

NYC[™]
& Company

2013

Annual Summary



Dear Friends and Colleagues:

In 2013 New York City's tourism industry posted another year of record-breaking growth. The success our industry has enjoyed in recent years has been remarkable, and all of NYC & Company's members and partners can share in the credit for it.

Taking tourism to ever-greater heights requires the commitment and teamwork of professionals from a wide range of neighborhoods and sectors. In New York City, all of us—whether we work in arts and entertainment, hospitality, dining, retail, meetings and conventions sales, the media or public service—together contribute to the City's vibrancy. When tourists travel here, they do so to experience that unmistakable, one-of-a-kind New York City energy. Time and again, our diverse industry delivers the experiences that not only keep customers coming back but also support businesses, create jobs and generate billions of dollars in local economic activity for the benefit of all New Yorkers.

In markets around the world, the message that New York City is safe, welcoming and more exciting than ever is reaching both our repeat visitors and potential new audiences. New partnerships—including those with Booking.com and Santander Bank—are helping us amplify that message and increase tourism in innovative ways. At the same time, cultural institutions that have long been integral to New York City's identity and economy continue to prove a popular draw for people from around the world.

Thanks to NYC & Company's creative and forward-thinking leadership, New York City has set the global standard for how to promote a destination. Building on this strength and a tradition of innovation, our members and partners can look forward to setting even more records in 2014 and the years ahead.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Rafferty", written in a cursive style.

Emily Rafferty
Chairman
NYC & Company
March 14, 2014



Dear Members, Friends and Colleagues:

As the NYC & Company community gathers once again, we have much to celebrate. Last year was another record-setting one for New York City tourism, as we welcomed more than 54 million visitors here—putting our goal of 55 million visitors within reach in 2014, a full year ahead of schedule. The future of our industry looks incredibly bright, and it is all due to the vision, hard work and commitment of you, our members and partners.

Many factors account for our success. First and foremost, New York City is bigger and better than ever, with new initiatives creating jobs and attracting visitors to neighborhoods in all five boroughs. Those visitors are coming here from our traditionally strong markets in North America and Europe as well as from developing markets in Asia and Latin America, where we have expanded our marketing and tourism efforts. The meetings and conventions market is growing as well, which means increased business for our hotels, restaurants and cultural institutions. By the end of 2014, New York City will have 100,000 hotel rooms, showing that as demand for overnight stays in our city has risen, a thriving hospitality sector has kept pace.

New York City's signature energy and vibrancy drive the tourism industry. In turn, the businesses and leaders that NYC & Company connects and the visitors we help attract contribute a great deal to the prosperity in which we all share. Everyone at NYC & Company takes tremendous pride in our mission to build on this progress. As we look ahead to the rest of 2014 and beyond, we are confident that we are in position to achieve even greater things together—and we look forward to sharing our success stories with even more audiences around the world.

Sincerely,

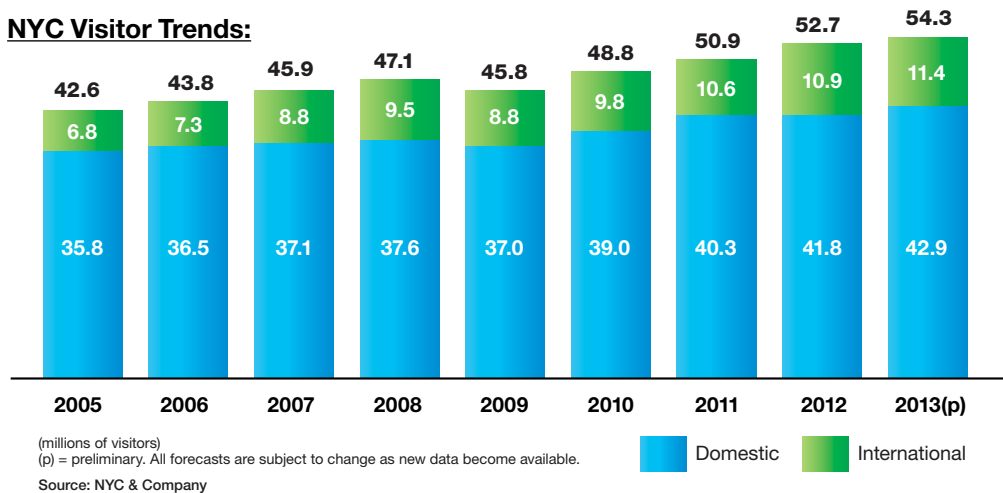
A handwritten signature in black ink, appearing to read 'Fred Dixon', is positioned above the printed name.

