

2014 Annual Report Prague City Tourism



whoa
Oooh

Shhh
Yum
Wow

Wow

Mmm

Ohhh lala Yeah

Yippe

whoa Oooh pure emotion
Prague

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INTRODUCTION BY THE CEO



In many respects, the year 2014 was a very dynamic one for our organization. The new visual style for destination Prague garnered significant interest and the public started perceiving the new brand, logo, and slogan as original symbols carrying a positive message.

We expanded our network of tourist information centres into two important new locations – Terminal 1 of the Prague airport, and the upper part of Wenceslas Square. It was, then, through a total of six information centres that we served the public, providing free information, offering

the Prague Card, booking our guided walks and the services of our expert guides, selling tickets, and assisting tourism professionals.

To honour the Year of Czech Music 2014, we created an interactive online map of Prague specifically aimed at music lovers, connecting major composers and events in music history with places in Prague. The map, issued also in a paper version and as a smartphone application (complete with music samples), will remain relevant in 2015 and beyond.

In 2014, our organization launched and brought to full speed some twenty projects which propelled our work forward. Especially in the area of social media and the web, our contact with the general public has greatly intensified. Two tender-winning agencies – Havas Digital Worldwide Prague and MediaCom – were charged with, respectively, realizing the creative concept and purchasing the relevant media; over the course of three years, they will carry out our major digital campaign. The cornerstone of the campaign – themed videos shot with actual foreign-born residents of Prague in the roles of ambassadors – stand out for the authentic nature of their testimony to Prague's appeal. The videos, as well as banner ads and other digital marketing tools, bring interested viewers to specially created themed web pages within www.prague.eu that offer a relevant selection of places, experiences and activities.

Our presentations abroad, whether in partnership with Czech Airlines (Germany, Denmark, Italy, South Korea), the Czech Centres (Spain, Austria, France), through our presence at trade shows (ITB Berlin, WTM London, MITT Moscow) or via MICE trade show participation by the Prague Convention Bureau whose activities we help fund (IMEX Frankfurt, EIBTM Barcelona, IMEX Las Vegas) have all significantly contributed to a reinforcing a positive image of Prague as a destination abroad.

Our autumn domestic tourism campaign, entitled “Follow the Beer to Prague”, had a wide appeal. Our objective was to bring greater awareness to Prague's new gastronomic phenomenon – the burgeoning craft beer scene. There are now over 25 microbreweries and brewpubs in Prague alone, and along with them dozens of new types of beer establishments: sophisticated beer bars and sampler pubs, specialized beer shops and even beer spas. Our goal was to promote the excellent quality and wide range of Prague's new beer scene, in contrast to the focus on mere quantity and low price of local beer that still persists in some circles.

Related to the launch of our VIP Guides Club and the change of location for our registered guides, we upgraded the premises of our guide office in the Old Town Hall and launched experimental operation of our first souvenir shop there, selling our own branded merchandise. In 2015, we plan to expand our merchandise programme further; only time will tell how appealing our branded souvenirs are to visitors to Prague.

As I said above, 2014 was – metaphorically speaking – a dynamic start to a long-distance run for us. We set out full speed and are not planning to slow down. Our focus over the next year will be the fine-tuning of our individual projects, the assessment of their success rate, and further improvement of our services to both existing and potential visitors to Prague.

A handwritten signature in blue ink that reads "Nora Dolanská". The signature is fluid and cursive.

Nora Dolanská, PhD., MBA
2014 Tourism Personality of the Year



Oooh
Mmm
yeah
Wow
Prague

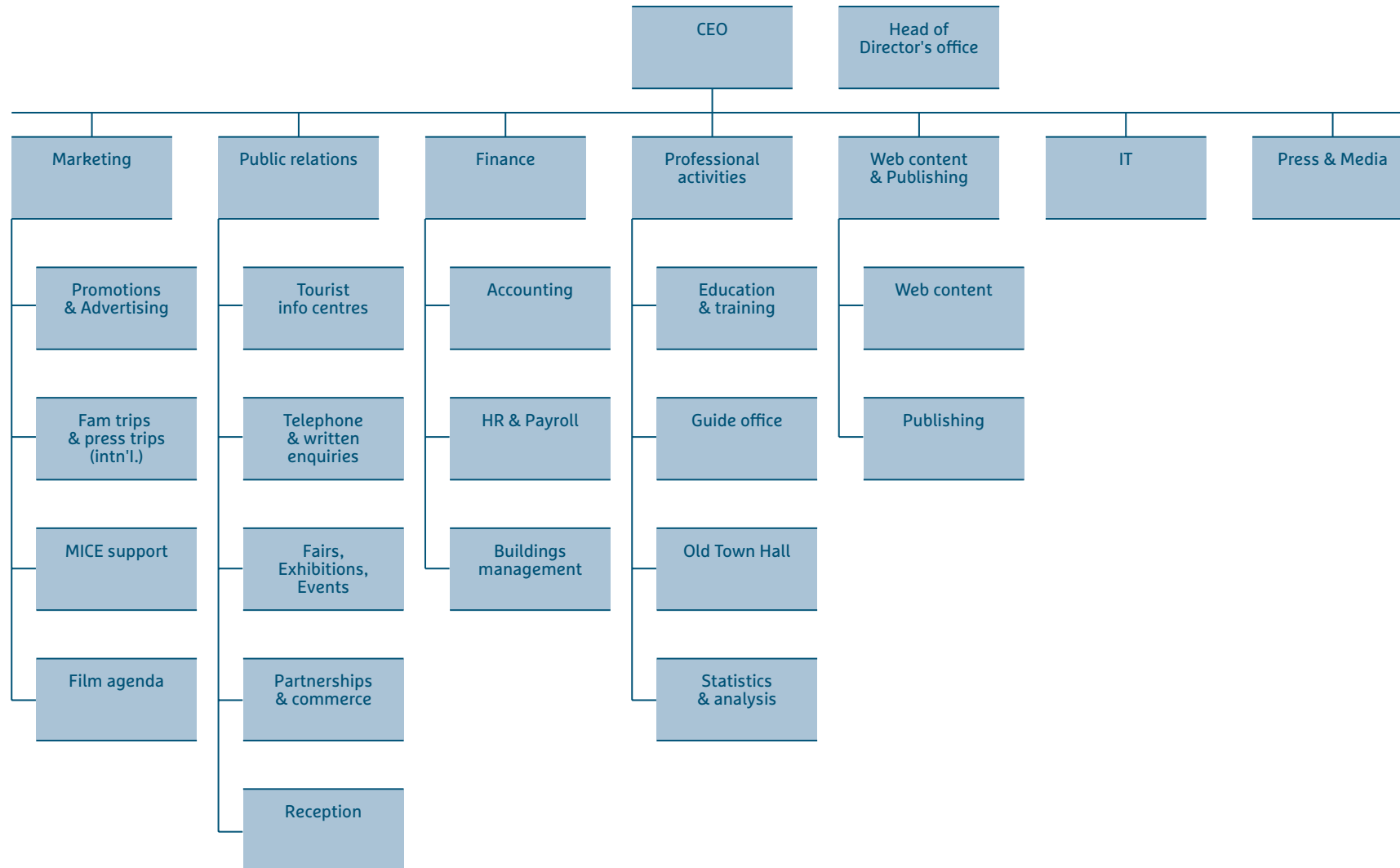
Fly to the City of Magic!

