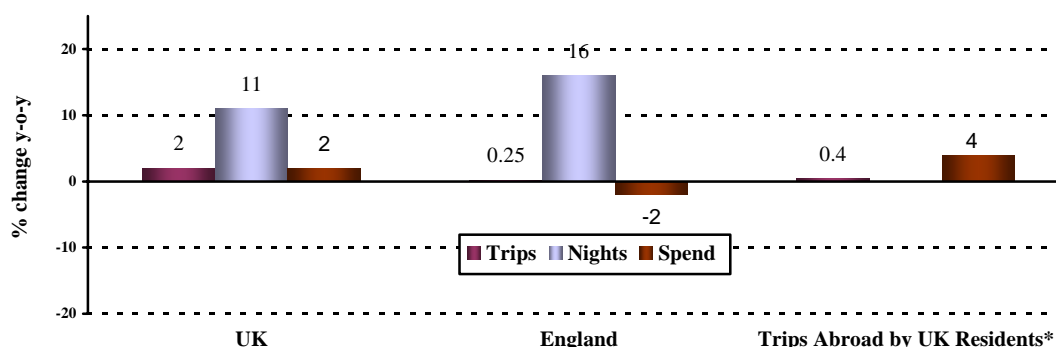


United Kingdom Tourism Survey – March & Q1 2008 Update

(1) Overview of March 2008 year-on-year changes



Source: UKTS, International Passenger Survey

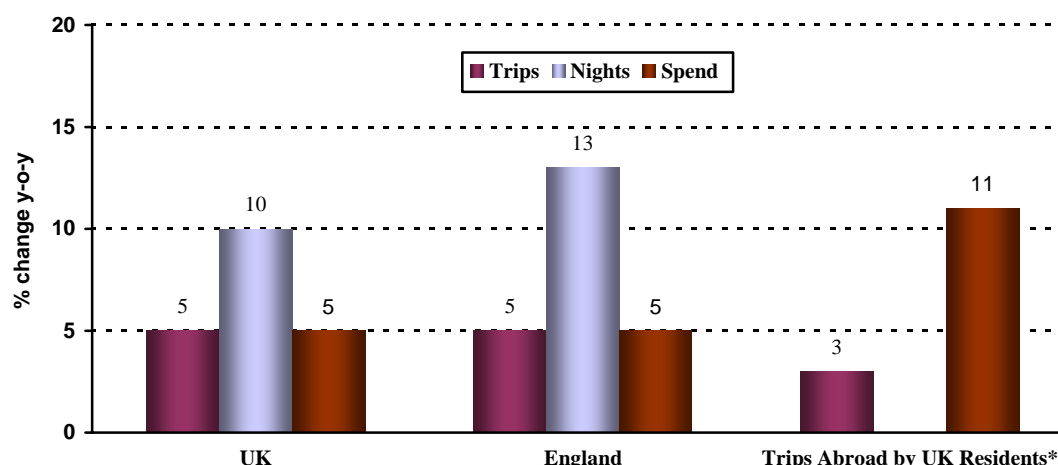
(2) March 2008

There were 9.6m overnight trips made in the UK by UK residents in March 2008, an increase of +2% from the same month in 2007. The number of bed nights also rose during the month, with +11% more nights recorded than March 2007. This increase drove the average length of stay up +9% to 2.9 nights. The value of overnight trips likely fell during March, as the +2% increase in spend does not account for inflation (around +4% at the time). Nevertheless, domestic overnight trips were worth £1.6bn during the month. Average spend per night fell -8% to £58, whilst average spend per trip increased +0.1% to £169 per trip.

With Easter falling within March 2008 but April in 2007, a larger increase in trip volume in March had been expected by some due to the lower comparative base. However, the combination of Easter 2008 being extremely early and poor weather for many areas of the UK may have negatively impacted propensity to travel. In addition, March 2007 saw the largest monthly increase in trip volume since the revised UKTS methodology was introduced (+21%) once again affecting the comparative base.

	Trips (millions)	Nights (millions)	Spend (£ millions)	Average length of stay (nights)	Average spend per night (£s)	Average spend per trip (£s)
United Kingdom						
Total	9.6	27.8	1,621	2.9	58	169
Holiday	3.8	12.0	782	3.2	65	207
VFR	3.7	11.4	420	3.1	37	113
Business	1.6	3.4	363	2.1	107	223
England						
Total	7.7	22.4	1,228	2.9	55	159
Holiday	3.0	9.3	596	3.1	64	199
VFR	3.1	9.4	318	3.1	34	104
Business	1.3	2.7	273	2.1	100	211

(3) Overview of Quarter 1 2008 year-on-year changes



Source: UKTS, International Passenger Survey

(4) Quarter 1 2008

There were 24.3m overnight trips made in the UK by UK residents in Quarter 1 2008, an increase of +5% from the same period in 2007. As was the trend in March, growth in bed nights exceeded that for trip volume, with 64.9m bed nights recorded, +10% more than Q1 2007. Spend on overnight trips was £4.0bn during the quarter, up +4% on Q1 2007.

