

NYC[™]
& Company

2012

**ANNUAL
SUMMARY**



Dear Friends and Colleagues:

It was an exceptional 2012 for New York City, with a record 52 million visitors from around the globe coming to explore our diverse range of neighborhoods, attractions, restaurants, shops and cultural institutions. This marked the third consecutive record year for the City's tourism industry, a testament to the tremendous work being done by NYC & Company and our incomparable array of members. Indeed, our industry continues to be a critical economic engine, generating billions of dollars for all five boroughs, supporting thousands of businesses and creating much needed jobs. Thanks to all of your dedication, we have taken tourism to new heights and are already looking to keeping the momentum going through 2015 and beyond.

Of course, we are very fortunate to be able to work in and promote such an extraordinary city. All five boroughs have a unique character and spirit with something to offer everyone, from all walks of life. For our part, we have worked diligently to highlight all the amazing things to see and do through vibrant and imaginative programs such as NYC Restaurant Week and Broadway Week as well as partnerships with Norwegian Cruise Line and our Family Ambassador, The Muppets. We also continue to make enhancements to our website, nycgo.com, to ensure visitors and residents have the freshest and most up-to-date information to navigate the City. With Broadway attendance strong and numerous cultural institutions reporting record attendance, it is clear our message is resonating and our efforts are being rewarded.

While our future goals are ambitious, I am confident that together we can not only reach them but even exceed them. Through the shared commitment and strength of NYC & Company, our members and partners, we will continue to topple record after record and elevate the City's tourism industry to even greater heights.

Sincerely,

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

Emily Rafferty
Chairman, NYC & Company
February 2013



Dear Friends and Colleagues:

Once again, we are proud to be celebrating yet another record-breaking year—on pace to reach our new goal of 55 million visitors and \$70 billion in annual economic impact by 2015. As always, our members and partners are instrumental to this shared success—your commitment and dedication has helped New York City become the country’s top overall city destination and number one visitor spending market. New York City is the undisputed standard-bearer for the tourism industry, and destinations around the world are looking to emulate our model.

The fantastic growth of the last six years is also in large part attributable to our investments on the international front. In 2006 our team made a conscious effort to target foreign visitors, a demographic that stays longer, spends more and explores more of the City than their domestic counterparts. Our goal was to not only continue to maintain our presence in traditional markets like the UK and Germany, but also gain a strong foothold in emerging markets such as Brazil, Australia, India and China. These efforts have paid off with New York City’s market share for global travel to the United States, increasing from 28% to almost 33%. In other words, New York City is not only getting more visitors but we are also winning visitors over from other destinations.

As we look ahead over the next two years, there are many reasons for optimism: a thriving hotel sector, a growing meetings and conventions market, and new development projects coming online across all five boroughs. Most importantly, however, our industry continues to create jobs faster than any other sector in the City. At NYC & Company, we remain dedicated to keeping this momentum going and, with the support of our incomparable members, will do all we can to further enhance the energy and vibrancy of New York City.

Sincerely,

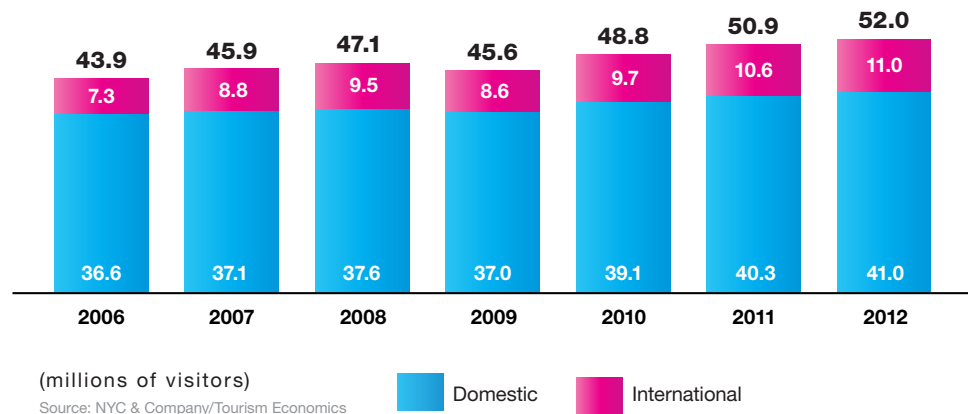
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George Fertitta
CEO, NYC & Company
February 2013

THIS IS NYC & COMPANY.

For New York City and NYC & Company, 2012 saw records broken for the third year. The City welcomed an estimated 52 million visitors — a 2.2% increase over 2011.