A319

CZECH AIRLINES

CZECH AIRLINES

ORGANIZATIONAL CHART



ABOUT US

Prague City Tourism (PCT) is an organization established and funded by the City of Prague. It was founded on 1 January 1958 as a body dedicated to promoting tourism in Prague via cultural information and education. Its core activities are the promotion and marketing of Prague as a destination in domestic and international tourism. Over the past two years, PCT has transformed itself into a marketing organization, abandoning the former concept centred on encyclopaedic knowledge of the city and becoming an active agent in the management of tourism as well as a modern service organization.

PCT's traditional tasks include: providing professional information about available tourism products in Prague, offering relevant services to potential and existing visitors of the capital, organizing educational programmes about Prague's history and current life, and managing the historical building of the Old Town Hall.

Prague City Tourism is a member of the ECM (European Cities Marketing) international organization; domestically, it is a member of the Association of Tourist Information Centres of the Czech Republic (A.T.I.C. ČR). It collaborates with trade organizations at home and abroad, with CzechTourism, the Czech Centres, the Ministry for Regional Development of the Czech Republic, foreign missions under the Ministry of Foreign Affairs of the Czech Republic, and finally, the media, both domestic and international.

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“If you want to offer your kids a living history lesson, the Czech Republic capital of Prague – with its towers, turrets and domes, red-tiled roofs and pastel baroque houses – should be high on your list for a city break.”

Family Traveller, July 2014

MARKETING AND PUBLIC RELATIONS

Throughout 2014, Prague City Tourism was using its new name and logo and, importantly, its new visual style for destination Prague. A new set of promotional visuals was created, based on the style's "emotional" aesthetics emphasizing the mood of the moment and the corresponding emotion.

ONLINE MARKETING CAMPAIGN 2014–2017

Among the key achievements of 2014 were two successful public tenders for the creation and execution of a global marketing campaign promoting Prague as a destination through primarily social media. The objective was to provide Prague with a continuous, high-quality, consistent and professionally executed promotional campaign over a longer period of time. (In the past, the destination suffered from a fragmented, ad-hoc approach with inconsistent themes, styles and messages).

The winning creative concept by Havas Worldwide Digital is centred on a series of interactive videos, in which authentic, foreign-born residents of Prague act as ambassadors for individual themes. Each video ends with a live link to a special landing page within www.prague.eu where, depending on the theme, viewers will find places and activities identical with or similar to those seen in the video.

Through the end of 2014, four videos each were shot on the themes of romance, gastronomy, and sports/active tourism; these are gradually placed in the target markets according to the approved media plan.

Media buy and distribution are provided by MediaCom, winner of the second public tender. In accordance with the tender specifications, the media plan covers all key, classical and strategic markets; the videos are strategically placed depending on the existing language versions of www.prague.eu so that a comfortable user experience is ensured during the transition from the respective social medium/web site to www.prague.eu.



Social media

In the spring of 2014, Prague City Tourism started collaboration with the Prague-based company McShakespeare; the goal was to jump-start our social media activity, specifically Facebook and Twitter, which, until that point, had been less than energetic. Despite a tiny budget, this initial phase brought great results, multiplying profile activity and engagement rates on both platforms, with especially the engagement rate exceeding expectations and often surpassing even much better-established and more robust competitors such as Vienna. Over the six months of our collaboration with McShakespeare, our Facebook fan count increased by 47%.

In September 2014, the task was assumed by Havas Worldwide Digital Prague, and in the remaining months (using paid promotion), the fan count increased by another 670%, with the engagement rate remaining high. We have seen again that attractive photos make for the most engaging posts; the photo of a festively lit Christmas tree in Old Town Square, published on Facebook on 29 November 2014, became our most successful post of the year, garnering nearly 12,500 likes.

Mobile application portal

Smartphones and tablets are now standard equipment for most visitors of Prague. There are dozens to hundreds of mobile applications related to Prague and tourism, but until recently, it was impossible to sift through them effectively to identify the best. Our solution was to create the official mobile application portal for Prague, where Prague City Tourism guarantees the quality of all content. The portal makes it easy to see the current range of important applications relevant to Prague visitors. The portal serves as a guidepost or meta-application; once downloaded, it offers a constantly updated range of relevant apps which can be selected and downloaded individually. These applications include city guides, site guides (such as the Prague Castle guide series or our own Music in Prague app), transportation (such as the taxi app Liftago), culture (the QOOL culture guide), or exchange rates. The portal (named The Prague Portal, keywords: All About Prague) is free for download both from Google Play and the AppStore.

Wow pure emotion
Prague

All About Prague

**The Official Prague Portal
for mobile applications**
Oficiální portál mobilních
aplikací města Prahy

Available on the
App Store

ANDROID APP ON
Google play

Keywords: **Prague Portal**

www.prague.eu

**Prague
City Tourism**

PRAGUE
PRAGUE
PRAGUE
PRAGUE

Merchandise

In 2014, we commissioned a range of branded souvenirs in line with the destination's visual style. These come in a wide range, from small items such as ballpoint pens and pencils, eyeglass and monitor wipes, and decorative magnets to larger souvenirs like mugs decorated with a heat-activated image of the Prague Castle panorama, to sports-themed items such as trekking and Nordic walking poles (the marketing theme for 2015 is active tourism). All of these items can be purchased at our tourist information centres in the Old Town Hall, at Rytířská 31 and on Wenceslas Square.



Summon the Magic of Prague!

No potion required. Simply pour hot tea or coffee into this elegant mug and voilà – Prague's unforgettable skyline will magically appear.

Oooh Prague pure emotion



MARKETING THEMES AND CAMPAIGNS

Music in Prague

Music was one of the year's main themes, considering that 2014 was proclaimed the Year of Czech Music, with a number of special events and anniversaries taking place. Our special microsite, Music in Prague, combined information about major music personalities connected with Prague, as well as musical ensembles, events and institutions with various locations within the city and a listing of events.

An important part of the microsite was an online interactive Musical Map of Prague. A paper version was issued as well and distributed through major musical events and festivals.

Music in Prague was also the title of a new mobile application which serves as a guide to the storied musical history of Prague. The application features a number of music samples licensed from the Supraphon record company.

In order to bring greater awareness of the international public to musical events in Prague, we started collaboration with the world's largest classical music portal, www.bachtrack.com. As part of the package we purchased, several feature articles on Prague were published by the portal along with an extensive schedule of classical music events and banner ads linked to the Music in Prague microsite. Through the end of 2014, the total number of impressions exceeded 1,000,000.

Romance in Prague

For the city of Prague, the marketing themes of romance and wedding tourism are relevant beyond the short term. In order to better promote them, we published an image-heavy Prague Wedding Guide, a brochure presenting Prague as an ideal romance destination for trips ranging from romantic weekends to engagements, pre-wedding photo shoots (popular especially with Asian clientele), to weddings and honeymoons, to anniversary celebrations and other festive occasions. Prague offers the perfect combination of features: a number of beautiful historic interiors, high-quality accommodations, catering, and event services, stunning

exteriors, easy access, and linguistic and cultural openness. The Prague Wedding Guide was published in four language versions: English, Russian, Korean, and Chinese, reflecting Prague's rising popularity as a destination in these markets. The publication is distributed via Czech embassies and consulates, the foreign offices of CzechTourism, and at trade shows, exhibitions, and our own promotional events.



**90 divadel, 130 galerií, 150 klubů
a více než 350 druhů točených piv.**

Kde? Jedině v Praze.

Vyberte si své pivní výhody
na www.doprahызapivem.cz a přijed'te
do Prahy od 27. 10. do 30. 11. 2014.

