

Triple-A Apartments

Andermatt Alpine Apartments

Your
Swiss
residential
investment 

Triple-A-Apartments

Andermatt Alpine Apartments







Paradise in the heart of the Alps



Having good things on hand is one thing. That they often go unnoticed is another. While it is no coincidence that Andermatt holds an unbelievable fascination for me as a foreigner to Switzerland, those that live here may take its unique characteristics for granted all too easily.

The fantastic pistes of the Gemsstock, the sunny slopes of the future Andermatt-Sedrun ski region, the myriad of hiking paths, the world famous Glacier-Express and the beauty of the traditional alpine village all combine to make Andermatt a paradise on Earth. It has an incomparable location at the heart of the Alps; yet is only a stone's throw from the cosmopolitan cities of Zurich and Milan.

The Andermatt Swiss Alps projects will see this raw diamond receive its final polish, creating a leading Alpine holiday destination with a state-of-the-art ski resort, an exceptional golf course, a wide variety of spa, health and sports facilities and numerous top of the range hotels and holiday apartments.

I heartily invite you to discover this paradise for yourself. Your apartment in Andermatt will not only be a profitable and sound investment – it will also make what is perhaps the most beautiful location in the Swiss Alps your second home. As it is mine.

Best wishes,



Samih Sawiris





The heart of Switzerland

Unbroken tradition since the Rütlichschwur and William Tell

The canton of Uri holds an almost mythical status in Swiss culture. The Rütlichschwur, the legendary oath of the Swiss Confederation, was taken here over seven hundred years ago and the mountainous Gotthard region has provided the backbone of the Swiss national defence system for centuries.

Here, in the heart of Switzerland, an unusual exemption from the strict “Lex Koller” legislation was made for Andermatt Swiss Alps. While this legislation largely prevents foreigners from acquiring land in Switzerland, citizens from across the globe are able to purchase real estate in Andermatt without any restrictions and sell it on with no compulsory holding period.

The “Uri Bull” greets visitors at the border of the canton on the Vierwaldstättersee. The region boasts some of the most beautiful landscapes in Switzerland.



Hotel The Chedi Andermatt

Ski lift station
Andermatt Oberalp Sedrun

Railway
station

Andermatt
village centre

Villas / chalets

Sports centre

Apartment houses



Andermatt Swiss Alps

Alpine leisure

A year-round luxury resort destination, Andermatt Swiss Alps sits at the foot of the Gotthard Massif with breathtaking views along the wide valley floor. It will offer far more than a traditional holiday resort – a new, vibrant town centre amid the charm of a traditional Alpine village, six premier hotels, numerous luxury villas and modern apartments, a sports centre, spa and direct access to the state-of-the-art ski resort and golf course.

The comprehensive design of the development project pioneers convenience, luxury and stylish living and gives owners access to a highly privileged lifestyle 365 days a year.

Andermatt Swiss Alps blends harmoniously into the Alpine village of Andermatt. The short travel distances make cars largely unnecessary.





White Paradise

Legendary off-piste region and the sunniest slopes in the Alps

The Gemsstock near Andermatt holds a legendary status amongst skiing aficionados and is known as one of the best off-piste regions in the Alps. Boasting diverse terrain and highly challenging descents, its vast number of powder runs are among the most beautiful in the world.

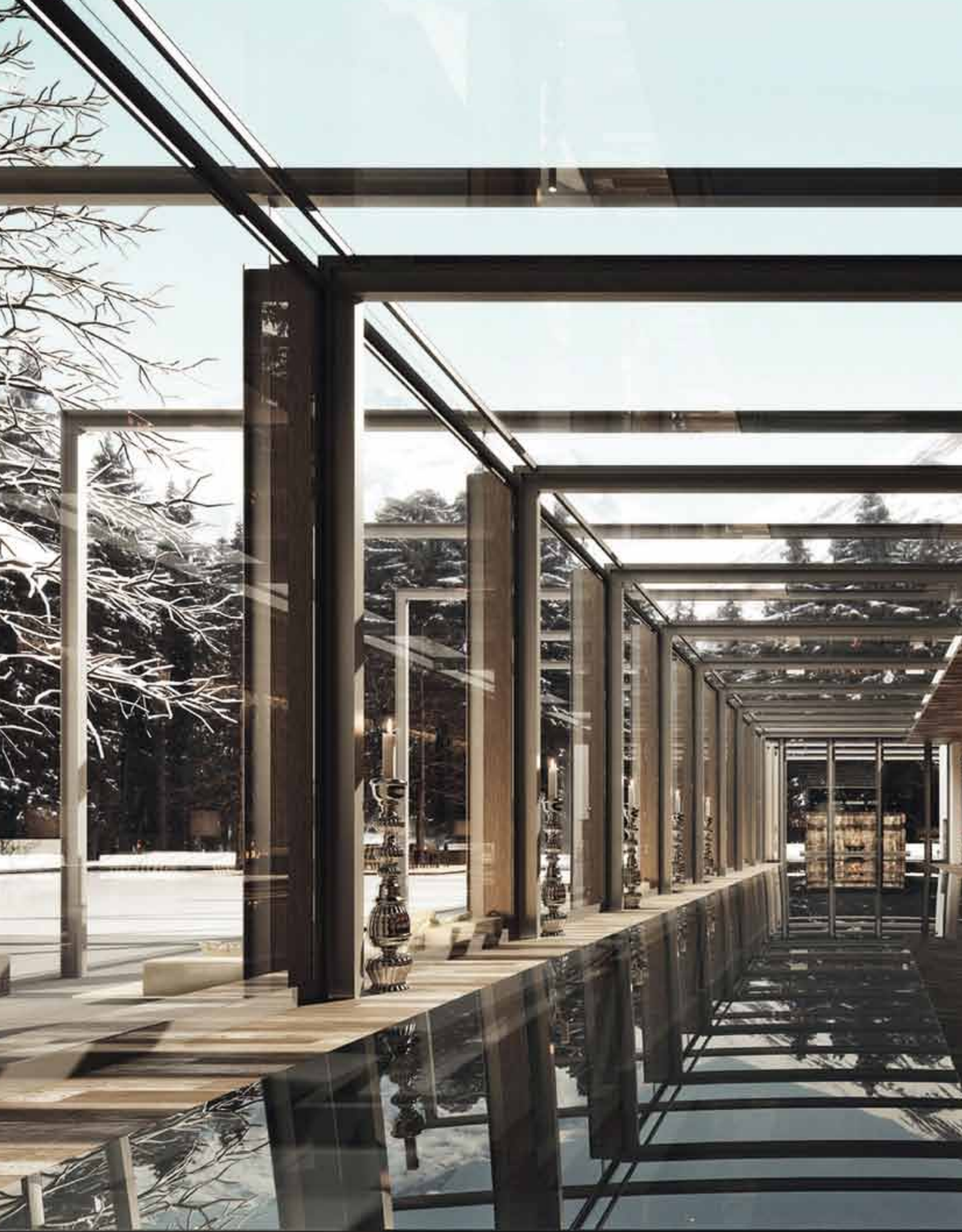
An extensive ski region is planned on the other side of the valley, joining Andermatt to neighbouring Sedrun. Designed by Andermatt ski legend Bernhard Russi, one of the world's most renowned piste designers, this South-facing ski domain will feature wide, open slopes and long hours of sunshine.