Fred Dixon
President and CEO
NYC & Company
March 14, 2014

THIS IS NYC & COMPANY.

For New York City and NYC & Company, 2013 saw records broken for the fourth consecutive year. The City welcomed an estimated 54.3 million visitors—a 3% increase over 2012.

NYC Visitor Trends:



Tourism remains one of NYC's largest and most vital industries, supporting more than 350,000 jobs and generating nearly \$39 billion in direct spending across the City's five boroughs. In 2013 hotels booked more than 30 million room-nights; restaurants experienced a surge in reservations; and many museums saw record attendance to their exhibitions. Hotel demand surged and helped absorb the addition of 30 new properties and more than 5,000 new hotel rooms.

These successes are all the more remarkable in light of the changing global travel environment, with more people traveling, more destinations to visit and more money spent on marketing in rival markets to court these visitors.

As always, we will strive to keep our forward momentum. Our ambitious visitation goals will be reached through investment in emerging markets, communication with our global press network, innovative new marketing offerings and a relentless focus on spotlighting our member organizations. NYC & Company is proud to contribute positively to the prosperity of the tourism and hospitality industry, our members and to the City of New York—and we will continue to work tirelessly to raise the bar even higher. New York City offers exceptional, unforgettable experiences to visitors, and we strive to remind people of why they need to return again and again. We want them to know what we've always known: that there is no other city like this in the world. This is New York City.

MEMBERSHIP

NYC & Company's membership is as diverse and vibrant as the City itself. Hailing from all five boroughs and including organizations of all sizes and from many industries, members join together for the common goal of extending their marketing reach and expanding their businesses. The company's membership spans the convention, tourism and hospitality industries. All members of the organization pay annual dues and receive a multitude of membership benefits. Those benefits include:

nycgo.com

The official source for information about where to go and what to do in New York City, nycgo.com is targeted to visitors and locals alike. Members have a guaranteed presence via a property page displaying an extensive description of the business along with multiple photos and any special offers. The property pages also feature Google maps. Only members have a hyperlink to their own social media channels from their property page.

The members-only section on nycgo.com has a searchable membership directory for connecting with other members, a searchable convention calendar for targeting certain groups coming to NYC and a place for submitting special offers and calendar listings. The section also features valuable research information to help you plan your marketing strategies. Members are able to access and update their listings through a custom extranet tool.

Official NYC Publications

Members of NYC & Company can reach those who plan group travel and meetings as well as millions of leisure and business visitors each year through our *NYC Official Visitor Guide*, *NYC Official Meeting & Event Planner*, *NYC Official Travel Planner* and *NYC Official Visitor Map*. Members have the exclusive opportunity to advertise in these key publications. In addition to the print distribution, these guides are available as a free download on nycgo.com.

- ***NYC Official Visitor Guide***

The *NYC Official Visitor Guide* features targeted itineraries, neighborhood highlights and a calendar of events and coupons, in addition to listing information for members, with sections for accommodations, transportation, sightseeing, cultural attractions, nightlife, shopping, sports and services throughout the five boroughs. It is the only guide that goes out of market, influencing decisions before visitors arrive during the planning stage of their trip. Distribution: 1.2 million annually.

- ***NYC Official Meeting & Event Planner***

Targeted to event and meeting planners, the annual *NYC Official Meeting & Event Planner* contains detailed information on member meeting and event sites, convention facilities, accommodations, restaurants, services and happenings throughout the City. Estimated readership: 142,000.

- ***NYC Official Travel Planner***

Incentive planners, tour operators and retail travel consultants craft individualized New York City itineraries for their clients with the *NYC Official Travel Planner*. Updated annually, the guide highlights hotels, destination services, restaurants, event venues, happenings around town and more. Estimated readership: 171,000.

- ***NYC Official Visitor Map***

Published twice annually, the *NYC Official Visitor Map* makes it easy for visitors to get around the five boroughs and includes details on top attractions, subway stops and useful travel tips. Distribution: 600,000 annually.

Networking Opportunities

Networking is a key benefit that is continually cited by members as one of the top reasons to join NYC & Company. With our business card exchanges, new member orientations and “speed networking” events, there are plenty of opportunities to meet and network with other local professionals throughout the year.

Official NYC Information Centers

The Official NYC Information Center–Midtown, located at 810 Seventh Ave., is a state-of-the-art facility providing the most comprehensive information about what to do and see in NYC. Some of the features available include:

- Multilingual Information Specialists ready to assist visitors, directing them to member businesses, providing custom itineraries and selling tickets to attractions, tours and Broadway shows.
- Free copies of the *NYC Official Visitor Guide* and *NYC Official Visitor Map* featuring member information.
- Computer stations with Internet access for users to browse nycgo.com and member websites.

