



CASH FAKTOR GMBH

Offering Document



In association with:
Paul Ryan Independent Pensions & Financial Consultants Limited
Wealth Management Limited



PLEASE NOTE

Please refer to the Risks section, which highlights some of the risks pertaining to a project of this nature. Most importantly the projected performance of the properties in this document, and therefore the performance of the investment, is no guarantee of the actual future performance and has been derived based upon specific assumptions, any variation in which could have a material impact on the performance of the investment.

No guarantee, warranty or undertaking as to the actual results that may be achieved during any period has been made or implied by the Company, the Promoters nor by Augusta, nor by the vendors of the properties being acquired. Likewise, none of them has guaranteed, warranted or undertaken to financially support any of the liabilities of the properties or the company during any period.

THE VALUE OF ANY INVESTMENT MADE MAY FALL AS WELL AS RISE. The market value of properties can fall as well as rise. All projections, forecasts and estimates contained in this document are prepared on the basis of current information, legislation, market and tax practice in Ireland and Germany.

This brochure includes information obtained from external sources, and this information has been independently verified as being reproduced accurately from these sources, however the Company does not accept any responsibility for its accuracy or completeness.

The tax opinion in this document has been provided by P Ryan and Co, professional chartered accountants since 1933. The tax advice received is based upon our tax advisers' understanding of the current tax legislation and practice and the authorities' interpretation thereof. Such legislation, practice or interpretation can change at any time, without prior warning, at the discretion of tax authorities in Ireland, Germany or other relevant countries.

Without prejudice to the generality of the foregoing, no representation or warranty (either express or implied) whatsoever is given in relation to the reasonableness or achievability of any illustrative financial projections contained in the Offering Document or utilised by the Directors or in relation to any bases and/or assumptions underlying such projections or in relation to any statements based on such projections and/or assumptions and interested parties must satisfy themselves in relation to the reasonableness, achievability and accuracy thereof. Any liability of the Company or promoters and/or its officers or representatives, which is based on the information and/or any opinions, contained in this Offering Document or any other document or information that may be supplied, or any omission thereof or otherwise is hereby expressly disclaimed.

This Offering Document does not constitute a prospectus for the purposes of Directive 2003/71/EC or the Investment Funds, Companies and Miscellaneous Provisions Act, 2005 or the European Communities (Prospectus) Regulations, 2005 (the "Prospectus Regulations"). This document has not and will not be approved by the Irish Financial Services Regulatory Authority.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DOCUMENT AS INVESTMENT, LEGAL, BUSINESS OR TAX ADVICE. Each prospective investor must rely upon the investor's own representative(s) (including business advisor, legal counsel and accountant) as to legal, tax and related aspects concerning the investment.

Neither the receipt of this Offering Document by any person nor any information supplied in connection with the Company (as defined herein) or Units (as defined herein) is or is to be taken as constituting the giving of investment advice or the offering or provision of investment services.



PLEASE NOTE

By receiving the Offering Document, you agree that you will, on request, return or procure the return of this Offering Document and all further information and material sent or made available in connection with the proposed investment without retaining any copies in whatever form and shall destroy any notes, analysis or memoranda or other stored information of any kind prepared by you, or on your behalf, to the extent that they contain or are in any way related to such information.

Units may not be offered or sold by any person in a manner that constitutes an offer for sale to the public in Ireland for the purposes of Section 9 of the Unit Trusts Act, 1990 or otherwise.

This Offering Document and the information contained herein are private and confidential and are for the use only of the persons to whom the material is addressed. Accordingly, this Offering Document does not constitute or form part of any offer or invitation to sell, allot or issue, or any solicitation of any offer to purchase or subscribe for, any securities to any party other than the addressee; nor shall it (or any part of it) or the fact of its distribution form the basis of, or be relied upon in connection with, or act as any inducement to enter into any contract or commitment for securities to any party other than the addressee. The Offering Document and any other information and/or opinions that may be subsequently supplied or given to a potential investor will constitute confidential information and may not, without written consent of Augusta (as defined herein), be disclosed or discussed with any person (other than the recipients' advisers who have a need to know and agree to keep such information confidential) nor used for any purposes other than in connection with the proposed investment in the Units.

The Offering Document does not purport to be all inclusive nor does it purport to contain all the potential information necessary for an interested party to decide whether to participate in the investment in the Units and may be subject to updating, revision or amendment. This Offering Document includes statements that are, or may be deemed to be, forward looking statements. These can be identified by the use of forward looking terminology, including the terms "anticipates", "believes", "expects", "intends", "may", or "will", or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, expectations, plans, future events or intentions. Any forward looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity. Forward looking statements may, and often do, differ materially from actual results.

In no circumstances will Augusta or any of its advisors be responsible for any costs or expenses incurred in connection with any appraisal or investigation of any element of this or for any other costs and expenses incurred by any interested parties in connection with the proposed investment.



Contents

Executive Summary.....	4
Directors, Management Team & Advisors.....	5
Investment Strategy.....	6
Target Investments.....	8
Projected Returns and Fee Structure.....	11
Corporate Structure.....	13
Taxation.....	14
Risks.....	17
Appendices I, II and III.....	19
Procedure and Conditions for Application.....	21
Application Form.....	22



Executive Summary

Cash Faktor GmbH ("the Company") has been established and structured to provide tax-efficient returns to investors on a quarterly basis. It is intended that investor returns will be funded by long-term contracted income streams from the German state and/or other similarly low default risk corporate entities in Germany.

Investments will be combined with bank finance (intended to be fixed or capped at 2009's unprecedented low levels) to acquire assets – at historically-high rental yields – that are contractually leased by carefully-selected covenants of high credit standing.