ANDERMATT SKI RESORT AFTER COMPLETION OF THE FIRST EXPANSION PHASE

Total lifts	26
Cable cars	4
Chair lifts	11
T-bars	8
Other lifts	3
Pistes km	130

State of planning: May 2012

Legendary off-piste region: the steep descents of the Gemsstock are a real challenge, even for true masters.





Spa & Health

Year-round action and adventure

At the heart of Andermatt's hotels, apartments and villas, a vast indoor sports complex, comprising a fitness centre and swimming pool, will feature a year-round programme of leisure activities, while a luxury spa will offer a dedicated list of exclusive treatments and wellness packages.

Andermatt is a mecca for sporting enthusiasts. Offering everything from skiing, snowboarding and cross country skiing to climbing, hiking and mountain biking, its enviable location will be perfectly complemented by a wide range of indoor activities and dedicated sports centre.

The sports centre is centrally located near the Andermatt train station, making it easily accessible on foot from anywhere in the village.

Pure relaxation in a stylish setting: Andermatt offers those who enjoy the finer things in life the perfect antidote to the hectic environment of most spas and public swimming pools, such as here in the pool and spa area of The Chedi Andermatt hotel.





White Mountains, Green Valleys

High-altitude golf course set against the grand backdrop of the St. Gotthard massif

The majestic panorama of Alpine peaks forms the perfect backdrop for Andermatt's new international tournament-standard 18-hole golf course and 6-hole practice course. Created by internationally renowned architect Kurt Rossknecht, the new 1.3 million square metre facility is a masterpiece of ecological design which blends seamlessly into its natural surroundings.

For those planning a lengthier stay in the region, variety is on hand with around 20 other courses easily accessible by car, from the legendary greens of the Lucerne region to the Mediterranean fairways that sit beneath the palms of Ticino.

100 peaks, 18 holes: Golf in Andermatt offers a unique natural experience on a first-class course.





Meeting place Andermatt

The perfect location for conferences and seminars

Seminar and conference facilities catering for up to 600 guests will be available within Andermatt Swiss Alps' four and five-star hotels. With their extensive experience in dealing with meeting and incentive tourism, these hotel chains offer the highest levels of efficiency and service along with access to their global network of contacts.

With its close proximity to the international airports of Zurich and Milan and state-of-the-art conference facilities, Andermatt is likely to offer a highly sought-after future location for exclusive meetings and events.

Alpine chic: Conference facilities at the Radisson Blu Andermatt provide an inspiring setting for meetings with a certain *je ne sais quoi*.





Fine Arts

**Andermatt
Swiss Alps
is a partner of
the world-famous
Lucerne Festival**

Art and culture form an essential part of Andermatt's elite lifestyle and with the culturally rich city of Lucerne just 45 minutes away, Andermatt residents can take full advantage of all that it has to offer. In summer, the concerts of the world renowned "Lucerne Festival" bring together orchestras, conductors and soloists from all over the globe for a five-week spectacle of classical music.

From modern music to Jazz, a varied programme of events takes place throughout the year, enriching the cultural life of Andermatt. Open-air theatres stage productions during the summer months and some excellent local museums showcase the rich history of the region.

**More than just alpine horns:
Some of the finest international
art and culture can be found
in and around Andermatt, for
example in the concert hall of the
Lucerne Culture and Congress
Centre.**





The brightest stars in the Alps

Five star superior: Europe's first "The Chedi" hotel sets new standards

The range of high class hotels is one of the strengths of Andermatt Swiss Alps. Six new four and five star properties are currently underway, all of which meet the highest standards of quality in terms of both luxury service and cutting edge facilities.

The Chedi Andermatt will be the first landmark property of the Andermatt Swiss Alps project. This well-known international luxury hotel group, which is largely based in Asia, is now extending its global reach with Andermatt representing its first property in Europe.

With 169 exquisitely designed rooms, apartments, suites and penthouses, The Chedi is designed to set new standards of hospitality in the Alps. Two gourmet restaurants, a cigar lounge and a number of bars will be complemented by an exclusive spa, offering a wide range of therapies and treatments, and a state-of-the-art fitness centre.

Uncompromising luxury: Cutting-edge architecture, exquisite design, gourmet food and impeccable service at "The Chedi Andermatt".





Villas & Apartments

Attractive housing in a lively alpine village

More than 40 apartment buildings and 25 villas make up Andermatt's new neighbourhood. Each building is being individually designed by one of 30 leading Swiss and international architects, showcasing a modern take on traditional building methods.

All properties are built using energy-saving construction techniques, meeting the highest environmental standards. With top-of-the-range facilities and optimised layouts, the high class apartments meet all the needs of an upmarket lifestyle. Parking areas are available directly beneath the properties and the distances to the local restaurants, shops, ski lifts, sports centre and golf course are short, ensuring the highest levels of comfort and convenience.

Spending time in Andermatt Swiss Alps' well-lit and modern apartments is more than just a means of passing the time between ski outings.



Investment

Your Swiss residential investment

There are a number of reasons why an investment in Triple-A-Apartments – Andermatt Alpine Apartments – is likely to attract strong demand:

A sustainable resort concept, an uncompromising focus on quality and a favourable legal structure provide the framework for a sound investment proposition.