NYC Visitor Trends:



Tourism remains one of NYC's largest and most vital industries, supporting over 330,000 jobs and generating \$37 billion in direct spending across the City's five boroughs. In 2012 hotels booked more than 29 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 28 new properties and nearly 4,000 new hotel rooms.

These successes are all the more remarkable in light of the challenging global economic environment of the past few years.

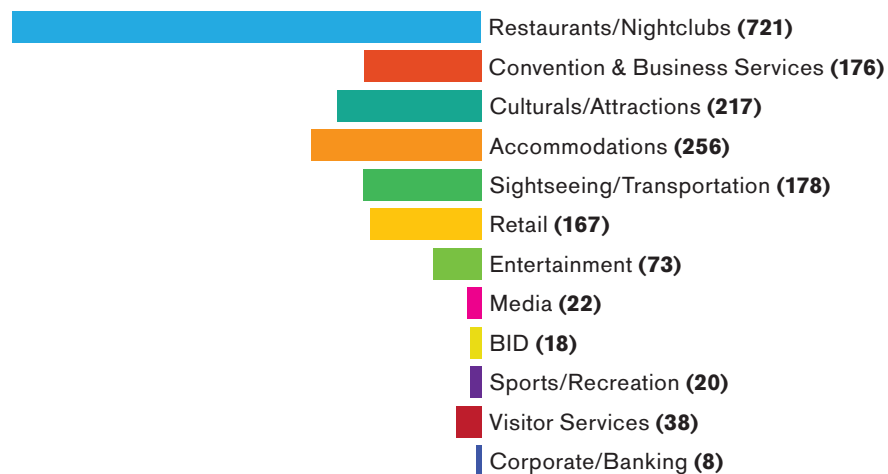
As always, we will strive to keep our forward momentum going. Our ambitious visitation goals will be reached through investment in emerging markets, communication with our global press network, innovative new marketing offerings, and a relentless focus on spotlighting our member organizations. NYC & 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 a microcosm of the City itself, a diverse group of businesses large and small. Nearly 1,900 members from all five boroughs come together with the common goal to strengthen their own marketing strategies and initiatives by working with NYC & Company, maximizing the reach of its marketing programs and amplifying the positive messaging about New York City.

NYC & Company's membership spans the convention, tourism and hospitality industries. Dues-paying members include major corporations and nonprofit organizations ranging in size from small to large, spanning all five boroughs. NYC & Company is proud to work on behalf of so many of New York City's finest businesses, including many of the City's newest hotels, restaurants, retailers and visitor attractions.

NYC & Company's Membership Composition:



There are many benefits to membership with NYC & Company, outlined here:

nycgo.com

NYC & Company's award-winning website, nycgo.com, won the 2012 Webby Award for Tourism, the Internet's highest accolade—the site's second Webby win in three years. Winning the Webby is not only a great honor, but it's also a terrific way to drive visitors to New York City and NYC & Company members. The official source for information about where to go and what to do in NYC, nycgo.com is targeted to both visitors and locals alike.

Every member has a dedicated property page on nycgo.com showcasing its business. Each property page includes a detailed description, along with multiple photos, a direct link to the business' own website and social media links. Members can also submit events and offers to be listed on nycgo.com.

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, as well as trade show leads gathered by the Tourism and Convention teams. The section also features valuable research information to help members plan their marketing strategies.

Marketing Programs

As the official marketing organization for New York City, NYC & Company develops a wide array of marketing initiatives with its members in mind, as well as platforms designed to support and promote the City. Programs include:

NYC Restaurant Week (Summer/Winter): Celebrating its 20-year anniversary in 2012, this semiannual prix-fixe dining program showcases NYC's vibrant and diverse food culture by promoting more than 300 of the City's finest restaurants.

Broadway Week (Fall/Winter): Launched in 2011, this program has quickly become one of NYC & Company's most anticipated, featuring two-for-one ticket deals to participating Broadway shows.

Save the Date: This dynamic planning tool allows locals and visitors to see what's going on and discover event dates and offers in advance, when they are in the planning stages for a visit, as well as find savings, deals and advice throughout the entire year to optimize and inform their trips to NYC.

Official NYC Publications

Published quarterly, the *NYC Official Visitor Guide* features itineraries, neighborhood highlights, a calendar of events and coupons. The guide provides detailed member descriptions for accommodations, transportation, sightseeing, cultural attractions, nightlife, shopping, sports and services available throughout the five boroughs. It is the only guide that goes out of market, influencing visitor purchasing decisions.

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 and subway stops and useful travel tips.

