

The Devon Valley Hotel



Erinvale Estate Hotel & Spa



Louis Group Hotel Debentures

We invite you to purchase Louis Group Hotel debentures in the Devon Valley Hotel, the Erinvale Estate Hotel & Spa and future hotels which may be acquired.

Louis Group is a family company which was established in 1914 and has over nine decades transformed itself into a global Property, Hotel, Financial Services and Technology Group. Built on Christian and family values, the Group has been able to establish its business interests in England, Germany, Isle of Man, Namibia, Scotland, South Africa and Switzerland.

The decision by the Group and its partners to purchase and refurbish the Devon Valley Hotel in 2004, marked the beginning of an exciting journey into the hospitality industry, which saw us receive a number of prestigious awards including 'Best Boutique Hotel in South Africa 2008' and 'Best Boutique Hotel in Germany 2008'. In addition, our hotels have also won 2nd Gold Crown RCI Resort in Africa and 'Best Customer Rated Hotel' (Expedia.com) in Africa.

Louis Group Hotels, Spas & Vineyards, currently owns a suite of boutique hotels in South Africa and Europe, which all carry 'Premier' rating as hospitality establishments. Among these are:

- ▲ Devon Valley Hotel (Stellenbosch)
- ▲ Erinvale Estate Hotel & Spa (Somerset West)
- ▲ Place on the Bay (Camps Bay)
- ▲ Fairways on the Bay (Camps Bay)
- ▲ The Lobster House (Camps Bay)
- ▲ SylvanVale Vineyards (Stellenbosch)
- ▲ Schloss Hubertushöhe (Berlin)
- ▲ BahnHof (Gstaad)

These acquisitions serve to illustrate that as always Louis Group is to be measured by its actions; and we are keenly pursuing additional hotel opportunities in Southern Africa, prior to the 2010 World Cup, and in Europe.



The Devon Valley Hotel & SylvanVale Vineyards

The Devon Valley Hotel, recently awarded 'Best Boutique Hotel in South Africa' at the 2008 AA Travel Guides American Express Accommodation Awards, is a luxurious boutique hotel surrounded by its own vineyard, only 6 km from Stellenbosch. The hotel offers luxurious accommodation, impeccable conferencing facilities and an exquisite dining experience.

www.devonvalleyhotel.com

Erinvale Estate Hotel & Spa

Erinvale Estate Hotel & Spa is situated in Somerset West, neighbouring the magnificent Erinvale Golf Course and surrounded by the majestic Hottentots Holland Mountains. The typically Cape Dutch styled hotel is elegantly set amidst peaceful private gardens, quaint walkways and beautiful Oak trees. The rooms, main building, conference venues and petite chapel tastefully combine the original setting and high thatched roofs with a contemporary palette of earthy hues to add an African feel.

www.erinvale.co.za

The Promoter

The Promoter is Louis Group (SA) which currently owns the Devon Valley Hotel & SylvanVale Vineyards and Erinvale Estate Hotel. After the successful implementation of this debenture, the Company, Louis Group Hotels (SA), will consider purchasing other hotels from third parties or Louis Group Hotels (Global) – which owns Place on the Bay, Fairways on the Bay, Lobster House, Schloss Hubertushöhe and Bahnhof.

Three-year financial forecast of Louis Group Hotels (SA)

(includes only Devon Valley Hotel & SylvanVale Vineyards and Erinvale Estate Hotel & Spa)

	February 2009	February 2010	February 2011
Assets under management	77,000,000	77,000,000	77,000,000
ROA	11%	15%	17%
Revenue	29,198,000	36,010,000	39,970,000
NPBITD	8,741,000	11,592,000	12,903,000

Summary of the investment

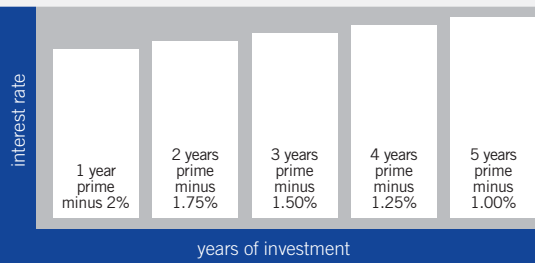
- The Promoter will issue 75,000 debentures at R1,000 each;
- The minimum investment is R100,000 (thereafter increasing by R10,000);
- The offer will open at 09h00 (SA time) on 25 June 2008 and close at 17h00 (SA time) on 23 September 2008;
- The investment period is for five years, which means that after five years the capital invested will be repaid to the investor, although the proposed investment period is for five years, Louis Group Capital offers a structured product which will enable you to invest for any time frame between one and five years.
- Louis Group (SA) Limited will provide investors with surety on their interest and capital invested; and
- The interest earned correlates to the period of investment, as illustrated in the below graph.

* The full details of the prospectus are available on request from a Relationship Manager.

Interest earned

The interest rate earned, directly correlates to the period (in years) in which the debentures are held.

E.g. If you commit to a period of 5 years you will earn prime less 1% on your investment, every year for a period of 5 years.



PROPERTY | HOTELS | FINANCIAL SERVICES | TECHNOLOGY

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global member of the Louis Group of companies | a family affair for nine decades

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