Investments will be classified for tax advantage as a combination of straight equity and shareholder's loan in the ratio 10:90. In doing so – and if the conservative assumptions in this document are met – investors should receive returns in three phases:

- Phase 1:** 6% of the shareholder's loan per annum, paid for 7 years tax-neutrally, immediately followed by:
- Phase 2:** The entire value of the shareholder's loan returned, in turn followed by:
- Phase 3:** An annual dividend thereafter, funded by 80% of the Company's free cashflow and paid out pro-rata on the remaining equity in the Company.

Investments of a minimum €100,000 (and units of €10,000 thereafter) can be financed with cash and/or via a pension plan, be it a Small Self-Administered Pension (SSAP), ARF (Approved Retirement Fund), or a Pension Trust. The Company is structured to make tax-neutral payments in Phase 1 (as distinct from Phases 2 and 3 – please see Taxation section). Annual payments may satisfy the minimum annuity requirement of an ARF, or act as an alternative to placing cash on bank deposit (5.4% tax-neutral is equivalent to a bank deposit account rate of 7.01% CAR less 23% DIRT).

Risks

There are a number of risk factors particular to the Company and this investment structure. These risk factors are set out on in the section entitled "Risks". You should read this section carefully.

Management Company

With over €100m of property under management, APS Augusta Property Services Limited ("Augusta") has an extensive track record in assisting the purchase, development and management of commercial properties in the UK and Germany. Augusta directs a management team on the ground in Germany to assist with the development, maintenance and letting of properties under its management.

The Directors

Philipp Graf von Matuschka and Jerry Purcell, who collectively have considerable experience in developing and managing property funds and syndicates, as well as significant experience of investing in the German property market, have established and will manage the Company. The Directors and Promoters are also investors in the company.

This investment is being promoted in association with:

- Paul Ryan Independent Pensions & Financial Consultants Limited
- Wealth Management Limited

The application form for the investment can be found on the last page of this document.



Directors, Management Team & Advisors

Philipp Graf von Matuschka B. Sc



Philipp, 48, was born in Ireland of German parents and speaks native German. Philipp began his career in product and project management. In 1998 Philipp was appointed CEO of Gorann Technology Venture Catalysts Ltd, providing management consulting

to software and internet start-up ventures.

In 2001 Philipp joined Prudential, launching a pension product into the German market. This project not only proved Prudential's most successful mainland European venture but also allowed Philipp to establish many strategic business contacts in Germany.

For the past 8 years, Philipp has been actively involved in the international financial services industry, most recently as an executive Director of Augusta, where he spearheads the acquisition and management of its German investments. Philipp has been an active investor and facilitator in the German property market both privately and on behalf of clients for several years. He has German property spanning the residential and commercial sectors. Philipp has personally evaluated several hundred properties since joining Augusta to select the most suitable investment properties for Augusta's private and syndicate clients.

Philipp is a Director of the Company.

The Directors will personally invest in the Company.

Jerry Purcell B.B.S.



A Business Studies graduate from Trinity College, Jerry's professional career began in Tokyo with Riso Kagaku Corporation – a Japanese Fortune 500 firm – with whom he moved to the UK in 1998, directing marketing strategy for Northern Europe.

Upon return to Ireland, Jerry (37) held a senior commercial role with MBNA Bank, forging and managing long-term business relationships with such partners as Ryanair, Delta Airlines, EBS Building Society and Sony Corporation. In 2004, Jerry became Head of motor organisation RAC Ireland, a financial intermediary caring for 120,000 Irish customers.

As Marketing Director of Augusta since early 2007, Jerry manages the commercial and marketing strategy for the business. He is further responsible for investor relations and investor communications.

Jerry plays a key role in investment structuring and asset selection, in particular translating the investment wishes of clients into viable, successful products.

Jerry is a Director of the Company

Advisors

Noerr Stiefenhofer Lutz, Brienner Straße 28, 80333 München, Germany, one of the Top 10 independent law firms in Germany, will provide operational tax and annual accounting services to the Company.

P. Ryan & Co., Harmony Court, Harmony Row, Dublin 2, will provide the Company with tax advisory services. P. Ryan & Co. is a firm of chartered accountants and financial auditors in professional practice since 1933.

Eversheds O'Donnell Sweeney, One Earlsfort Centre, Earlsfort Terrace, Dublin 2, will act as the Irish Solicitors to the Company. In addition to its advice on the investment structure, Eversheds O'Donnell Sweeney provides the Company with verification services. Eversheds O'Donnell Sweeney is part of the worldwide Eversheds group, one of the largest full service law firms in the world, with offices in major cities across Europe, the Middle East and Asia.



Investment Strategy

The Directors – established, professional, repeat investors in Germany – are in negotiation to obtain both German bank finance at historically-low costs and quality property assets at historically-high rental yields. The combination of low ECB interest rates (to stimulate liquidity during the credit crunch) and high income yields on secure rent-generating assets, provides a significant projected annual income surplus from which to fund investor returns.

Bank Financing

The Directors have financed over €42m of German bank loans for prior property transactions. They are in discussions with a panel of German banks, from which they intend to secure the most suitable package for the financing of Cash Faktor's planned acquisitions. The panel includes HypoVereinsbank, Landesbank Berlin and DG HYP. As evidenced by property transactions entered into by the Directors during 2009, German banks are supportive of carefully-selected investments and the panel is offering terms within the assumptions made for the Company.

It is intended that rates negotiated at the current low levels will either be fixed or protected by way of a rate cap, whichever is deemed most appropriate for the asset and the financing terms. This will contractually secure the cost of financing, to contribute towards the stability of the Company's income.

