



St. Zizzino
Ristorante

ASK
ITALIAN

BYRON



Outstanding brands

The Gondola Group is the market leader in the UK casual dining sector, operating PizzaExpress, Zizzi, ASK Italian, Milano (PizzaExpress' brand in Ireland), Byron and Kettner's. The Group employs over 15,000 people, serving over 40 million meals a year in over 680 restaurants.

Gondola's restaurants are positioned to offer a memorable eating out experience and great value for money, with typical spend per head (including value added tax) ranging from £15 to £19. Gondola's distinct brands have broad appeal and lend themselves to different occasions. Its estate of restaurants trade successfully in a variety of location types, from high street and local neighbourhoods, to shopping centres and retail and leisure parks.



Our strategy

Gondola has always maintained a simple strategy to:

Deliver

Deliver growth in profits from the existing estate

- we focus on 'restaurant basics' to deliver quality and value to our customers
- we use increasingly sophisticated marketing techniques to engage with our customers
- we proactively manage our cost base and working capital to maximise margins and cash flow

Expand

Expand the estate through the roll-out of our key brands

- we have maintained strong momentum in our openings programme despite the economic backdrop

Develop

Develop other growth opportunities, including new concepts and other revenue streams

- the rapidly growing Byron business is a great example
- we are also expanding PizzaExpress' international business



With its roots in Soho, this iconic brand was founded by a passionate foodie in 1965, and has been pioneering pizza on the high street ever since.



Zizzi stands out from the crowd with a Fresh Talent programme that's leading the way in casual dining.



With the business now gaining significant momentum, ASK Italian continues on its transformation journey.



The emerging brand that is fanatical about its simple, superb quality hamburgers, 'the way they should be'.



Home of drinking, dining and revelry in Soho since 1867.

Restaurants **418**

New this year **8**

Employees **9,100**

Average spend per head **£15**

Restaurants **126**

New this year **3**

Employees **2,800**

Average spend per head **£19**

Restaurants **117**

New this year **1**

Employees **2,300**

Average spend per head **£18**

Restaurants **27**

New this year **3**

Employees **800**

Average spend per head **£16**

Restaurants **1**

New this year **0**

Employees **100**

Average spend per head **£30**

Outstanding brands on the high street



“We are confident that the positive momentum in our business will enable us to deliver future growth.”

We have delivered a resilient performance, despite the challenging backdrop, as the UK economy remained under pressure. More encouraging trading patterns returned during the half year with consumer behaviour becoming more predictable, a good Christmas has led to strong performances from all of our businesses from there into the New Year.

We continued to significantly invest in, and develop, all of the Gondola brands, as they demonstrate that offering great experiences at affordable prices is what customers want.

PizzaExpress is well-positioned for continued growth with a strong foothold in the UK of over 415 restaurant sites and sales of over 31 million pizzas in supermarkets annually. Byron continued to grow from strength to strength, and has transitioned from emerging concept to proven business, expanding very successfully beyond London. ASK Italian's brand transformation is well underway and Zizzi's reputation as one of the most innovative and dynamic casual dining brands continued to strengthen.

