

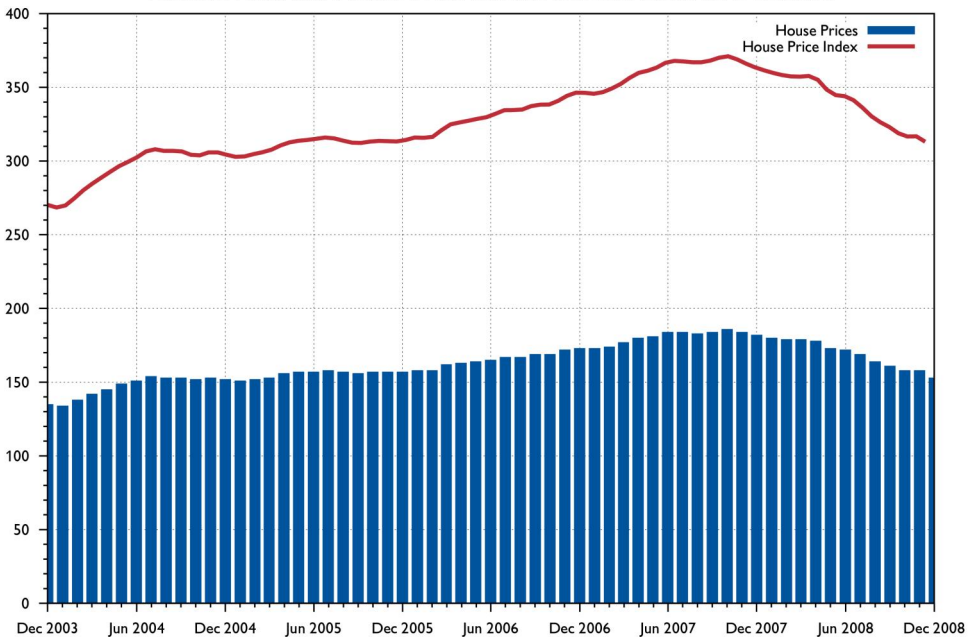
## WELCOME

Welcome to our twentieth quarterly newsletter. This comes with our very best New Year wishes to all our readers. We hope 2009 will be a year for focusing on what matters most of all to you, and for building your own well-being and prosperity.

What does it mean to build prosperity? Every reader will have a unique answer to that. For us at Giroma, it starts with seeking to understand people's needs and suggesting mutually beneficial solutions.

These are tough economic times and many people are feeling vulnerable. As a small 5-year-old company, Giroma too has difficult issues to grapple with day-to-day. We distributed our first newsletter in April 2004 when the company was just 3 months old. The UK property market was rising fast but has changed significantly since then.

House Prices and House Price Index from Dec 2003 to Dec 2008



Source: Nationwide

In response to these changes we've diversified our work and built our team accordingly. Our initial focus on refurbishing and selling property has broadened to include expanding and managing our rental portfolio.

In today's testing financial climate it's worth considering the role perspective plays in

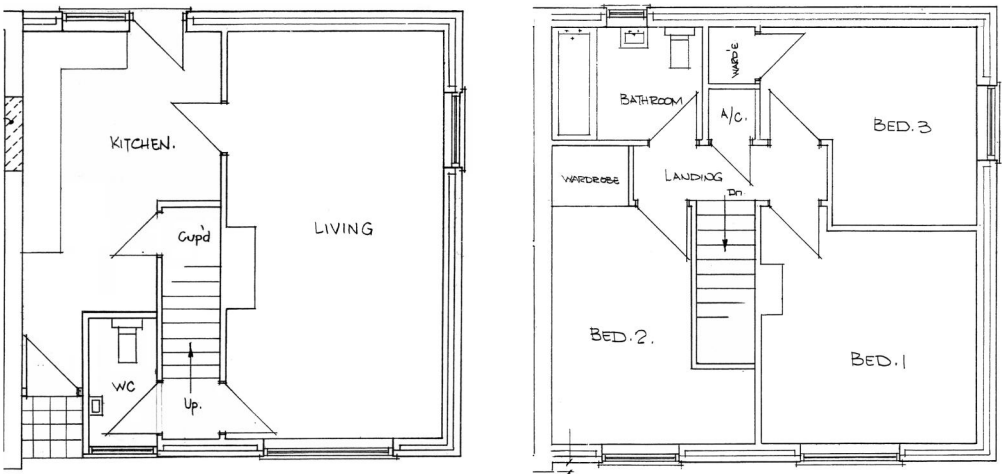
shaping our reality. As directors, we continue to draw strength and purpose from Giroma's core values: taking the long view, seeing property in its social and ecological contexts, encouraging continuous learning, and building relationships by creating win-win solutions. In summary, people remain at the heart of our work.

