

LONDON VISITOR INDEX



SUMMARY

- Activity across the visitor economy in London grew surprisingly strongly during February, with the London Visitor Index up +9 points compared to January
- It appears that warmer than normal weather combined, with an unexpected upturn in overseas visitors boosted activity. There was also an extra day this year due to the leap-year.
- In particular, attractions, hotels and retailers all reported robust trading conditions, while footfall through London's main Tourist Information Centres jumped +16%
- Although consumer confidence continued to fall, as concerns about a possible recession increased, this did not appear to impact activity during the month.

OVERALL PERFORMANCE LEVELS

Feb 2008: 61/100 Jan 2008: 52/100 Dec 2007: 53/100

Average 2003-08: 57/100

Max: 88/100 (April 2004)

Min: 13/100 (March 2003)

What is the London Visitor Index?

The London Visitor Index is a monthly composite index of leading visitor surveys. This index gives a quick indication of current trading conditions and is based upon a basket ten individual surveys.

How it works

The monthly year-on-year percentage change for each indicator is given a score between 1-10 depending on the change. For example, a +10% monthly change gets 10 points, while -8% change gets 0 points. These scores are then added together to get an overall tally up to a maximum of 100. **A score over 50 indicates growth.**

VISIT LONDON

6TH FLOOR
 2 MORE LONDON RIVERSIDE
 LONDON
 SE1 2RR
 TELEPHONE: 020 7234 5800
www.visitlondon.com/corporate



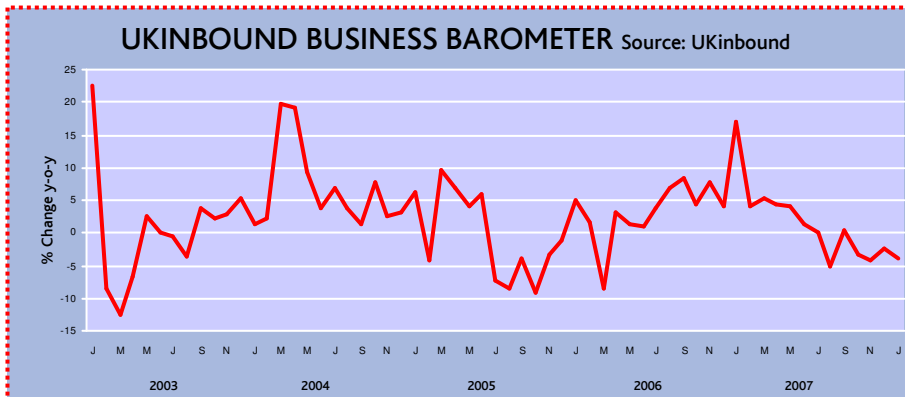
LONDON VISITOR INDEX



UK INTERNATIONAL VISITS

- Foreign arrivals into the UK increased by +8.8% in February, with provisional data indicating that international visits for the 12 month period to February grew by +3%.
- This upturn was somewhat surprising given the slowing economic conditions in North America and Western Europe.

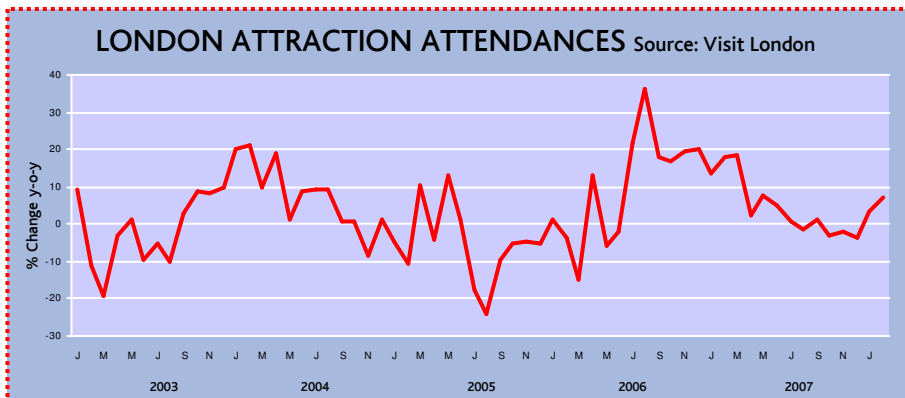
Measures the number of visitors entering the UK through interviews with a stratified random sample of passengers on the main air, tunnel and sea routes



UKINBOUND BUSINESS BAROMETER

- UKinbound members reported a fourth consecutive month of falling visitor arrivals in January with visitor numbers down -3.9% compared to January last year.
- Members reported weak demand from long haul markets with only modest increases in short haul business.