Cheers ryzí emoce
Prague

www.prague.eu

Prague City Tourism



Follow the Beer to Prague (“Do Prahy za pivem”)

Domestic tourism marketing in 2014 focused on Prague’s beer gastronomy. Our goal was to make the Czech public, especially the younger residents of larger cities, aware of the extensive and excellent range of beer establishments in Prague, including microbreweries and brewpubs, beer bars, sampler pubs and other businesses that nowadays combine to make Prague one of the beer capitals of Europe. The campaign stressed especially the high quality, great variety and unique qualities of Prague’s newer beer establishments, most of which cater not to the mass consumer but to beer connoisseurs and gourmets.

Our approach went contrary to the beer tourism stereotype, which usually emphasizes the affordability (and thus, high levels of consumption) of beer in Prague; by contrast, our campaign focused on businesses representing the “latest and greatest” of Prague’s beer scene.

As part of the campaign, we published a pocket-sized Beer Guide to Prague, a special coupon book for special offers in roughly 30 Prague beer establishments, and launched a campaign web site. The guide was also published in English and an English-language web site, www.beerinprague.com, now serves as a guide to Prague’s ever-expanding beer scene.

Promoting congress tourism

In 2014, Prague City Tourism launched a closer collaboration with the Prague Convention Bureau (PCB) focused on promoting MICE tourism to Prague, appointing PCB as the organization solely responsible for MICE tourism. Thanks to the two organizations’ close ties, Prague City Tourism became a partner of several events organized by the PCB, namely the fifth annual Ambassador Award Evening and the third educational seminar “Trends and Key Factors for Success in International Congress Tourism.” We also supported PCB’s successful candidacy for the 2017 ICCA congress to be held in Prague.

Other areas of collaboration between Prague City Tourism and PCB included the organization of press trips for selected MICE media. There were a total of three

Prague City Tourism



press trips for six journalists from MICE media such as the Travel Daily News International, Incentive Travel and Corporate Meetings, Travel Manager and Trade Fairs International.

Film tourism

In the area of film tourism, Prague City Tourism focused on collaboration with CzechTourism and its Chinese partners in connection with the shooting and release of the new Chinese feature film, “Somewhere Only We Know,” set to premiere on Valentine’s Day, 2015. The plot is a romantic story set both in historical and contemporary Prague. The film’s release is expected to sharply increase demand for romantic travel to Prague from China.

Prague City Tourism collaborated on several promotional events, including a group press trip and a sponsored visit for winners of a special contest. At the end of 2014, we published the English-language map of popular shooting locations in Prague entitled “Lights! Camera! Prague!”

Collaborations with CzechTourism

Synergy between the efforts of national, regional and municipal tourist boards is of key importance for the success of incoming tourism to the Czech Republic. Aside from a number of smaller projects, CzechTourism and Prague City Tourism met repeatedly over the course of the year to discuss their respective activities aimed at promoting destination Prague.

The most important result is an agreement on the co-branding and mutual use of an approved set of visuals provided by Prague City Tourism. Further collaboration concerns individual areas of activity, such as the publishing or regional-themed materials, maps and brochures; here, both organizations have agreed to supplement rather than mirror each other’s publishing efforts. Other areas include the organization of press and fam trips and a joint effort to promote film tourism to Prague, one of Prague City Tourism’s marketing themes for domestic tourism in 2015.

Collaboration with Czech Airlines

The most visible result of mutual collaboration in 2014, aimed at increased visibility for Prague’s new tourism brand, was the application of a large-scale decal on an Airbus 319 aircraft, depicting the Prague Castle panorama and bearing the message “Fly to the City of Magic!” For two years, the aircraft will promote the Czech capital on its regular routes, inviting more visitors to Prague. The contract between PCT and Czech Airlines includes selected additional promotional services such as advertising in the in-flight magazine, banner ads, newsletters, and the screening of a promotional video.

Overall, the decal covers an area of 170 sq. m, which represents the largest aircraft area to date used within the Czech Republic for this purpose. In addition to this project, the collaboration between the national carrier and Prague City Tourism was set down in a contract specifying concrete forms of fulfilment on the part of the airline, which included:

- A Valentine’s Day campaign in February 2014 including the screening of a video on board Czech Airlines flights
- Online banner campaigns in the South Korean and Russian markets
- Promotional campaigns in South Korea and Germany; joint presentations for travel agents were done in Germany (Frankfurt, Hamburg, Düsseldorf), Denmark (Copenhagen), Italy (Milan, Rome) and Korea, where a festive Christmas party and presentation was held for Czech Airlines partners in Seoul.

INTERNATIONAL PUBLIC RELATIONS: PRESS TRIPS

In 2014, Prague City Tourism supported or provided services for a total of 236 foreign media members, which has resulted in 24 stories to date. The relevant media (journalists, TV crews, bloggers, etc.) travelled to Prague from 20 different countries including the United States, Germany, the UK, China, and Spain. The average length of stay was 3 days. Material support provided ranged from complimentary guide services to admissions and transportation tickets.

The most extensive and noteworthy coverage included:

- Anna Franini for Classic Voice magazine – on music in Prague (Italy)
- Food & Friends – a special issue dedicated to Prague gastronomy (Poland)
- Elite Traveller – a general article on Prague and the Czech Republic (China).

Foreign media collaborations were carried out in the following ways:

- PCT's own, fully hosted press trips (minimal in 2014, only 2 journalists)
- co-hosted press trips, primarily with the foreign offices of CzechTourism and hotel companies (35)
- support to individual journalists, bloggers, TV crews, etc. resulting from their own initiative (60)
- distribution of press releases, promotion of specific events through PCT's own media database and contacts; newsletter
- media service (research, photos, editorial assistance, contacts, etc).

Collaboration with foreign travel agents and tour operators; European Cities Marketing

In 2014, Prague City Tourism became a partner of the European Cities Marketing annual conference, which was held in early June in nearby Dresden; we used this opportunity to promote Prague as a destination to its participants. The conference was attended by 130 European delegates.

Another event to which our organization lent its support was the annual conference of the British Association of Independent Tour Operators (AITO), held in Prague in mid-June. Prague City Tourism hosted the farewell gala evening and dinner at the Troja Chateau, with 110 delegates from the UK attending.

The largest professional event held with our partnership was November's workshop of the international tour corporation DERTOUR. The company brought to Prague more than 2,500 of its travel agent partners from Europe. Prague City Tourism provided some 60 professional guides for the event and sponsored a dinner for 1,400 buyers. Furthermore, we promoted destination Prague to the attendees during the official trade fair event held in the PVA Letňany exhibition centre.

Last but not least, Prague City Tourism supported the 135th slot conference of IATA, the International Air Transport Association, which was attended by more than 1,200 representatives of airlines and airports from around the world.

DOMESTIC MEDIA COLLABORATION

Prague City Tourism's 32 press releases issued over the course of 2014 generated 550 media hits in print, audio-visual, and digital media. The most frequently published reports were, in addition to the Czech Press Agency/ČTK, the dailies Metro, MF Dnes, Právo, and Pražský deník, along with Czech Radio, Radio Blaník, Radio Impuls, and the news portals iDnes.cz, Novinky.cz, Metro.cz, and Denik.cz.

The most interest was generated by press releases concerning the statistics of incoming tourism, followed by information about Prague City Tourism's activities (e.g., our international marketing campaign, the promotional branding of a Czech Airlines aircraft, the domestic campaign promoting beer gastronomy, and the opening of a new tourist information centre in Wenceslas Square).

As a new phenomenon, reports of our activities appeared in the news programmes of Czech TV and TV Nova, as well as in professional media focused on marketing and communications (Marketing a média, Strategie, mediar.cz, mediaguru.cz). The increased outreach regarding our activities was also done also outside official press releases, most frequently in print media; these included Metro magazine (on the topic of tour guides), the Reflex weekly (on the topic of unscrupulous currency exchange offices), the magazines Tina and Překvapení (trip suggestions), Víkend magazine (our beer campaign), and ČiliChili magazine (amusingly inane tourist inquiries).