It is anticipated that a point will be reached between years 6 and 8 of the Company, when sufficient bank debt will have been cleared, cash in the Company accumulated and appreciation in the asset values achieved, to permit a refinancing. This is projected to allow the return to investors of 90% of the original investment. The remaining 10% would remain in the Company as equity and should attract a projected annual dividend funded by 80% of any free cashflow of the Company.

Asset Acquisition

Only those assets whose performance is judged by the Directors to closely match the requirements for projected investor return will be considered. In general terms:

- Purchase prices between approximately €5m and €15m
- Commercial property of office, retail or mixed-use type
- Tenants of excellent covenant, with a preference for, but not limited to, the German Government. Tenants' historical credit records must be proven to be very solid (See "Creditreform Credit Report" Section) .
- Entry yields of c.9% (gross) or higher
- A minimum of 8 years remaining on at least 70% of the rental income

Security of Contracted Income

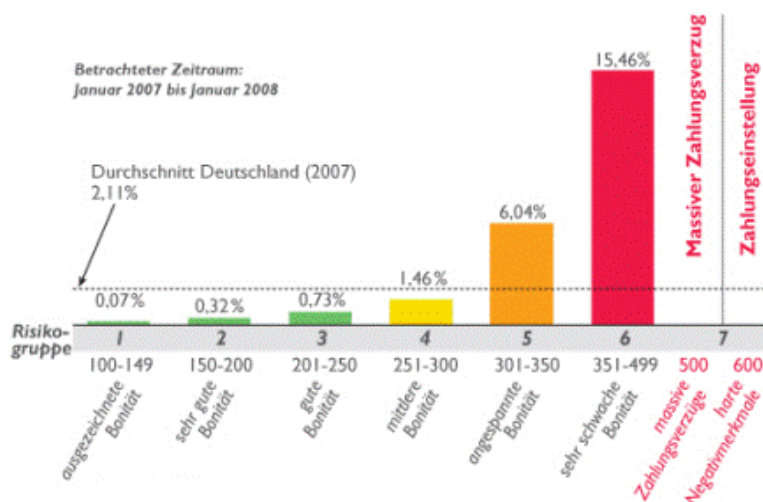
- Assets will be sourced in Germany, a nation already emerging from recession and which has a deserved reputation for financial stability.
- Assets identified have tenants with a default risk below 1% (as rated by Creditreform Group). Properties occupied by the German State and their private sector equivalents in creditworthiness will be preferred. In Germany, corporate creditworthiness can be readily researched and calculated.
- 70% or more of the rental income per asset will last for at least a further 8 years – and longer in many cases. Leases in general are index-linked to hedge against inflation.
- Rent levels of the selected assets are such that the Directors believe them to be sustainable beyond the duration of the lease or in the event of tenant substitution.



Investment Strategy (Contd.)

Creditreform Credit Report

All non-state prospective tenants are subjected to a credit report from Germany's largest credit consultancy Creditreform Group. Creditreform has been in operation since 1879 and has 120 offices around Germany. Their credit reports include sections on company structure, financing and solvency reports. The keystone of the report is a Solvency Index Score. Subject companies are rated and scored against an index ranging from 100 (impeccable) to 600 (extremely high default risk). The Directors will only consider assets whose large or anchor tenant/s score between 100 and 250 on the Solvency Index.



In the 3 groups between 100 and 250 on the Creditreform Solvency Index, the rate of credit default is below 1%. Directors will only target tenants who score between 100 and 250 on the Solvency Index.

State Tenant Creditworthiness

Credit analysts Moody's International rate the German Federal Government as an AAA credit risk. The Federal States (Länder) within Germany are rated individually, though the relevance of their risk rating is tempered by Moody's opinion that the German State would step in to underwrite a default at state or local government levels. They write "The very high likelihood that the Federal Government of Germany would act to prevent a default reflects Moody's opinion of (i) the elevated reputation risk for Germany as a whole in case of default by a Land, and (ii) the Bundestreuekonzept, according to which all German Länder must express mutual solidarity in the event that one of them or the Federal Republic faces a severe budgetary crisis."

It is the Directors' opinion, therefore, that the default risk of a State tenant in German property is extremely low.



Target Investments

The following three assets are under an advanced stage of negotiation by the Directors:

Asset 1

Government Office Property – Kurt-Schumacher-Strasse, Kassel City Centre

Location: Centre of Kassel city (population approx. 200,000) in the federal state of Hessen (capital Wiesbaden, largest city Frankfurt).

Lettable Area:	14,221m ²
Built/Modernised:	1963/2009
Parking:	156 spaces
Current Rent:	€765,890
Target Rent:	€997,000

Anchor Tenants: Kassel City Government and the Hessen State Government are the two principal tenants, occupying 100% of the rentable office space in the property. There are a number of retail units on the ground floor, some of which are occupied and all of which require asset management.

Lease Lengths: Kassel City Government hold numerous leases, the majority contracted for 8 years or more, the longest until 2023. The majority of the leases held by Hessen State Government run until 2013 and it is anticipated these will be renewed. 70% of the office rent roll is contracted for 8 years or more.

The retail spaces require remodelling and re-letting. Once asset management is complete, it is intended that the new retail tenants will be offered minimum 10-year leases, bringing the projected total rent roll to €997,000.

Asking Price:	Region of €8.4million,
Initial Gross Yield :	9.1% on current rent

It is anticipated that a further €1.2m (bank financed in full) will be invested into the building to achieve the targeted rental potential.





Target Investments (Contd.)

Asset 2

University Building – Lübecker Strasse, Rostock City Centre

Location: Central Rostock (Pop. 200,000), the most important city in the state of Mecklenburg-Vorpommern. City centre location, 1.9km from the prime retail zone.