In addition to the Midtown location are the Official NYC Information Center–Times Square, the Official NYC Information Kiosks in Chinatown and City Hall, as well as the recently opened Official NYC Information Center at Macy’s Herald Square, where visitors can access up-to-the-minute information on touch-screen kiosks and obtain a 10% discount pass at Macy’s.

Proprietary Research

NYC & Company provides information on where visitors are traveling from, seasonal travel data, as well as spending trends. Exclusive visitor profiles, market fact sheets and other valuable research are available to NYC & Company members on the members-only section of nycgo.com.

Marketing Programs and Platforms

As the official marketing organization for New York City, NYC & Company develops a wide array of initiatives and platforms that support and promote the City and help drive traffic to member businesses. A sampling of the programs include:

- NYC Restaurant Week (Summer/Winter): A 21-year-old program celebrating NYC's vibrant and diverse dining culture, offering prix-fixe lunch and dinner menus at hundreds of the City's finest restaurants.
- Broadway Week (Fall/Winter): This has become one of New York City's most anticipated programs, featuring two-for-one ticket offers to participating Broadway shows.
- Save the Date: This dynamic planning tool allows locals and visitors to discover events and offers in NYC throughout the year with plenty of notice. Visitors can find savings, deals, tips and events to optimize their New York City experience.

Looking Toward 2014

NYC & Company's Membership department will continue to build and grow membership across all categories, with particular focus on businesses in small neighborhoods across the five boroughs. We will dedicate ourselves to ensuring that members—both new and seasoned—are taking full advantage of the benefits we offer. There will be tool kits developed for the various member business segments, as well as educational seminars and webinars. It is very important that our members engage in all aspects of membership to realize their best return on investment.

TOURISM DEVELOPMENT

Tourism Development is responsible for targeting the travel trade and their audiences to expand the presence and reach of New York City around the world. Initiatives begin with a network of 18 representative offices establishing trade relationships throughout the Americas, Europe and Asia–Pacific. Focus in 2013 included maintaining a continuous dialogue with the travel trade, expanding destination education, developing new product offerings in market, particularly for borough product, and driving need-period travel.

Keeping in constant communication with the trade and developing new offerings go hand in hand. Education plays a key role in these efforts as the team hosted trade familiarization trips throughout the year to enhance product knowledge of New York City. The online NYC Travel Training Academy (nycgo.com/training) provides member-product knowledge in 10 languages across 27 markets worldwide, closing 2013 with almost 32,000 registered users. Almost 33,000 trade members worldwide received product updates on a quarterly basis via the Travel Trade Newsletter and more than 2,000 trade professionals used our trade pass to experience member products while visiting NYC.

Throughout the year sales missions and trade shows were key initiatives, giving priority positioning to member products and providing a relevant audience in market.

2013 Sales Missions and Trade Shows (in Chronological Order):

Sales Missions

| | |
|---------------------|-------------|
| Australia/Visit USA | Japan/Korea |
| Brazil | India |
| Canada | Scandinavia |
| France/UK | China |

Trade Shows

| | |
|----------------------------|----------------------|
| ABA (US) | ATM (Dubai, UAE) |
| Holiday World (Ireland) | IPW (US) |
| FITUR (Spain) | IFTM (France) |
| RSA (US) | SYTA (US) |
| BIT (Italy) | ABAV (Brazil) |
| ANATO (Colombia) | JATA (Japan) |
| AIME (Australia) | TTG (Italy) |
| COTTM (China) | Bienvenue (Quebec) |
| ITB (Germany) | FIT (Argentina) |
| WTM Latin America (Brazil) | ITB Asia (Singapore) |
| Cruise3Sixty (US) | WTM (UK) |

In an effort to drive need periods, cooperative promotions were established in market, focusing on tactical offers to direct travel to NYC. Highlights from 2013 include taking advantage of NYC & Company's existing out-of-home media to create a larger cooperative campaign with travel partners across Brazil, Italy, Portugal and Spain, as well as signing city-to-city partnerships with Madrid, Amsterdam, Mexico City and London that included the incorporation of travel promotions, generating extensive media coverage across each region.

Looking Toward 2014

In 2014 the Tourism Development team will remain focused on promoting member products across all five boroughs with increased focus on partnerships, education, product development and consumer promotions across international and domestic markets. The team will expand efforts further into emerging markets in Southeast Asia, the Middle East and Latin America with representation covering Chile, Columbia and Peru, as well as work to increase NYC's market share across the current represented markets.