Throughout the year, we published a steady stream of news on the Prague City Hall web site and in trade media (COT business, TTG, Všudybyl). Working with the KAM po Česku publisher, we created another dedicated Prague issue of the KAM na výlet ("Where to Travel") magazine which presents Prague as an ideal experiential destination for any age group.

Press conferences

Prague City Tourism played a role in three joint press conferences by other organizations. One was dedicated to the fact that public transit was newly included within the cost of the Prague Card; another centred around the new edition of the Use-It maps; and finally, a joint press conference with the Czech Railways was held at the Václav Havel International Airport Prague. Separately, Prague City Tourism held its own press event for the "Follow the Beer to Prague" campaign. Additionally, a press briefing and photo-op were held jointly by Czech Airlines and the Prague airport on the occasion of the inaugural flight of the Prague-branded Airbus A319.



TRADE SHOWS, EXPOS, PRESENTATIONS

During the course of 2014 we took part in several important trade shows, conferences, and presentations both in the Czech Republic and abroad. The criteria for our participation in domestic events included frequent direct railway access to Prague; for international events, the key criterion was their global relevance. At all of these events, publications issued as part of our new publishing series were met with great success. Our participation was typically enhanced by advertisements in the official trade show directory and other media, resulting in a better response and a large number of new professional contacts.



TRADE SHOWS, EXPOS, CONFERENCES AND PRESENTATIONS BY PRAGUE CITY TOURISM IN 2014

International trade shows	Date/s
ITB Berlin	5 – 9 March
MITT Moscow	19 – 22 March
WTM London	3 – 6 November
ILTM Cannes	1 – 4 December

Domestic trade shows	Date/s
Holiday World Prague	20 – 23 February
Dovolená Ostrava	7 – 9 March
Infotour Hradec Králové	14 – 15 March
VCR České Budějovice	10 – 13 April
Sport Expo Prague	8 – 10 May
ITEP Pilsen	25 – 27 September
Travel Meeting Point Prague	29 – 30 October

Conferences and B2B presentations	Date/s
Ferienmesse Vienna	16 – 19 January
Slovakiatour Bratislava	30 January – 2 February
IMTV Tel Aviv	11 – 12 February
Czech Airlines roadshow Milan	15 May
ECM Dresden	4 – 6 June
AITO Conference	12 – 15 June
Czech Airlines roadshow Frankfurt	23 June
Czech Airlines roadshow Düsseldorf	24 June
Czech Airlines roadshow Hamburg	25 – 26 June
Czech Airlines roadshow Copenhagen	18 – 19 September
DERTOUR workshop	6 – 9 November
IATA conference	11 – 14 November
Czech Airlines roadshow Seoul	2 – 6 December

Joint presentations with Prague City Hall	Date/s
Europa Passage Hamburg	12 – 13 February
Prague Days Ljubljana	22 – 24 May
Prague Days Nurnberg	3 – 5 July
Riga City Festival	15 – 17 August

On the occasion of Bohumil Hrabal's 100th birth anniversary we organized an exhibition entitled "Bohumil Hrabal and Prague", which was first presented at the Czech Centre in Vienna but more importantly became part of a larger exhibition at the Casa del Lector in Madrid. For the purposes of the show, we commissioned 35 new photographs of locations tied with the life and work of the famous writer.



Partnerships

Non-commercial partnerships realized through our diverse marketing activities are very important to our organization. In 2014, we thus participated in a number of important cultural and social events, some of which are listed below.

- Carnevale Prague – Prague's carnival festivities
- City on a Bike festival
- Prague Spring International Music Festival
- Prague Food Festival
- Children's Day at Letná
- United Islands festival
- Czech Philharmonic open-air concerts
- Divadelní Odysea theatre festival
- Film music in the Wallenstein Garden – concert by the Prague Symphony orchestra
- Colourful Nine festival
- Outdoor opera in the Šárka valley 2014 – the Devil and Kate
- Concerto Glassico exhibition
- Forced Labour exhibition
- Ladronkafest festival
- Different City Experience
- Apple fest at the Jiřího z Poděbrad Square
- Signal Festival of Light







“Prague is developing so quickly that many locals still haven't heard of all the next big things: flashy new art galleries, dynamically developing old neighbourhoods, great bars — beyond and including beer — and new restaurants with flavourful offerings from classic steaks and chops to Asian spice.”

The New York Times, April 2014

TOURISM SERVICES

TOURIST INFORMATION CENTRES (TIC)

Prague City Tourism operates six tourist information centres, located in the historical centre of the city (4) and at the Prague airport (2). In 2014, they have been visited by a total of 1,361,000 people and their staff answered approximately 608,000 enquiries.

Tourist Information Centres (TICs) operated by Prague City Tourism

- Old Town Hall, Old Town Square
- Rytířská street No. 31
- Wenceslas Square – corner of Štěpánská street
- Prague airport, Terminal 1 transit area
- Prague airport, Terminal 2 transit area
- Malá Strana bridge tower (April–October)

The staff at Prague City Tourism-operated tourist information centres provides a wide range of comprehensive, objective and current information about Prague (including cultural events, tourism, basic orientation in the city, dining, accommodations and services, parks, recreation and sports), basic information about the Czech Republic, and the booking of tourism services.

Our staff also addresses visitors' various complaints and helps them resolve other situations requiring assistance.

The tourist information centres provide visitors with the opportunity to obtain tickets to cultural and sports events, city tours and excursions outside of Prague, public transit tickets and passes, the Prague Card (which now includes public transit), and accommodation bookings. The airport TICs additionally sell domestic rail tickets from Czech Railways; the staff underwent special training in rail ticket sales directly at the Czech Railways headquarters.

The information centres provide a wide variety of tourist brochures, maps, and flyers free of charge.

New in 2014

In 2014, the TICs underwent a number of changes resulting in better quality of experience and service to visitors. These included the following:

- A new TIC opened in the transit area of Terminal 1 of the Prague Airport (arrivals from non-European destinations)
- Both airport TICs started selling domestic Czech Railways tickets
- A new TIC opened in Wenceslas Square
- We started selling a new collection of branded merchandise at the TICs in the Old Town Hall, at Rytířská street No. 31 and in Wenceslas Square
- All of our TICs are now designed in line with the new visual style of the Prague and Prague City Tourism brands

Prague City Tourism and its tourist information centres are regular members of the A.T.I.C. ČR (Association of Tourist Information Centres of the Czech Republic) and enjoy long-standing relationships with specialized tourism- and hospitality-oriented schools and other educational institutions.