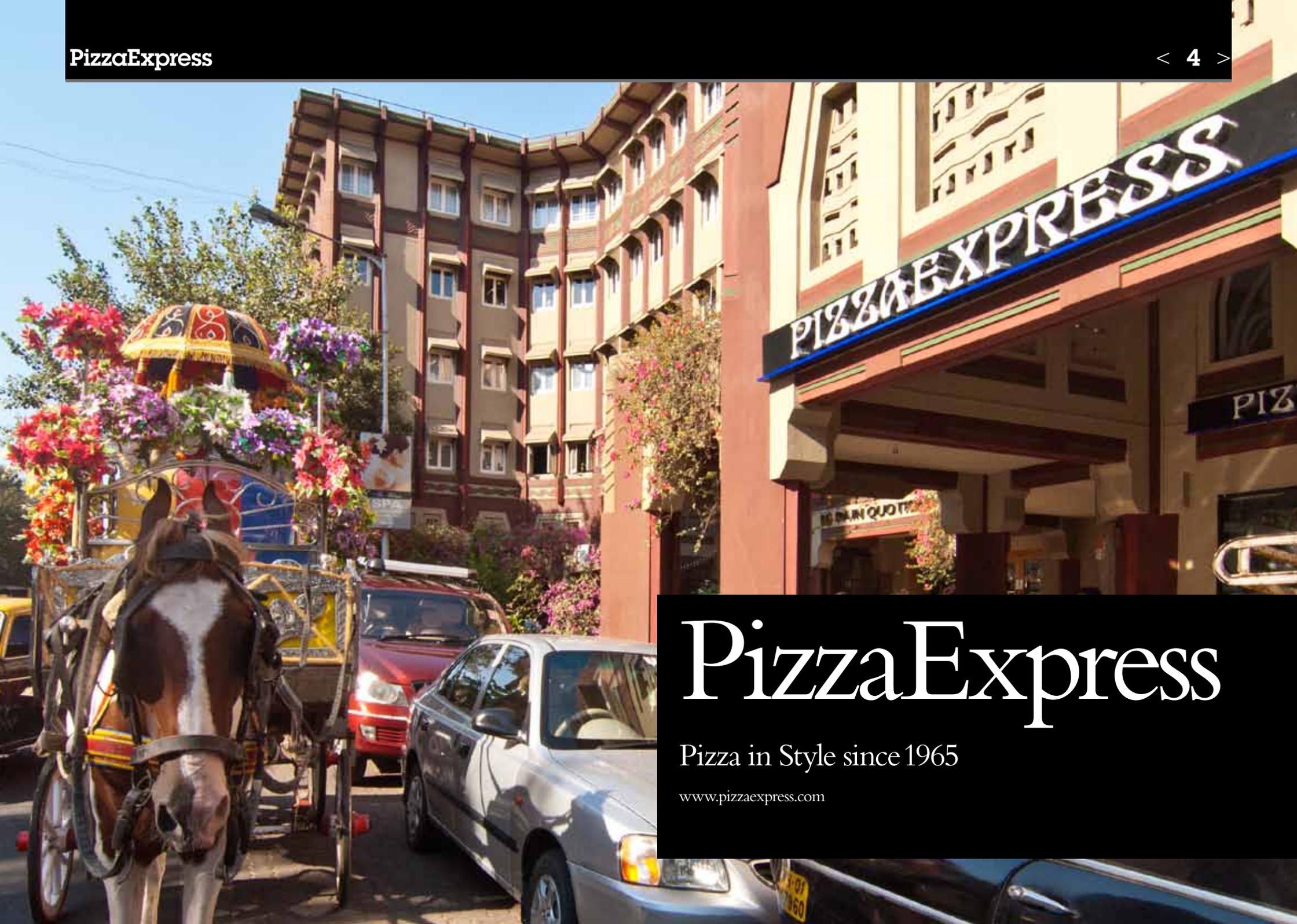
Our international PizzaExpress business gained good traction, now with over 50 restaurants in 12 international territories. We saw further success as we supported the growth plans of our existing franchise partners, particularly in the Middle East and Asia. In addition, we were excited to enter the Indian market, opening our first restaurant in Mumbai in December.

We do not anticipate any improvement in economic conditions in the near future and expect the coming financial year to remain tough. We will maintain our focus on delivering what we know our customers want, confident that the investment we have made in our brands, the positive momentum in our business and our pipeline of new sites, both in the UK and internationally, will enable us to deliver future growth.

Lastly, I would like to thank our incredible teams for their continued commitment, hard work and passion. They are the backbone of each of our businesses.

Chris Woodhouse
Chairman





PizzaExpress

Pizza in Style since 1965

www.pizzaexpress.com

Pizza in Style

With its strong foothold in the UK of over 415 restaurants and growing momentum overseas, this iconic brand has a bright future both home and away.

Serving up pizza royalty

PizzaExpress put Calzone on the menu just in time for Christmas. Traditionally eaten on the go with your hands, we teamed up with etiquette experts Debrett's to give guidance on eating the new dish with your hands as a fun way to invite customers to try the new Calzone the Italian way. Our take on the famous, folded pizza was created by our master pizzaiolo (head pizza chef), Antenor Siqueira, is called Calzone Proscuitto Pesto and has been an overnight success.

Pioneering new ways of engaging our customers

Our promotional and partnership strategy continues to pioneer new ways of engaging customers, supported by the development of increasingly sophisticated marketing and technological approaches.