Each month UKinbound produces a Business Barometer based on confidential survey questionnaires from UKinbound members who represent over 230 companies and organisations across UK inbound tourism

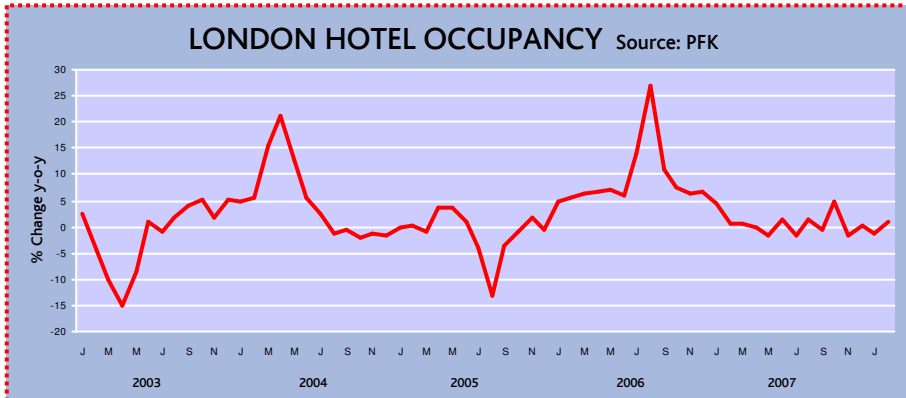


LONDON ATTRACTION ATTENDANCES

- The number of people visiting museums, galleries and other attractions in the capital rose by +7.3% in February compared to the same month last year.
- This growth was mainly due to warmer than normal weather that helped boost visits to many outdoor attractions. There was also an extra opening day this year due to the leap-year.

A monthly survey measuring visitor levels to 64 attractions in London, which account for around 75% of overall attraction admissions in the capital

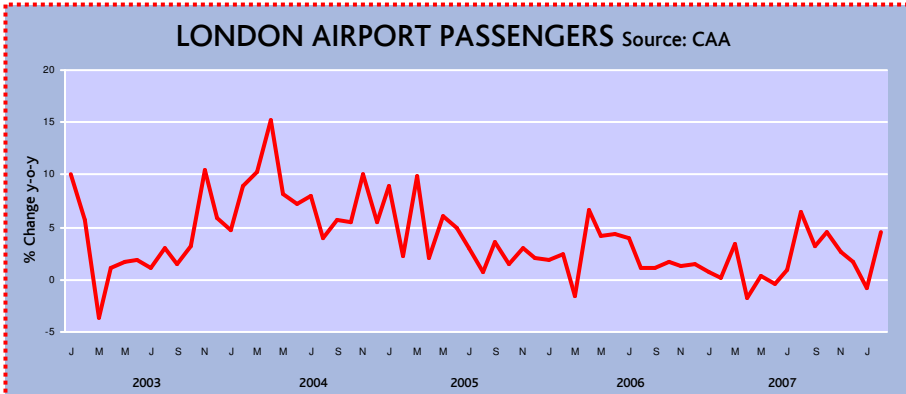
LONDON VISITOR INDEX



LONDON HOTEL OCCUPANCY

- Hotel occupancy in London rose by +1% in February to 73%.. Average room rates grew by +5-7%, while room yields expanded by 6-8%.
- Tight hotel supply levels, especially in central London, is allowing strong room rate growth despite flat occupancy levels.

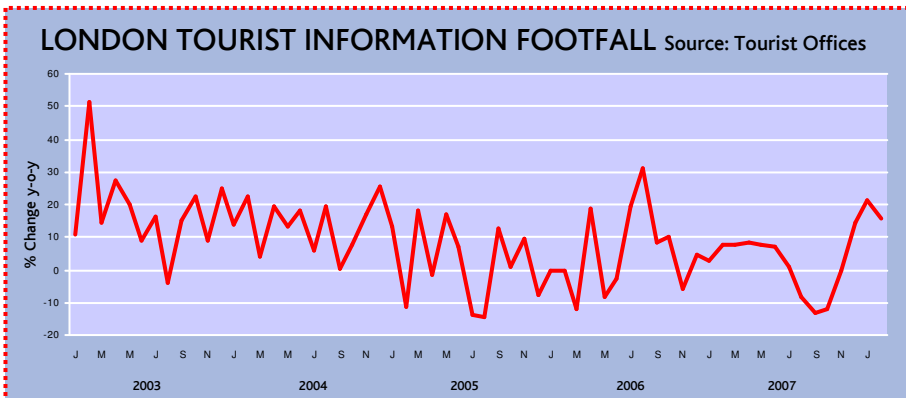
An analysis of 42,800 London hotel rooms measuring the level of occupancy