Targeted to meeting and event professionals, the annual *NYC Official Meeting & Event Planner* contains detailed information on member meeting and event venues, convention facilities, accommodations, restaurants, services and happenings throughout the City.

Incentive planners, tour operators and retail travel consultants can craft custom NYC itineraries for their clients using the *NYC Official Travel Planner*. Updated annually, the planner highlights hotels; destination services, including dining and shopping; and happenings around town, delineating the numerous options available to create an unforgettable NYC experience for travelers.

Official NYC Information Centers

The Official NYC Information Center in Midtown Manhattan is the ultimate destination for visitors and residents to find all they need to know about what to do and see in New York City. Multilingual Information Specialists are on hand to assist visitors find and book tourist passes and tickets for attractions, cultural venues. Members are displayed and featured on custom itineraries. Members are also showcased and promoted at satellite locations in Times Square and The Studio Museum in Harlem, as well as at kiosks in City Hall Park and Chinatown.

Networking Events

With business card exchanges, member orientation breakfasts, speed-networking events and business seminars, there are many opportunities throughout the year to meet and network with other member professionals. In 2012 NYC & Company hosted business card exchanges at the New-York Historical Society, Highline Ballroom, Prospect Park Zoo and Museum of the Moving Image, and even aboard the new Statue Cruises Hornblower Hybrid and on the Zephyr yacht. NYC & Company had speed-networking events at several member venues, as well as new-member orientations throughout the year at the Official NYC Information Center.

Research

Another key membership benefit is access to NYC & Company's research information, tracking who is visiting the City, including detailed international and domestic visitor information, demographics, length of stay and spending patterns. Members can use this data to inform their own marketing strategies and initiatives.

Looking Toward 2013

In 2013 the Membership department will continue to focus on new member sales and customer service. Building on the successes of legacy marketing programs, the team also will look for new ways to help retail, hotel, sports and nightlife businesses. The department's commitment to highlighting Lower Manhattan, Harlem and the outer boroughs—and in turn bolstering visitation to members in those parts of NYC—will only be stronger. NYC & Company looks forward to expanding the outreach of its publications, mobile website, social media and sales tools to showcase member businesses and give visitors more reasons to return to New York City again and again.

TOURISM DEVELOPMENT

Tourism Development is responsible for expanding the presence and reach of New York City around the world through an array of sales and marketing efforts. Initiatives begin with a network of 18 representative offices establishing trade relationships throughout the Americas, Europe and Asia-Pacific. Focus in 2012 included maintaining a continuous dialogue with the travel trade, developing new product offerings in market 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 2012 with more than 25,500 registered users. And more than 29,500 trade members worldwide received product updates on a quarterly basis via the Travel Trade Newsletter.

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

2012 sales missions and trade shows (in chronological order):

Sales Missions

Australia/Visit USA	Germany/Italy
Brazil (March and October)	India
Canada	Scandinavia
France/UK	China/CITM
Japan/Korea	

Trade Shows

Vakantiebeurs (The Netherlands)	Cruise3Sixty (US)
ABA (US)	ATM (Dubai, UAE)
FITUR (Spain)	International Pow Wow (US)
Holiday World (Ireland)	IFTM (France)
RSA (US)	SYTA (US)
Braztoa (Brazil)	La Cumbre (US)
MATKA (Finland)	JATA (Japan)
BIT (Italy)	TTG (Italy)
AIME (Australia)	Bienvenue (Quebec)
ITB (Germany)	FIT (Argentina)
MITT (Russia)	WTM (UK)
TUR (Sweden)	CITM (China)

In an effort to drive need periods, cooperative promotions were established in market, focusing on tactical offers to direct travel to NYC. Among the highlights from 2012 was utilizing NYC & Company's existing out-of-home media to create a larger cooperative campaign with travel partners across Brazil, Italy, Portugal and Spain.

Looking Toward 2013

In 2013 the Tourism Development team will remain focused on promoting member products across all five boroughs through international and domestic trade FAMs. The team will expand efforts further into emerging markets in Southeast Asia, the Middle East and Latin America 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. Sales efforts are primarily focused on industry trade shows and events domestically, with a focused expansion into Europe in 2012.

2012 trade shows and events (in chronological order):

HelmsBriscoe Partner Meeting (US)	MPI Kansas City Chapter (US)
PCMA's Annual Meeting (US)	AIBTM (US)
DMAI's Destinations Showcase (US)	ASAE (US)
MPI Northern California Chapter (US)	Incentive Works (Canada)
NYSAE's Meet NY (US)	HSMAI's Affordable Meetings (US)
ConferenceDirect's Annual Partner Meeting (US)	European MICE Roadshow (France/Germany/UK)
MIC of Colorado (US)	IMEX America (US)
ASAE Springtime Expo (US)	EIBTM (Spain)
IMEX (Germany)	IAEE (US)
ESSAE (US)	Holiday Showcase (US)

An additional focus, NYC member product education, is realized through sales calls, events and familiarization tours. Member need periods, also a priority, are supported with programs like Meet Me on Sunday.