We hope you'll enjoy this short update. For more information, please visit the website: [www.giroma.co.uk](http://www.giroma.co.uk)

## **BLAKENEY**

Planning Permission Granted

The local Council has given us full planning permission to build a 3-bedroom terraced home on our Blakeney site in the Forest of Dean. Our next steps are to choose a builder and apply for Building Regulations. As small homes are still in short supply around here, we're confident that this new one will meet a need - either for buyers or tenants.



*Above: the approved interior plans for Blakeney. Downstairs left and upstairs right.*

## **CYNONVILLE, SOUTH WALES**

Land for development

Unfortunately we have no such exciting news to report about Cynonville, though here too we're working with an energetic planning consultant who has extensive local experience. Like us, he thinks that our land would be better suited to a larger number of smaller dwellings: semi-detached homes with 2 or 3 bedrooms which would fall into the price range of many working people in the area. Our site plan has been re-drawn with this in mind.

Our consultant has talked informally with the local planners and the Highways Authority and demonstrated that our proposal fits within the Highways Authority's guidelines. Since then he's asked the Council repeatedly for written confirmation that they've seen the relevant documents. Although he's still waiting, he feels this is the best way forward for now.

The original planning permission is for 5 detached homes. This still stands as a fall-back position, but we'd rather keep pressing for the larger number of dwellings.

## **PLOVDIV, BULGARIA**

Land for development

Rob and Gill visited Plovdiv in early December. Our Bulgarian partner was in excellent spirits, busily adapting his business strategy in view of the financial squeeze extending into Bulgaria. He too looks for opportunities in all situations and adjusts his approach to suit the needs that he sees.

He expects our land to be re-zoned this spring. After that it generally takes 1-2 months to get building permission. Before applying for that we'll need to decide how best to develop our plot for the local market, so we want to flesh out some details with our partner on his next UK visit in March. If all goes well with the next stage of our application, building can start in the summer.

Our partner told us that an English investor he knows had just sold some land near ours after having it re-zoned. The price of his land went up 2.5 times in 2 years.

According to Wizz Air's December in-flight mag (p. 51), "canny buyers can still find profits

in certain Central and Eastern European countries, most notably Romania, Bulgaria and Poland... In some parts of these countries, property prices are still rising. Underwritten by an expanding industrial base, some of the secondary population centres have growth potential, particularly the cities: Cluj-Napoca, Iasi and Constanta in Romania; Plovdiv and Varna in Bulgaria; Lodz, Wroclaw and Poznan in Poland."

## **SHARES FOR SALE**

As announced in October, shares are available for purchase by interested investors. While share values on the Stock Market can soar and plummet, we're a private limited company and not listed on the Stock Exchange. The value of our shares is not influenced by the media but rather is set by the company. Please see the website for further details.

## **RENTAL PORTFOLIO, ANYONE?**

Because our buying programme brings in more properties than we can buy ourselves, we'd like to pass some on - so if you want us to help you build your own portfolio, let us know.

The current market offers excellent opportunities to negotiate deep discounts. These deals provide a strong rental cash flow. You can expect to get a good 2- or 3-bedroom home whose rent produces 6-10% gross p.a. We can find and manage the property for you, thus presenting you with a great long-term, hands-off investment.

Investing in rental property is like planting an apple tree. For the first few years you may not see much increase in fruit, but it will build up as the years go by. After 10-15 years your property will be producing nicely and will probably have doubled in value. You might consider buying 2 or more properties and using the increased value over time to pay off



*Above: Philip II of Macedon in Plovdiv*

half the portfolio and gain access to more of the rent.

We see the current property downturn as a great time to grow your portfolio. Residential house prices may well go down further, but by buying carefully you can own an asset which is cash-positive month after month. Then fluctuations in the capital value, within reason, are not a major issue.

## LOOKING FOR MORE INFO?

The best way to find out more about our current investment opportunities is to visit the private area of our website. Because this is designed specifically for experienced

investors, you'll need to register to gain access. This process is quick, costs you nothing, and places you under no obligation. Just go to the website, click "Register Your Interest" and follow the instructions on screen.

Once you've registered, you can get straight into our private investors' area to read about the available offers. We'll add you to our mailing list and you'll find out about opportunities as they come along.

Joining the mailing list is free and places you under no obligation. Being on the list will keep you up-to-date so when we have the right opportunity for you, you can take it.

## 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'll 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 keeps growing. To join it, you must have registered with us. Sign into the private area of the website and click "Share a Deal". Once you're on the list, you can see new opportunities as they become available. Time is critical, though: the Blakeney project filled up within days last March and some people missed out.

## NEXT EDITION

Our spring newsletter will be out in April 2009. For news and information before then, please visit the website.

Thank you for your continued interest in Giroma.

## QUOTE OF THE QUARTER

*Fear melts when you take action towards a goal you really want.*

(Robert G Allen)

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