



LONDON

CREATIVE INDUSTRIES

THE ESSENTIAL NEXT STEP FOR YOUR BUSINESS

LONDON™
& PARTNERS

WELCOME

London's creative credentials are the envy of the world.

Very few cities can match the talent, cross-sector collaboration, global reach and finance to transform ideas into revenues so speedily.

The city boasts some of the world's most gifted designers, advertisers, film production specialists, games programmers and animators, artists, musicians and writers.

As a result, London's creative industry is the capital's second largest sector, worth \$32 billion per year, generating 16% of the city's annual gross value added (GVA).¹

In our view, the next few years will present the perfect opportunity to tap into London's unique range of creativity and commerce. As a leading centre of convergence for emerging technologies and cross-business partnership, the capital provides a favourable environment for creative businesses with ambitious growth plans.

If you are considering expanding your business, London is well placed to help you develop and deliver products and services to multiple markets from a high-value, cost-effective base.

If you're in film or broadcasting, lucrative tax breaks await.² If you're a niche technology player, London is at the vanguard of streaming video, location-based advertising, social networking and smart phone technology, all emergent sectors hungry for new ideas.

Meanwhile, the London 2012 Olympic and Paralympic Games aims to embrace digital technology like no other global event, opening up massive opportunities for entrepreneurial companies expanding from overseas.

We at London & Partners, the official promotional agency for London attracting and delivering value to businesses, students and visitors, have helped hundreds of overseas companies in the creative sector set up here, providing the right insight, connections and opportunities to help businesses expand and thrive in London.

We look forward to working with you.

¹ Skillset, April 2010

² UK Film Council, 2010 (For films with a total core expenditure of \$31 million or less, the film production company can claim payable cash rebate of up to 25% of UK qualifying film production expenditure).

LONDON: EUROPE'S LEADING LOCATION FOR THE CREATIVE INDUSTRIES

If you want to grow your business, now is the time to expand to London.

London is a world-leader in the creative economy, with concentrated clusters of creativity supported by some of the world's best talent. The city is also the powerhouse of the UK's domestic creative sector, with one in three of the country's creative jobs based here.³

In particular, London excels in digital advertising, electronic gaming, film and broadcasting and product design.

With a London base you can:

- Modify, market and monetise your existing products and services faster thanks to the city's business-friendly environment, vast consumer base and deep talent pool.
- Develop new products, services and business models thanks to its position as the best location in Europe for convergence, between industries such as telecommunications, broadcast, digital gaming and social networking.



This is confirmed by a previous piece of independent research undertaken by Think London in 2007, 'London at the Centre of Convergence' which illustrates that convergence is an important factor in determining business success, with senior level executives citing cross-business fertilisation as one of the key drivers, amongst access to capital, technological infrastructure and talented staff for their global expansion plans in the Capital. This is why London has attracted more than double the number of new creative industry foreign direct investment (FDI) projects than any other European city since 2003.⁴

"London is Europe's creative hub and we believe it is the perfect place to develop the panasonic brand and our European customer base."

Toru Abe, Director, Panasonic Design Centre Europe

London has been voted number one European city⁵ for:

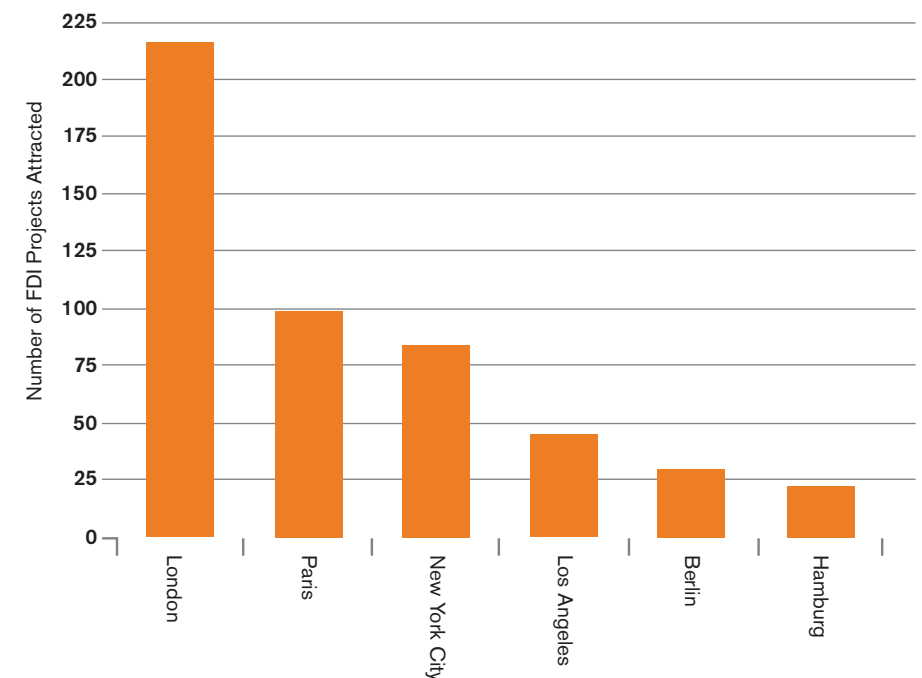
- Access to markets
- Access to qualified staff
- Transport links
- Telecommunications
- Languages spoken