With limited available space in Andermatt, future supply is likely to be restricted, potentially leading to an upward pressure on prices. Once Andermatt Swiss Alps has been constructed, few attractive development plots will remain.

Initial investors will benefit from discounted prices, thereby ensuring even larger profit margins as their capital appreciates.

The developer, “Andermatt Swiss Alps AG”, will continue to operate the resort over the long-term, offering investors a stable and reliable future partnership.

Particularly attractive to international investors is the absence of “Lex Koller” restrictions, meaning that foreign buyers are able to purchase real estate in Andermatt Swiss Alps and to sell their property on with no compulsory holding periods.

Swiss Real Estate: A Stable Upwards Trend

The crisis on the financial markets in 2008 and the debt crisis of 2011 have seen private investors turn once again to the traditional safe haven of Switzerland when looking for long-term investment assets. The advantages of this politically and economically secure location continue to be prized by investors.

While the global property markets have seen challenging times, Swiss real estate prices have continued to follow an upward trend, with residential properties in the upmarket and luxury segments performing considerably better than the Swiss average.

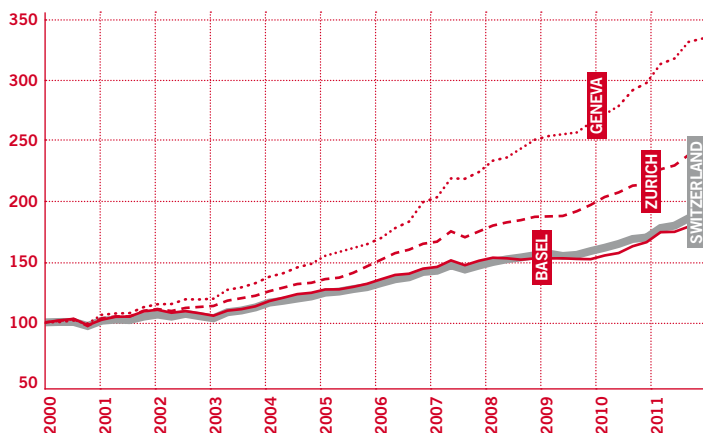
In the decade from 2000 to 2010, prices for rental apartments rose by 35.8 per cent, and freehold apartments by an impressive 83 per cent. In no year during this period did prices drop. Up to CHF 35,000/sqm is paid in leading city locations such as Geneva, and up to CHF 36,000/sqm in established holiday locations such as St. Moritz.

The driving force behind these property price rises is the ongoing strong influx of foreign investors and the year-on-year growth in Swiss disposable income. Current forecasts predict the number of millionaire households will rise by more than 50 per cent to 872,000 by the year 2020. Properties located both in the city centres and in the Swiss Alps will profit from these developments.

For international investors, now is an excellent time to invest in Swiss property, despite the ongoing upward price trend. As a result of the Swiss National Bank fixing the exchange rate to the Euro at 1.20 Swiss francs, Eurozone buyers have seen property prices in Switzerland fall by 15 per cent compared to the summer of 2011.

SWISS HOUSING PROPERTY PRICES

The value of premier real estate has steadily increased over more than a decade.



All figures in percent.

Past performance is no guarantee of future developments.

Source: Wüest & Partner





Invest in the Most Secure Currency in the World

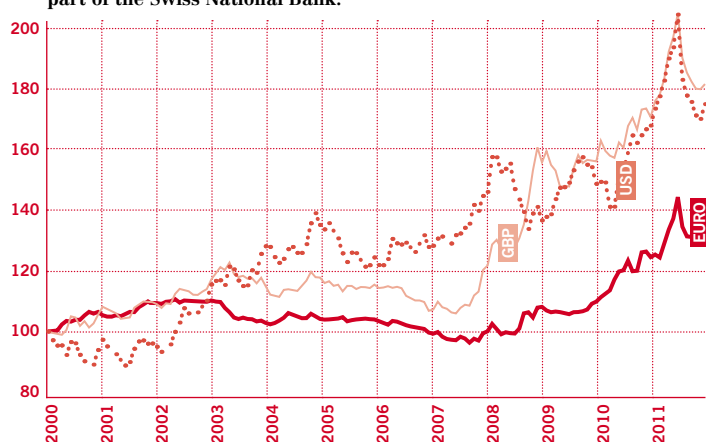
Switzerland is one of the most attractive countries in the world for risk-averse investors. In addition to its reputation as an extremely stable financial centre with a secure legal environment, its currency is renowned for stability and strength, particularly in times of turmoil.

While inflation in the Eurozone continues to rise in the wake of the debt and currency crisis, in Switzerland it has fallen to its lowest value for over 50 years. The appeal of the Swiss franc is such that Swiss government bonds are subject to almost no interest. The continued increase in the value of the franc can only be tempered by rigid measures implemented by the Swiss National Bank.

Investors can profit from this development in a variety of ways: if Swiss currency policies are loosened, the upwards trend of the Swiss franc will again come into full effect, and debt financing of investments in Swiss francs will be possible at particularly attractive terms. But, above all, an investment in Switzerland is the perfect protection against any negative fallout from the debt crisis in the Eurozone.

SWISS FRANC EXCHANGE RATE

The increase in value of the franc compared to other key international currencies was only recently tempered by severe interventions on the part of the Swiss National Bank.



100 % in relation to Swiss francs

Past performance is no guarantee of future developments.

Source: Swiss National Bank





Property Prices in Swiss Holiday Destinations

House prices in Swiss holiday destinations have risen substantially in recent years. Over the course of the last twelve years (2000 to the end of 2011), purchase prices for upmarket properties in key Alpine holiday destinations have in some cases more than doubled.

This above-average increase compared to the Swiss property market as a whole has two key causes. The first is increasing demand. The second is restricted supply, caused by the limited amount of land available.

Developments over the medium and long term will be shaped by an increasing resistance to new construction projects. The legal restrictions on future building projects that may ensue, as decided by referendum, will lead to further restrictions in supply. Leading market analysts such as Wüest & Partner are expecting further price increases as a result. Andermatt will be one of around a dozen holiday destinations where strong price increases can be expected in the foreseeable future.