LONDON AIRPORT PASSENGERS

- The number of passengers passing through London's five main airports increased by +4.6% in February.
- Cutbacks in the winter schedules of both Ryanair and Air Berlin impacted passenger levels at Stansted, while British Airways witnessed some short-haul route weakness.

Measures the number of passengers through London airports (Gatwick, Heathrow, London City, Luton, Stansted)



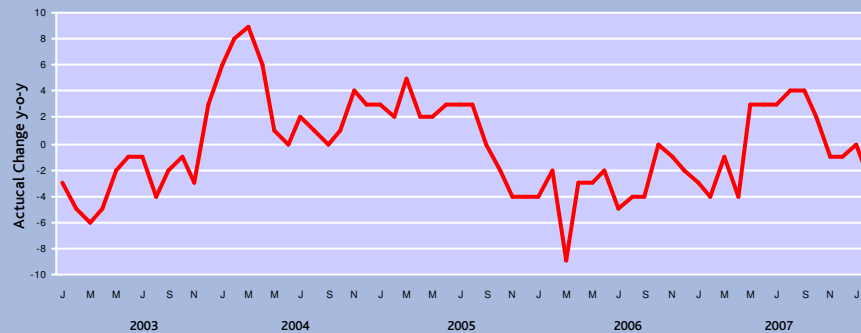
LONDON TOURIST INFORMATION FOOTFALL

- The number of people visiting London's main tourism information centres jumped by +15.6% in February.
- A major refit of the BLVC in Regent Street combined with higher footfall numbers through Greenwich TIC accounted for most of this upturn.

Number of visitors to the Britain & London Visitor Centre, Greenwich, Croydon and Lewisham Tourist Information Centres

LONDON VISITOR INDEX

UK CONSUMER CONFIDENCE Source: European Commission

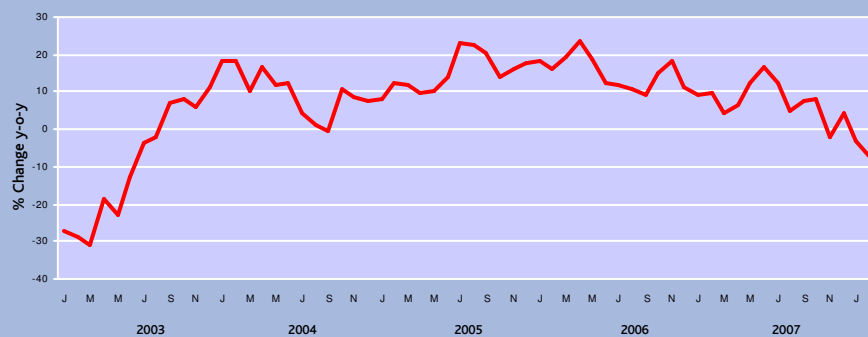


UK CONSUMER CONFIDENCE

- Compared to February last year consumer confidence decreased by -3 points during the month.
- Sharp falls in share prices, flattening house prices and rising costs of essential items are all negatively impacting consumer sentiment.

Arithmetic average of the balances of answers to questions on the financial situation of households, general economic situation, employment expectations and savings, over the next 12 months

FTSE100 Source: FTSE

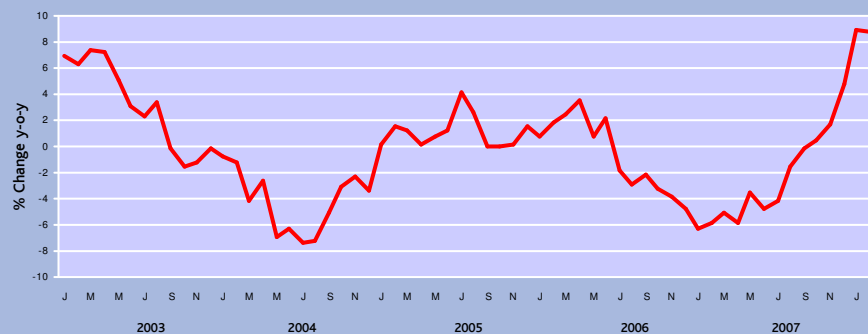


FTSE100

- UK equities endured another volatile month during February on the back of ongoing worries about a possible US recession.
- The FTSE 100 dropped -7.2% falling below the 6,000 mark for the first time since September 2006.