"London was our first choice out of a number of world cities considered for our new operation, as it offered everything we needed – proximity to Europe, an abundance of creative resources, an internationalised business environment and, of course, major sports events such as the 2012 Olympics and Paralympic games."

Fred Popp, Chief Executive, SME Branding

Creative industry FDI projects attracted since 2003



³ London's Creative Workforce (2010 update), GLA Economics, Feb 2010. (32% of all creative industry jobs in the UK are located in London).

⁴ fDi Intelligence from The Financial Times Ltd, 2010. (London attracted more than 200 new creative industry FDI projects between 2003–10. Paris was the second most popular location, with 100 projects).

Source: fDi Intelligence from the Financial Times Ltd, 2010

⁵ Cushman & Wakefield, European Cities Monitor, 2009

EIGHT REASONS TO SET UP YOUR CREATIVE BUSINESS IN LONDON



1. TALENT

A global hub of trained creative minds

Nearly 400,000 people work in London's creative industries.⁶ And since the economic downturn, the city's talent pool has deepened, stepping up available skills.

London also boasts access to some of the best graduate talent in the world, with more top world ranking universities and leading edge creative courses than any other city. It has the highest numbers of higher education students in the UK, and the creative arts is amongst the top three subjects studied (Higher Education Statistics Agency 2008–09).

London's cultural diversity also gives you vital access and insight into your target markets across Europe and the globe. The city speaks 300 languages,⁷ is home to more than 200 nationalities and 40% of its workforce was born overseas.⁸



2. RICH CONSUMER BASE

A market hungry for new products and services

With a population of almost 12 million people, London is home to Europe's largest and wealthiest consumer base.⁹ By 2025, London will be the fourth richest city in the world.¹⁰

London is also the gateway to the European Union's 27 member states, the world's biggest single market, with a population of 500 million.

London & Partners has developed London & Partners 360, a customised mapping tool to help you find the best London location for your business and access to your target audience. Contact us www.londonandpartners.com, info@londonandpartners.com



3. INTELLECTUAL PROPERTY PROTECTION

Safeguarding your creative output

London is one of the best places in the world in which to protect your intellectual property.¹¹

London is a leading centre for legal services, home to the top 3 Global 100 Law Firms, and offers a wealth of experts who specialise in IP protection across the continent and the globe.

The 2010 Digital Economy Act is unique in Europe: it strengthens and clarifies the law relating to infringement of copyright, internet domain registries and digital TV and radio services.



4. THE OLYMPIC OPPORTUNITY

The first “digital games”

The London 2012 Olympic and Paralympic Games aims to become the first truly digital games, opening up niche opportunities for cutting-edge broadcasters, mobile players, social networking specialists, advertising agencies and more.

Organisers aim is to take advantage of new participation technologies, using digital tools for ticketing, volunteering, education and the cultural programme for an expected 10 billion visits to web and mobile sites during the event.

London & Partners has helped a multitude of businesses from around the world explore the 2012 Games business opportunities. Contact us www.londonandpartners.com, info@londonandpartners.com



⁶ London's Creative Workforce (2010 update), GLA Economics, Feb 2010

⁷ Multilingual Capital: The Languages of London's Schoolchildren and Their Relevance to Economic, Social and Educational Policies, 2000

⁸ London School of Economics, London's Place in the UK

Economy, 2009–2010

⁹ Eurostat Regional Statistics, 2009 (London and its surrounding areas constitute the largest urban zone in the EU – a market of almost 12 million consumers).