The convention and meetings segment remains an important foundation of the City's market mix and continues to serve as a hedge against fluctuations in leisure and transient business. In 2012 the team generated 1,086 qualified leads that resulted in 386 meetings booked, more than 163,000 room-nights and more than \$122 million in economic impact.

Eighty-eight percent of bookings in 2012 (77,800 room-nights) will directly affect 2012 and 2013; 77% of bookings are 100 rooms on peak or below. Both are a reflection of our increased efforts on shorter term and self-contained pieces of business. An additional 414,000 room-nights were either lost or turned down due to availability, rate or increased competition from other destinations.

Looking Toward 2013

In 2013 the Convention Development team will remain focused on small and midsize meetings, as well as international meetings and incentive and congress business. Increased client engagement for our members and creating third-party opportunities for new targeted business will be important drivers moving forward. Need periods will remain a priority, and efforts will continue to promote neighborhoods throughout the five boroughs. To enhance the team's engagement within the industry and raise destination visibility, NYC & Company will launch an NYC meetings campaign across targeted trade media.

MARKETING AND PARTNERSHIPS

NYC & Company's Marketing team promotes the dynamic New York City brand worldwide, highlighting its unparalleled dining, shopping, entertainment and cultural offerings, and encouraging stays at more than 200 hotel member locations. NYC & Company marketing programs—supported by valuable partners such as American Express, Disney, the New York Comedy Festival, Norwegian Cruise Line, OpenTable, Syfy, Travelocity and *Time Out New York*—and nycgo.com, the award-winning official guide to New York City, position NYC as a must-see-now destination while offering locals and visitors the tools to experience the City in the most accessible and fulfilling manner. As a result, 2012 was another record year for both international and domestic tourism, as well as for local economic development. Following is a summary of key 2012 marketing programs.

nycgo.com

The center of activity for NYC & Company, nycgo.com provides a platform for all marketing programs, a spotlight for member organizations and a dynamic mix of editorial content that showcases all the things to see and do in NYC. In 2012 nycgo.com received the Webby Award for being the best tourism website in the world—the second win and third nomination in three years. The site has seen a steady increase in visitation, with an average of 5 million page views each month. New in 2012, 11 geo-targeted webpages were launched, providing visitors from NYC's top markets with essential information about the City in their home languages. The mobile version of nycgo.com has also seen tremendous growth in 2012, as more and more people turn to their smartphones and tablets to research destinations and make travel decisions. Along with the web and mobile site, NYC & Company expanded their social media presence with increased Facebook and Twitter followings and the launch of 12 international Facebook pages and nine international Twitter accounts, which provide foreign consumers, press and travel trade ongoing in-language content. In addition to

Facebook and Twitter, NYC & Company continues to seek out new ways to reach and engage with potential visitors, adding Instagram, Tumblr and Pinterest accounts.

NYC Restaurant Week

NYC Restaurant Week, the City's original culinary celebration and the world's first restaurant week, continued its growth in 2012. It celebrated its 20th anniversary in 2012 and continued to surpass previous records for seated diners, restaurant revenue and web traffic. Designed to increase traffic during slow periods for the industry, the semiannual prix-fixe dining promotion remains one of the most highly anticipated events in NYC. NYC Restaurant Week provides a tremendous value to consumers: the cost for the program's iconic three-course menus remained the same for more than 10 consecutive seasons: \$24.07 for lunch and \$35 for dinner. With the help of Founding Sponsor American Express, the 2012 programs saw more than 470,000 covers, which generated more than \$15 million in revenue for participating restaurants from online reservations alone.

Broadway Week

Broadway has been an iconic pillar of American culture for more than 100 years. Its appeal crosses over from native New Yorkers to long-haul travelers, from suburbanites to international tourists. Launched in January 2011, Broadway Week provides theater fans with the opportunity to purchase two-for-one tickets to Broadway's hottest shows. The program occurs in the winter and fall, when ticket sales are slower. The success of the program continues to grow year over year, with a record-breaking 150,000-plus tickets sold and nearly \$9.5 million in revenue generated in 2012 alone. And once again, an AARP promotion rewarded silver-segment members with an exclusive pre-sale offer.