All three months of Quarter 1 2008 saw increases in domestic overnight trip volume (+3% in January, +8% in February and +2% in March) indicating that domestic tourism remained resilient to economic slowdown during Q1. Indeed, various studies and reports have predicted that domestic tourism will likely benefit from the slowdown, with UK residents substituting overseas short breaks for domestic ones. In support of this prediction, trips taken for a pure holiday were the strongest reason for taking a trip in Q1 2008, growing +13% annually. In contrast, trips taken for business purposes fell -4% in volume and -12% in value, indicating that the slowdown may be hardest felt by businesses rather than consumers at this time. Furthermore, although outbound tourism volume grew during Q1 (up +3%), it was at a slower rate than domestic overnight tourism.

Trips taken Q1 2008	Trips (Millions)			Bed nights (millions)			Expenditure (£ million)		
	2007	2008	% Change	2007	2008	% Change	2007*	2008	% Change
United Kingdom									
Total	23.0	24.3	5	58.7	64.9	10	3,780	3,950	4
Holiday	7.2	8.2	13	20.6	23.6	15	1,415	1,679	19
VFR	10.0	10.4	3	25.2	28.1	11	932	1,009	8
Business	5.0	4.8	-4	10.3	10.7	4	1,305	1,151	-12
England									
Total	19.0	19.9	5	46.7	52.6	13	2,975	3,125	5
Holiday	5.7	6.5	14	15.2	18.5	22	1,063	1,310	23
VFR	8.6	8.7	1	21.6	23.5	9	779	786	1
Business	4.2	4.0	-4	8.3	8.6	4	1,046	936	-11

* all expenditure figures are in historic prices

(5) Trips Abroad by UK Residents in March 2008

UK residents made 5.1m trips abroad in March 2008, representing a slight increase year-on-year of +0.4%. Spend on overseas trips grew during the month, up +4% to £2.8bn. As with domestic overnight

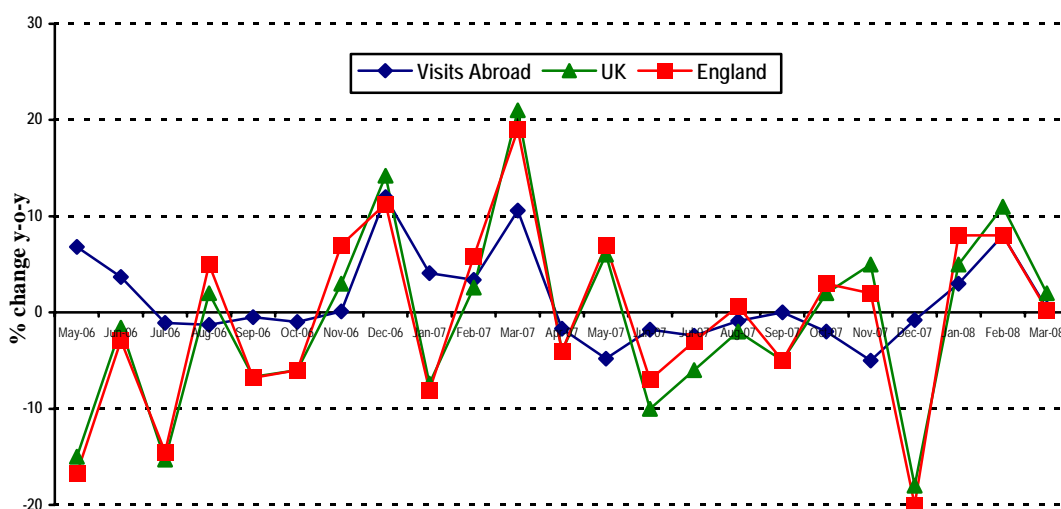
visits, it was expected that March would see a stronger increase in outbound trips, as Easter was in April 2007. However, as with domestic tourism, outbound trips may have been affected by Easter occurring too early in the year and also economic uncertainty may have played a role.

Q1 2008 overall saw +3% more trips made overseas than in the same period in 2007, 14.4m in total. The value of overseas trips in Q1 also grew strongly, worth +11% more at £8.0 billion.

	Trips '07	Trips '08	Difference	Exp '07	Exp '08	Difference
March 2008	5.1m	5.1m	+0.4%	£2.7bn	£2.8bn	+4%
Q1 2008	13.9m	14.4m	+3%	£7.2bn	£8.0bn	+11%

Source: International Passenger Survey

(6) UK Resident Trips Abroad vs. UK and England Domestic Trips, May 2006-Mar 2008



Source: UKTS, International Passenger Survey

(7) UK Domestic Trip Volume by Month, 2005-2008