CONVENTION DEVELOPMENT

Convention Development acts as a catalyst between the meetings industry and the NYC hospitality industry, driving meetings, conventions and trade shows to book groups into New York City.

The team's sales efforts focused on industry trade shows and events domestically, with expansion into the international MICE market. Customer facing activities were orchestrated in key domestic markets, including Boston, Chicago, Minneapolis, San Francisco and Washington DC. The Conference Express team hosted five client familiarization trips, each with a focus on market segment and New York City neighborhoods.

2013 Trade Shows and Events (in Chronological Order):

| | |
|--|--|
| HelmsBriscoe Partner Meeting (US) | AIBTM (US) |
| PCMA's Annual Meeting (US) | The Meetings Show UK (London) |
| FICP Northeast Regional Winter Meeting (US) | MPI WEC (US) |
| Meeting Exploration Conference | FICP Conferences (US) |
| GaMPI (US) | ASAE (US) |
| DMAI's Destinations Showcase (US) | SITE Minnesota Chapter (US) |
| MPI Northern California Chapter (US) | IncentiveWorks (Canada) |
| NYSAE's Meet NY (US) | Connect Marketplace (US) |
| ConferenceDirect's Annual Partner Meeting (US) | MPI/PCMA (US) |
| CBI Pharma Forum (US) | HSMAI's Affordable Meetings (US) |
| Philadelphia Area MPI Educational Institute (US) | European MICE Roadshow (France/Germany/UK) |
| I LOVE NEW YORK MEETINGS (US) | SGMP National Capital Chapter Expo (US) |
| MIC of Colorado (US) | IMEX America (US) |
| HelmsBriscoe Partner Meeting (US) | ICCA (China) |
| ASAE's Springtime Expo (US) | FICP Annual Conference (US) |
| IMEX (Germany) | MACE (US) |
| ESSAE (US) | NCBMP (US) |
| New England MICE (US) | EIBTM (Spain) |
| Smart Meetings (US) | The Network of Latino Meeting Professionals (US) |
| SGMP Annual Meeting (US) | IAEE (US) |
| CMP Conclave (US) | Holiday Showcase (US) |
| PCMA Education Conference (US) | |

In 2013 NYC & Company had the strongest member participation ever, with more than 100 co-exhibiting members throughout the year.

The Convention Sales and Conference Express teams have generated more than 1,100 qualified leads in 2013, a 6% increase over 2012. This translates to more than 218,000 booked room-nights, resulting in a 30% increase over 2012. The economic impact based on this room-night volume equates to more than \$280 million.

In 2013 the team expanded preferred partnership agreements with both HelmsBriscoe and ConferenceDirect. The relationship with third parties has proven an integral tool for generating new business. In 2013 HelmsBriscoe booked more than 71,000 room-nights in NYC, while ConferenceDirect associates booked 41,000 room-nights; each showed revenue increases from 10% to 30% year over year.

Looking Toward 2014

In 2014 the Convention Development team will remain focused on small and mid-size meetings, as well as international meetings, incentive and congress business. International association business will remain a priority through involvement with ICCA (International Congress and Convention Association). The team will also identify short-term corporate and mid-size association opportunities to match Javits Center needs and open dates. With the support of the NYC & Company meetings campaign "Make it NYC," planners will receive the message that NYC is accessible, manageable and, most important, attainable.

MARKETING AND PARTNERSHIPS

NYC & Company's Marketing and Partnerships team promotes the dynamic New York City brand worldwide, highlighting its unparalleled dining, shopping, entertainment and cultural offerings, and encouraging stays at member hotel locations. NYC & Company marketing programs—supported by valuable partners such as American Express, DreamWorks Classics, Google and Norwegian Cruise Line—position New York City as a must-see-now destination while offering locals and visitors the tools to experience the City in the most accessible and fulfilling manner. In 2013 signature NYC & Company programs like NYC Restaurant Week, Broadway Week and Off-Broadway Week continued to enjoy success, while newly launched programs, including Neighborhood x Neighborhood, Sunday Night Stays and NYCxDESIGN, helped add to the energy and excitement of the City. Following is a summary of key 2013 marketing programs.