Off-Broadway Week

Off-Broadway Week appeals to a broad spectrum of audiences, from seasoned theatergoers to bargain-hunting students looking for something new and exciting at a reasonable price. The program provides tremendous incentive to experience Off-Broadway during January/February and September/October through the two-for-one-ticket promotion. Developed in partnership with The Off-Broadway League, the program was also supported by NBC 4 New York and media partner *Time Out New York*. The 2012 programs saw record numbers of ticket sales for both seasons.

Comedy Week

In 2011 NYC & Company and the New York Comedy Festival (NYCF) created Comedy Week—a celebration of New York City as the comedy capital of the world. The goal was to encourage people to see live comedy at one of the City's many comedy venues. Building on the success of the inaugural year, Comedy Week 2012 was extended to a full week (November 5–11), and free comedy events supported by partners Gotham Comedy Club, Gray Line New York, Stray Boots and Upright Citizens Brigade were added to the lineup. Keegan-Michael Key and Jordan Peele, stars of Comedy Central's hit show *Key & Peele*, performed for hundreds of comedy fans at New York University's Skirball Center for the Performing Arts.

Save the Date

NYC & Company launched a travel-planning tool on nycgo.com called Save the Date that provides visitors with an enormous array of things to see and do across the five boroughs. When visitors enter their desired travel dates, they are presented with special offers from member hotels and retail organizations, marketing program information (NYC Restaurant Week, Broadway Week, Off-Broadway Week and more), plus lists of all the must-see and -do events that take place in NYC year-round. Not only does the tool make planning a trip to NYC much easier, but its robust content offerings help show how dynamic a destination New York City is. To help drive travel during the first quarter of 2013, NYC & Company launched the Sample NYC Winter Sale marketing campaign, which, hand in hand with Save the Date, showcases all the events, marketing programs and hotel promotions taking place during the winter in NYC. Designed to encourage consumers to give the gift of NYC for the holidays, Sample NYC Winter Sale was launched in December with a full out-of-home campaign in the greater Boston area that encouraged weekend getaways to NYC.

The Muppets, Official Family Ambassadors to NYC

The Family Ambassador program was created in 2009 to help position New York City as a safe, welcoming family-friendly destination. This year NYC & Company selected The Muppets to be the Family Ambassadors and for the first time expanded the program to promote year-round visitation. In April Kermit the Frog, Miss Piggy, Gonzo the Great and Pepe the King Prawn joined Mayor Bloomberg and NYC & Company CEO George Fertitta to announce the program's start at a press conference at the Official NYC Information Center–Midtown. All year long the Muppets provided tips on things to see and do throughout the City and highlighted family-friendly NYC & Company members on a dedicated nycgo.com page. New for 2012, a hotel promotion was created as part of the Family Ambassador program, providing visitors with hotel incentives and a Muppets gift bag when they booked stays at one of more than 40 member hotels. Finally, NYC & Company worked with 11 cultural institutions across the five boroughs to create a fun-filled, Muppets-inspired scavenger hunt designed to drive traffic to the organizations all winter long.

Fashion's Night Out

For the fourth straight year, NYC & Company partnered with *Vogue* and the Council of Fashion Designers of America (CFDA) to produce Fashion's Night Out (FNO) on September 6. More than 900 retailers participated across all five boroughs, and FNO's success in New York City was amplified by the remarkable global expansion of the event: stores in 19 countries and more than 500 US cities celebrated this inspired initiative in 2012 as well. Launched in 2009, FNO is an unprecedented initiative created to celebrate fashion, restore consumer confidence, boost the industry's economy and put the fun back in shopping. To support these efforts, NYC & Company provided significant citywide media assets to promote the event, in addition to taxi videos, logistics coordination, communications support and hotel promotions. With the aid of partners Ford, Maybelline and QVC, the 2012 FNO initiative received more than 3.6 billion press impressions, a 14.3% increase from last year, and FNO merchandise sales raised about \$500,000 for the New York City AIDS Fund, bringing the total amount raised since 2009 to about \$2 million.

The Signature Collection Third Night

Luxury is defined in any number of ways: comfort, attention to detail, an escape from the everyday. In New York City, luxury is defined by The Signature Collection, a selection of the finest accommodations in the world, all uniquely New York. Designed to stimulate tourism and spending in NYC during biannual soft periods through exclusive value-package offerings, The Signature Collection Third Night program allows consumers to get a third night free when they book and pay for two nights at participating Signature Collection hotels. Partners such as Saks Fifth Avenue and the Madison Avenue BID have supported the program by offering exclusive VIP shopping experiences to Third Night guests. Nearly 3,000 room-nights were booked as a result of the 2012 programs (January/February and July/August).