Lettable Area:	4,383m ²
Built/Modernised:	2007
Parking:	58 spaces
Current Rent:	€738,894

Tenant: EWS Wirtschafts- und Sprachenschulung GmbH – is a private university organisation founded in 1908, with campuses in Rostock, Aachen, Cologne, Dresden, Leipzig and Magdeburg. EWS Rostock offers qualifications in a number of disciplines, principally in the areas of business, languages, medicine and therapy. Rostock is a recognised university town, with over 14,000 students attending the famous 600-year-old Rostock University alone.

Creditreform Solvency Index Score (100-600):

210 as at May 2009

Lease Lengths: Until 2022, with rent review in 2017. 3% rental increase per annum contractually agreed. The remaining €150,000 rental revenue comes from parking and outdoor advertising.

Asking Price: Region of €8.1 million.

Initial Yield: 9.1%





Target Investments (Contd.)

Asset 3

Retail Centre – Bernau (Berlin)

Location: 15km Catchment = 110,000 pop.
Berlin's northern border, on A11 autobahn and 1 exit from Berlin Ring Autobahn.

Lettable Area: 11,325m²

Built: 2008

Parking: 308 spaces

Passing Rent: €860,000

Lease Lengths: OBI until 2023, with index-linked increases. This store features in OBI's latest national TV campaign. McDonalds until 2018, with index-linked increases. In each case, leases are with OBI AG and McDonald's Immobilien GmbH as opposed to franchisees. Additional new retail tenant until 2019/20, with index-linked increases. Covenant to be confirmed prior to purchase.

Creditreform Solvency Score (100-600):

OBI AG (at 8/10/09): **148**

McDonald's Immobilien GmbH (at 8/10/09):
196

Asking Price: Region of €9.5 million,

Initial Yield: 9%



Tenants: OBI AG is the market leader in the German DIY retail sector, with 330 stores in Germany. OBI stores generated '07/08 total sales of €5.8 billion, employing 38,000 staff. OBI AG is owned by the Tengelmann Group, one of the world's largest retail organisations with 2008 European sales of €12.3 bn.



McDonald's GmbH is the market leading fast food chain in Germany. It posted net sales of €2.8 bn for the 2008 fiscal year, 5.1% up on prior year. On average, 58,000 employees served 942 million customers in 1333 restaurants over the year.

McDonald's has been particularly successful in Europe during the recession, the McDonald's McCafe concept (of which there is one in Bernau) is seen as a large driver of its success.



Projected Returns and Fee Structure

Asset Acquisition

Acquisition and Setup

Purchase price of properties	€	25,960,000
Acquisition and setup costs	€	2,901,530
Gross Acquisition costs	€	28,861,530
Asset Management (Kassel)	€	1,200,000
	€	30,061,530

Financed by

Founders' Equity	€	429,871
Shareholder Loan	€	7,275,294
Shareholder Equity	€	808,366
Bank Debt	€	21,548,000
	€	30,061,530

Projected Returns

Phase	Return Rate	Projected return per €100k
1. Quarterly Repayments on 90% Shareholder Loan (commencing June 2010)	6%	€5,400 p.a.
2. Return of Full Shareholder Loan (year 7)		€90,000 (Gross)
3. Annual dividend thereafter (funded out of 80% of free cashflow)	Approx. 70% p.a.	€7,000 p.a. (Gross)

Assumptions

Costs:

Entry commission of 5% of the investment amount. Acquisition and setup costs total 8.2% of the purchase price. These include professional fees, setup charges, stamp duty, estate agent fees, notary fees, court fees, surveys and marketing fees. An annual management charge of 0.75% per annum of the gross asset value is payable to Augusta to manage the Syndicate and 4% of the annual rent roll to manage the Properties.

Financing:

The Company receives a total of €8.0 million from the Placing. The acquisitions are financed using bank debt as to 78% of the properties' cost. Interest rate on debt is fixed or capped at the current 5-year rate of 4.5% until the re-financing. Amortisation of 2 - 2.5% of bank debt per annum is paid for the period. Refinancing approximately 7 years from the closing date is projected to 67% of the then value, at a rate equivalent to the current 10-year EURIBOR figure of 5.35%. Amortisation post-refinancing is projected at 2 - 2.5% of bank debt per annum.



Projected Returns and Fee Structure (Contd.)

Tax:

Income tax payable on rent in Germany remains unchanged.

At 6% per annum of the debt equity portion (5.4% on the total investment amount), the quarterly investor payments can be paid tax-neutrally for a maximum period of 15 years. (See Taxation Section)

Growth:

Kassel: Rental growth on existing rent roll averaging 2% per annum. A further €222,000 annual rent is projected from the refurbished space. No market-driven capital appreciation has been assumed, up to and including the refinancing.

Rostock: Rental growth averaging 3% per annum. No market-driven capital appreciation has been assumed, up to and including the refinancing.

Bernau: Rental growth averages 2% per annum from year 3. Market-driven capital appreciation from 9.1% to 7.9% yield has been assumed, up to and including the refinancing.



Corporate Structure

Share Capital and Structure

The Issued and Authorised Share Capital of the Company is €25,000. An Irish registered nominee company, Cash Faktor Nominees Limited (the "Nominee"), has been established to facilitate investment into the Company. Investment into the Company will be by way of the purchase of Units in the Nominee. These Units will be issued in denominations of €10,000 and will comprise a combination of loan stock and equity in the Company in the ratio of 90:10. The minimum investment is €100,000 and further units of €10,000 may also be purchased.

The Nominee will hold Units on behalf of the investors pursuant to terms of individual Nominee Agreements and will issue a Nominee Certificate to the investors evidencing same.