Measures the stock market performance of the 100 most highly capitalised blue chip companies listed on the London Stock Exchange

EFFECTIVE EXCHANGE RATE Source: Bank of England

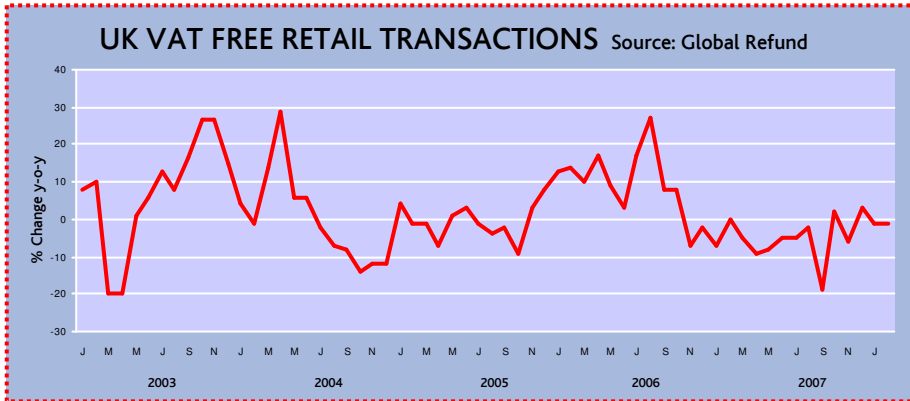


EFFECTIVE EXCHANGE RATE

- Sterling remained very weak compared against most other major currencies during February, with the pound falling to its lowest ever level against the Euro.
- Historically, a prolonged period of exchange rate weakness for the pound helps encourage UK inbound tourism, and discourages some outbound activity

Measures the weighted average exchange rate movements of sterling against a basket of other currencies (60% Europe, 18% US, 8% Japan, 14% Others). Movements have been reserved to reflect the positive nature of weakening sterling for London tourism

LONDON VISITOR INDEX



UK VAT FREE RETAIL TRANSACTIONS

- Tourism retail spending – as measured by VAT-free shopping transactions claimed back by non-EU nationals – dropped by -1% in February, while the value of these transactions rose +11%.
- The strongest growth rates were recorded by Malaysian and Chinese shoppers, while US, Japanese and Russian activity decreased.

Measures the number of VAT free shopping transactions made by non-EU nationals

NOTES

SURVEY	SOURCE	WHAT IT MEASURES	PROXY INDICATOR FOR
UK International Passenger Survey	National Statistics	International visitors to the UK	London international visits
UKinbound Business Barometer	UKinbound	International travel via UKinbound members	London international visits
London Attraction Monitor	Visit London	Attendances at London attractions	London attraction visits
London Hotel Trends	PKF	London hotel occupancy	London hotel performance
London Airport Passengers	CAA	London airport throughput	London international visits
London Tourist Information Footfall	Tourist Offices	Visits to London tourist offices	London tourist footfall
UK Consumer Confidence	European Commission	UK consumer confidence	London domestic visits
FTSE 100	FTSE	Level of FTSE 100	London business tourism
Effective Exchange Rate	Bank of England	Strength of sterling	Relative cost of holiday in the UK
UK VAT Free Retail Transactions	Global Refund	VAT free shopping activity	London tourism retail activity

The London Visitor Index is published during the second week of each month. It provides an overview of the current state of London's visitor economy. Further information at http://corporate.visitlondon.com/facts_figures/latest_statistics/

Disclaimer

Visit London uses a wide range of information and data sourced from third party suppliers when compiling the London Visitor Index. Visit London cannot be held responsible for the accuracy or timeliness of this information and data. Visit London will not be liable for any losses suffered or liabilities incurred by a party as a result of that party relying in any way on the information contained in this publication

Visit London

Visit London is the official visitor organisation for London. It is partly funded by private sector partners, the Mayor's London Development Agency and London Councils