Broadway Week

Launched in January 2011, Broadway Week provides a two-for-one ticket offer to the hottest shows during Broadway's slow seasons in January and in September. In 2013 the program had corporate partnerships with American Express and Norwegian Cruise Line and promotional partnerships with NBC 4 New York, *The New York Times*, Amtrak, The Broadway League and longstanding partner AARP, which again rewarded its members with an exclusive pre-sale offer. The 2013 Broadway Week sweepstakes, featuring a grand prize of a seven-day cruise for two aboard the Norwegian *Breakaway*, increased visitation to the program's landing page on nycgo.com. More than 140,000 tickets were sold across the winter and fall programs, generating a record \$9.9 million in incremental revenue for theaters through ticket sales.

The Design Collection

The Design Collection is a selection of hotels where exceptional design is an essential part of the experience. It is the place to find hotels that exemplify great design in all its expressions, and is a guide to leading trends, attractions and events throughout New York City. In 2013 The Design Collection was an integral element to some of the City's more influential design programs, serving as the official hotels for NYCxDESIGN, in May, and the American Institute of Architects' Archtober celebration, in October.

Neighborhood x Neighborhood

Neighborhood x Neighborhood is an NYC & Company initiative designed to highlight the diversity of offerings throughout New York City's five boroughs, encourage exploration of areas outside traditional tourist locations and generate economic activity in the featured neighborhoods. Each month a new neighborhood is highlighted on nycgo.com, supported by a press release, prime positioning in our e-newsletter and a corresponding Taxi TV advertisement. The program has been covered extensively through local, domestic and international channels, and has received high praise from city officials.

NYC Comedy Week

In 2011 NYC & Company, the New York Comedy Festival and Comedy Central partnered to create NYC Comedy Week, a celebration of NYC as the comedy capital of the universe. The 2013 program presented a two-for-one ticket offer, and was headlined by comedian Hannibal Buress. In addition to his performance, NYC Comedy Week featured 41 two-for-one shows at 11 venues across the City, covering a wide spectrum of genres: sketch, improv, musical comedy, variety, stand-up, storytelling and even a live Japanese game show. Nearly 1,800 tickets were sold during the program, and the participating venues received increased exposure, reaching new fans and future patrons.

NYC Culture Collection

In 2013 NYC & Company launched NYC Culture Collection, which highlights offers for cultural programming—from zoos and botanical gardens to museums and performance venues—across the City. Each quarter, an area of focus (e.g., dance, visual arts, outdoors and recreation) is featured and promoted on nycgo.com through email campaigns and in collateral pieces distributed at Official NYC Information Centers and Kiosks and the participating cultural institutions. The program has helped showcase the City's rich and diverse cultural offerings while encouraging visitation.

NYCxDESIGN

NYCxDESIGN, a 12-day showcase of global design, was launched in 2013 in collaboration with various city agencies and officials as well as a steering committee featuring some of New York City's most-renowned design institutions, retailers, manufacturers, entrepreneurs, curators, educators, editors and designers. Spanning all disciplines—digital, fashion, furniture, graphic and product design, architecture, urban planning and more—NYCxDESIGN creates a platform for cultural and commercial opportunities, elevates established and emerging design practices, and increases awareness of and appreciation for design by all audiences. The 2013 program featured more than 350 events at nearly 200 venues across all five boroughs.

NYC Restaurant Week

Designed to increase traffic during slow periods for the dining industry—July/August and January/February—the twice-annual NYC Restaurant Week features three-course prix-fixe lunches at \$25 and three-course prix-fixe dinners at \$38 at nearly 300 restaurants across the City. For 2013 both seasons lasted 20 days, based on the compelling success of the extended program period in 2012. With the help of Founding Sponsor American Express and new Participating Sponsors Google Maps and Norwegian Cruise Line, the 2013 programs brought more than 440,000 diners to participating restaurants and generated more than \$14 million in revenue for these venues based on online reservations alone.

Off-Broadway Week

Off Broadway appeals to a broad spectrum of audiences. By offering dramas, comedies, musicals and more, there is something for everyone at a reasonable price. Off-Broadway Week offers two-for-one tickets to Off-Broadway shows during January/February and September/October. Developed in partnership with the Off-Broadway League, the program was supported by NBC 4 New York and media partner *Time Out New York*. The 2013 programs saw record numbers of ticket sales during both seasons, with more than 9,000 tickets sold in total.

The Signature Collection Third Night

The Signature Collection is a selection of the finest hotel accommodations in the world, all uniquely New York. The Signature Collection Third Night program allows consumers to receive a third night free when they book and pay for two nights at participating Signature Collection hotels during the slow periods of January/February and July/August. The 2013 winter program included a promotion at Saks Fifth Avenue, where guests received a VIP shopping experience as part of their booking. During the summer program, the offer was available exclusively to guests who booked suites.

