

WELCOME

Welcome to our latest newsletter. When we call this the summer edition, we're referring to the calendar, not the weather!

We're pleased to announce further expansion of our management team in the past quarter. The company now has a fourth director: Bruce Hertogs (Gill's brother). Bruce has outstanding managerial, analytical and networking skills, having worked for some years in the printing and paper industries in the UK and continental Europe. We feel empowered and inspired by his expertise.

This is a challenging time for property companies in the UK. A recent residential market forecast (Jones Lang LaSalle, May 2008) predicts that UK house prices will continue to fall this year and next year, but then states: "Most importantly we are confident that house prices will recover strongly in the medium term."

Giroma's regular readers will know that we see property investment as a long-term commitment. This means that our strategy and priorities need to be flexible enough to adapt to changes in the market. Accordingly, although we're just as busy as before, our focus has shifted in recent months - for instance, we're putting more time into our rental portfolio these days.

Certain things haven't changed, though. People are still at the heart of our work. And our research continues apace as we seek out opportunities that look likely to generate the substantial returns that our investors have come to expect. If you're already one of our investors, we hope you know how much we appreciate you. If you're thinking of investing in our work, perhaps as a toe-in-the-water exercise initially, we hope this newsletter will nudge you a little further down the beach. If you're reading *Giroma News* for the first

time, we hope you'll enjoy it. To find out more about what makes us tick, please visit www.giroma.co.uk



Our land in Cynonville (see p2)



One of our recent visits (see p4)

CYNONVILLE

Plots for 5 detached homes

The planning consultant has talked to the Council about alternatives for our land so that we can develop it in better harmony with the village's established style of housing. On the Council's advice he's now written to the Highways Authority to sound them out about numbers and feasibility. We'll report to you via the website as soon as we have something specific to tell you.



Our land in Cynonville

PLOVDIV, BULGARIA

Land for development

Our application for re-zoning the land is going through the usual bureaucratic channels. The latest word we have from our Bulgarian partner is that so far all is well on that front.

Although the process is slow, we can take comfort in the knowledge that Bulgarian property values are holding their own. This is good news for everyone who's invested in our Plovdiv project. According to Knight Frank's Global House Price Index, Bulgaria has experienced the world's greatest annualised price growth for two quarters in a row: 31.5% in the first quarter of 2008 and 33.7% in the fourth quarter of 2007.



Foros, an estate agency based in Varna, expects property prices in Plovdiv to rise by 15% this year. Prices down town rose by 61% last year!



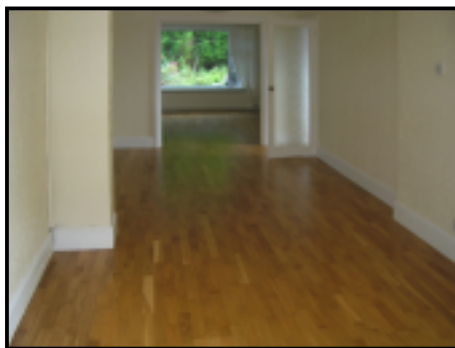
Above: Our land near Plovdiv. Inset: Roman amphitheatre in Plovdiv

Wherever possible we prefer to do our own property management. In these days of burgeoning regulations, the paperwork just seems to multiply. If nothing else, it generates a steady stream of work for plumbers and electricians.

We do regular maintenance checks on the properties so that repairs can be organised systematically. To help us with these, we have an expanding network of local suppliers and contractors. We also employ a part-time gardener/handy person who can

often be seen whizzing around in our white van, carrying all manner of useful items in the back.

An essential part of the work is keeping in touch with our tenants, and we do this ourselves: scheduling maintenance visits, producing quarterly rent statements, liaising with Council officers if a tenant's



Above: Rental property management

Housing Benefit is being queried, and creating payment plans for families who've fallen on hard times.

LOOKING AROUND

We're always looking for new projects that have the potential to yield a good return. In the last few months we've viewed half a dozen period properties for a niche market development. So far none have met our criteria, but we know there's a demand for what we have in mind, so we're not giving up.



Another recent visit

YOUR TURN

If you know anyone who might be interested in our work, please give them our contact details and encourage them to get in touch. Or pass this newsletter on to them when you've finished with it.

They would be most welcome to browse our website, register for one or more of our programmes, or contact us personally. We welcome enquiries at any time by e-mail, post and fax, and during UK business hours by phone. We enjoy talking to like-minded people and will do our best to answer any questions they may have about our projects and strategy.

If anyone wishes to come and meet us and see some of our projects for themselves, we will be pleased to arrange a visit at a mutually convenient time. This will enable them to gauge the quality of our work in progress and form their own impressions as to our integrity and efficiency.

SHARE A DEAL

The list of investors continues to grow. Registration on our website is free and without obligation. Joining this list will enable you to read about new opportunities as they become available.

Time is of the essence in these cases: as you may recall from our last newsletter, the Blakeney project list filled up within days in March and we had to turn keen applicants away at the end.

NEXT EDITION

Our autumn newsletter will be out in October. For news of our projects between now and then, please visit the website.

Thank you for your continued interest in Giroma.

QUOTE OF THE QUARTER

*A man must make his opportunity,
as oft as find it.*

(Francis Bacon)

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