

OVERSEAS VISITS, Q1 2010

FACT SHEET

- Latest provisional data from the International Passenger Survey shows that in the first quarter of 2010 London welcomed 2.96 million visitors.

- This is a modest 1% reduction against the same period in 2009. The main factors were the severest winter weather for several decades, weather-related disruption and industrial action at BA.

- Set against a 5% decline in visits across the UK as a whole, London's slight 1% fall should be viewed as pretty favourable. It is clear that the UK regions bore the worst of poor weather and travel disruption.

- Q1 expenditure, at £1.6 billion, was marginally down by 0.1%, slowing the 0.4% drop seen in the final quarter of 2009.

- The North American market was the main source of losses in the quarter, shedding 5% of volumes - but adding about 1.6% to its expenditure account.

- The number of visitor nights in Q1 declined by a more marked 7.5%, equivalent to almost 1.3 million lost nights for the quarter. Fewer longer-stay North American visitors in the quarter will have lowered average length of stay.

- A main casualty of Q1's disruption was the leisure market, where volumes were down by 2.5%. There was a corresponding downturn in spend of 12.8% in the segment, equivalent to a £90 million loss.

- VFR visitors were down by 11%.

- The brightest spot in London's quarterly performance was the business market, up 5% in volumes, and an even more substantial 21% uplift in expenditure.

LONDON: OVERSEAS VISITS, NIGHTS & SPEND, Q1 2010

| | Q 2010 | % Change |
|---------------|--------|----------|
| Visits (000s) | 2962 | -1.0% |
| Spend £m | 1641 | -0.1% |
| Nights (000s) | 16033 | -7.5% |

LONDON: OVERSEAS VISITS BY MAJOR REGION, Q1 2010

| Q1 2010 | Visits (000s) | % Change | Spend (£m) | % Change |
|-----------|---------------|----------|------------|----------|
| Europe | 2120 | -1.1% | 925 | -1.6% |
| N.America | 363 | -5.3% | 257 | 1.6% |
| Others | 480 | 3.6% | 461 | 2.4% |

LONDON: OVERSEAS VISITS BY PURPOSE, Q1 2010

| Q1 2010 | Visits (000s) | % Change | Spend (£m) | % Change |
|----------|---------------|----------|------------|----------|
| Business | 661 | 5.2% | 492 | 20.7% |
| Holiday | 1320 | -2.5% | 636 | -12.8% |
| Study* | 32 | 4.8% | 79 | 5.6% |
| VFR | 663 | -10.7% | 268 | -12.9% |
| Other | 287 | 21.0% | 167 | 34.1% |

*Small sample size

Source: ONS, International Passenger Survey, Q1 2010 figures

LONDON: HOLIDAY VISITS & SPEND BY MAJOR REGION, Q1 2010

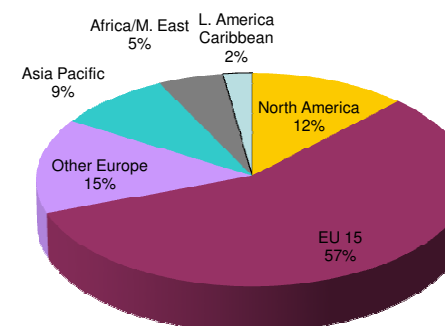
| Q1 2010 | Visits (000s) | % Change | Spend (£m) | % Change |
|-----------|---------------|----------|------------|----------|
| Europe | 1,014 | Note (1) | 418 | Note (1) |
| N.America | 111 | Note (1) | 66 | Note (1) |
| Others | 195 | Note (1) | 152 | Note (1) |

LONDON: BUSINESS VISITS & SPEND BY MAJOR REGION, Q1 2010

| Q1 2010 | Visits (000s) | % Change | Spend (£m) | % Change |
|-----------|---------------|----------|------------|----------|
| Europe | 437 | Note (1) | 224 | Note (1) |
| N.America | 117 | Note (1) | 126 | Note (1) |
| Others | 108 | Note (1) | 141 | Note (1) |

Note (1). Due to changes in the way that the IPS reports country data, percentage change figures for major geographical regions are temporarily unavailable.