Sunday Night Stays

Many leisure travelers end their vacations on Sundays, and business travelers typically start their trips on Monday mornings. This leaves a great deal of unused inventory at hotels across the City. To help encourage business during this needs period, NYC & Company created the Sunday Night Stays program, which leverages the rich editorial content of nycgo.com to highlight great NYC experiences on Sunday nights, including Broadway shows, special Sunday events and “Sunday Supper” offers provided by NYC & Company member restaurants.

A British Guide to NYC

From May 6 to August 31, NYC & Company, Brand USA and American Express launched the first-ever joint effort to incentivize summer travel from the United Kingdom to NYC, which included digital ads and out-of-home media that directed viewers to a Tumblr blog, *A British Guide to NYC*. A knowledgeable Brit who lives in New York City took charge of the blog and provided the UK audience with a daily feed of ideas for dining, shopping, entertainment and urban exploration across the five boroughs. The campaign was successful in promoting overall destination awareness, encouraging travel to New York City and creating conversations with key in-market travel and press entities as well as consumers.

Where’s Waldo?, Official NYC Family Ambassador

The Official NYC Family Ambassador program was created to help position New York City as a safe, welcoming family-friendly destination. In 2013 NYC & Company partnered with Where’s Waldo? to encourage families to choose NYC for their vacations. During the yearlong program, Waldo highlighted things for families to see and do in New York City through relevant editorial content on a dedicated page on nycgo.com. Additionally, NYC & Company collaborated with 17 cultural institutions across the City, the NYC Department of Parks & Recreation, New York Explorer Pass and Spanish tour operator El Corte Inglés to develop special programming and activities to expand the reach of the program. In July an out-of-home campaign ran in Madrid, Spain, with more than 350 placements to promote travel to the City.

Looking Toward 2014

For 2014, NYC & Company will continue to refine the existing marketing programs outlined above while developing new initiatives to encourage visitation and exploration. NYC & Company will work with longstanding partner American Express on new initiatives. Family travelers will continue to be a top priority, and NYC & Company will identify a new ambassador who will continue to emphasize New York City as an ideal family destination. With the support of new partner Santander Bank, NYC & Company will expand and amplify the successful Neighborhood x Neighborhood program in 2014, allowing a new selection of diverse neighborhoods to be presented to an even wider audience. Across all programs, there will be a heightened focus on driving overnight domestic visitation—drawing new long-haul and Acela-corridor visitors and converting suburban “day trippers” into overnight guests. NYC & Company also will look to build upon existing partnerships and forge new partnerships to help achieve the City’s visitation goals. NYC & Company remains committed to developing new and exciting programs to help channel business to members and encourage travel to all five boroughs of New York City.

DIGITAL

As the official guide to New York City, nycgo.com and supporting channels work to inspire visitation to, and navigation of, the five boroughs. This is achieved through timely, original editorial content, dynamic trip-planning tools and e-commerce channels, all of which ease the trip-planning process for our visitors. The website also serves as the hub of activity for all NYC & Company marketing programs, a platform to showcase member businesses and an effective advertising vehicle for partners to generate new business.

In 2013 nycgo.com reached and influenced more than 12 million tourists and locals—another stellar year for our desktop, mobile, email, social media, and stand-alone kiosk channels. Visitation to the desktop site grew 18% compared to 2012, and traffic is up over 125% since the site's relaunch in 2009. The mobile site grew 23% in 2013 compared to 2012, and will only become more important as the channel continues to mature; mobile traffic is up an astounding 126% since 2011. With an average of 5 million page views per month, five page views per visit and 10 minutes spent on nycgo.com per visitor, our users are increasingly engaging with our site to learn about the City, plan their visit and book their trip. The following are a few of the year's highlights:

- Introduced an enhanced hotel booking engine, powered by industry leader Booking.com. The trend-setting, first-of-its-kind platform is exclusive to NYC & Company members.
- Developed a new e-commerce experience for purchasing Broadway tickets; refined, enhanced and promoted our site-wide e-commerce channels; and relaunched the site's special offers platform, all with the aim of generating new business for members and facilitating planning for visitors.
- Relaunched our mobile site, featuring a new cutting-edge design and enhanced geo-targeting capabilities.
- Created a new look and enhanced navigation on the core nycgo.com desktop home page.

Looking Toward 2014:

Initiatives for 2014 include rebuilding and redesigning nycgo.com with the goal of a full site relaunch in 2015. We will also continue to add the latest digital tools, further develop itinerary-building functionality, and enhance our mapping, geo-targeting and mobile capabilities to help visitors explore the City. To meet the needs of new audiences in the digital world, we will expand our email marketing strategies as well as our domestic and international social media channels, and extend our reach internationally through geo-targeted, content-specific sections of nycgo.com aimed at international markets.

