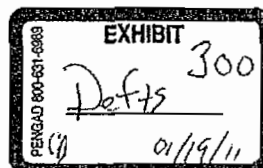


EXHIBIT F

Maltby Capital Ltd
Annual Review
Year ended 31 March 2008



Changing Market Conditions

Market conditions were undeniably challenging during this period. The music industry was facing dramatic falls in CD sales, due to the following factors in particular.

Firstly, piracy had a substantial impact on sales. Industry sources such as the International Federation of the Phonographic Industry (IFPI) have argued that illegal downloads outnumber legal sales online by a factor of 20 to 1 and that billions of dollars have been lost to piracy. However, the impact of piracy is complex and some have argued that pirated tracks consumed cannot be proven to equate directly to lost sales (people who cannot afford to buy CDs may pirate them) and that pirating may sometimes promote consumption by helping to create a reputation for music. There is also evidence that people who pirate music buy more music than some other consumer groups. What is clear, however, is that the early impact of illegal downloading on CD sales was significant and that piracy has made retailers significantly more price sensitive, contributing to the general transformation of the industry.

Secondly, the shift to digital resulted not only in lower physical CD sales and in piracy but also in a significant change in general consumer attitudes to music. Market research conducted in the US in 2006 showed that more than 73% of people believed music downloads should be free. The wider availability of free music through digital channels made sampling and downloading free a common practice and consumers in general began buying less and expecting to pay less when they did buy. The possibility of buying individual album tracks rather than having to purchase a whole album also decreased overall spend. At the same time, consumers began to be more discriminating about price and less prepared to pay for average products. Today, only outstanding product can command a premium price.

Thirdly, there were important changes to the retail market. Previously, CD sales were often through specialist music retailers, but this has changed as these retailers have faced competition from general retailers like supermarkets. These retailers either typically have less dedicated shelf space or have music competing with other entertainment products for shelf space. Our recent research shows that good products still sell (even to customers who were prepared to pirate more average music) but the average CD could no longer command the same price.

Finally, as the market fragmented and traditional channels to market were eroded, it became harder for most consumers to discover the music they wanted. In the past, there were only a few well-known ways of discovering music, such as the mainstream radio or TV programmes that promoted new releases, but the emergence of many and diverse ways to listen to and buy music left traditional consumers confused and deterred them from purchasing.

All these factors have had a significant impact on music industry sales.