APARTMENT PRICES IN SELECTED ALPINE RESORTS

LOCATION	PRICE(CHF/SQM)*	PRICE RANGE (CHF/SQM)**
Bagnes - Verbier	22,060	13,500 bis 22,000
Celerina	24,930	14,500 bis 25,000
Davos	12,150	8,500 bis 12,000
Flims	11,340	8,000 bis 11,500
Grindelwald	12,520	9,000 bis 12,500
Montana	13,050	8,000 bis 13,000
Saanen - Gstaad	27,180	15,000 bis 27,000
Saas-Fee	9,960	6,700 bis 10,000
St. Moritz	35,820	15,000 bis 36,000
Zermatt	17,860	10,000 bis 18,000

* This or a higher price per sqm was received for 10 per cent of all transactions in 2011. In general, this applies to apartments in new buildings in prime locations.

** The prices refer to a statistical analysis of effective transaction prices for freehold apartments. The upper range applies to newly constructed apartments in prime locations with comprehensive facilities of above-average quality including a terrace or balcony.

Source: Wüest & Partner
Past performance is no guarantee of future developments.





International Buyers: Exemptions from Lex Koller

For almost 30 years, non-Swiss nationals have been restricted from purchasing real estate in Switzerland by Swiss federal law. The aim of the regulations, commonly known as “Lex Koller”, is to limit the purchase of properties in Switzerland by foreign investors. House purchase in particular is strongly restricted by this legislation.

Foreign buyers generally have to go through a tedious, expensive and uncertain approval process at both canton and municipal levels in order to purchase a residential property. The attitude of the public authorities in the German-speaking Swiss holiday resorts is particularly restrictive.

The situation is completely different in the case of Andermatt Swiss Alps. The entire project was exempted from “Lex Koller” by a resolution agreed by the Swiss government on 21 December 2007. Foreign investors are treated the same as Swiss buyers and are able to purchase and sell real estate in Andermatt Swiss Alps with no restrictions. This exemption applies until at least 31 December 2030.

All other legal requirements concerning the purchase of property in Switzerland by foreign and domestic investors remain unaffected by the exemption regarding “Lex Koller”.

Upon purchasing one of the “Triple-A-Apartments – Andermatt Alpine Apartments”, the buyer's ownership of the apartment will be entered into the Swiss land registry. The entire purchase transaction will be concluded by a public lawyer registered in the canton of Uri.





Andermatt Swiss Alps: Alpine Destination for a new Generation

The Andermatt Swiss Alps project will create a year-round luxury resort destination at the heart of the Alps. With a tailor-made collection of desirable real estate complemented by extensive facilities including world-class restaurants, boutiques, bars, a new sports centre, spa, an 18-hole championship golf course and direct access to an expansive ski domain, the project will forge a new path in Alpine tourism; one that pioneers sustainable luxury, stylish living and year-round access to an elite lifestyle.

The basic idea is that of an integrated holiday destination, where all guests and residents can enjoy the benefits of a modern resort without having to miss out on the traditional charm of an alpine village. The architecture of the resort has been meticulously designed to blend with its local surroundings and an uncompromising dedication to the highest environmental standards has been maintained at all times.

Andermatt Swiss Alps will include six new four and five star hotels, 490 spacious apartments housed across 42 buildings and 25 private residences. In partnership with 30 leading Swiss and international architects, each building will be designed using local materials such as wood, stone and shingle. The historic centre of Andermatt is easily accessible on foot, ensuring that the new resort blends seamlessly with the traditional village to form a harmonious whole.

A revolutionary new approach to traffic is being pioneered with nearly 2,000 underground car parking spaces situated beneath the site. Numerous subterranean entrance points will ensure that all apartment blocks and hotels are directly connected to the car park, while the area above ground remains a peaceful, car-free zone. Andermatt can be reached by train from Zurich within two hours (the trains run with characteristic Swiss precision), and can be reached from Zurich-Kloten airport in two and a quarter hours.



Owners will have access to a revolutionary concept in Alpine tourism: one that offers a highly privileged lifestyle, 365 days a year.