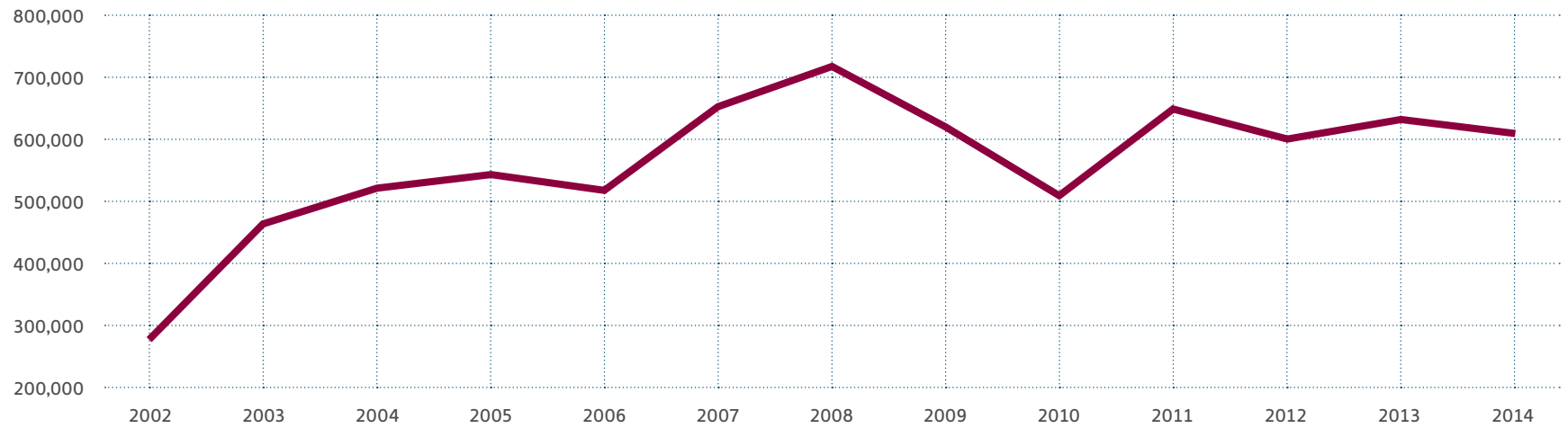
TOURIST INFORMATION CENTRES

TIC	visitors per year	enquiries per year
Old Town Hall	808,000	336,815
Rytířská Street	145,000	73,022
Wenceslas Square*	10,000	14,133
Malá Strana Bridge Tower	188,000	94,044
Airport – Terminal 1**	20,000	26,019
Airport – Terminal 2	190,000	63,756
Total	1,361,000	607,789

* operating since 27 October 2014

** operating since 4 July 2014

TOURIST ENQUIRIES ANSWERED BETWEEN 2012-2014



Years	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of enquiries	287,264	469,887	519,888	548,010	514,669	656,814	712,679	613,127	505,852	648,433	599,771	633,169	607,789

MOBILE TOURIST INFORMATION CENTRE (MTIC) AND ROADSHOWS

In 2014, our mobile TIC covered a distance of 8,614 km, of which 4,244 km was abroad and 4,370 km was within the Czech Republic. We attended a total of 22 events in 7 regions of the Czech Republic, several events in Prague, and three events abroad.

Prague City Tourism transformed one of its vans into a mobile tourist information centre (mTIC) which is utilized in two different ways: one, providing tourist information services at events in Prague with mass attendance; and two, promoting Prague as a destination at events in various regions of the Czech Republic and abroad (trade shows, sister city events, etc.). The mTIC, whose design corresponds with the unified visual style of destination Prague, had its premiere at the Holiday World trade show in Prague in February 2014.

The mTIC made it possible for us to realize a brand-new project promoting domestic tourism to Prague – a Czech Republic road show. During the spring and autumn months, we were able to participate in important events such as municipal festivities and festivals in Czech and Moravian cities, promoting Prague as a destination to potential domestic visitors.



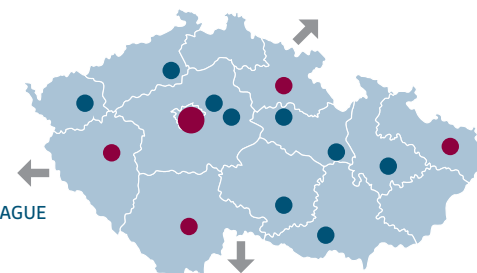
2014 EVENTS WITH PCT MTIC PARTICIPATION

Event	Location	Date/s
Holiday World travel show	Prague	20 – 23 February
Dovolená a region travel show	Ostrava	7 – 9 March
Infotour trade show	Hradec Králové	14 – 15 March
Veletrh cestovního ruchu travel show	České Budějovice	10 – 13 April
Easter markets	Prague	18 – 21 April
Jaro pod Pálavou wine festival	Pavlov	26 – 27 April
Spa season launch	Karlovy Vary	2 – 3 May
House, Garden, Leisure trade show	Litoměřice	16 – 17 May
Prague Days in Ljubljana*	Ljubljana, Slovenia	22 – 24 May
Air Show	Pardubice	31 May – 1 June
Záměstí festival	Třebíč	7 June
Children's Day in Letná	Prague	8 June
Boats on the Elbe	Poděbrady	10 June
Votvírák festival	Milovice	13 June
Olomouc festivities	Olomouc	14 June
United Islands festival	Prague	19 – 22 June
Prague Days in Nurnberg*	Nurnberg, Germany	3 – 5 July
Prague Days in Riga*	Riga, Latvia	15 – 17 August
Colourful Nine festival	Prague	30 August
Ladronka leisure festival	Prague	6 September
The Lanškroun Sixty festival	Lanškroun	13 September
Tourfilm Karlovy Vary festival	Karlovy Vary	9 – 11 October

* joint presentation with Prague City Hall

ROADSHOW MAP

- ROADSHOW
- TRADE SHOWS AND EVENTS IN PRAGUE
- EVENTS ABROAD
Ljubljana, Nurnberg, Riga





DESTINATION WEB SITE, CORPORATE WEB SITE

In 2014, we conducted a complete overhaul of the www.prague.eu official destination web site for Prague and launched a separate corporate web site for Prague City Tourism (www.praguecitytourism.cz). Thanks to this solution, we were able to separate information intended for the general public and for tourism professionals.

The new www.prague.eu site was launched in October 2014 in the Czech and English language versions; the German and Russian versions were added towards the end of the year.

All four language versions are equally informative. The new site, with its fresh look and attractive design, garnered positive attention from the first days of its launch.

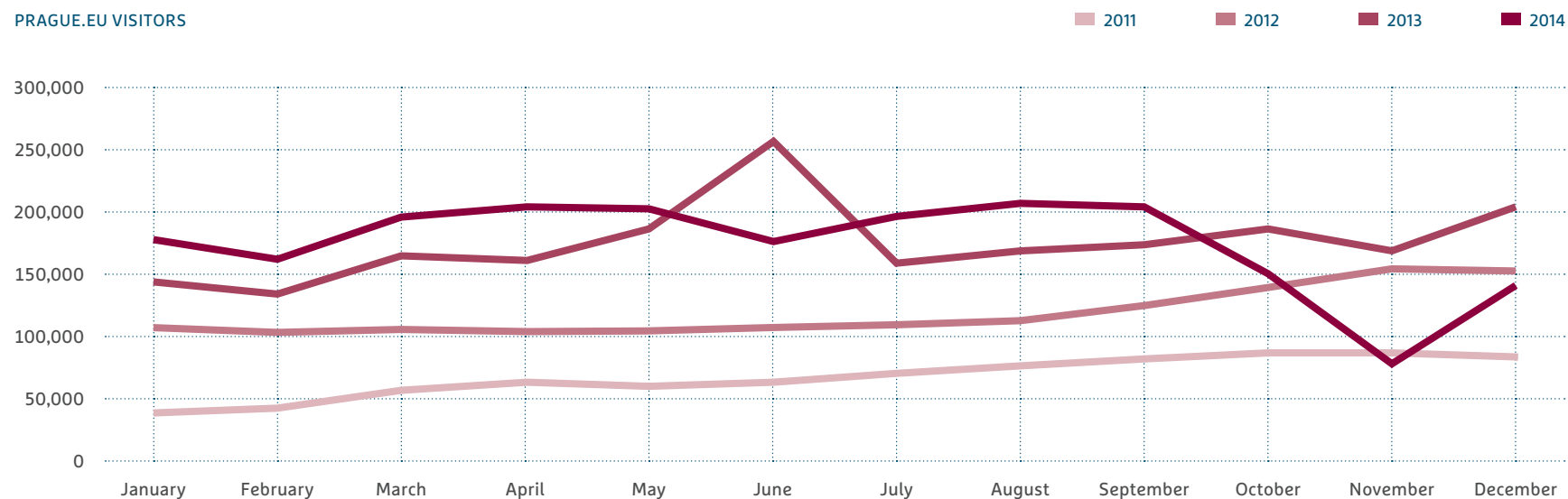
The web site, however, offers more than a new visual design – it embodies a new approach. Before the change, the site was primarily a sort of online encyclopaedia of Prague, with a corresponding structure and design. With the overhaul, the site adopted more of a curatorial approach, aiming to provide visitors with a selection of the most interesting experiences, motivating him or her to visit and spend time in Prague while providing relevant information without being too didactic or tiresome.