LONDON: ORIGIN OF OVERSEAS VISITS Q1 2010



Source: ONS, International Passenger Survey, Q1 2010 figures

OVERSEAS VISITS, Q1 2010

Key Overseas Markets

LONDON: LEADING OVERSEAS MARKETS, Q1 2010

| VISIT NUMBERS (000s) | Q1 2010 | % chg |
|----------------------|---------|--------|
| France | 386 | -1.7% |
| USA | 304 | -4.6% |
| Germany | 231 | 13.7% |
| Spain | 213 | -6.0% |
| Ireland | 189 | -0.7% |
| Italy | 182 | 2.0% |
| Netherlands | 135 | -4.4% |
| Belgium | 99 | 46.4% |
| Australia | 87 | 18.5% |
| Norway | 80 | 5.6% |
| Sweden | 75 | 22.6% |
| Poland | 69 | -37.2% |
| Switzerland | 68 | 8.7% |
| Denmark | 66 | 5.7% |
| Canada | 59 | -8.9% |
| Japan | 48 | 32.2% |
| Portugal | 35 | 0.0% |
| Austria | 32 | -31.7% |
| Brazil | 30 | 31.1% |
| India | 29 | 30.2% |
| Russia | 22 | 32.2% |
| UAE | 22 | 12.0% |
| Hungary | 21 | n/a |
| Finland | 21 | 6.0% |
| Greece | 21 | n/a |
| South Africa | 21 | -33.8% |
| Israel | 20 | n/a |
| Hong Kong | 18 | -19.4% |
| Czech Republic | 18 | n/a |
| Turkey | 17 | n/a |

Source: ONS, International Passenger Survey, Q1 2010 figures

LONDON: LEADING OVERSEAS MARKETS, Q1 2010

| EXPENDITURE (£ millions) | Q1 2010 | % chg |
|--------------------------|---------|--------|
| USA | 212 | -2.2% |
| France | 111 | -5.4% |
| Spain | 92 | -10.5% |
| Italy | 89 | 9.5% |
| Germany | 85 | 11.3% |
| Ireland | 73 | -4.1% |
| Australia | 61 | -0.2% |
| Netherlands | 53 | 3.6% |
| Switzerland | 46 | 80.1% |
| Canada | 45 | 23.5% |
| Nigeria | 44 | n/a |
| Norway | 43 | 28.8% |
| Sweden | 37 | 33.3% |
| Belgium | 31 | 36.9% |
| India | 30 | 48.8% |
| Denmark | 30 | -11.1% |
| UAE | 30 | 5.3% |
| Japan | 29 | 24.6% |
| Hong Kong | 27 | 35.5% |
| Poland | 25 | -5.9% |
| Austria | 25 | -25.5% |
| Turkey | 20 | n/a |
| Greece | 19 | n/a |
| Brazil | 19 | -41.7% |
| Saudi Arabia | 18 | -38.5% |
| Russia | 18 | -28.8% |
| Portugal | 18 | 1.6% |
| South Africa | 16 | -31.4% |
| Egypt | 13 | n/a |
| Singapore | 12 | 4.0% |

Source: ONS, International Passenger Survey, Q1 2010 figures

HOLIDAY visits highlights

- Holiday arrivals from overseas (-2.5%) were the main casualty of Q1's inclement weather and disruption, following a consecutive – albeit slowing - series of improvements since Q1 in 2009. It means that in the first quarter of the year, London received 34,000 fewer leisure visitors than in the same period in 2009.
- The main attrition in holiday/leisure markets came from transatlantic visitors, temporarily reversing the signs of comeback that had been seen in Q3 2009 (+46%), and in the final quarter (+11%). In Q1, North American holiday visitors declined by about 23%, to the extent that US holiday visitors were 30,000 fewer in number.
- London's main European markets saw variable movements in holiday visitor numbers in Q1. France, the biggest market, declined by about 2%, reversing a strong Q4 2009 performance (+19%). A similar pattern was seen for Spain whose holiday visitor count was down by about 10% - in contrast to its 23% improvement in the final quarter of 2009.
- Germany was the stand-out performer, bucking the downwards trend with a 16% increase in visitors, continuing an impressive Q4 2009 trend, in which it grew by 23%. Ireland also helped reverse losses elsewhere, with Jan-March volumes up almost a quarter.
- In terms of expenditure generated by the holiday sector, even though continuing Sterling weakness ensured exceptional value for holiday visitors, spending was down by 13%. It is evident that the main factor was a marked reduction in visitor nights, primarily a reaction to far fewer North American visitors who typically stay much longer than the average.
- Overall, expenditure patterns generally correlated with volume movements. France (-9%), Spain (-23%) and US (-23%) were the main losers, while spending from German (+13%) and Irish (+36%) visitors helped stabilise London's account.

BUSINESS visits highlights

- After a sustained run of downturns since Q2 2007 in business arrivals to London (Q1/09 -19%; Q2/09 -27%; Q3/09 -24%; Q4/09 -3%), Q1 finally saw the sector moving into the black, with a volume increase of 5% on the same period in 2009.
- Expenditure advanced by one-fifth, helping to neutralise some of the losses from seen in the holiday sector.
- In marked contrast to its Q1 performance in the holiday market, the USA was the main driver behind the improvement in the business market. It is London's biggest business travel market, and improving business confidence in the USA, and its climb-out from recession were clearly reflected in the 10% increase in business arrivals, matched by 30% higher expenditure.
- In London's main European business markets it was a mixed picture. France (+33%), Germany (+13%) and Spain (+57%) were all very positive, while Italy saw a 19% loss in business volumes.