The Design Collection

Great design—whether through the physical structure, aesthetic of the interiors or staff uniforms—is the common thread that links the hotels in The Design Collection, a program that was launched in September. NYC & Company will be developing programs for Design Collection guests, providing them with special access to some of NYC's greatest design-related events and venues.

Lower Manhattan Marketing Program

Launched in June 2011, the Lower Manhattan marketing program celebrates the vibrancy and excitement of downtown NYC—and helps spread the word that Lower Manhattan is a revitalized NYC neighborhood. The program promotes hotel value packages that focus on special weekend rates at 13 hotels in Lower Manhattan as well as offer added-value benefits to explore Lower Manhattan (late checkout, complimentary Downtown Culture passes, New York Water Taxi tickets and Century 21 gift cards). Additionally, the dedicated nycgo.com page provides suggestions on how to explore Lower Manhattan and nearby neighborhoods. The program was supported by a multi-channel media campaign valued at a total of \$3.9 million.

NYC <30 Youth Program

In 2012 NYC & Company launched a new initiative designed to encourage travelers ages 18–29 to plan a trip to New York City. The program, NYC<30, highlights youth-focused events and activities—shopping, fashion, dining, culture and nightlife—throughout the City, and provides in-depth itineraries for exploring some of the City's hip and youthful neighborhoods. The core message is that a trip to New York City is a rite of passage. To promote the initiative internationally, NYC & Company partnered with MasterCard to develop a series of special promotions to encourage visitation. Thousands of MasterCard holders in the target demographic received marketing messages that included exclusive offers and experiences at more than 25 NYC & Company member locations. Research suggests that the earlier a traveler visits New York City, the likelier they become an NYC visitor for life, so by actively engaging with the youth market, New York City is getting a head start on creating repeat customers.

Mix-n-Match

In February 2012 Mix-n-Match provided American Express Cardmembers with a great incentive: spend \$200 in a total of two participating places and get \$50 back. The program drove targeted spending at more than 400 local merchant locations (274 individual businesses) across dining, shopping, arts, culture, museums, entertainment,

Broadway and attractions. Mix-n-Match was supported by a fully integrated marketing campaign valued at \$900,000. In total, the program resulted in an almost \$3 million spend at local merchants.

Syfy and 31 Days of HalloweenNYC

For the second straight year NYC & Company and Syfy celebrated Halloween in New York City throughout October. The program captured the imagination of New Yorkers and brought Syfy's 31 Days of Halloween programming to life in NYC through a series of events and partnerships across the five boroughs. The 2012 program was bigger and better than the first year, featuring Syfy sponsorships of 15 NYC Department of Parks & Recreation events, a partnership with national Halloween retailer Spirit Halloween, a 24-page Halloween event guide in Time Out New York, plus nearly 400 out-of-home placements throughout the City. The monthlong program culminated in a three-day Halloween festival in Flatiron Plaza that featured face painting, arts and crafts, a photo booth and more. The centerpiece of the festival was the Syfy Stage, where daily performances, including those from top Broadway and Off-Broadway shows, took place. The program provided enormous brand exposure for Syfy, delivered meaningful engagement with their fans and provided wholesome fun to thousands of New Yorkers.

Travelocity

Travelocity has been a longtime partner of NYC & Company. In October 2012 NYC & Company welcomed the Roaming Gnome back to the City to kick off "The Great Gnome Nabbing" contest: eligible contestants could submit a video explaining why they should be "nabbed" by the Roaming Gnome and taken on a whirlwind trip around the globe. To build citywide excitement and awareness, NYC & Company helped produce a consumer activation event in Flatiron Plaza on October 2-3. There, consumers learned about the contest, uploaded video entries in kiosks set up around the Roaming Gnome's "stakeout" car and entered hourly raffles for a chance to win \$1,000 toward a Travelocity vacation package or hotel stay. On October 1, NYC & Company produced a press event to announce the contest, while the Roaming Gnome announced his "arrival" in NYC by projecting his unmistakable silhouette against buildings across the City. After hundreds of entries and thousands of votes, Travelocity named the winners on November 29, and NYC & Company helped kick off their worldwide adventure in New York City by helping coordinate a fun-filled itinerary packed with must-see arts, dining and entertainment while they were here.