Both domestic and international visitors will now find all kinds of useful information for their Prague stay, along with recommendations and tips for places and events worthy of their attention. The web site offers suggestions to families with children, gourmets, sports and leisure enthusiasts, and those interested in the modern aspects of life in the city. Our copywriters are intimately familiar with the city and can offer detailed, insightful suggestions in the areas of their expertise. Great emphasis is also placed on the visual aspect of the site and a friendly, readable style.

The web site is an important tool for the marketing of individual themes and seasonal activities in the city. To that end, we created several themed microsites: www.valentinesinprague.com focused on special Valentine's Day packages from hotels and restaurants; www.musicinprague.com was dedicated to music lovers; www.beerinprague.com is a detailed guide to Prague beer gastronomy. Additionally, www.christmasinprague.com provided a comprehensive overview of Christmas and New Year's-themed events in Prague to meet increased demand for such information during one of the year's busiest seasons.

The corporate web site, www.praguecitytourism.cz, is interlinked with www.prague.eu, but is primarily dedicated to tourism professionals. The site includes a press and media section which, in addition to press releases, also offers downloadable high-resolution photos and videos. Additionally, our full range of published maps and brochures is also available for download. A special section is dedicated to Prague tourism statistics and analytics; another section details the Prague City Tourism educational programmes.

PRAGUE.EU VISITORS



Visitors	2011	2012	2013	2014
January	44,457	115,622	149,053	177,096
February	45,960	105,252	133,890	160,460
March	55,224	112,486	166,824	192,329
April	63,855	106,453	159,886	205,893
May	61,089	107,420	178,154	201,042
June	63,219	114,076	255,666	176,306
July	71,993	115,088	159,031	191,701
August	77,070	118,763	170,143	207,794
September	79,176	125,393	173,686	204,761
October	86,194	132,172	186,686	151,365
November	84,523	155,903	168,737	77,920
December	81,878	151,973	201,896	144,624
Daily average	2,232	4,002	5,664	6,204
Yearly total	814,638	1,460,601	1,925,498	2,091,291

GUIDE OFFICE

In comparison with previous year, the guide office registered a 5% increase in guide bookings. Altogether, our guides provided a total of 1,191 services attended by 12,670 people.

In terms of languages, English and German were the most frequently requested languages, followed by French, Italian, Russian and Spanish. There was a marked increase in requests for Czech- and Slovak-speaking guides.

We provided guide services for a number of prestigious events, for example for the global statistics conference, the Panta Rhei conference of EU countries, for an Yves Rocher event, for the Albatross golf tournament, for the Czech-Chinese business forum, for the Architecture Week, and for the DERTOOUR conference attended by 2,500 travel professionals from across Europe.

The guide office premises were renovated in 2014; the renovation resulted in a pleasant and welcoming environment for visitors. We also found a design solution for the merchandise sales point; the sale of our branded merchandise is an important to ensuring that visitors can bring home interesting, original, and high-quality souvenirs.



VIP GUIDES CLUB

Since the legal position of qualified professional tour guides versus unqualified ones remains unresolved, Prague City Tourism decided to establish its own VIP Guides Club in the first quarter of 2014. Its purpose is to increase the prestige, quality, and interest in tour guide services in Prague via its strong emphasis on a high level of excellence and professional prerequisites for membership.

We offered the possibility of membership to more than 300 Prague tour guides, informing them of the conditions for acceptance: A high level of professional and linguistic knowledge, a broad specialization, and willingness to continue learning about the city. Our initiative was met with great interest; stringent criteria were applied in selecting the members. The first round of membership was awarded to only 78 guides. A special section of our web site was created on www.prague.eu, listing the profiles and specialties of the individual guides.

Members of the VIP Guides Club have access to special educational events that Prague City Tourism prepares; for example, March 2014 saw two special lectures by Ladislav Špaček, an etiquette expert, and Pavel Maurer, an organizer of gastronomic festivals and noted gourmet. The theme of social etiquette is as relevant to a professional tour guide as the knowledge of quality restaurants in Prague, whether long-established ones or new arrivals.

The VIP Guides Club is widely considered a successful effort in bringing higher quality into the area of incoming tourism. Achieving this objective is undoubtedly helped by another successful initiative of ours: by working with the City of Prague, we were able to bring regulation to the heretofore chaotic way in which “free” guided tours were hawked to unsuspecting tourists in front of the Old Town Hall.







“Paris isn't the only City of Love. During autumn and winter, the already breathtaking Old Town has a special charm for lovers. And you don't even have to miss out on the Eiffel Tower – Prague has its own. While for many, Paris may represent the pulsating heart of romance, we fell in love with magical Prague...”

Kronen Zeitung, October 2014

PUBLISHING PROGRAMME

In 2014, we published 13 titles in 11 language versions, totalling 1,522,000 copies.

The goal of our publishing programme is to promote Prague both at home and abroad, to meet the needs of individual as well as group tourism, of tour operators, travel agents, institutions active in the area of tourism, and the media, and to supplement the marketing projects of the organization and its other activities.

Our tourism materials have a unified visual style which the city of Prague has been using for its tourism promotion since 2013. These are distributed via our tourist information centres, at important trade shows and other events; electronic versions are also available for download at www.praguecitytourism.cz.

We publish four types of printed materials: a city map focused either on a type of visitor or centred around a theme; a brochure/guide with practical information; a picture brochure; and an informative flyer.

The first two titles from our new series of city maps were prepared in 2013 and published in early 2014. The Kids in Prague map guides young visitors and their parents through the city, pointing out the most important sights that may appeal to children, interesting museums, playgrounds, and parks. The Musical Map of Prague highlights the music personalities, monuments, museums, festivals, and stories related to Prague's musical history and contemporary life. The map was released on the occasion of the Year of Czech Music – 2014. The Map of Monuments and Architecture guides visitors to the most important historical sights, as well as modern architecture.

Everything a visitor might need for his stay is summarized in Prague in Your Pocket, a practical guide and essential informative brochure about our capital.

The stylish 7 Reasons to Visit Prague brochure appeals to potential visitors with beautiful photographs demonstrating what makes Prague a desirable destination. This title is intended primarily for the overseas markets.

The cultural quarterly flyers Summer/Autumn/Winter in Prague present a selection of the most important cultural, social and other events taking place in Prague during each season. A special Christmas flyer highlights the festive events during the Christmas/New Year's season.

Details about additional titles (the Prague Wedding Guide, the Beer Guide to Prague, the Prague Film Locations Map) can be found under the Marketing and Public Relations chapter.

NEWSLETTERS

Czech-language newsletters

There are two monthly electronic newsletters published in Czech: the incoming tourism newsletter intended primarily for tourism trade professionals and the guide newsletter presenting current information relevant to the guiding profession.