¹⁰ 'Global City GDP Rankings 2008–2025', Pricewaterhouse Coopers, 2009

¹¹ Taylor Wessing Global Intellectual Property Index 2009 – UK rated #1

EIGHT REASONS TO SET UP YOUR CREATIVE BUSINESS IN LONDON



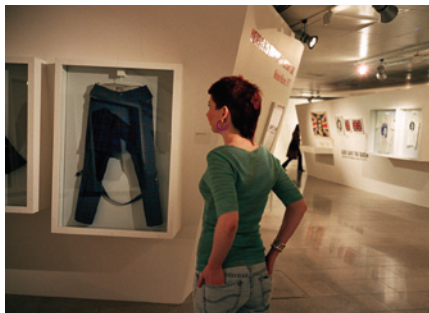
5. INSPIRATION

A breeding ground for new ideas

From its rich seam of museums, galleries and theatres to cutting-edge art, architecture, nightlife and festivals, London is one of the most inspiring environments on the planet.¹²

Creative professionals looking to generate, finesse and monetise ideas flock here from the world over. London is also at the forefront of hybrid business models, combining elements of telcos, mobile, broadcast, social networking, gaming and advertising such as Last.fm, the pioneering online music service sold to CBS Corporation for \$280 million.

Two thirds of London is green space and water:¹³ a place of inspiration and relaxation for millions.



6. BUSINESS-FRIENDLY TAXATION, TRANSPORT, EMPLOYMENT AND LEGISLATION

The freedom to grow your business

It's easier to do business in London than in any other European city. There are fewer restrictions on commerce,¹⁴ while the UK has the most flexible workforce of any large European Union economy.

Freelancers and contractors comprise around 20% of the interactive media workforce,¹⁵ giving companies in this sector the freedom to 'up skill' or 'down skill' as demand dictates.

From April 2011, UK corporation tax will fall one point each year until 2014, moving from 28% to 24%, giving Britain the fifth lowest rate in the G20 leading economies.

London is the most connected city in Europe with five international airports providing direct flights to more than 300 international destinations.¹⁶



7. ACCESS TO CAPITAL AND FUNDING

Critical injections of cash when it's most needed

London is one of the world's leading financial centres, boasting a concentration of financiers working in the creative industries, combined with unrivalled access to private equity.

The UK also offers major tax breaks for film-related business. An estimated £110 million was awarded in 2008/09 to UK films including the famous *Sherlock Holmes*, *IronMan*, *Star Trek*, *Clash of the Titans* and many more.¹⁷

London & Partners has helped many overseas companies access sources of funding in the City and beyond. Contact us www.londonandpartners.com, info@londonandpartners.com



8. ADVANCED DIGITAL INFRASTRUCTURE

Roll out digital network-based services with ease

The success of numerous emerging business-to-consumer models rests on the quality of the broader digital infrastructure.

London has 100% broadband coverage¹⁸ together with world-leading wireless and data networks and digital storage.

The city also has more web traffic capacity than anywhere else in the world,¹⁹ and three times the number of companies in software and IT services than any other US or European city.²⁰

Mayor of London, Boris Johnson has pledged 100% wifi coverage of central London by 2012.



¹² London offers Europe's best nightlife. (Plenty of West End musicals, more than 200 museums and galleries, five symphony orchestras, two leading opera houses, world-leading sports grounds at Wimbledon, Wembley, Lords, Twickenham and Ascot and the Olympics at Stratford in 2012).

¹³ State of the Natural Environment in London, Natural England, 2008

¹⁴ World Bank Ease of Doing Business Guide, 2010

¹⁵ Skillset 2010, Interactive Media Sector Profile (Freelancers and contractors account for around one fifth of the workforce. Freelancers, account for 11% of the workforce in electronic games, and 16-17% in web and internet and offline multimedia).

¹⁶ fDi Intelligence from the Financial Times Ltd, 2010

¹⁷ UK Film Council Statistical Yearbook, 2010 (The film industry tax break applies to films which spend at least 25% of their budget in the UK and which pass a British Cultural Test administered by the Film Certification Unit of the UK Film Council on behalf of the DCMS. The incentive is worth up to 25% of production costs for films with budgets of up to \$31 million and up to 20% of production costs for films with budgets of \$31 million and over).

¹⁸ Ofcom, 2009

¹⁹ LINX Annual Report, 2009

²⁰ fDi Intelligence from the Financial Times Ltd, 2010

WHY LONDON FOR FILM & BROADCAST



London is home to a high concentration of production and post-production companies, media commissioners, visual effects companies and film financiers.



A key strength in London is post-production, providing film, broadcast and digital games industries with state-of-the-art facilities. The UK's post-production industry is among the three largest in the world²¹ with key players including Prime Focus, Deluxe and Ascent Media.

