



CHAIRMAN'S OVERVIEW

‘With solid banking support, the Group has moved selectively in addressing the range of acquisition opportunities’

Whilst we are witnessing economic turbulence on a global scale currently, it is now more than a year since financial markets started to show signs of stress. Hence it is reassuring that the Group in the year to 31st March 2008 was able to maintain the momentum of its growth and profitability.

The property portfolio has continued to expand, particularly in tenanted operations. With solid banking support, the Group has moved selectively in addressing the range of acquisition opportunities. All properties continue to be carried at cost less accumulated depreciation, though estimated realisation value, even in a depressed market, is significantly in excess of net book value.

Managed Operations The Group has a substantial development portfolio and has progressed cautiously, but steadily, in its development program, with a spread of new openings and refurbishments. That momentum has continued in the current financial year with 3 new launches over the last month in Glasgow, East Kilbride and St Andrews. Details of managed houses are available at the Group's website

Tenanted Operations Tenanted operations have continued to expand, with selective additions to the portfolio, and the recruitment of key personnel. The division benefits from close rapport with the retailers, providing them with a range of support in addressing challenging market conditions.

Support Services G1 is committed to providing the effective support to both managed and tenanted operations and all areas of systems and delivery are under continuous review. Over the last year the Group has been fully committed in utilising the latest innovative technologies in enhancing its telecommunications networks, and focusing on online strategies that deliver real time bookings.

Looking Ahead Times are turbulent with pressures on disposable income, food and beverage costs and utilities charges. The Group sees itself as well positioned to meet these challenges and to take advantage of acquisition opportunities which will undoubtedly emerge.