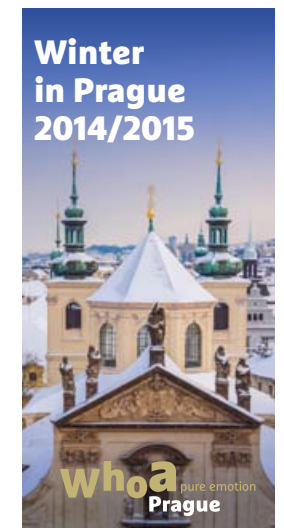
International newsletter

The bi-monthly international newsletter, published under the title The Prague Preview, has been being published in three language versions since the beginning of 2014: English, German, and Russian. The newsletter is primarily intended for travel trade professionals based abroad and presents a selection of relevant tourism news items along with a preview of the most important events scheduled to take place in Prague over the following six months. The Prague Preview goes out to approximately 4,600 e-mail addresses around the world.

Any newsletter can be subscribed to via a form on www.prague.eu as well as www.praguecitytourism.cz.

LIST OF PUBLISHED TITLES 2014

Title	No. of copies published	Language versions
Prague in Your Pocket: Your Essential Guide	400,000	CZ, EN, DE, FR, IT, ESP, RUS, POL, JAP, KOR, CHIN
7 Reasons to Visit Prague	20,000	EN, RUS, JAP, KOR, CHIN, ARAB
Prague Wedding Guide	10,000	EN, RUS, KOR, CHIN
Beer Guide to Prague	18,000	CZ, EN
Kids in Prague	200,000	CZ, EN, DE, FR, IT, ESP, RUS
Musical Map of Prague	210,000	CZ, EN, DE, FR, IT, ESP, RUS
Map of Monuments and Architecture	500,000	CZ, EN, DE, FR, IT, ESP, RUS
Lights! Camera! Prague! – Prague Film Locations Map	15,000	EN
Summer in Prague cultural quarterly	19,000	CZ, EN
Autumn in Prague	10,000	CZ, EN
Winter in Prague	10,000	CZ, EN
Christmas in Prague	20,000	CZ, EN, DE, RUS, POL
Pražská vlastivěda (Prague Cultural History)	90,000	CZ
Total	1,522,000	



OLD TOWN HALL

The Old Town Hall was visited by a total of 739,793 people in 2014, representing an all-time high and an increase of 7.3% over 2013. Record numbers of people toured the Town Hall's historical underground and state rooms, with a year-on-year increase of 8.6%.

VISITORS TO OLD TOWN HALL IN 2014

Historical state rooms	71,510 visitors
Town Hall tower	668,283 visitors

We prepared for the tourist season with meticulous care, both in terms of staffing and programme. Throughout the year, we engaged the contractual services of over 60 guides, custodians, and cashiers. We increased the number of our contract workers to meet our growing need for better language, communication and organizational skills among our staff. The interview process was conducted in April and May so that our staffing was stable throughout the summer and autumn.

We improved the experience of our visitors by better internal signage and an expanded range of materials, now in 12 language versions. During the Advent and Christmas season, we put on a small-scale exhibition in the historical underground entitled "The Magic of a Prague Christmas."

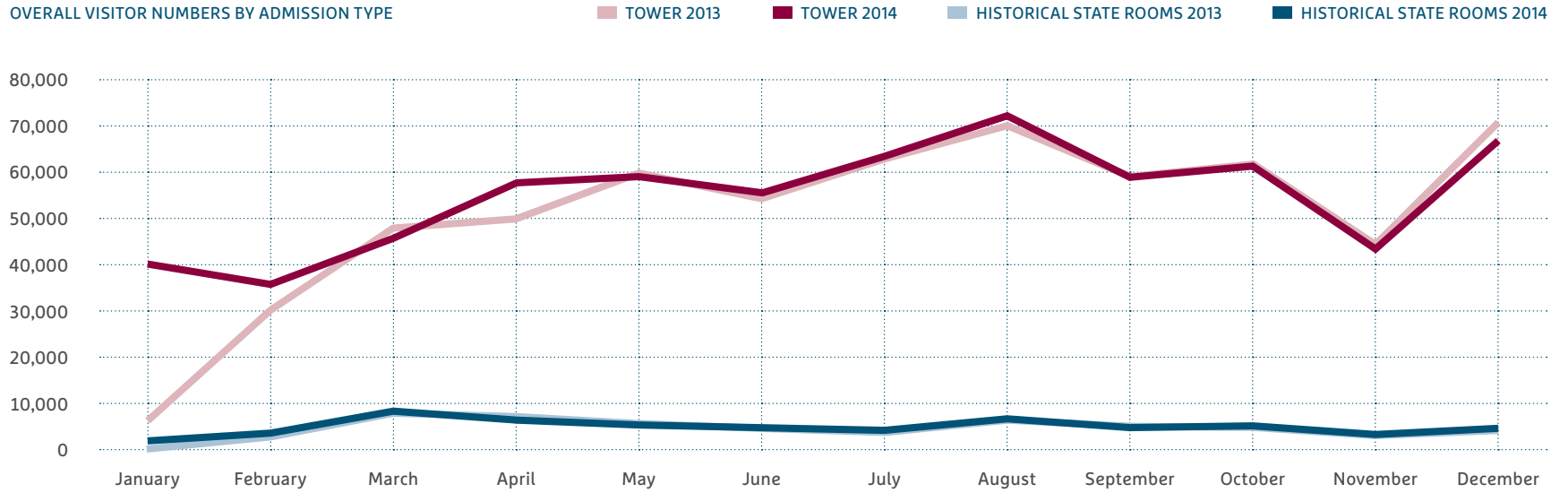
Throughout the year, we offered special guided tours of the Old Town Hall, some for children and some during the evening hours. The evening tours were especially popular and were offered in Czech, Russian, English, German, Italian, French, and Spanish. Admission to the Old Town Hall is also included in the Prague Card.

Prague hotels and agencies organizing group tours for their clients appreciated the new option of purchasing group tickets to the Old Town Hall in advance, with the bonus of a group discount.

As in every year, we provided a number of discounted and complimentary tours to schools and other organizations including charities; for example, orphanages, organizations caring for children from the flood-damaged regions of Bosnia-Herzegovina, and the Anti-Cancer League.



OVERALL VISITOR NUMBERS BY ADMISSION TYPE



Number of visitors	Historical state rooms 2013	Historical state rooms 2014	Tower 2013	Tower 2014
January	706	3,124	7,353	41,406
February	3,467	4,196	30,658	36,411
March	9,076	9,767	47,332	46,020
April	8,269	7,819	50,049	58,225
May	6,144	5,673	60,750	58,891
June	5,100	5,301	54,484	56,523
July	4,520	5,270	63,906	64,411
August	7,083	7,673	70,617	73,245
September	5,838	5,586	59,561	59,319
October	5,988	6,576	62,135	61,739
November	4,054	4,400	45,221	44,969
December	5,574	6,161	71,446	67,070
Total	65,819	71,510	623,539	668,283

PRAGUE CULTURAL HISTORY WALKS

In 2014 the department of Prague cultural history walks conducted 510 events that were attended by a total of 11,740 people. It's encouraging that the public continues to be strongly interested in themed educational walks through Prague.

Among our most successful walks were the following:

- Searching for the Golem in Josefov
- In the Footsteps of Czech Kings
- To the Diamond Treasury
- Visiting St. Norbert at the Strahov Monastery

Of special appeal are our Nordic walking tours, combining an educational walk with aerobic exercise, or our programmes focusing on areas outside of the historical centre. Among these were:

- The Baba Settlement
- The Manors and Villas of Troja
- Barrandov

As new additions to our programme, we have included tours of the Prague Pneumatic Post and the Prague utility tunnels (Pražské kolektory).