London is also home to some of the world's leading Computer Generated Imagery (CGI) houses including Framestore (*Harry Potter* and *Walking with Dinosaurs*) and The Foundry (*Avatar*).

London & Partners has helped numerous companies in the film and broadcast industry succeed in London:

- ABS-CBN
- ADV Films
- Capcom
- CCTV
- Current TV
- Edgeworks
- Ensequence
- Eyeka
- Iberica
- Image Entertainment
- Prime Focus
- Vanguard

Key Facts

London offers:

- A competitive environment for film and broadcast: The UK was the fifth largest producer of films in the world in 2008²² and nearly 80% of the \$1.1 billion annual film production spend in the UK is from foreign film companies.²³
- 77,000 people directly employed in film, video and broadcasting.²⁴ Some 58% of the film production workforce is university educated.²⁵
- A concentration of film financiers including Aquarius Aramid, CinemaNX, Future Films and Prescience Quickfire.
- Film-specific legal expertise from firms such as A&L Goodbody, DLA, Harrison Curtis, Simkins and Swan Turton.
- The world's six largest film studios: Sony Pictures, Warner Brothers, 20th Century Fox, UIP, Paramount and Disney.
- The world's four largest media companies: Walt Disney, News Corporation, Viacom and Time Warner.
- Major broadcasters such as the BBC, Channel 4, MTV, Sony, Discovery and CBS.
- A rich talent pool, helping create some of the world's biggest blockbusters including *Avatar*, *Harry Potter*, *Sherlock Holmes*, *Iron Man* and *Clash of the Titans*.

"London is probably Europe's premier market in terms of technical and media capabilities in post-production. The last Oscars and Baftas were won by technical teams in London."

Parvinder Bhatia, CEO, Prime Focus

WHY LONDON FOR PRODUCT DESIGN



London is the city of choice for new product design centres.

As the pressure to innovate intensifies, London's potent mix of ideas and disciplines spanning R&D, design, manufacturing, marketing and distribution is creating the perfect environment for developing new products.

Incoming companies have their pick of international talent: proven designers head here from the world over.

Also, as more firms seek to consolidate operations in prime regional hubs²⁶, London's concentration of specialist business clusters and its diverse workforce make it possible to develop innovative products for multiple markets from one central design base.

London & Partners has helped numerous companies set up design centres in London:

- Adidas
- Crumpler
- LG
- Nissan
- Nokia
- Samsung Electronics
- Spize
- Yamaha



Key Facts

London offers:

- A 12 million consumer base including wealthy, early adopters, all eager to test and buy new products and services.
- A rich talent pool: Over 18,000²⁷ people study every year at the distinguished colleges of the University of the Arts, as well as design hothouses such as Goldsmiths College.
- The highest concentration of legal experts in IP Protection. The UK is ranked first for Trade Mark, Patent, and Domain.²⁸
- Proximity to the world's leading financial centre, enabling design professionals to accelerate the commercialisation of new products.
- Expert business support: The world renowned Design Council is located in the Capital to ensure business, education and government understand the importance and effectiveness of design.

"London creative industries are the best in so many ways: in terms of size, variety and human resource available. We also need to stretch creative concepts to ten years from now and London is providing us with a great model to prototype the future."

SungHan Kim, Head of Office, Samsung Design Europe

21–22 UK Film Council Statistical Yearbook, 2010
23 Film in the UK: A Briefing Paper, UK Film Council, Aug 2009

24 London's Creative Workforce (2010 Update), GLA Economics, February 2010

25 The Economic Impact of the of the UK Film Industry, Oxford Economics, June 2010

26 London 2020, Competing in a New FDI Era, Think London 2010
(Companies will focus operations on either a prime regional centre as the safe choice or the best of low-cost alternatives).

27 Higher Education Statistics Agency (HESA), 2008–09
28 Taylor Wessing Global Intellectual Property Index, 2009

WHY LONDON FOR ELECTRONIC GAMES

London is Europe's ideal location for the electronic games industry. It has the largest concentration of electronic games companies and the sector's deepest talent pool.²⁹

Overseas gaming companies set up in London for one key reason – to tailor and diversify their products for lucrative UK, European and global markets.