Fast approaching our 50th anniversary, we continued to find ways of celebrating our role in British life. One such example of this was 'Claim Your Summer'. The most anticipated summer in

British history was the backdrop for the campaign, aimed at making our customers' summers even better. We designed a wallet-sized 'summer pass' for every customer, entitling them to claim exclusive offers with a range of carefully chosen partners, as well as in-restaurant deals. Each offer ensured that the broad demographic of PizzaExpress' customer base could enjoy an offer that appealed to them. Facebook competitions, in-restaurant marketing collateral and on-pack retail offers encouraged everyone to claim their summer with PizzaExpress and showed the role we can play in our customer's lives outside of our restaurants.

We continued to serve up interesting events to engage our customers

PizzaExpress has always believed that music and pizza go hand in hand, which is why its jazz-loving founder, Peter Boizot, opened a music room in the basement of the PizzaExpress in Dean Street back in 1969. The club has become one of London's favourite live music venues and continues to pioneer live music in the UK. Over this period,

PizzaExpress launched a new music night called Soho Sessions. A melting pot of musical talent, curated by BBC Radio 3 presenter Nick Luscombe, and headlined by Grammy nominated musician Gregory Porter, who performed an impromptu duet with international singer songwriter Jamie Cullum. The night was just one example of interesting music nights that play out in restaurants across the estate.

Celebrating individual design

We continued to create beautiful restaurants, each taking their design inspiration from local stories. For example, one of our most recent new restaurants is set in a former Church in Morningside, Edinburgh, and celebrates the work of local author, Muriel Spark, and her most famous novel, The Prime of Miss Jean Brodie, which was partly set in Morningside.

www.pizzaexpress.com

"We teamed up with etiquette experts Debrett's to give guidance on eating the new dish with your hands as a fun way to invite customers to try Calzone the Italian way."



Brand health

The brand is in good shape as PizzaExpress retained its number one position on YouGov’s Brand Index for the Eating and Drinking sector for another consecutive year (December 2012). The Index measures overall brand health taking an average of six indicators: general impression, quality, value, satisfaction, advocacy and corporate reputation. PizzaExpress was also named the favourite restaurant brand among 18–24 year olds in the Youth 100 poll.

Our people

We continued to make significant investments in the recruitment, training and development of our people at all levels across the business. Programmes focusing on training and developing individuals who are passionate about the brand and our customers, have helped us maintain our industry-leading retention figures.

Supporting our communities

For a second year running we donated funds to Lawrence Dallaglio and Freddie Flintoff’s Cycle Slam, raising over £340,000 for cancer charities and child rehabilitation and physiotherapy units throughout the UK.

We continued our support of the Veneziana Fund, which gives 50% to the Venice in Peril charity, and the remaining 50% to the restoration, repair and maintenance of buildings constructed in the UK prior to 1750.

We also continued our PizzaExpress School Visits, turning our kitchens into classrooms, engaging thousands of primary school children across the country in fresh ingredients and the joy of cooking.

In each restaurant, our teams focused on changing everyday habits in order to help the bigger picture of looking after the environment. We also have various initiatives in hand to address energy saving and recycling, including installing smart meters into every restaurant so that we can reduce energy usage.

International

We have been focused on working closely with our franchisee partners since buying back the international franchise business, single-minded in our ambition to bring our international restaurants in line with the UK brand. Our partners are now seeing strong growth in their markets.

The latest jewel in our international crown arrived in December. Our first restaurant in India opened in Colaba, Mumbai. A joint venture between PizzaExpress and the Bharti Family Office, the restaurant is further evidence of the brand’s ability to travel and create value abroad.

Beyond our restaurants

Our supermarket pizzas delivered double digit sales value growth – selling over 31 million pizzas a year. This came from an increase in the number of households buying and higher frequency of purchase. Outside of pizza, we are the number one selling Light dressing and hold the top spot in the dining gift card market.

Looking ahead

PizzaExpress is well-positioned as the nation’s favourite pizza destination. With its strong foothold in the UK of over 415 restaurants – and scope for at least a further 200 – and growing momentum overseas, this iconic brand has a bright future both home and away.

www.pizzaexpress.com

“For a second year running we donated funds to Lawrence Dallaglio and Freddie Flintoff’s Cycle Slam.”

Lawrence Dallaglio with one of the children benefitting from his charity Cycle Slam.