A projected investor repayment of 6% per annum of the shareholder loan amount (payable quarterly and commencing no earlier than June 2010) is intended to be made. For tax purposes, this can be classed as a repayment on the loan stock and is therefore tax neutral.

Following the intended refinancing in year 7, an amount equivalent to the entire original loan stock amount will be paid to the investor. The remaining equity in the company is assumed to be held indefinitely and will attract an annual dividend funded pro-rata from 80% of the free cashflow of the Company.

Income from the investment will be used to first service the main bank loan on agreed parameters and then for the repayment of investor loan note capital and interest payments.

Material Contracts

The Company has entered into a Management Agreement with APS Augusta Property Services Limited ("Augusta") and its German subsidiary—Augusta Immobilien GmbH—in connection with the future management and administration of the Company and the Properties. Augusta and the Company have common Directors.

Directors' Interest

The Directors and Promoters are providing the seed capital to establish the Company. Furthermore, the Directors and Promoters will invest a further amount into Company equity, the value of which (subject to the assumptions in this document holding true) being €429,871. In return for the investment they will retain 200 Units in the Nominee. They will benefit from the annual dividends, but will not benefit from the prior shareholder loan repayments nor the return of capital.

Reports to Investors

Investors will receive an annual report comprising a review of the Company's performance, audited accounts, and Property valuations. Investors will be informed of any developments of note with the Properties.

Contact Details

c/o Cash Faktor Nominees Limited
Longford House, Longford Place, Monkstown, Co. Dublin.
Email info@augusta.ie
Phone 01 2300858, Fax: 01 2300868



Taxation

Taxation on the Rental Income from German Property

German Tax Implications

German Corporation Income Tax, currently 15.825% will be payable by the company on any net income. Net income for tax purposes is calculated after deducting bank interest, other financing costs, fees and German tax depreciation. Tax depreciation is applied at 3% for commercial property. Interest paid by the company to investors will be a tax deductible expense. In the event that there is a distribution to shareholders, German withholding tax may apply. The Germany/Ireland Double Taxation Agreement limits the withholding tax to 10%. Irish tax resident investors should receive a tax credit for this withholding tax upon submission of their tax returns.

Trade Tax

Provided the German resident company is only involved in the administration of the assets and not trading activities, German trade tax should not apply. In principle, the ownership and leasing of up to three German real estate properties in a company is regarded as asset management activity and not business activity for trade tax purposes. Broadly speaking, the German Tax Authorities consider a business activity to occur if within a period of five years, more than three properties have been sold ("Three – Object Test") and also if commercial activities are carried out by the company. German trade tax may also apply where "trade plant facilities" are present in any of the selected properties. We have not been provided with specific details of the property or properties being acquired and do not have information in relation to the specific items of "trade plant facilities" within those properties. We are therefore not in a position to comment specifically on the applicability of German trade tax to any such investments.

Irish Tax Implications

For the purposes of our opinion we have assumed the German Company would not be deemed to be a close company under Irish Taxation Rules. In addition, we have assumed that it does not come within the offshore fund definition of the Finance Act 2007 as amended.

As set out above where a distribution is made to an equity investor, German withholding tax may apply with a related credit available to the Irish resident taxpayer in determining their Irish tax liability. Irish resident investors in receipt of dividends in respect of their shareholding in the German Company will be taxable on this income at their marginal rate of income tax.

Tax on Disposal of Investment

A) Repayment of Shareholders Loan

The Shareholders loan will be repaid at a rate of 6% of the original loan per annum. These payments are not taxable under either Irish income tax or capital gains tax as they are merely the repayment of a loan. Therefore these payments are tax neutral.

Under the terms of the Loan Note Agreement entered into between Cash Faktor Nominees (an Irish resident company) and Cash Faktor GmbH a German resident and incorporated company, a premium will be payable to the investor on the redemption of the shareholders loan. This premium will be calculated by reference to the number of years the loan has existed. Under current Irish tax law this premium is taxable under capital gains tax, currently 25%. No tax will be payable, by an approved pension fund on the premium..



Taxation (Contd.)

B) Sale of Shares in Cash Faktor GmbH

The current German tax position is that there would be no German tax arising to the investors on the sale of the GmbH shares.

Under current Irish tax rules the Irish investors would be liable to capital gains tax – currently at the rate of 25% arising on any gain on the sale of shares in the Company. This tax will not be payable by an approved pension fund.

C) Sale of German Properties and Wind Up of German Company

While the preferred exit method is the sale of shares in the German Company, market conditions may not permit such an exit. In such a situation the properties may be sold separately and the Company wound up. In this circumstance the German and Irish tax treatment is as follows:

German Tax

Under current German Tax Law, German Corporation Income Tax at a rate of 15.825% will be payable by the company on the difference between the sales price and the tax written down value of the properties. Real Estate Transfer Tax ("RETT") applies to the acquisition cost of the properties. In Purchase Agreements, the tax burden will typically be assumed by the purchaser. However, by law the contracting parties are jointly and severally liable for "RETT". In the subsequent liquidation of the Company, a 10% withholding tax would apply on the distribution of proceeds to Irish tax resident investors.

Irish Tax

There is no Irish tax payable on the disposal of the German properties by the Company. Once the properties are sold the German Company can be liquidated and the proceeds of the liquidation can be distributed to the Irish tax resident investors. As mentioned above, German withholding tax at a rate of 10% applies to the proceeds received on liquidation. As any distribution of funds after the assets have been sold would be taxable on Corporation Income Tax Rules in Germany and under Capital Gains Tax Rules in Ireland, reliefs for the 10% German withholding tax paid would be allowed by way of a deduction in the Irish Capital Gains Tax Computation rather than by way of a full tax credit. This is because the Double Taxation Agreement between Ireland and Germany was concluded prior to the introduction of capital gains tax in Ireland and therefore does not provide for a tax credit to be taken in Ireland in respect of German Corporation Income tax paid on the sale of the properties.

