec ("Octodec linked unitholders") and linked unitholders of Premium ("Premium linked unitholders") (collectively, "linked unitholders") are advised that the following documentation has been posted today, 1 July 2014:

- the circular to Octodec linked unitholders ("Octodec Circular"), including revised listing particulars, the notices of the general meetings of Octodec shareholders and Octodec debenture holders ("the Octodec General Meetings") to be convened for the purposes of, *inter alia*, approving the Proposed Transaction and the Octodec Capital Restructure, the forms of proxy and a form of surrender and transfer; and
- the circular to Premium linked unitholders ("Premium Circular"), including the notice of the general meeting of Premium linked unitholders ("the Scheme Meeting") to be convened for the purposes of, *inter alia*, approving the scheme of arrangement in terms of section 114(1)(d) of the Companies Act, 2008 (No. 71 of 2008), as amended ("the Scheme"), proposed by the independent board of directors of Premium between Premium and Premium linked unitholders, in terms of which the Proposed Transaction will be effected, the form of proxy and a form of surrender and transfer.

The Octodec Circular will be available on the Octodec website ([www.octodec.co.za](http://www.octodec.co.za)) and the Premium Circular will be available on the Premium website ([www.premiumproperties.co.za](http://www.premiumproperties.co.za)) from today, 1 July 2014.

## 2. Indicative support

Premium linked unitholders holding or controlling, directly and indirectly, 26 965 562 Premium linked units, comprising approximately 30.8% of Premium linked units able to vote at the Scheme Meeting, have provided letters of support to vote in favour of the Scheme. The Wapnick Family which holds 29.9% of Premium linked units are precluded from voting on the Scheme in terms of section 115(4) of the Companies Act, but are fully supportive thereof.

Octodec linked unitholders holding or controlling, directly and indirectly, 71 195 453 Octodec linked units, comprising approximately 60.7% of the Octodec linked units able to vote at the Octodec General Meetings, have provided letters of support to vote in favour of the Proposed Transaction.

Further details relating to the abovementioned letters of support are contained in the Octodec and Premium Circulars.

## 3. Financial information

### 3.1. *Pro forma* financial effects for Premium

Linked unitholders are advised that the *pro forma* financial information of Premium, as included in the Firm Intention Announcement, has been adjusted pursuant to the review process by the independent reporting accountants, and a summary of the reviewed *pro forma* financial information of Premium as included in the Premium Circular is presented in the table below.

The information presented in the table below is a summary of the *pro forma* financial effects of the Proposed Transaction on Premium's earnings, headline earnings, distributable earnings, net asset value ("NAV") and tangible net asset value ("TNAV") per linked unit ("Premium *Pro Formas*") that has been summarised from the *pro forma* statement of financial position and statement of comprehensive income of Premium as included in the Premium Circular.

The Premium *Pro Formas* are the responsibility of the Premium Board and have been presented for illustrative purposes only, to provide information to Premium linked unitholders on how the implementation of the Proposed Transaction may have impacted on Premium linked unitholders had the transaction been effected on 28 February 2014 for statement of financial position purposes and 1 September 2013 for statement of comprehensive income purposes. Because of their nature, the Premium *Pro Formas* may not fairly present the effect of the Proposed Transaction on Premium's linked unitholders.

The Premium *Pro Formas* are based on Premium's reviewed results for the six months ended 28 February 2014 and have been prepared in accordance with Premium's accounting policies and in compliance with IFRS.

	Before Proposed Transaction <sup>(1)</sup>	After Proposed Transaction <sup>(2) (3)</sup>	Change (%)
NAV and TNAV per linked unit / share (cents)	2 010.4	2 385.2	18.6%
Distributable earnings per linked	84.5	94.0	11.2%

	Before Proposed Transaction <sup>(1)</sup>	After Proposed Transaction <sup>(2) (3)</sup>	Change (%)
unit (cents)			
Diluted distributable earnings per linked unit / share (cents)	84.5	92.0	8.9%
Basic earnings per linked unit / share (cents) <sup>(4)</sup>	79.3	494.9	524.1%
Diluted earnings per linked unit / share (cents) <sup>(4)</sup>	79.3	484.1	510.5%
Headline earnings per linked unit / share (cents) <sup>(4)</sup>	87.8	173.0	97.0%
Diluted headline earnings per linked unit / share (cents) <sup>(4)</sup>	87.8	169.2	92.7%
Weighted average number of linked units / shares in issue ('000)	156 773	231 262	47.5%
Number of linked units / shares in issue ('000)	156 773	236 403	50.8%

The "Before Proposed Transaction" and "After Proposed Transaction" column above are not comparable for a Premium linked unitholder because the "After Proposed Transaction" column has not been adjusted for the swap ratio of 88.5 Octodec linked units per 100 Premium linked units held by a Premium linked unitholder ("the Swap Ratio"). The table below illustrates the comparable NAV, TNAV and distributable earnings per linked unit after the Swap Ratio has been applied.

	Before Proposed Transaction <sup>(1)</sup>	After Proposed Transaction <sup>(2) (3)</sup>	Change (%)
NAV and TNAV per linked unit / share (cents)	2 010.4	2 110.9	5.0%
Distributable earnings per linked unit (cents)	84.5	83.2	(1.5%)
Diluted distributable earnings per linked unit / share (cents)	84.5	81.4	(3.7%)

Notes and assumptions:

Linked unitholders are referred to the *pro forma* financial information contained in the Premium Circular for all assumptions on which the Premium *Pro Formas* have been derived.

1. The "Before Proposed Transaction" column has been reviewed by Grant Thornton, and an unmodified review conclusion was issued.

2. The *pro forma* statement of comprehensive income is prepared on the basis that the Proposed Transaction took place on 1 September 2013.
3. The *pro forma* statement of financial position is prepared on the basis that the Proposed Transaction took place on 28 February 2014.
4. The undiluted and diluted “After Proposed Transaction” earnings and headline earnings per linked unit are not comparable to the undiluted and diluted “Before Proposed Transaction” earnings and headline earnings per linked unit, respectively, because they have been adjusted for once-off items of a capital nature that are not distributable to Premium linked unitholders, such as the gain on acquisition of subsidiary and reversal of deferred tax.
5. There are no other post balance sheet events which would result in an adjustment for purposes of the Premium *Pro Formas*.

### 3.2. *Pro forma* financial effects for Octodec

The summary of the reviewed *pro forma* financial information of Octodec as included in the Octodec Circular was included in the Firm Intention Announcement.

### 3.3. Forecast financial information

The summary of the reviewed forecast statements of comprehensive income of Octodec and Premium as included in the Octodec Circular were included in the Firm Intention Announcement.

### 4. Salient dates and times

The salient dates and times relevant to the Proposed Transaction were included in the Firm Intention Announcement. Premium linked unitholders are advised that the time of the general meeting of Premium linked unitholders has been amended and it will now commence at 13h00 on Thursday, 31 July 2014.

Pretoria

1 July 2014

Investment Bank, Corporate Advisor and Sponsor to Octodec and Premium

Nedbank Capital

Legal adviser to Octodec and Premium

Tugendhaft Wapnick Banchetti and Partners

Independent reporting accountants to Octodec and Premium

Deloitte & Touche