Zizzi
individually Italian

www.zizzi.co.uk

Zizzi's fresh approach continues to attract a strong following

Zizzi's fresh take on design, food and service are proving to be a winning formula, reinforcing itself as a leading player on the high street.

New and fresh tastes of Italy

We've continued the ambitious transformation of our estate with our on-going programme of restaurant refurbishments; all have evolved using our network of up and coming artists – an expanding group of young, talented artists who bring a fresh, unique creativity to Zizzi. Each individual restaurant design captures elements of the local environment and creates a unique ambience which appeals to the youthful audience of the brand, along with Italian design features central to all of our restaurants.

Despite the challenge of the trading climate, Zizzi continues to deliver. With a continued focus on special occasions, we have also attracted more everyday dining customers through increasing awareness of our weekday lunch menu.

New openings

As part of our ambitious expansion programme, we have opened three new restaurants, in Cardiff Bay, Worcester and Watford. A further four openings are taking place during the remainder of the financial year, each another opportunity

to create a unique dining space and work with emerging local talent in art and design. Industry recognition also highlights the strength of the brand design with accolades including a Bar and Restaurant Design Award for Zizzi at Leeds the Light (Best Restaurant in a Retail Space).

The brand

The evolution of the Zizzi brand is storming ahead with over 75% of the estate now fully transformed to the fresh and unique design DNA using the fresh talent art programme. Customer interest and interaction with the brand continues to grow with increased digital engagement, improved customer research scores and a record number of members on the Zizzi database.

Fresh and talented collaborations

We've combined forces with some high profile like-minded individuals to deliver inspiring brand campaigns and this has helped us increase brand buzz with customers. Chef and TV presenter Gizzi Erskine became the first face of our fresh talent mentorship initiative and worked closely with us to find a talented young chef and create an apprenticeship opportunity with Zizzi. Gizzi and the Zizzi panel selected Joe Gray, who created three courses available at Zizzi for two months, raising funds for The Prince's Trust via a donation for each dish sold.

This was followed by a collaboration by critically acclaimed artist Natasha Law, who designed a limited edition plate for Zizzi and hand-picked a talented young artist, Helen Turner, who gained the opportunity of mentorship from Natasha and the chance to showcase her work in Zizzi nationwide.

www.zizzi.co.uk

“Our inspiring brand campaigns have helped us increase brand buzz with customers.”



The Morar Big Restaurant Survey reported an increase in customer perception of healthiness.

Our commitment to charity

Entering a third year of charitable partnership with The Prince's Trust, we have raised over £120,000 to date through a combination of fundraising, campaign activities and customer donations through 'Pennies', the electronic moneybox payment system in restaurants.

Fresh, healthy menu

Responding to customer demand for healthier and lighter menu options, our newly introduced Skinny pizza range has expanded and our Supersalads continue to provide appeal to the health conscious diner. The Morar Big Restaurant Survey reflects this evolution, reporting an increase in customer perception of healthiness.

This has also been recognised with a Healthy Food Eating Out award for Special Diets. Our executive development chef Angelo Garofalo continues to take fresh inspiration from Italy and work with the simple and exceptional ingredients for our menu.

New faces through the door

Our promotional programme gives us the opportunity to drive sales where we need to, and helps us attract new customers. Tactical partnerships allow us to reach new audiences and grow our customer database. An increased investment in our CRM programme means that we have set ourselves up for a more sophisticated approach in 2013.

Looking forward

Zizzi continues to be in a good place. Its fresh take on design, food and service are proving to be a winning formula, reinforcing itself as a leading player on the high street.

www.zizzi.co.uk

“We have attracted more everyday dining customers through increasing awareness of our weekday lunch menu.”





ASK Italian

fresh, bold, authentic Italian

www.askitalian.co.uk

ASK Italian: we live, breathe and cook Italian

We are very excited about the coming year at ASK Italian

Passionately transforming our brand

With the business now gaining significant momentum, ASK Italian continues on its transformation journey to bring our 'Italian Lovers' vision to life.

Transforming and expanding our estate

We transformed eight sites in the first half of the year, introducing warmer touches and more Italian and foodie cues to our stylish, bold Milan inspired design. This refined design approach has culminated in the opening of our new flagship site at Bluewater at the end of November and represents the best realisation of our brand vision.

Customers are loving these stylish, buzzing restaurants and so we have revisited a number of previously transformed sites to layer in the warmer design touches with strong results.