Amid the UK's vast consumer base, online, interactive gaming in particular offers huge potential: 16.4 million UK households have a broadband connection³⁰ and London has one of the world's highest penetrations of digital interactive television, with games among the most popular services. 38% of the population are classed as a 'regular gamer', and people in the UK are playing more, and spending more on games than in other European countries.³¹

Gaming companies benefiting from London & Partners' expertise include:

- | | |
|------------|---------------------------|
| • Acclaim | • Rockstar |
| • Airplay | • Sega |
| • EA | • Sony |
| • Eidos | • Square Enix |
| • Konami | • Ubisoft |
| • Kuju | • Vivendi Universal Games |
| • Playfish | |

“We found a rich supply of talent in the industry that has brought significant benefit to us for further growth in the European market.”

Kazutaka Hirose, CFO, Capcom

Key Facts

London offers:

- Access to Europe's largest games software market. The UK market is worth \$5.6billion.³²
- A thriving computer gaming industry employing almost a fifth of the UK's computer gaming talent.³³
- Indigenous development studios and publishers such as Eidos, Sci, M4 amongst others.
- Cutting edge games development – UK developed games successes include the Grand Theft Auto series, Singstar, and Harry Potter.
- Huge online gaming potential, with 100% broadband coverage and a further pledge from the Mayor of London, Boris Johnson for 100% Wifi coverage in central London by 2012.

“We chose London, because of the diverse network of creative businesses here, and the opportunity for cross-business collaboration, not to mention the sheer volume and quality of talent.”

Mike Haigh, Development Director, Sony Computer Entertainment Europe

WHY LONDON FOR DIGITAL MEDIA



The UK dominates Europe's online advertising market.

London boasts Europe's biggest advertisers and the world's leading digital advertising agencies. It has an unrivalled creative and technical workforce and the infrastructure needed to roll out and finesse services.

Furthermore, the high concentration of premier digital advertising agencies in the Capital means there is a wealth of digital content and channels, creating the ideal market opportunity for providing solutions that monetise digital content.

World-leading advertising agencies based here include Saatchi & Saatchi, Ogilvy, Leo Burnett, Lowe, BBH, Mother, M&C Saatchi, WCRS and TBWA, while two thirds of international advertising agencies have their European HQ in London.

London & Partners has helped numerous companies exploit digital opportunities in London:

- | | |
|--------------|-----------------------------|
| • Ask.com | • Gorilla Nation |
| • Crystal CG | • LinkedIn |
| • Current TV | • Microsoft Bing |
| • Facebook | • Reality Digital |
| • Glam Media | • Vault Career Intelligence |
| • Google | • Viadeo |

“A key factor was the availability of top talent. It's critical for an organisation like ours to be able to tap into the best talent and some of Europe's leading universities are here in London.”

Jordi Ribas, General Manager, Microsoft Search Technology Centre, Europe

Key Facts

London offers:

- Prime positioning as the hub for access to Europe, the Middle East and Africa, for major agency networks such as Omnicom, WPP, Publicis and IPG. Furthermore, with a 30% market share, the UK holds the highest proportion of Europe's online ad spend, according to IAB Europe.³⁴
- Access to the central purchasing offices of big media agencies such as Mindshare, Mediacom and ZenithOptimedia.
- Global brands already doing business in the capital: Facebook, Google, LinkedIn, Last.fm and Spotify all have their European HQs in London. Google and Microsoft have established new operations in London to drive advertising and media buying.
- The largest number of agency winners at the Cannes Lions International Festival 2010.³⁵



29 Skillset, 2010, Computer Games industry profile (London and the South East still account for around a third of the computer games workforce).

30 ONS, 2009

31 ELSPA, 2010 (www.askaboutgames.com)

32 Games Software in Western Europe, Datamonitor, June 2010

33 Skillset Employment Census, 2009

34 New Media Age, June 2010

35 Cannes Lions 57th International Advertising Festival, 20–26 June 2010

HOW LONDON & PARTNERS CAN HELP

“London & Partners helped us with every query, no matter how specific. it’s like having a personal guide to doing business in the uk. we are very excited about the opportunity in london and London & Partners has played a vital role in putting us on the right path.”

Esther Wu, Director of Human Resources, Gorilla Nation

If you’re thinking of expanding to London, London & Partners can save you time, effort and money.

London & Partners is the official promotional agency for London attracting and delivering value to businesses, students and visitors.

We are the experts on doing business in the capital.

We connect international businesses to London, helping them set up, succeed and grow. Our service is comprehensive, confidential and funded – therefore at no cost to our clients.

We have offices in London, Beijing, Shanghai, New York, San Francisco and Mumbai.

For more information, please contact
www.londonandpartners.com,
info@londonandpartners.com