Inheritance Tax Issues

The transfer of shares in a German company on the death of an investor would be liable to inheritance tax in Germany and capital acquisitions tax ("CAT") in Ireland.

German Tax

On the death of an investor, the transfer of shares in the company could give rise to German inheritance tax in certain circumstances. If the deceased shareholder holds 10% or more in the share capital, German inheritance tax is applied. German inheritance tax arises at progressive rates between 7% and 50% depending on the value of the shares transferred. The amount of tax payable is also dependant on the relationship of the beneficiary to the shareholder.



Taxation (Contd.)

Inheritance Tax Issues (Contd.)

Irish Tax

CAT would apply in Ireland at a rate of 25%. Transfers between spouses are exempt from CAT and gifts or inheritances to children can be exempt up to a maximum of €434,000. Previous gifts and inheritances are brought into account in assessing the liability to tax.

The Double Taxation Agreement between Ireland and Germany does not make provision for inheritance tax, however, in practice, the Irish Revenue Commissioners will give unilateral relief for any German inheritance tax imposed. This relief would be given as a credit against Irish CAT arising on the same transfer.

Stamp Duty

Real Estate Transfer Tax ("RETT") at a rate of 3.5% (4.5% in Berlin) will be applied to the acquisition cost of the properties. In Purchase Agreements the tax burden will typically be assumed by the purchaser. However, by law the contracting parties are jointly and severally liable for RETT.

Value Added Tax

As a general rule, the transfer of real estate is exempt from Value Added Tax ("VAT") in Germany. However, the vendor may opt to apply VAT on the sale. This option to tax must be made by reference in the Sale Agreement. If the vendor opts to tax, the taxable supply of the property is subject to the reverse charge procedure. It will, therefore, be the German company as purchaser who is responsible for the VAT on the purchase. Whether a corresponding VAT reclaim on the purchase of the building can be made is dependant on whether the property is to be used for a taxable purpose. It is therefore important before you allow a vendor to opt to charge the supply of a building to VAT to ascertain that the building is used for a taxable purpose.

General

The information contained herein is based on current tax legislation and is subject to change without notice. It is possible that tax legislation may be changed to have a retrospective effect.

The tax implications of the transaction as set out in our letter are on the strict understanding that all of the investors are Irish tax resident individuals. Separate advice should be obtained where this is not the case.



Risks

As with every leveraged property investment, there are risks involved and it is possible that returns could fall short of those illustrated or in fact – in a worst case scenario – may be negative. Conversely, it is also possible that actual returns could exceed the illustrated returns. If investors are in any doubt about the contents of this document, they should consult a qualified advisor.

Inherent

Investment in the German property market, like any other market, is speculative and involves a degree of financial and commercial risk.

Historical facts, information gained from historic experience, present facts, circumstances and information, and assumptions from all or any of these are not a guide to the future. Aims, projections, forecasts, plans and intentions referred to herein are no more than that and do not imply or predict actual returns.

There is no mechanism in place whereby investors are guaranteed to recoup the full amount of their original investment upon the completion of the investment term nor are they guaranteed to receive the loan repayment in full every year.

Financial and Taxation

There is no guarantee that the bank financing can be secured by the Directors at the rates and conditions assumed in this document.

A refinancing event will be required in order to effect the return of 90% of the investors' original stake. There is no guarantee that this refinancing will happen, nor that a successful refinancing will happen at the exact terms in the projections, nor that the amount returned to investors will be the envisaged 90%.

Tax law and/or practice in Ireland or Germany may change with consequent adverse effects on the taxation aspects of this proposal. The projected returns herein may be affected where an investor fails to make appropriate disclosures to Revenue or fails to file appropriate tax returns.

The Properties

Valuation & Acquisition

The future value of the Company is dependent on the future value of the Properties. Property values are influenced by several factors, including, but not limited to, the level of rent a property will command, rental yield and the quality of the lease entered into in respect of the Properties. Any downturn in Germany's economy could affect the demand for property with a resultant adverse impact on the German property market.

The Company will make all reasonable commercial efforts to purchase the properties described in this document. The right is reserved to purchase alternative properties of similar character if the purchase of the properties described cannot proceed. If another property or properties is/are purchased in their place, it/they may not present precisely the same advantages.

Property and property related assets are inherently difficult to value. As a result, valuations are subject to some uncertainty. While valuations will be obtained for disposal purposes, there is no assurance that the estimates resulting from the valuation process will be reflected in the actual sales price even where such sales occur shortly after the valuation date.



Risks (Contd.)

The Properties (Contd.)

Tenancy

As with all leased properties, there may be periods during which the Properties purchased by the Company are vacant due to unforeseen circumstances and/or market conditions. While the Directors have made efforts to carefully select assets whose tenants are creditworthy at the time of due diligence, this is not a guide to future credit risk. Default on the part of a tenant or tenants could jeopardise the ability of the Company to make repayments or dividends to investors or banks.

Management

Unforeseen circumstances may result in delays in the Company's activities or in it incurring additional costs with regards to the acquisition, disposal and/or the maintenance of the Properties.



