

**Brand Finance Plc values The UK Monarchy 'Brand' at £44 billion (\$70 billion)**

- The intangible asset value of the Monarchy is £26 billion and a tangible asset value of £18 billion according to a new study launched today by **Brand Finance**.
- **The Queen's Diamond Jubilee** celebrations in 2012 are due to give an estimated **£924 million** uplift to the Leisure, Tourism and Accommodation industry
- However, the extra Bank Holiday costs the UK Economy around **£1.2 billion**.

**Brand Finance** has launched a study on the Monarchy as a 'brand' to coincide with the **Queen's Diamond Jubilee** celebrations. The latest report values the Monarchy from an economic perspective and as a brand with an impact of **£44 billion** on the UK Economy as well as assessing the emotional, political and constitutional arguments for The Royal Family. The Monarchy's contribution to the UK economy is considerable and in this **Diamond Jubilee** year of 2012 Brand Finance estimates the revenue uplift to the UK economy will be £2.4 billion offset by costs of £1.4 billion giving a net uplift of £1 billion to GDP.

UK businesses also benefit from **Royal Warrants** and **Brand Finance** research has valued the scheme at **£4 billion** and there is also a significant reputational benefit to individual UK businesses from the Monarchy once they have been granted a **Coat of Arms** which Brand Finance valued at **£400 million**.

**Brand Finance's** new study has also taken into account the costs of the Monarchy which in the long term are valued at **£7.6 billion** after including the **Civil List** (valued at **£461 million**), **Property Maintenance** (valued at **£387 million**) and **Security for the Royal Family** which is valued at **£3.2 billion**. However thanks to the Jubilee there will be an uplift to Leisure, Tourism and Accommodation in 2012 of **£934 million** (£600 million of recurring revenue from the Monarchy and £324 million specifically due to the Jubilee) which indicates that the Queen's Diamond Jubilee alone will instigate an uplift of nearly a billion.

**David Haigh, CEO of Brand Finance**, commenting on the latest findings stated: "**The Monarchy** is one of the most valuable of all British brands. Whatever one thinks about the constitutional principle, there seems little doubt that the institution of Monarchy adds significant annual earnings and long term economic value to the UK. For most of her reign, **The Queen** has managed the Monarchy expertly and she is currently doing a great job on

an international stage. The Monarchy is a powerful endorsement for individual and company brands and for the nation brand and we believe that it is making a significant contribution to the task of driving Britain out of the recession.'

<b>The Value of the Monarchy 'Brand'</b>	<b>GBP Millions (£)</b>	<b>USD Millions (\$)</b>
Intangible Asset Value	26,365	41,921
Tangible Asset Value	18,113	28,800
<b>Total</b>	<b>44,478</b>	<b>70,721</b>

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**Notes for Editors:**

1. The value of the Monarchy 'brand' is derived by combining tangible and intangible asset values.
2. The tangible value of the Monarchy represents the value of the Crown Estate, the Royal Collection and other properties held.
3. The intangible value of the Monarchy represents the value of the uplift to the economy attributable to the Monarchy. For example, 'there was a £500 million uplift in leisure and tourism spending in 2011 linked to the Monarchy.'
4. Brand Finance researched all revenue streams and costs which we believed were impacted by the Monarchy. These include tourism, spending on merchandise, the impact of Royal Warrants, security, transportation costs etc.
5. The valuation of Royal Warrants and Coats of Arms is based on notional Royalty Rates based on Brand Finance's experience and analysis. The Royalty rates used in the calculation illustrate what could reasonably be charged for the use of the Warrants or Coats of Arms in our opinion.
6. The Monarchy 'brand' calculation ignores tax as tax is paid to the Treasury.
7. The annual net economic benefit was forecast over a five year period from 2012-2016 ('The Explicit Period') using a growth rate sourced from the Office for Budget Responsibility.
8. A discount rate was applied to each forecast period in order to convert the economic value uplift to a net present value. The discount rate is employed in order to factor in the time value of money. The rate utilised was based upon the yield on UL 30 year bonds at the time of the valuation.
9. We also calculated the economic value uplift into perpetuity from year 5 (2016) by applying a perpetuity growth factor (using the 30 year compound annual growth rate of UK GDP) to the final explicit period's net economic benefit.