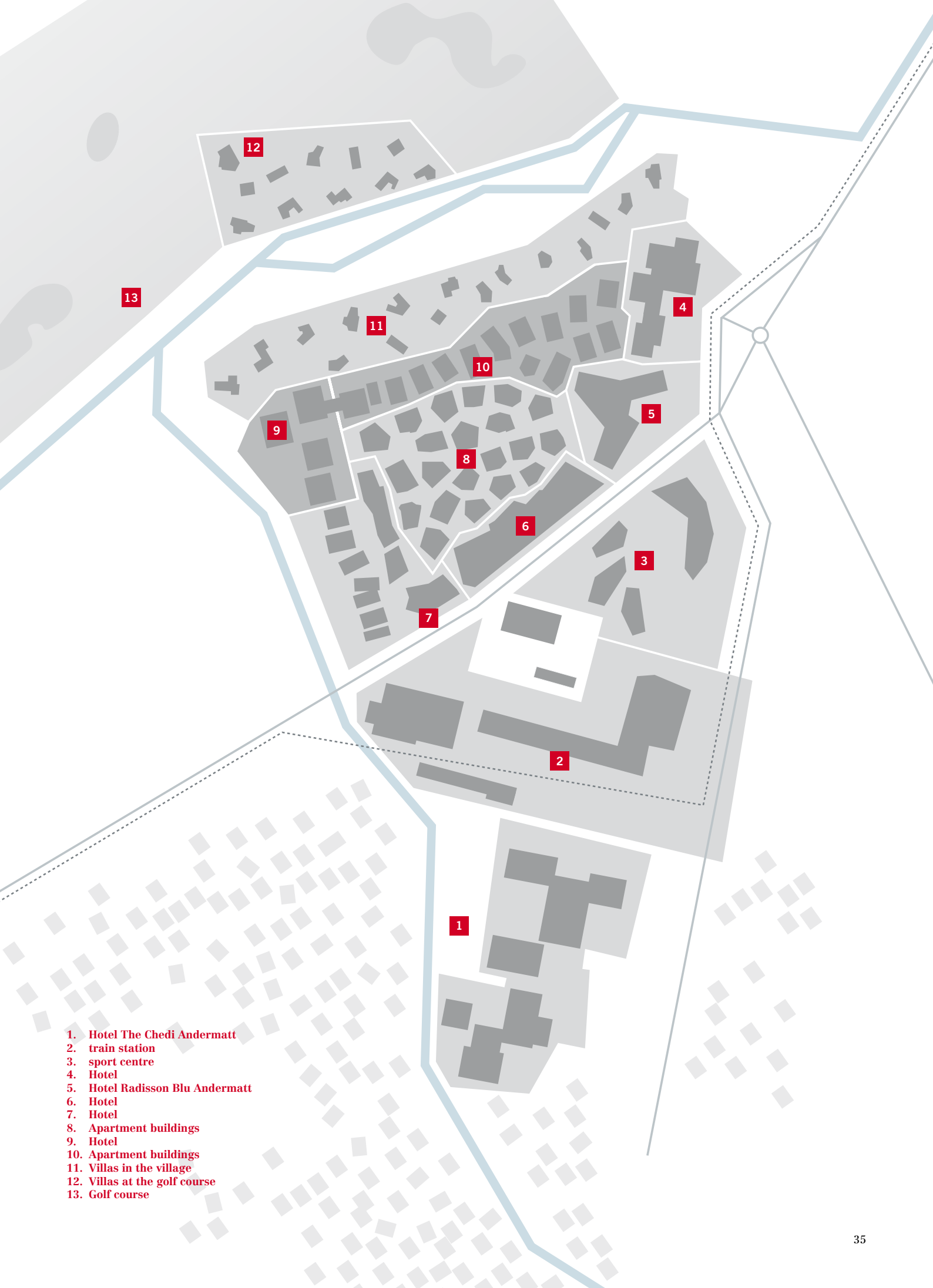
FACTS & FIGURES

1.4 million square metre area
6 four and five-star hotels with 855 rooms
490 apartments in 42 buildings
20-30 private chalets and holiday homes
35,000 square metres of shops, restaurants and commercial space
Sport and leisure centre
Conference facilities for approx. 600 people
1,970 parking spaces
18-hole golf course, international tournament standard
6-hole practice course

ANDERMATT SWISS ALPS SCHEDULE

End 2013 Opening of The Chedi Andermatt hotel
End 2013 Completion of the first private chalet
End 2013 Completion of the first apartment building
Mid 2014 Opening of the golf course

Planning status as of: May 2012



1. Hotel The Chedi Andermatt
2. train station
3. sport centre
4. Hotel
5. Hotel Radisson Blu Andermatt
6. Hotel
7. Hotel
8. Apartment buildings
9. Hotel
10. Apartment buildings
11. Villas in the village
12. Villas at the golf course
13. Golf course

Model for Success: Orascom Development

Orascom Development flagship
“El Gouna” (Red Sea)

1988



2012



Shining example El Gouna: The transformation of an uninhabited stretch of desert into a leading premier holiday resort on the Red Sea was the start of Orascom Development's success story and led to a strong increase in property prices, from which innumerable investors have profited.

Orascom Development Holding AG is a leading developer and operator of holiday resort destinations. An integrated resort concept, a contemporary approach to design and a commitment to upholding stringent environmental standards combine to ensure that guests enjoy the highest standards of living – and that investors profit from strong returns and long-term capital appreciation.

Orascom-Development-Project „Andermatt Swiss Alps“

2012



2020



Alpine resort of the future: the integrated concept behind Andermatt Swiss Alps will rouse Andermatt from its decades-long beauty sleep. Improving the destination through first class hotels, an expansive ski domain, a new golf course and spa etc. gives investors the chance to benefit from long-term capital appreciation.

(photographs taken from various points of view)

Triple-A: Andermatt Alpine Apartments

Architecture and Interior

The Andermatt Alpine Apartments form the heart of the Andermatt Swiss Alps project. Over the coming years, 42 buildings will be built to house 490 top-of-the-range holiday apartments for tourists and owners. A number of these apartments will be offered for sale to investors as “Triple-A-Apartments – Andermatt Alpine Apartments”.

The apartments are located in separate buildings, each comprising between 15 and 25 units. The number of units in each building has been kept to the minimum to maintain Andermatt’s historic charm, while traditional construction methods have inspired the architectural design. Each building is being individually designed by one of 30 leading Swiss and international architects, creating a diversity of style and construction techniques across the resort. A focus on traditional building materials such as wood and stone will emphasise a feeling of ‘Alpine chic’, a style that is being carried through to the interior.

Layout

The majority of the apartments are between 60 and 70 square metres in size, with some larger pent-house units available, in addition to some smaller studios on the ground floor. All have been expertly designed to optimise their use as a holiday apartment or second home.

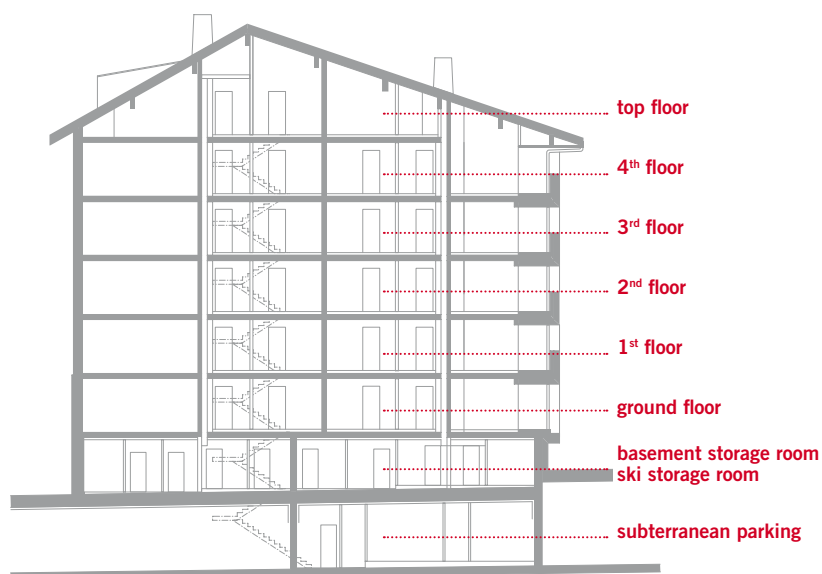
All the apartments are designed for four people and feature two bathrooms, along with sleeping space for an additional two people. State-of-the-art facilities are complemented by generous terraces or balconies, while the construction techniques meet the highest environmental and energy-efficiency standards. All apartment buildings have direct access to the underground car park.