COMMUNICATIONS AND GOVERNMENT AFFAIRS

In 2013 New York City's thriving tourism industry posted yet another record-breaking year. At NYC & Company, the Communications and Government Affairs team shares the stories of our success with our members, domestic and international media, and new audiences around the world. The team's efforts ensure the continued visibility of New York City's vast array of product offerings and promote an increasingly vital sector of the City's economy to elected officials and community stakeholders who are well positioned to aid tourism's further growth.

The election of Mayor Bill de Blasio capped off a transitional year for New York City, and throughout 2013 NYC & Company continued to shape conversations about the strength and future of our industry. In mid-December, Communications and Government Affairs worked with Mayor Michael Bloomberg's office to announce the City's record-breaking year-end tourism numbers, resulting in coverage from the Associated Press and in *Crain's New York Business*, *New York Daily News*, *Wall Street Journal* and several additional domestic and international outlets. As the mayoral campaign focused the City's attention on issues including the economy, the team published a comprehensive, 63-page report on tourism's wide-ranging impact. "Tourism: A Model for Success," which was distributed to members, candidates for elected office and community leaders, summarized the recent achievements of NYC & Company, our programs and our members, and also outlined the steps that New York City can take to keep our diverse tourism industry a successful part of the City's economy and global identity.

Central to that identity is the fact that at its heart, New York City is a collection of diverse, vibrant neighborhoods. To draw more attention to these neighborhoods—and to direct residents and repeat visitors to sites beyond the traditional tourist destinations—NYC & Company launched the Neighborhood x Neighborhood campaign in March. This initiative shines a spotlight on the affordability and accessibility of neighborhoods across the five boroughs, with particular emphasis on areas that have seen new hotel development in recent years.

NYC & Company worked closely with representatives from the New York City Council, the Department of Cultural Affairs, the Department of Small Business Services and business improvement districts as well as community leaders to choose Neighborhood x Neighborhood's featured spots. As a result, from Arthur Avenue in the Bronx to Staten Island's North Shore, New York City's less-known neighborhoods have gained a wider local, domestic and international appreciation. Showcasing a new neighborhood every month, Communications engaged its global network of 17 international public relations representatives to promote the initiative,

generating hundreds of thousands of dollars in earned media. In addition, the team worked with its Creative department colleagues to commission new B-roll and photography that accompanied monthly announcements and supplemented its media-relations efforts.

City-to-city partnerships continue to be a key element of the Communications and Government Affairs team's strategic outreach. In 2013 NYC & Company developed new tourism partnerships with Amsterdam and Mexico City to further encourage tourism from these key markets. Additionally, NYC & Company renewed its long-standing city-to-city arrangement with London, further heightening the awareness of the five boroughs in New York City's number-one overseas market. Each partnership generated significant earned media exposure in targeted markets.

Communications continued to keep New York City top of mind at major travel trade shows such as World Travel Market in London, ITB in Berlin and IPW, held last year in Las Vegas. The team worked with NYC & Company's Convention Sales department to publicize New York City's meeting venues and developments, and with Destination Services to highlight major conventions and trade shows in town. Communications also publicized the opening of the newest Official NYC Information Center, the revamped Macy's Visitor Center at Macy's flagship Herald Square location. Public relations efforts extended to marketing initiatives, including the biannual NYC Restaurant Week, Broadway Week and Off-Broadway Week programs and the annual Comedy Week — efforts that directed consumers to nycgo.com for bookings.

Communications and Government Affairs consistently protects the image of New York City tourism. During the summer, the team promoted the Rockaways and Coney Island after their rebuilt beaches reopened following the extensive damage caused by superstorm Sandy in 2012. And although the federal government was shut down in October, the team emphasized that New York City remained open for business. The team also completed a comprehensive update to its Crisis Communications Plan.

Expanding its social media presence remained a priority for Communications in 2013. The team grew its number of Twitter followers almost 100 percent for its press feed, [@nycgo_press](https://twitter.com/nycgo_press). It also manages 12 Facebook and nine Twitter accounts throughout its global network, providing custom messaging for the media, travel industry and consumers in key international markets.

Looking Toward 2014

New York City is on pace to reach its goal of 55 million annual visitors in 2014, a year ahead of schedule. As that record-breaking figure climbs even higher, Communications and Government Affairs will engage with tourism stakeholders and the media—in more local, domestic and international markets—and promote new products and key events and holidays. The team will maintain productive relationships with community leaders and newly elected officials and work together to craft effective messaging, including a deeper look at what New York City means to our visitors, why they return time and again, and how tourism professionals have made our industry a leading economic engine in neighborhoods citywide.