Driving awareness of ASK Italian

We continue to engage customers with our brand story across national channels to drive reappraisal. The re-launch of our partnership with Great Ormond Street Children's Charity has formed the cornerstone of our first half communication activities. We have committed to raise £1m for GOSHCC over the next three years and two key initiatives have got us on our way – in September we began donating 25p from every kids menu sold and in November we launched the ASK Italian Cookbook – over 100 easy-to-prepare recipes from the ASK Italian kitchens, edited by Carla Capalbo with special recipes from our expert friend Theo Randall. £4 from every book sold in restaurants is donated to GOSHCC. In addition, both activities have generated significant media interest and consumer buzz.

This year we have repeated our successful new season olive oil campaign including our kids 'design an apron for Luca and Giuseppe' competition with winning designs posted on Facebook. A new film features Theo telling the story of our new season oil.

We continue to support each transformed site with local marketing activity to generate awareness and we continue to drive trial and offer value to our customers through our programme of national promotions, partnerships and in-restaurant offers such as our set menus.

www.askitalian.co.uk

“Our new flagship site at Bluewater represents the best realisation of our brand vision.”



Our teams are motivated, our expert friends committed, our food of a very high quality and our transformed restaurants are beautiful and alive with atmosphere.

Continuing to evolve our menu with chef Theo Randall

Theo continues to inspire and shape the direction of our menu, as well as our annual cycle of seasonal specials inspired by the ingredients of the season. We introduced several new, more authentic dishes to our main menu in October including 'Bucatini all'Amatriciana', a classic Roman dish made with wide hollow spaghetti. We also introduced a new gluten-free pizza base expanding our options for coeliacs and winning rave reviews. In addition, we have been trialling a number of new dishes which we are excited to be rolling out nationally in the Spring.

Investing in our people

The significant investment we've made in our teams continues to pay dividends, with customers acknowledging the warmth of our Amici style service in our customer feedback and in external research tracking studies.

As a consequence, staff retention continues to be strong. In addition, our leadership programme Avanti, has resulted in clear progression and career-pathing for our management talent.

We continue to invest in the 'ASK Italian Journey' – a training framework that identifies the key skills and knowledge required for every role in our restaurants accompanied by a training process that is regularly delivered to our teams. And our Italian Education programme goes from strength to strength as we bring Italian food and culture to life for our teams, including trips to Italy, so they can share their knowledge with customers. We featured the winning dish of our Primo Chef Shaun (a Risotto al Pomodoro), on our autumn set menu, and in November this year we also crowned our Waiter of the Year, Sarah from Abingdon in a closely contested final in our Spice Quay restaurant.

Looking ahead

We are very excited about the coming year at ASK Italian – our teams are motivated, our expert friends committed, our food of a very high quality and our transformed restaurants are beautiful and alive with atmosphere. We have a pipeline of new sites and an ambitious schedule for future transformations and we will continue to ramp up our external communications across digital, social and PR channels to drive reappraisal and talkability around our brand.

www.askitalian.co.uk

“We have been trialling a number of new dishes which we are excited to be rolling out nationally in the Spring.”





Byron

the way a hamburger restaurant should be

www.byronhamburgers.com

Bringing proper hamburgers to the UK high street

We started Byron in 2007 because we couldn't find the simple, classic hamburgers we'd enjoyed in the States anywhere in London.

We embarked on a mission to do one thing and do it well. Five years later, Byron has transformed London into a city of 'proper hamburger' lovers and as a proven business is now well positioned to take this mantra to the rest of the UK.

Proper hamburgers

Our core menu is built around a short list of classic hamburgers which we aim to execute flawlessly with quiet obsession and minimum fanfare. Ongoing refinements to the core menu are supplemented by regular specials to keep the offer fresh and reinforce our brand values. During the period, our specials comprised The Californian (based on a recent trip to the US), The Mo Burger (to support our partnership with the Movember charity) and the Triple Cheesemas (an indulgent Christmas cheeseburger) all of which were received enthusiastically by customers and critics alike and achieved excellent levels of participation.

To complement our hamburgers, we continued to develop our pioneering craft beer menu, showcasing high quality microbreweries from the US and UK. This period saw us secure exclusive listings from Bear Republic in California and SKA Brewing in Colorado, as well as new UK beers from Brewdog and Kernel, all of which proved popular with beer drinkers irrespective of knowledge or expertise.