Appendix I – Cashflow

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Inflows											
Founders equity	€ 429,871	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Longterm investors	€ 8,083,660	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Rents	€ 2,358,914	€ 2,358,914	€ 2,614,974	€ 2,702,159	€ 2,759,360	€ 2,817,892	€ 2,877,786	€ 2,939,076	€ 3,001,796	€ 3,044,359	€ 3,087,774
Current a/c interest	€ 708	€ 1,254	€ 1,254	€ 2,125	€ 3,244	€ 4,567	€ 6,106	€ 7,867	€ 55,110	€ 3,377	€ 3,621
Debt Drawdown	€ 20,348,000	€ 900,000	€ 300,000	€ -	€ -	€ -	€ -	€ -	€ 23,790,930	€ -	€ -
Total Cash Inflows	€ 28,861,530	€ 3,259,823	€ 2,916,227	€ 2,704,284	€ 2,762,604	€ 2,822,458	€ 2,883,892	€ 2,945,943	€ 26,737,615	€ 3,047,737	€ 3,091,395
Cash Outflows											
Property Purchase	€ 25,960,000	€ 900,000	€ 300,000	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Commission and set up	€ 593,230	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Expenses of Purchase of Loan	€ 2,308,300	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 237,909	€ -	€ -
Senior debt amortisation	€ 466,192	€ 466,192	€ 501,250	€ 520,700	€ 544,530	€ 569,450	€ 595,511	€ 13,350,367	€ 529,917	€ 558,841	€ 589,344
Equity debt repayment	€ 363,765	€ 363,765	€ 485,020	€ 485,020	€ 485,020	€ 485,020	€ 485,020	€ 4,486,431	€ -	€ -	€ -
Senior debt loan interest	€ 915,928	€ 915,928	€ 936,870	€ 917,420	€ 893,590	€ 868,670	€ 842,609	€ 815,355	€ 1,262,301	€ 1,233,377	€ 1,202,873
Equity debt final payment	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 3,058,015	€ -	€ -	€ -
Mgmt and sinking fund	€ 375,581	€ 375,581	€ 392,949	€ 396,999	€ 399,287	€ 401,628	€ 404,024	€ 406,475	€ 410,322	€ 412,471	€ 414,208
Audit & Valuation	€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000
Taxation	€ -	€ -	€ 105,479	€ 146,264	€ 165,230	€ 179,712	€ 194,684	€ 210,161	€ -	€ -	€ -
Distribution/dividend	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 635,778	€ 760,029	€ 818,042
Total Cash Out Flows	€ 28,861,530	€ 3,042,466	€ 2,742,568	€ 2,487,402	€ 2,508,656	€ 2,525,480	€ 2,542,847	€ 27,347,806	€ 3,097,228	€ 2,985,717	€ 3,045,467
Net Cash Flows	€ -	€ 217,157	€ 173,660	€ 216,882	€ 253,948	€ 296,979	€ 341,045	€ 24,400,863	€ 23,640,387	€ 62,019	€ 45,928
Opening Cash Balance	€ -	€ -	€ 217,157	€ 390,817	€ 607,698	€ 861,646	€ 1,158,625	€ 1,499,670	€ 22,901,193	€ 739,195	€ 801,214
Closing Cash Balance	€ -	€ 217,157	€ 390,817	€ 607,698	€ 861,646	€ 1,158,625	€ 1,499,670	€ 22,901,193	€ 739,195	€ 801,214	€ 847,142



