

Only Pay What You Use; The
Intelligent Investment;

More Variety & Choice; **Best Of**

Cape Royale E-Brochure

Share The Cost, ENJOY FULL

BENEFIT; Your Share - Only

Yours; *Luxury At A Fraction;*

Diversify Your Portfolio; Fraction Is

More Than Whole; Only Pay What You

Use; The Intelligent

Investment; More Variety &

Choice; **Best Of Both**

Worlds; Optimize Investment;

Only Own What You Use; *Share*

The Cost, ENJOY FULL BENEFIT;

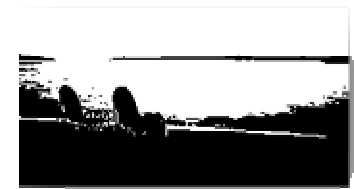
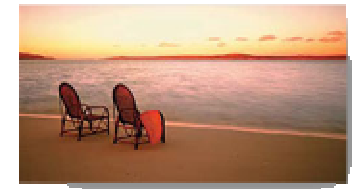
Your Share - Only Yours;





More for Less...

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INTROCUCTION AND OVERVIEW

...where a unique landmark development is redefining luxury serviced apartment living

...where a village in the Mother City is framed by Sea views, a Green-belt and table Mountain

...in the Epicentre of Fashionable Living embraced by International Tourism

...the ultimate in Luxurious

...a Cosmopolitan city, in a pristine natural Environment, a World-Class business location, offering an unmatched quality of life... a night's flight from Europe – same time zone, no jet-lag...

At the Southern tip of Africa, beneath an iconic skyline, is a city poised on the edge of greatness.

Cape Town is a metropolis on the move, with a character very much in tune with Paris, London or New York. With its vibrant cultural diversity, rich European heritage and spectacular scenery Cape Town has been voted one of the most attractive cities in the world. Shaped from a fusion of African, European and Asian cultures, the city pulsates with an energy all her own.

...five minutes from the City Centre on the exclusive Atlantic Seaboard, is the ultra chick village of Green Point. This epicentre of Cape Town dining has over seventy Restaurants, Bars and Clubs all within walking distance. Green Point is the ultimate in contemporary style and hospitality where Bistros and Boutiques abound. The main boulevard is framed by a Village on one side and a protected green-belt of Sports Fields and a Golf Course on the other. Where else in Cape Town would you want to live?

Within this leafy suburb, Cape Royale springs up with all the world class style of a superior Five Star Residence. 130 deluxe spaciouly proportioned apartments provide a mix of one, two and three bedroom accommodation, not to mention some of the finest penthouses in Cape Town. Every apartment has sunning views of the Ocean or Mountain, while Beaches, Forests and Wine lands are within easy reach.

From here you can stroll for a cappuccino and a freshly baked muffin, a bottle of Shiraz, a lazy lunch, dinner, a newspaper or even take in a game of golf, tennis or bowls. In keeping with its world class pedigree, Cape Royale has its own spa, gymnasium with all the facilities. This 11 story Parisian style landmark offers the ultimate in open air entertainment with its breathtaking 11th floor outdoor pool and sundeck in this city of blue skies and sunshine!

Cape Royale will meet the needs of a wealthy and discerning clientele who desire the standard, safety and security of a luxury residence where the doorman will always greet you and can provide a range of a la carte services. This is a unique opportunity in an area where development sites such as Cape Royale only arise once in a generation. This development will be available for occupation from mid 2007.

To further enhance this unique development and to aid foreign and local investment in the City, an incentive scheme has been put in place with the receiver of Revenue which allows for a 14% VAT rebate on the price of the apartment if the apartment is put into the rental pool.

The Cape Royale Residence will not only be known as a landmark building in a superb location, but will also provide the service and facilities found only in the world's superior five star hotels.

Source: www.caperoyale.co.za



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THE CONCEPT OF FRACTIONAL OWNERSHIP

What is Fractional Ownership?

Fractional Ownership (Property Syndication) is a method of co-owning a single asset by more than one individual or entity – a group of investors. It is a legal entity through which a number of investors become shareholders (owners) of a leisure property (holiday home). The costs and usage of the property is shared amongst the shareholders in relation to the percentage shareholding. The shareholders are the owners of the property, and therefore control all aspects of the property through a private company. The company allows shareholders time periods to utilize the property by means of a shareholders' agreement. An 8% share would allow 4 weeks usage per annum (see "How does it work?" for more information).

This investment method offers the most favourable and optimal combination of leisure lifestyle, investment, and property ownership, by offering a share in an appreciating asset at a fraction of the cost – without the burden of management and maintenance.

Note...

You own 8% of the value of the total property – an appreciating asset.