Looking Toward 2013

After a successful 2012, NYC & Company looks to continue its momentum and raise the bar again in 2013 with new partnerships and initiatives. In addition to the continued support for signature marketing and hotel programs, there will also be focus on refining the Save the Date planning tool with the creation of new offers and hotel promotions designed to boost travel during key needs periods. From a partnership perspective, NYC & Company plans to expand its longstanding relationship with American Express to reach travelers in international markets, while it looks forward to building its relationship with Norwegian Cruise Line, first-time sponsors of NYC Restaurant Week and Broadway Week. On the digital front, NYC & Company will continue to grow their audiences across nycgo.com and supporting channels, and improve the design of the web and mobile sites to provide better ways for consumers to find content, book travel

and purchase tickets. New for 2013 is the launch of NYCxDESIGN, a program being developed with City Council to celebrate and showcase the City's rich and diverse design communities. Additionally, a new marketing campaign will be developed to promote the exploration of the City's diverse neighborhoods. NYC & Company remains committed to developing new and exciting programs to help drive business to members and encourage travel to all five boroughs of New York City.

COMMUNICATIONS AND EXTERNAL AFFAIRS

A few months after Mayor Bloomberg joined NYC & Company Chairman Emily Rafferty to welcome New York City's 50 millionth visitor, NYC & Company traveled to International Pow Wow, in Los Angeles, to announce a new tourism goal: 55 million visitors and \$70 billion in economic impact by 2015. The press conference, which included hundreds of journalists from news outlets across the globe, was a launching point for showcasing the industry's dramatic growth since 2006. Essential to the department's messaging strategy for 2012 was emphasizing the importance of tourism to New York City's economy while highlighting the initiatives to reach new audiences.

Over the past six years, as NYC & Company focused on international visitors and drastically expanded its global network, the press coverage generated has become a critical promotional tool to directly reach consumers in market—especially as New York City must compete with the multimillion-dollar advertising budgets of other destinations. To this end, the Communications and External Affairs teams worked directly with tourism stakeholders and the worldwide press to ensure brand visibility with foreign consumers and promote new programs and initiatives across an array of demographics.

To support the company's efforts to tap emerging markets, the team renewed the City's partnership with São Paulo, Brazil, while also working at the federal level to improve visa processing and other impediments to entry into the United States. As the top international destination and number-one port of entry in the United States, NYC stands to benefit the most when countries like Brazil are given more access. Also, in coordination with the Tourism Development department, the team launched New York City's newest international office, in Mexico. The team, along with CEO George Fertitta, held a press conference in Mexico City and met with Mayor-elect Carlos Mancera to begin exploring a city-to-city partnership for 2013.

With a network of 18 offices serving 25 markets around the globe, the in-market international press teams generated millions of dollars in earned media by promoting New York City's five-borough product as well as NYC & Company's programs and members. The NYC-based press team attended key travel trade shows around the world to promote NYC in 2012, including ITB, in Berlin; International Pow Wow,

in Los Angeles; and World Travel Market, in London. Additionally, NYC & Company's international network also supported in-market sales missions and travel trade shows—including ones in Brazil, China and India—to maximize exposure for New York City tourism. NYC & Company's Communications team also worked with travel media from around the globe to pitch and shape topical stories about New York City, and welcomed several individual and group media to the City who came to write firsthand destination articles. One notable outlet that the team worked closely with was *Today Show Australia*, which broadcast from Times Square for five straight days in October, promoting the City's five boroughs to NYC's fifth-largest source of overseas visitation. The show reached almost 4 million viewers a day and is the number-one morning show in Australia.

Communications efforts extended beyond promoting New York City in certain key markets; the team focused on targeting important audiences such as youth, LGBT and family—both domestically and internationally. In 2012 NYC & Company's press team amplified several significant organizational initiatives like CityMaps, along with core marketing programs such as NYC Restaurant Week, Broadway Week, Off-Broadway Week, Comedy Week and The Signature Collection Third Night hotel promotion. The team orchestrated and led the global press strategy and launch of The Muppets as the City's new official Family Ambassadors, emphasizing New York City as a safe and affordable family destination. Additionally, the Communications team assisted Mayor Bloomberg and City Council Speaker Christine Quinn in announcing the strong economic impact of same-sex marriage on the one-year anniversary of its legalization in New York.

On the domestic PR front, the team continued to highlight borough travel to the City with several major placements appearing in national publications such as *The New York Times* and *USA Today*. A critical element to our five-borough press strategy has been the promotion of New York City's hotel growth and the thousands of new rooms coming online outside Manhattan, most notably in Long Island City, Queens, and Downtown Brooklyn. Additionally, through collaborations with initiatives such as the CityMaps app and the Rooftop Film series, NYC & Company's press team was able to highlight the accessibility, diversity, value and affordability of all five boroughs. In 2012 the office generated 549 print articles, domestically generating 151 million impressions and close to \$23 million in total media value.

