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FirstGroup's chairman Martin Gilbert knew it was time to go

By David Oakley

Martin Gilbert's decision to step down as chairman of FirstGroup after 27 years at the company and its forerunners was a case of a man who could see the writing on the wall. Investor pressure for him to quit had become overwhelming.

As he candidly admitted on Monday: "I should have gone before. I was there at the beginning when we started in Aberdeen with 80 buses and I have taken it to the biggest listed rail and bus operator in the world. I am proud of what I've achieved, but it was time to go."

Investors first started demanding he quit more than a year ago as they accused him of taking his "eye off the ball" because of his commitments as chief executive of Aberdeen Asset Management and a non-executive director at Sky.

Investors might have been more sympathetic had the company's shares performed better, but an 80 per cent fall since the end of 2007 was not good enough for some shareholders.

There were also worries over the company's profit margins, with some investors pointing out that the group is the worst performer in the bus sector among its peers, including National Express, Stagecoach and Go Ahead.

Mr Gilbert clearly wanted to stay at the company and had resisted pressure to go on previous occasions.

"I have sorted out the balance sheet," he said, in part referring to dividend cuts and a rights issue that should raise enough money to prevent the group from being downgraded to junk status. I am very sad to go. To leave a company that you have been associated with for so long is very hard, but this is the right time and right way to go."

At the same time, he denied speculation that he was being lined up to take over as chairman of BSkyB.

Investors said that Mr Gilbert has been a good chairman and ambassador for FirstGroup but, as he admitted yesterday, "all good things come to an end."

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