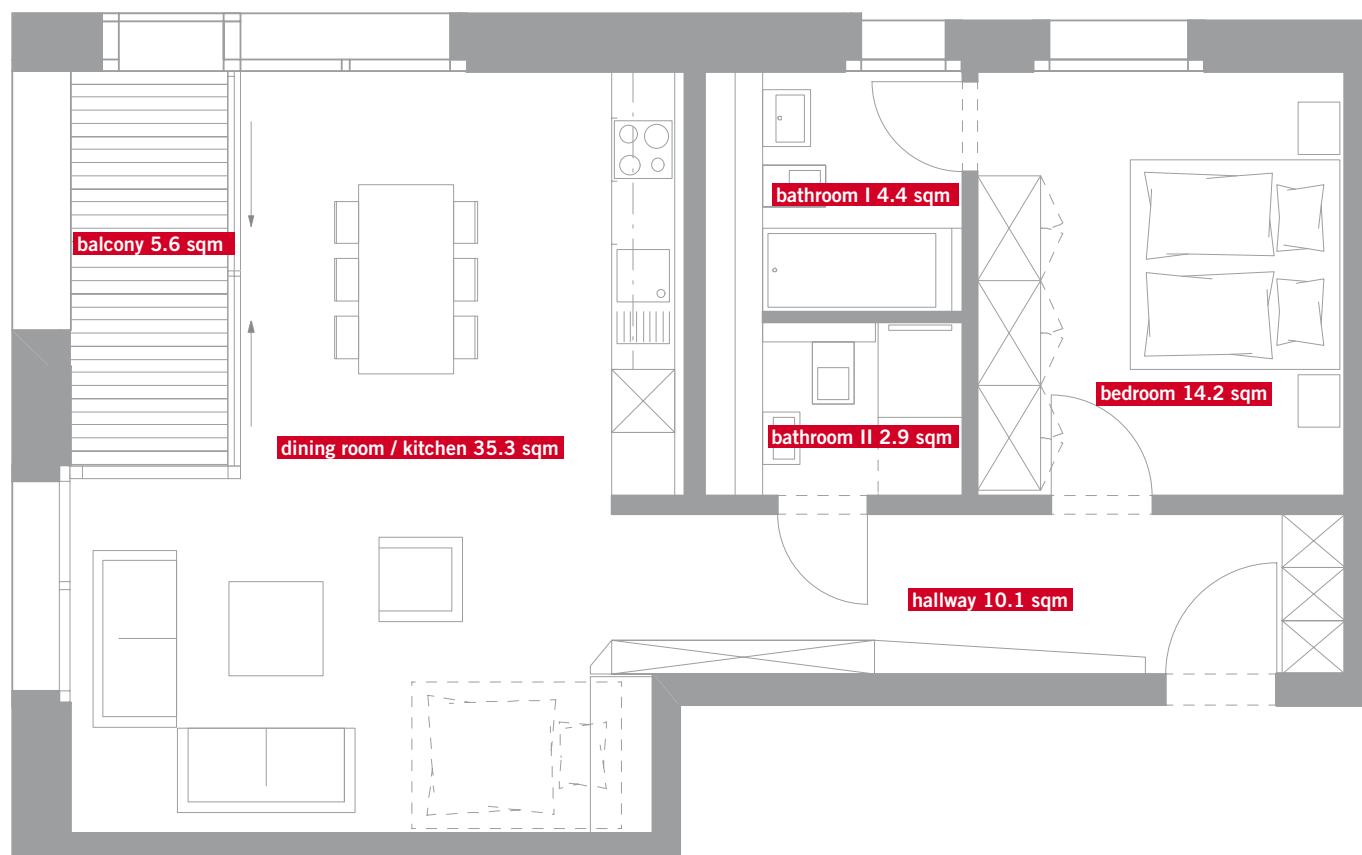
Facilities

All Triple-A-Apartments feature a living area, with parquet flooring and leather furniture, a dining area, a fully equipped kitchen and two bathrooms, one with a bath and one with a shower. The bathroom fittings are naturally of the highest standards.

The apartments include a master bedroom, which features a King size 200 x 180cm bed, and a secondary sleeping area for two people. In addition, the living area can be converted into an extra bedroom with the minimum of effort, creating an apartment that sleeps six. This flexibility in sleeping space gives the apartment a distinct advantage on the holiday rental market.



Plan of the Triple-A-Apartments – Andermatt Alpine Apartments (size: 72.5 sqm)





Renting & Owner-occupation

“Triple-A-Apartments – Andermatt Alpine Apartments” are designed to offer buyers an attractive investment opportunity. Our key objective is the generation of income from the rental of the apartments; an additional incentive is provided by the opportunity to use the apartment for personal use.

Active Marketing

The operator of Andermatt Swiss Alps will assume all responsibility for the apartment’s generation of income through tourism. This includes marketing and all services related to the renting of the apartments to holidaymakers (customer care, cleaning, upkeep, accounting etc.).

Pooled Rental Income and Returns

All net rental income (gross income less Andermatt Swiss Alps' share) from the “Triple-A-Apartments – Andermatt Alpine Apartments” will be paid into a common pool. The funds in this pool shall then be paid out according to the size of the apartments. Payments will be made on an annual basis.

The amount of income generated for owners thus depends on the overall success of all Triple-A-Apartments and is incidentally linked to the success of tourism as a whole in Andermatt Swiss Alps. The most important factors are occupancy rates and the average income per night for each apartment.

Minimum Turnover

During the start-up phase, which will last five years, Andermatt Swiss Alps will offer to rent the apartments from investors. This will guarantee owners net annual returns of two per cent on their investment.