RESEARCH AND ANALYSIS

The Research and Analysis department manages a comprehensive research and intelligence unit for the City's travel and tourism industry. It also functions as the office of record for vital statistics on New York City's travel sector. Reports and analyses are available to NYC & Company members, elected officials, city and state agencies, and key stakeholders.

The department compiles reports that measure the economic impact of NYC's tourism industry, profile visitors and track visitor volume from dozens of different origin markets and niche segments. Separate reports pinpoint citywide hotel development and track average hotel occupancy and room rates. The department also conducts extensive proprietary research to evaluate key marketing programs and events.

NYC & Company also deploys an innovative suite of forecasting and statistical tracking models to inform marketing, tourism and strategic planning decisions. These dynamic tools help position NYC's tourism economy in terms of market size, growth potential, propensity to visit NYC, risks, value and access.

In 2013 NYC & Company market-research initiatives spanned a variety of topics vital to the City's continued economic health. In addition to the regular audience and consumer surveys of programs such as NYC Restaurant Week and Off-Broadway Week, the department continues to identify important market variables and responses and conditions that affect travel decisions, whether linked to meeting planners or attendees, leisure visitors, or our strong regional market of day-trippers. We are still tracking the impact of weddings in the City following the groundbreaking study released in 2012 of the economic impact of same-sex marriage. Finally, in keeping with the City's status as a cultural mecca, the department presented the results of the third wave of the NYC Cultural Audiences survey at an educational workshop and prepared the fourth wave of the tracking study.

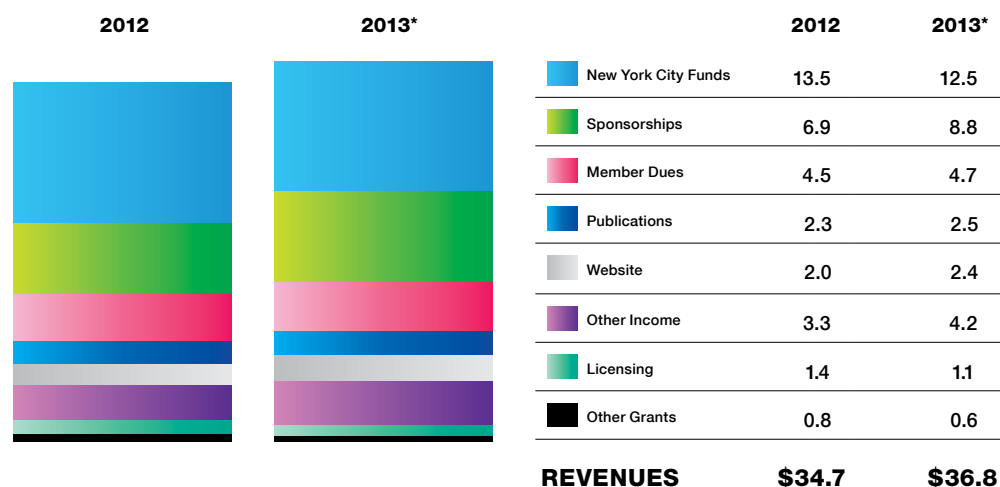
Looking Toward 2014

The Research and Analysis department will follow up with surveys of marriage impact, cultural audiences, restaurant customers, Broadway and Off-Broadway audiences, and other key marketing programs in addition to the weekly, monthly, quarterly and annual reporting of visitor statistics and indicators. New areas of focus include borough and neighborhood data, the economic impact of trade shows and conventions, and the diverse market segments that contribute to the liveliness of the tourism industry, such as LGBT and Hispanic-American travelers, as well as shoppers.

FINANCIALS

In 2013 NYC & Company's New York City Funds decreased by \$1 million, or 7%, as a result of City budget reductions. The company's other sources of revenue increased by \$3.1 million, or 15%, due primarily to the company's work with the National Football League to facilitate the City's co-hosting of Super Bowl XLVIII. Increases were also realized in website advertising revenue and ticket sales as a result of traffic increases and improved site functionality, and in "Other Income" due to increased attraction ticket sales at the company's expanded Official NYC Information Center platform.

NYC & Company's Revenues:



in millions (\$)
 Excludes value of in-kind media.
 *Numbers are preliminary.

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Names in bold indicate Executive Committee members.

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As of December 31, 2013

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As of December 31, 2013

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