Appendix II – P&L and Balance Sheet

Profit And Loss Account											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income											
Rent		€ 2,358,914	€ 2,614,974	€ 2,702,159	€ 2,759,360	€ 2,817,892	€ 2,877,786	€ 2,939,076	€ 3,001,796	€ 3,044,359	€ 3,087,774
Interest received		€ 708	€ 1,254	€ 2,125	€ 3,244	€ 4,567	€ 6,106	€ 7,867	€ 55,110	€ 3,377	€ 3,621
Total Income		€ 2,359,623	€ 2,616,227	€ 2,704,284	€ 2,762,604	€ 2,822,458	€ 2,883,892	€ 2,946,943	€ 2,946,685	€ 3,047,737	€ 3,091,395
Expenditure											
Senior debt loan interest		€ 915,928	€ 936,870	€ 917,420	€ 893,590	€ 868,670	€ 842,609	€ 815,355	€ 1,262,301	€ 1,233,377	€ 1,202,873
Equity debt final payment		€ -	€ -	€ -	€ -	€ -	€ -	€ 3,058,015	€ -	€ -	€ -
Mgmt. and sinking fund		€ 375,581	€ 392,949	€ 396,999	€ 399,287	€ 401,628	€ 404,024	€ 406,475	€ 410,322	€ 412,471	€ 414,208
Audit & Valuation		€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000	€ 21,000
Total Expenditure		€ 1,312,509	€ 1,350,818	€ 1,335,419	€ 1,313,877	€ 1,291,298	€ 1,267,633	€ 4,300,846	€ 1,593,623	€ 1,666,848	€ 1,638,081
Net Income		€ 1,047,113	€ 1,265,409	€ 1,368,866	€ 1,448,727	€ 1,531,161	€ 1,616,260	€ 1,353,903	€ 1,253,062	€ 1,380,889	€ 1,453,314
Tax		€ 105,479	€ 146,264	€ 165,230	€ 179,712	€ 194,684	€ 210,161	€ -	€ -	€ -	€ -
Distribution/Dividend		€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 635,778	€ 760,029	€ 818,042
Profit after Tax/dividend		€ 941,634	€ 1,119,145	€ 1,203,636	€ 1,269,014	€ 1,336,477	€ 1,406,098	€ 1,353,903	€ 617,284	€ 620,860	€ 635,272
Profit bought forward		€ -	€ 941,634	€ 2,060,779	€ 3,264,414	€ 4,533,429	€ 5,869,906	€ 7,276,004	€ 5,922,101	€ 6,539,385	€ 7,160,245
Profit carried forward		€ 941,634	€ 2,060,779	€ 3,264,414	€ 4,533,429	€ 5,869,906	€ 7,276,004	€ 5,922,101	€ 6,539,385	€ 7,160,245	€ 7,795,517
Balance Sheet											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Fixed Assets											
Properties at cost	€ 28,268,300	€ 29,168,300	€ 29,468,300	€ 29,468,300	€ 29,468,300	€ 29,468,300	€ 29,468,300	€ 29,468,300	€ 29,706,209	€ 29,706,209	€ 29,706,209
Debtors											
Cash	€ -	€ 217,157	€ 390,817	€ 607,698	€ 861,646	€ 1,158,625	€ 1,499,670	€ 22,901,193	€ 739,195	€ 801,214	€ 847,142
Creditors											
Taxation		€ 105,479	€ 146,264	€ 165,230	€ 179,712	€ 194,684	€ 210,161	€ -	€ -	€ -	€ -
Net Assets	€ 28,268,300	€ 29,279,977	€ 29,712,852	€ 29,910,769	€ 30,150,234	€ 30,432,241	€ 30,757,809	€ 6,567,107	€ 30,445,404	€ 30,507,423	€ 30,553,351
Financed By:											
OSC	€ 101,255	€ 101,255	€ 101,255	€ 101,255	€ 101,255	€ 101,255	€ 101,255	€ 101,255	€ 101,255	€ 101,255	€ 101,255
Share premium	€ 543,751	€ 543,751	€ 543,751	€ 543,751	€ 543,751	€ 543,751	€ 543,751	€ 543,751	€ 543,751	€ 543,751	€ 543,751
Senior debt	€ 20,348,000	€ 20,781,808	€ 20,580,558	€ 20,069,858	€ 19,515,328	€ 18,945,878	€ 18,350,367	€ -	€ 23,261,013	€ 22,702,172	€ 22,112,828
Equity debt	€ 7,275,294	€ 6,911,529	€ 6,426,510	€ 5,941,490	€ 5,456,470	€ 4,971,451	€ 4,486,431	€ -	€ -	€ -	€ -
Profit and Loss	€ -	€ 941,634	€ 2,060,779	€ 3,264,414	€ 4,533,429	€ 5,869,906	€ 7,276,004	€ 5,922,101	€ 6,539,385	€ 7,160,245	€ 7,795,517
	€ 28,268,300	€ 29,279,977	€ 29,712,852	€ 29,910,769	€ 30,150,234	€ 30,432,241	€ 30,757,809	€ 6,567,107	€ 30,445,404	€ 30,507,423	€ 30,553,351



Procedure and Conditions for Application

The applications list will close at 6pm on Thursday 12 November 2009 (the "Closing Date").

To participate in the Company, completed application forms must reach the Company by the Closing Date. The minimum subscription which an investor may make is €100,000. Subscriptions above this minimum level must be made in multiples of €10,000.

The Directors reserve the right to reject any application in whole or in part and also to extend the Closing Date. The Company will not proceed unless a minimum investment level of €2.5 million has been received. Monies will be returned to applicants, without interest, within 28 days after the Closing Date if the minimum investment level is not achieved.

Once an investor's application has been accepted by the Company, the investor will be issued with a Nominee Agreement for signature and return. The Nominee Agreement will regulate the relationship between the Nominee and investor and also provides for the manner in which investor funds are to be held and invested by the Nominee. The investor must return the signed Nominee Agreement to the Company within 21 days of receipt.

Applications to participate in the Company will be considered only on the terms and conditions of this document. A completed application form will be accepted only if it is accompanied by an appropriate subscription payment. If a discrepancy arises between the application form and monies tendered, the amount of monies tendered will be taken to be indicative of the number of Units to be allotted.

The Directors may, at their absolute discretion, without assigning any reason, decline to accept an application for Units in the Company without liability for interest and any resulting loss or damage. The Directors may, at their absolute discretion, without assigning any reason, alter the investment structure or legal structure outlined herein.

Checklist for application

- a) Completed application form and
- b) Cheque/Bank Draft made out to **Cash Faktor Nominees Limited**. Please ensure cheques are crossed and marked "A/C Payee, Not Negotiable".

Send to

Cash Faktor GmbH
c/o Cash Faktor Nominees Limited
Longford House, Longford Place
Monkstown, Co. Dublin

so as to be received no later than 6pm on Thursday 12 November 2009.



Application Form

Cash Faktor GmbH
c/o Unternehmensberater für die Immobilienwirtschaft
Pistoriusstraße 29
13086 Berlin
Germany

I hereby apply for ____ Units of €10,000 each at a subscription price of €10,000 each and enclose a Cheque / Bank Draft payable to "Cash Faktor Nominees Ltd." in the amount of €_____ (*Minimum investment level is €100,000*)

PLEASE USE BLOCK CAPITALS

Please tick: Mr. ☐ Mr. & Mrs. ☐ Ms. ☐ Mrs. ☐ Other _____

Name: _____

Address: _____

Tel. Home: _____

Tel. Mobile: _____

Email: _____

I/we hereby accept that, subject to the compliance by the directors with their duties and obligations, under no circumstances whatever shall I be entitled to hold the directors liable for any default, act or omission by the directors or the failure or loss of any kind by the Company.

2. In the event that I/we do not, within 21 days of receipt, return a signed Nominee Agreement to the Company, at the address set out on Page 21, I/we hereby irrevocably appoint either of the directors of the Company as my/our attorney with full power and on my/our behalf to enter into the said Nominee Agreement on my/our behalf.

Signature: _____