**The Jubilee Year Benefits of the Monarchy 'Brand'**

<b>Benefits</b>	<b>GBP Millions (£)</b>	<b>USD Millions (\$)</b>
Leisure, Tourism and Accommodation (Annual)	600	953
Leisure, Tourism and Accommodation Jubilee Uplift	324	515
Special Events Merchandise	66	105
Special Events Impact Upon Retail	540	858
Leisure and Accommodation Uplift	324	515

Value of Royal Warrants	126	200
Value of Coats of Arms	13	20
Advertising Value Equivalent of Monarchy Coverage	518	822
Crown Estate (Income Earned)	257	408
<b>Total Benefits</b>	<b>2,443</b>	<b>3,882</b>

#### The Jubilee Year Costs of the Monarchy 'Brand'

<b>Costs</b>	<b>GBP Millions (£)</b>	<b>USD Millions (\$)</b>
Civil List	-14	-23
Property Maintenance	-12	-19
Travel	-6	-10
Required Government Expenditure	-4	-6
Security	-101	-160
Duchy of Cornwall (lost revenue)	-25	-39
Duchy of Lancaster (lost revenue)	-13	-21
Communications and PR	1	1
Cost to Councils	-26	-42
Cost of Additional Bank Holiday	-1200	-1907
<b>Total Costs</b>	<b>-1,402</b>	<b>-2,227</b>

#### The Long Term Benefits of the Monarchy

<b>Benefits</b>	<b>GBP Millions (£)</b>	<b>USD Millions (\$)</b>
Leisure, Tourism and Accommodation	16,336	25,975
Special Events Merchandise	63	100
Special Events Impact Upon Retail	513	815
Leisure and Accommodation Uplift	308	489
Value of Royal Warrants	4,057	6,451
Value of Coats of Arms	406	645
Advertising Value Equivalent of Monarchy Coverage	4,039	6,422
Crown Estate	8,285	13,173
<b>Total Benefits</b>	<b>34,006</b>	<b>54,070</b>

#### The Long Term Costs of the Monarchy

<b>Costs</b>	<b>GBP Millions (£)</b>	<b>USD Millions (\$)</b>
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Civil List	-461	-734
Property Maintenance	-387	-615
Travel	-195	-310
Required Government Expenditure	-127	-201
Security	-3,249	-5,166
Duchy of Cornwall (lost revenue)	-796	-1,266
Duchy of Lancaster (lost revenue)	-429	-682
Communications and PR	-13	-21
Cost to Councils	-845	-1,343
Cost of Additional Bank Holiday	-1,140	-1,812
<b>Total Costs</b>	<b>-7,641</b>	<b>-12,149</b>

<b>Tangible Assets of the Monarchy</b>	<b>GBP Millions (£)</b>	<b>USD Millions (\$)</b>
Crown Estate	7,001	11,132
Royal Collection	10,000	15,900
Duchy of Cornwall	729	1,159
Duchy of Lancaster	383	609
<b>Total Tangible Assets</b>	<b>18,113</b>	<b>28,800</b>

assumed exchange rate of 1 GBP = 1.5USD

Sources: Leisure, Tourism and Accommodation- Visit Britain, Special Events and Leisure Uplift- Verdict, Costs- Republic, Value of Royal Warrants-Brand Finance, Value of Coats of Arms-Brand Finance, Crown Estate-Crown Estate Annual Report, Duchy of Cornwall-Republic, Duchy of Lancaster-Republic, Royal Collection-Figures, Cost of Bank Holidays-Department of Culture, Media and Sport.

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## **About Brand Finance**

Brand Finance plc, the world's leading brand valuation consultancy, advises strongly branded organisations on maximising their brand value through effective management of their brands and intangible assets. Founded in 1996, Brand Finance has performed thousands of branded business, brand and intangible asset valuations worth trillions of dollars.

Brand Finance is headquartered in London and has a network of international offices in Amsterdam, Athens, Bangalore, Barcelona, Cape Town, Colombo, Dubai, Geneva, Helsinki,

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