Income Distribution

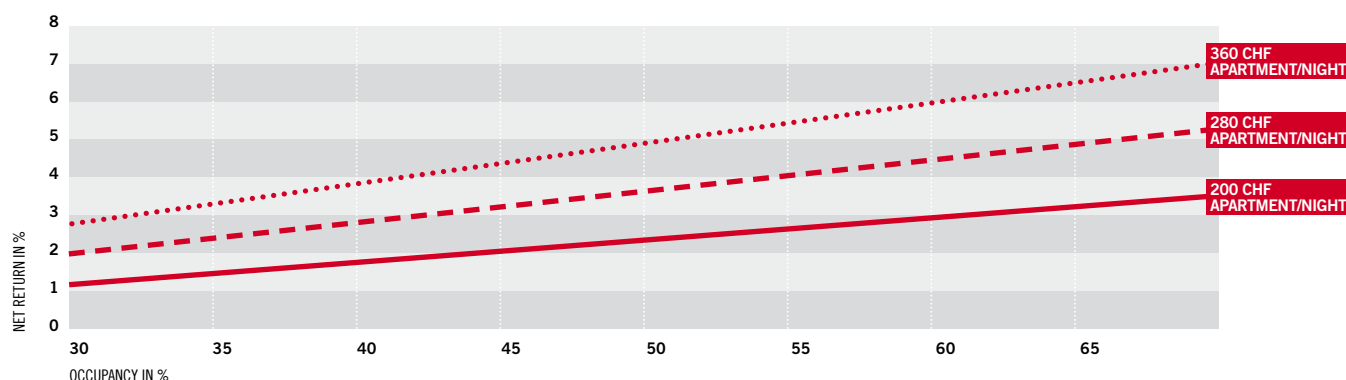
75 per cent of the net income from the rental of the Triple-A-Apartments will be paid directly to apartment owners and 25 per cent will be paid to Andermatt Swiss Alps as operator of the apartments. The 25 per cent received by Andermatt Swiss Alps covers all costs related to administrating the operation of the apartment building. The maintenance fee and utilities bills will be covered by means of an annual payment to the owners’ association. This up-front payment is currently expected to come to CHF 100/sqm per annum and covers:

- Heating, electricity, water, common areas
- Pro-rata maintenance costs (e.g. waste disposal, snow clearance, cleaning and other costs for the common areas)
- The FF&E fund (covering rent-related damages)
- Pro-rata building insurance

Use by Owners

The Andermatt Alpine Apartments are available for use by owners for up to 30 days per year at no extra cost. This corresponds to a value of at least CHF 4,800. Any further use shall be subject to a usage fee.

OCCUPANCY, ROOM PRICES AND RETURNS*



*From year six; over the first five years a minimum return of 2.0 per cent net applies.





From Winter Resort to Year-round Destination

The guiding principle behind Andermatt Swiss Alps is to construct an attractive year-round resort destination. While the new, expansive ski resort will strengthen the appeal during the traditional high season, a number of cultural, leisure and sporting activities will provide the basis for summer tourism.

Expanding the Ski Resort

Plans are currently underway to comprehensively upgrade and expand the two ski resorts of Andermatt and Sedrun to create a large, family-friendly ski domain with South-facing sunny slopes and largely medium-difficulty pistes. The Gemsstock, located on the other side of the valley, has a legendary reputation amongst skiers throughout Europe for its beautiful and challenging off-piste runs.

Golf and Summer Sports

The 18-hole golf course conceived by leading designer Rossknecht will be one of the highest altitude golf courses in Europe and will meet international tournament standards. The golf season begins before the end of the skiing season and lasts around 170 days. Andermatt is also the ideal location for summer alpine sports ranging from high-altitude alpine hiking and climbing excursions to paragliding, rafting, mountain biking, canoeing and kitesurfing.

Sport and Leisure

The indoor sports complex, which will comprise a fitness centre and swimming pool, will feature a year-round programme of leisure activities, while a luxury spa will offer a dedicated list of exclusive treatments and wellness packages that will focus on restoring health and preventing illness. Health-related tourism is largely unseasonal, meaning that it can be expected to play a significant role in strengthening visitor numbers off season, particularly during the autumn.