Best Of Both Worlds





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THE CONCEPT OF FRACTIONAL OWNERSHIP

The Benefits Of Fractional Ownership

More and more people are realizing that the best solution for owning a second property is Fractional Ownership – the benefits are endless...

- Nobody makes use of a second property or holiday home all year round. Fractional Ownership offers you the perfect solution - only pay for what you use.
- It offers more affordable ownership in exclusive leisure destinations as costs are shared. Majority of people would otherwise not be able to afford a second leisure property.
- You can invest in more than one leisure property in different locations at the same cost as one single property. Conventional property investment would cost 13 times more.
- Leisure destinations, because of demand, increase in value much faster than average residential properties.
- Minimal capital outlay whilst enjoying maximum benefit in different locations.
- You don't have the sole burden and cost involved in maintaining and managing the property, as this is shared between all shareholders and taken care of by someone else.
- You can earn rental income for your own sole benefit if weeks not utilized are rented.
- You can exchange your time slot to suit your individual needs and requirements.
- Limited security concerns as result of maximum usage and higher occupancy, and secure estates / developments.
- You can sell your share in the property at the current property market value at any time.
- You invest in property with capital growth.
- Limited surety for your portion only – not the entire value of the property.
- Own your holiday destination as opposed to renting it.
- **You get more for less...**

Your Share – Only Yours





More for Less...

THE CONCEPT OF FRACTIONAL OWNERSHIP

NO!

The only similarity is that more than one party is involved in the property... However the advantages of Fractional Ownership over timeshare are distinct and far more superior.

- Timeshare buys you time – Fractional Ownership buys you an appreciating asset.
- With timeshare you never own the property or become a shareholder.
- Property value increases and so does your shares within Fractional Ownership.
- Fractional Ownership unlike timeshare is aimed at a more up-market sector.
- Timeshare decreases in value whilst Fractional Ownership accumulates capital growth.
- Fractional Ownership shares can be sold at any time – no contractual period.
- With timeshare demand is higher than supply – availability is a serious concern.
- Timeshare includes brokerage commissions of up to 60%. Fractional Ownership attracts standard sales agents' commission of approx 7%, but like with any property transaction is paid by the seller.



Is Fractional Ownership Similar To Timeshare?

ENJOY FULL BENEFIT





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THE CONCEPT OF FRACTIONAL OWNERSHIP

The concept is perhaps best demonstrated by way of example. 13 Investors each purchase 7.7% of the shares in a company which owns a leisure property worth R1.950 million, for R150 000 each, and in return, each receives 7.7% share in the property, as well as 4 weeks a year (in different periods) at an exclusive holiday destination. FZP Fractional Ownership will select & secure the land, ensure development of the property, and market to potential shareholders.

Development Steps

- Location is selected based on high demand and capital growth
- Land/plot is surveyed and considered for optimal growth and potential
- A syndicate company is registered which acquires the land
- FZP Fractional Ownership enters into agreement with the syndicate company in respect of development, project management & marketing of shares.
- Shareholders commit & contribute with payments at various intervals to facilitate completion of the project.
- Upon completion of the project the property is handed over to the syndicate company and the shareholders agreement is signed.
- The management agreement is signed between the syndicate company and FZP Fractional Ownership. This includes marketing of the rental pool.

Your payments are held in a trust account which is managed by a firm of Attorneys /Auditors, which have the skills and experience in Fractional Ownership. Upon transfer into the syndicate company, each shareholder receives a fully tradable share certificate indicating the shareholding in the property/company.



How Does Fractional Ownership Work?

Your investment remains exclusive in that the number of shareholders is limited to 13, or less, per property - unlike timeshare.

Shareholders are conventionally allowed 4 weeks holiday period or usage per annum for every 7.7% (1/13th) share. These weeks are split up into various time slots (2 weeks peak and 2 weeks off-peak) and rotate on an annual basis. Investors can however take up more than one share. No shareholder can take up more than 25% share.

FZP Fractional Ownership will always retain a share in the property indicating our confidence and commitment.

Fractional ownership operates on a usage roster. A specific roster is developed for each property in advance for up to 10 years ahead. Weeks are rotated on an annual basis giving all shareholders equal opportunity. All shares therefore have equal value.

Exchanging and/or combining allocated weeks may be done via FZP Fractional Ownership at the discretion of the respective owners.

Should you prefer not to make use of your allocated weeks, you may make your time slot available into the rental pool for your own profit.

The management of the property (including rental), is taken care of by one party - FZP Property Management (Management Company).



More for Less...

THE CONCEPT OF FRACTIONAL OWNERSHIP

If you answer yes to any of the following questions, you are a candidate for Fractional Ownership.