In addition to supporting NYC & Company's strategic efforts to increase market share globally and reach new audiences, the Communications and External Affairs teams consistently strove to protect the image of the tourism industry and the City as a whole. After Hurricane Sandy, the department worked directly with NYC & Company's Membership and Tourism Development teams to provide city, federal and state emergency workers with accurate and timely information on hotel-room availability for displaced residents as well as updates on affected businesses and attractions. Additionally, the team focused on communicating tourism-related updates on business reopenings to the media and other constituencies, including the company's 18 international offices—emphasizing that while certain areas were hit hard, 95% of the City was back online almost immediately. As a result of the full team effort, New York City saw few cancellations, and the industry still managed to reach record-breaking visitor numbers and growth in multiple areas, including cultural attendance

and hotel occupancy. The year-end tourism announcement of the record 52 million visitors in 2012 was held at the American Museum of Natural History with Mayor Bloomberg and the Radio City Music Hall Rockettes on New Year's Eve.

The Communications and External Affairs teams work around the clock—often across many time zones—to promote and protect the brand of New York City. Through the network of international press representatives in 25 markets, the department monitors and manages media coverage and the political landscape that impact the image and reputation of the City. Through a continuous dialogue with elected officials, the media and industry professionals, the team conveys the importance of tourism across the country and throughout the five boroughs.

Looking Toward 2013

With an ambitious new tourism goal of 55 million visitors by 2015, the Communications and External Affairs teams will once again help develop strategic and promotional plans for new audience development. Through stakeholder outreach, deeper relationships with the media and social media tools, the department will champion the growth and importance of the tourism industry. With a new administration in 2014, there will also be a concerted effort to ensure continued tourism funding and that the role of NYC & Company and its members is acknowledged and protected.

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

In 2012 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, Fashion's Night Out, Broadway Week and Off-Broadway Week, the department responded to timely events, such as projecting the economic impact of the 2011 passage of the Marriage

Equality Act and identifying the effect of Hurricane Sandy on NYC & Company members. In its ongoing efforts to aid the City's tourism and convention outreach, the department identified key decision points in how meeting planners select a city for conventions and meetings. And in keeping with the City's status as a cultural mecca, the department conducted the third wave of the NYC Cultural Audiences survey and presented an educational workshop to members at the New-York Historical Society.

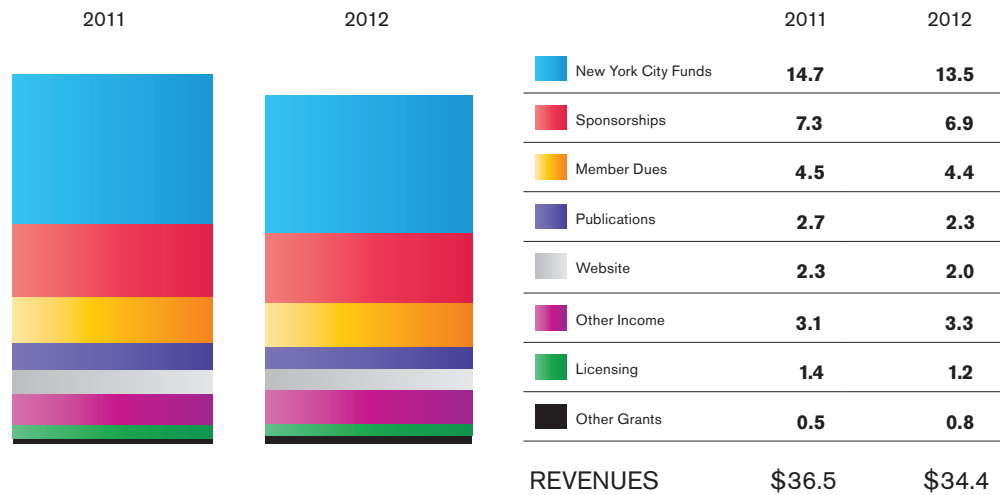
Looking Toward 2013

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.

FINANCIALS

In 2012 NYC & Company's City contract funds decreased by \$1.2 million, or 8%, as a result of ongoing City budget reductions. The Company's other sources of revenue decreased by \$0.9 million, or 4%, due primarily to a challenging sponsorship environment. Publications was lower due to publishing one of our guides in 2013 that historically would have been released in 2012, and other revenue sources remained steady including Member Dues.

NYC & Company's Revenues:



in millions (\$)
Excludes value of in-kind media contributions

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As of December 31, 2012

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(as of December 2012)

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