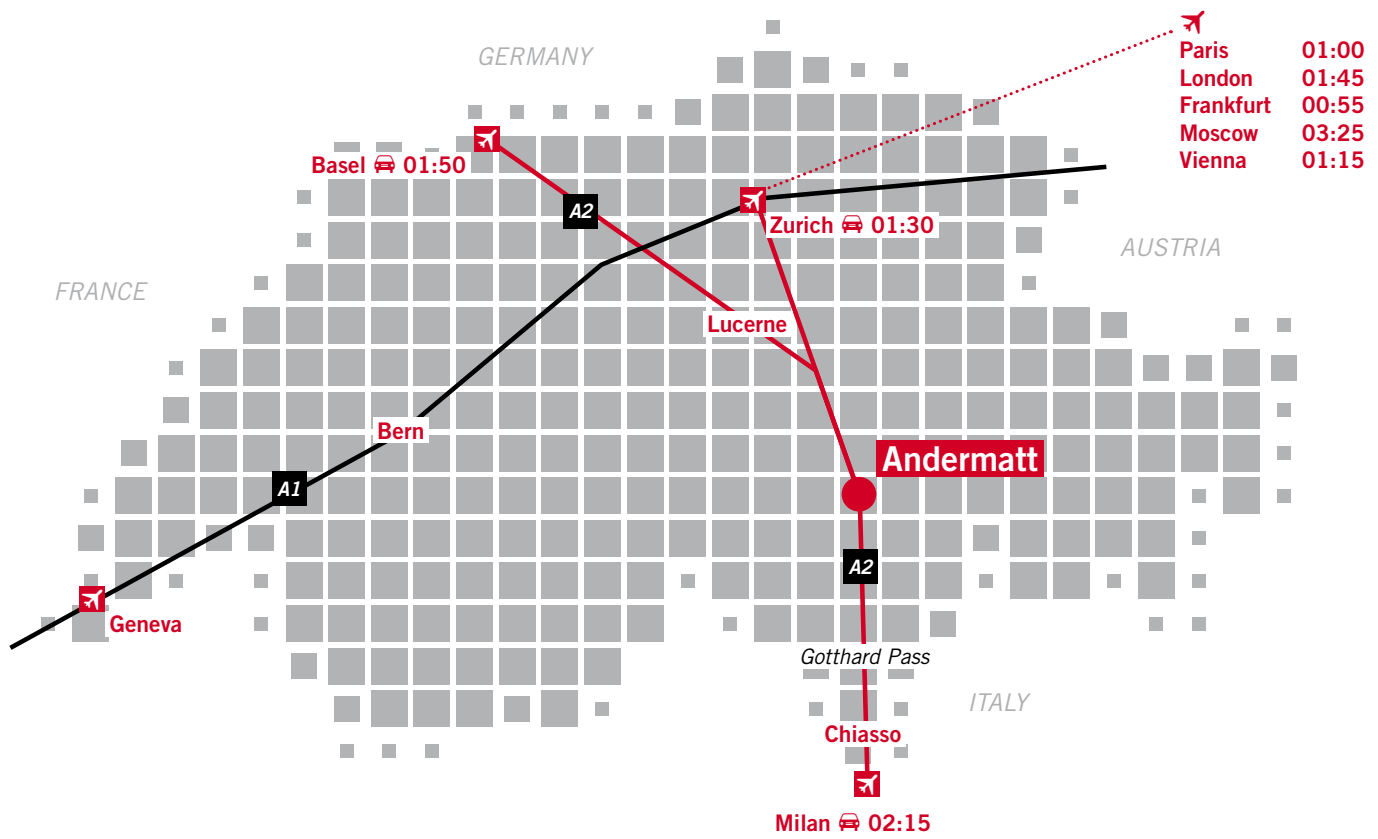
Conferences and Seminars

Easily accessible from key business hubs and situated in a spectacular Alpine location, Andermatt is ideally positioned to become a highly sought-after venue for meetings and conferences. In partnership with its exclusive hotels, Andermatt Swiss Alps will market itself as a leading international conference venue, catering for up to 600 participants.

Culture and Lifestyle

Andermatt is also an ideal destination for culture lovers. The world-famous Lucerne Festival is just one of the many high class cultural events to take place each year in the immediate vicinity.

Perfectly Accessible



Your Advantages at a Glance

- + Property entered in the Swiss land registry
- + Exempt from “Lex Koller”
- + Potential for Swiss franc to increase in value
- + Optimised layouts, top quality facilities and subterranean parking
- + Perfect environment with top hotels and exclusive chalets
- + Modernisation and expansion of the ski region
- + Year-round destination offering skiing, golf, spa and conference facilities
- + Easily reachable from Zurich and Milan international airports
- + Marketed by Andermatt Swiss Alps
- + Guaranteed rental income for the first five years
- + Pooled rental income and fair distribution thereof



Informational Brochure and Warnings

1. General

The success of the investment model cannot be predicted with certainty. Consequently, this brochure only has recourse to forecasts. The performance figures are based on past values, as are all investment forecasts, and thus cannot provide reliable predictions regarding future performance. In particular, conditions that cannot normally be influenced (such as construction costs, rental income, property values) may develop to the detriment of the investor. Previous projects of the Orascom Group are thus also unable to provide predictions relating to the current Triple-A-Apartments – Andermatt Alpine Apartments project. The term Triple A only refers to the name Andermatt Alpine Apartments and should not be interpreted as providing any information on the credit rating of the Orascom Group nor the companies in the group.

This brochure in no way constitutes an offer and is not a recommendation to buy or sell. It is intended purely for informational purposes. Any concrete decision to invest in buy-to-let apartments should first take place following an in-depth consultation, and we would be happy to provide you with such an opportunity to discuss the project.

2. Property-specific Risks, Fall in Value

In general, when investing in a real estate project, you should always take into account that rental demand may be lower than expected, rental rates may fall and that changes may be made to the relevant legislation.

In relation to buy-to-let apartments, the value of the property may fall despite extensive insurance coverage. Above and beyond that, changes to construction requirements can lead to delays, price increases or the need for additional investment. Negative consequences may also arise from deficient construction, court cases involving construction firms or brownfield status of the plot, which can result in an increase in the required financing, a delay in completion (also related to the economic cycle), or a reduction in earnings.

The property value and/or possible uses may be influenced by public restrictions, changes to the zoning designation or buildings in the neighbourhood. A lack of demand from tenants or buyers can also lead to a drop in value.

If the entire project should not be completed for whatever reason, this may result in a loss in value, including the total loss of invested funds.

3. Financing risks, foreign currency, interest rate risks, debt financing

When investing in a foreign currency, the success and performance of the transaction is always dependent on the exchange rate. Changes to the exchange rate can thus result in both a rise and fall in earnings and in the value of the investment.

In conjunction with this, you should also be aware that any future changes to the market interest rate represent an interest rate risk.

Any investments backed by debt financing can lead to an increased risk – in particular should one or more risks (cumulated risks) associated with the property come to bear, you as an investor nonetheless assume the responsibilities associated with the debt financing.

4. Legislative Changes

This project assumes that the current legislation shall remain in effect; in particular the current exemption from “Lex Koller” (governing restrictions on the purchase of land by persons in foreign countries) at least until the end of 2030. There is always the risk that legislation is changed to completely exclude foreigners whose main place of residence is outside Switzerland from the right to purchase property or to introduce more stringent requirements. If such legislation is passed, retrospective application of the legislation cannot be excluded. The fate of previously acquired land or apartments in such a case is thus unpredictable.

The purchase of a buy-to-let apartment in no way affects the regulations and conditions applying to the right of residence.

5. Returns, profit situation

No returns can be guaranteed between the purchase of a buy-to-let apartment and the completion thereof.

The minimum turnover and minimum returns of 2 % in the first five years (which require the apartment to be rented to Orascom by the investor) is subject to the risk of fluctuations in occupancy rates and a drop in demand for apartments, which may bring with it a bankruptcy risk and/or credit risk of the contract partner. This means that the minimum return of 2 % may not be met under certain circumstances and a total lack of returns is also possible.

6. Increased costs

Due to fluctuations in costs, the costs for maintenance and repairs may increase, which can lead to a change in the earnings situation of investors after the 25/75 split in revenue.

The failure on behalf of other investors to pay their share (e.g. of operating costs, insurance etc.) can lead to higher costs for investors.

7. Tax Law Status

This investment model needs to be evaluated with the investor’s personal tax advisor within the context of the investor’s personal financial situation in order to determine the appropriate tax status. The tax status of such models may change at any time, including retrospectively.

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