- Are you interested in entering / investing in the property market?
- Do you want to own a second property / holiday home?
- Are you interested in diversity of your investment portfolio?
- Do you have cash available or equity in your existing bond?
- Would you prefer more choice and flexibility during your holiday?
- Are you interested in creating wealth through a leisure property?
- Do you want better returns on investment by lowering risk?
- Would you rather prefer someone else to manage your holiday home?
- Do you rather want to own your holiday home as opposed to rent it?
- Would you prefer a better lifestyle?



Is Fractional Ownership For Me?

Only Own What You Use





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FINANCIAL OVERVIEW

The Offer

- 2 Bedrooms (en-suite) Luxury Apartment
- Open Plan Living
- Luxury Furniture & Appliances
- Fully Equipped Kitchen
- Washing Machine & Tumble Dryer
- Dishwasher
- Plasma Screen
- DSTV (Satellite) & DVD Player
- Rooftop Pool Deck
- Full Gymnasium
- Secure Basement Parking
- 24 Hour Concierge

Size

Apartment 107m2

Price

R395 000

Includes: 8% Share & 4 Weeks Usage
Valid until 30 October 2007

Payment

A cash deposit of 10% upon signature of the agreement.

Balance of the land price (or 40%) within 30 days by means of guarantee or cash payment.

6 equal monthly payments to facilitate the development of the property / secure the balance of the purchase price,

Optimize Investment





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FINANCIAL OVERVIEW

Monthly Expenses (Levies)

Estimate:

Estate/Sectional Title Levy	1605
Rates & Taxes	0
Water & Electricity	500
Insurance (Content & Structural)	500
Housekeeping / Domestic Service	900
Pool, Jacuzzi & garden Services	0
Repair & Maintenance Provision	500
Refurbishment Provision	500
DSTV (Satellite)	450
Accounting & Audit	700
Management Fee	1500
Total per month	7155
 Total per shareholder (1/ 13)	 550

All the shareholders have full access to the budget and actual spending of the company.

Share The Cost





More for Less...



FINANCIAL OVERVIEW

Return On Investment (ROI) Analysis

Capital Growth						
Details	Current Value		Future			
	Total	1/13 Share	Year 1	Year 2	Year 3	Year 4
Property	3750000	288462	338942	398257	467952	549844
Annual Growth %	17.5	17.5	17.5	17.5	17.5	17.5
Furniture	250000	19231	19231	19231	19231	19231
Total	4000018	307692	358173	417488	487183	569075
Initial Investment		395000	395000	395000	395000	395000
Growth Value		-87308	-36827	22488	92183	174075

Holiday Value						
Rental Days	14	14	14	14	14	14
Daily Rate (ZAR)	2500	2500	2688	2889	3106	3339
Inflation/Increase %	7.5	7.5	7.5	7.5	7.5	7.5
Total Holiday Value	ZAR	35000	37625	40447	43480	46741

Note: Based on 50% of your allocated weeks for own personal use

Rental Income						
Rental Days	7	7	7	7	7	7
Daily Rate (ZAR)	2500	2500	2688	2889	3106	3339
Inflation/Increase %	7.5	7.5	7.5	7.5	7.5	7.5
Gross Rental Income	ZAR	17500	18813	20223	21740	23371
Less Agent Commission %	10	10	10	10	10	10
Nett Rental Income	ZAR	15750	16931	18201	19566	21034

Note: Based on 50% occupancy of the remaining 2 weeks.

Gross ROI						
		Current	Year 1	Year 2	Year 3	Year 4
Capital Growth	ZAR	-87308	-36827	22488	92183	174075
Holiday Value	ZAR	35000	37625	40447	43480	46741
Rental Income	ZAR	15750	16931	18201	19566	21034
Total	ZAR	-36558	17729	81136	155230	241850

Expenses						
Annual Levies	ZAR	6605	6935	7282	7646	8028
Inflation %	5	5	5	5	5	5

Note: Includes Management Fee

Nett ROI						
		Current	Year 1	Year 2	Year 3	Year 4
Total	ZAR	-43163	10794	73854	147583	233821
Percentage %		-11	3	19	37	59



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SERVICES OFFERED

- Selection of prime investment opportunities in locations which will ensure optimal return on investment and leisure lifestyles.
- Marketing of the Fractional Ownership scheme.
- Development of each property including Project Management from acquisition of land to furnishing & decorating.
- Handling day-to-day management, administration & utilization (including rentals) of each property on behalf of shareholders.
- Storage of your personal items i.e. books, pictures & photos, dvd's, cd's etc.
- Facilitate resale of shares
- Acts as facilitator to ensure that shareholders do not enter into disputes or suffer negative experiences related to their investment.

The Complete Property Investment & Management Solution – so much more!

Fraction Is More Than Whole





More for Less...





More for Less...



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