A confident, innovative brand

We have built a brand with genuine soul and personality. As we develop our estate we have continued to invest in marketing to grow awareness and develop the brand relationship with our customers. During the period our mobile hamburger unit, The Shack, completed its third season on the UK festival circuit which included appearances at Bestival in the Isle of Wight and Cornbury in Oxfordshire. We also launched a more versatile, self-drive unit, The Van, for use at private events, pop-ups and street food parties, which had a successful summer residency at the Camden Town Brewery. Our ongoing partnership with the moustache-growing charity Movember, whereby we reward fundraisers with free hamburgers, raised £60,000 taking our total raised to over £120,000 since 2010.

Continuing our expansion, one restaurant at a time

In the first half of the year, we successfully opened three new restaurants in Oxford, Spitalfields and Bloomsbury, bringing the total estate to 27. The Oxford restaurant represents our first urban site beyond London and gives us high confidence for further regional expansion. We continued our individual approach to design, whereby each restaurant is tailored according to its local audience

and community, but under an umbrella of recognisable design values. This is a genuine point of competitive differentiation and underpins our reputation as an innovative, engaging chain.

Developing our team of hamburger obsessives

Our business owes its success to the quality, energy and personality of our people, who share our ambitious plans and our vision for 'doing things properly'. In the first half of the year our dedicated HR function has enabled us to improve our recruitment, appraisal and development processes in order to identify and nurture talent at both restaurant and operational level. We have also grown our central, marketing and finance functions, including the appointment of a Finance Director, and restructured our operations team to better resource our growth plans as we expand nationally.

With seven new openings scheduled for the second half of the year, including three outside of London, we are well positioned for the next stage in our journey.

www.byronhamburgers.com

"Our specials were received enthusiastically by customers and critics alike and achieved excellent levels of participation."





Kettner's

a home of drinking, dining
and revelry in Soho since 1867

www.kettners.com



A destination brand with genuine hospitality

We have continued to see growth year on year at Kettner's as we strengthen and build the brand as a destination venue for drinking, dining and revelry in Soho.

Developing great partnerships

We launched our Afternoon Tea in celebration of the Queen's Jubilee and all things British in the summer. Partnerships with Time Out, Bookatable and various Afternoon Tea websites have helped to build a consistent growth in covers in the last six months. Strong partnerships with West End theatres in both meal packages and press coverage with 'Singin' in the Rain' and 'Goodnight Mr Tom' in particular have been beneficial, as well as increased sales activity with PAs and surrounding businesses.

Product and team development

A new restaurant management team has invigorated the front of house team enabling us to hit some all-time Christmas revenue records and achieve great guest feedback on our online review sites. A vintage DJ in the Bar this year on New Year's Eve provided a fabulous atmosphere, further adding weight to our reputation as a celebratory destination. A partnership with Bloom London Gin for London Cocktail Week to create the 'Bloom Country Garden' saw record sales in the Bar.

Brand awareness

Our 'Herr Kettner's Kabaret' event has been an outstanding success with sell out events in September and November providing us with a credibly cool reputation on the London scene. Guests are invited to 'party like it's 1929' on our two floors of private rooms with risqué cabaret acts, an Absinthe fountain, vintage band, DJ, photo booth, magician and dance teachers along with great cocktails and exquisite food all inspired by the debauched and decadent world of Weimar, Germany.

A wealth of private dining and events

Our Events business has been our biggest growth sector so far this year in both the corporate and private sectors. Our daytime business has continued to thrive with meeting packages proving popular with the corporate sector and our 'Champagne Afternoon Tease' package ideal for

Hen parties at weekends. Key high profile events have included the English Heritage Awards with Andrew Lloyd Webber, Bombay Sapphire tasting, a series of fabulous bespoke events to celebrate Revlon's 80th Anniversary, the Darphin skincare launch and filming for Gok Wan's 'Style Secrets' Channel 4 programme and Daybreak's 'Little Black Dress Campaign' with Dannii Minogue.

Looking forward

Looking forward we will continue to develop and enhance our celebratory key events and range of menus and offer, ensuring Kettner's is firmly on the map as a destination venue in London's thriving Soho.



www.kettners.com

"A partnership with Bloom London Gin for London Cocktail Week saw record sales in the Bar."