To commemorate the important anniversaries of 2014, the following programmes were also offered:

- Bohumil Hrabal's Prague
- In the Footsteps of Prague's Musical Giants

Among our most popular programmes were the following themed walk series:

- Where Beer is Brewed (the Breweries of Prague)
- The World's Oldest Profession, or Wicked Prague
- Following Prague's German-language Writers

In addition to Czech-language walks, we also offered tours of the National Theatre, the Loretto, and Old Town Hall in English, German, Russian and Italian. As is the case each year, we also staffed the open house events and tours of the Chamber of Deputies of the Parliament of the Czech Republic and the Ministry of Transport; together, these two events were attended by more than 1,500 people.

The department also publishes a monthly programme of our cultural history walks, designed in the new corporate look. In 2014, a total of 90,000 copies of the programme were published.



GUIDE TRAINING AND EDUCATION

Guide training and education by Prague City Tourism is renowned for its superb quality and long tradition. In 2014, we ran eight guide training courses (four specialized Prague guide courses and four general tour guide courses). Working with the Jewish Museum, an additional four Jewish Museum courses were offered. Of the 44 enrolled participants, 26 successfully graduated (success rate 60%); of the 87 applicants for the Jewish Museum guide's certification, 45 were successful.

In terms of continuing education courses for guides, a total of 1,701 guides participated. Further lectures were conducted for the staff of Prague City Tourism tourist information centres and for our Korean language guides. Two basic-level tourism seminars focused on tourism and hospitality professionals were offered on complimentary basis in June and October.

Two continuing-education language courses (English and Russian) were offered to the guides, as well as language exams compulsory for our Old Town Hall contract workers and guides. Before the start of the new season, we published the 2014 Guide Handbook in a new, practical pocket-sized format.

With the authorization of the City of Prague, we continued to issue Prague Guide certification badges, a total of 82 through the end of 2014. Overall, 2,760 badges have been issued by the organization.

GUIDE TRAINING AND EDUCATION IN NUMBERS

courses taught	8
students enrolled	97
continuing education events	84
continuing education events attended by	1,798
Prague Guide badges issued	82

THE EVERYMAN'S UNIVERSITY OF PRAGUE

The Everyman's University of Prague is a series of educational lectures and excursions dedicated to the history of Prague and aimed at the general public. In 2014, a total of 209 events on 13 subjects were organized for 741 enrolled participants.

THE EVERYMAN'S UNIVERSITY OF PRAGUE IN FIGURES

Events	209
Lecturers	35
Students	741

LIBRARY

Prague City Tourism employees, course participants, guides, and members of the travel industry have access to our specialized library. Its stock of books is continuously expanded to include new releases and professional publications. Towards the end of 2014, we made our library catalogue available online at www.praguecitytourism.cz.







**“Prague, Czech Republic:
Welcome to the land of winter
miracles! Why [go] now?
Because in December, you'd be hard
pressed to find another place that
celebrates Christmas as simply and
genuinely as Prague. When on the
first of December the lights are lit
on the giant Christmas tree in
Old Town Square and the aroma
of mulled wine, gingerbread and
freshly-made trdelník – a traditional
yeast-raised pastry – permeates
the air, even the biggest Christmas
grouch will be infected by the
holiday mood.”**

Der Spiegel, November 2014

THE YEAR 2014 IN PRAGUE CITY TOURISM FIGURES

2,100,000 visitors to www.prague.eu

1,522,000 published tourist maps, brochures and flyers

1,361,000 visitors to tourist information centres

739,793 Old Town Hall visitors

607,789 enquiries in tourist information centres answered

11,740 attendants of Prague walks

8,614 km driven by the mobile tourist information centre

6,200 average daily visitors to www.prague.eu

1,191 guide-serviced events

741 students enrolled in the Everyman's University of Prague

550 local media hits

510 Prague cultural history walks

236 foreign media assisted or hosted

84 continuing-education events for guides organized

78 members of the VIP Guides Club

11 domestic and international trade shows attended

6 tourist information centres operated



PRAGUE CITY TOURISM FINANCES AND ECONOMIC RESULTS IN 2014

CORE ACTIVITIES

The core activities of Prague City Tourism for 2014 were derived from the 2014 marketing plan. Its pillars included the promotion of the new visual styles and logos of the destination and, to a lesser degree, of the organization itself (the groundwork was laid by two public tenders completed in 2013). In order to execute these goals, Prague City Tourism ran two additional public tenders for a combined CZK 50 million, intended to improve public awareness of destination Prague and the Prague City Tourism organization via social media and other online tools.

From a financial standpoint, there was a slight rise in costs in 2014 against the adjusted budget; on the other hand, revenue increased by a corresponding amount. This means that the final result nearly corresponded to the increased annual contribution towards core activities in the amount of CZK 66.8 million, while the result of supplementary activities corresponded to the Q3 projection of approximately CZK 0.5 mil. profit.

In its core activities, Prague City Tourism achieved revenues of CZK 68.5 mil., exceeding the annual budget by 42%. The main revenue components were income from Old Town Hall admission sales; the operation of the building, owned by the City of Prague, was entrusted to Prague City Tourism in early 2013.

On the other hand, overall costs rose to CZK 134.6 mil., exceeding the annual adjusted budget by 17% but only 5% over Q3 projections. The largest cost components were the organization's core marketing and promotional projects as well as personnel expenses, which represent 58% of the organization's overall costs.

Thanks to effective economic management and improved revenues, the annual operating budget was all spent except for a small savings of CZK 470,000.

SUPPLEMENTAL ACTIVITIES

The main revenue stream in supplemental activities is commissions on the sale of services and products at the tourist information centres and in the Old Town Hall.

Of special note was the new collaboration with the City of Prague Transportation Authority, which resulted in increased revenues. Other important activities included the provision of guide services via the central Guide Office located in the Old Town Hall.

From a financial standpoint, in supplemental activities the organization achieved a profit of CZK 0.5 mil. While admittedly below the previous year's budgeted level, the final figure slightly exceeds most recent projections.

2014 ECONOMIC ANALYSIS

CORE ACTIVITIES

in thousands CZK

	Budget 2014	Actual 2014	% fulfilment of budget	Actual 2013
Total revenue	48,000	68,278	142	58,495
of which:				
Admission sales	45,000	59,414	132	53,935
Service sales	2,000	8,283	414	2,857
Other revenue	1,000	581	58	1,703
Total costs	114,771	134,579	117	69,489
of which:				
Purchases – of which:	3,300	9,498	288	3,195
Materials consumed	2,100	8,384	399	2,358
Energy consumed	1,200	684	57	837
Services – of which:	68,020	63,384	93	18,230
Repairs and maintenance	1,500	1,430	95	341
Travel expenses	1,000	1,007	101	626
Entertainment expenses	150	2,195	1,463	201
Lease and services of non-residential premises	1,900	1,760	93	2,343
Cleaning	950	416	44	501
Telecommunications	600	824	137	656
Facility security	120	127	106	99
Promotion, advertising	48,550	46,149	95	5,618
Personnel costs – of which:	29,785	32,384	109	29,902
Payroll	18,563	18,454	99	17,674
Other personnel costs	4,000	5,815	145	4,685
Compulsory social insurance	6,312	7,242	115	6,703
Compulsory social costs – Cultural and Social Needs Fund	185	185	100	177
Taxes and fees	150	211	141	38

2014 ECONOMIC ANALYSIS
CORE ACTIVITIES (cont'd.)

in thousands CZK

	Budget 2014	Actual 2014	% fulfilment of budget	Actual 2013
Other costs – of which:	0	13	178	3,486
Contractual penalties and interest on late payment	0	0		0
Other penalties & fines	0	95		2
Deficits and damages	0	0		0
Fixed asset depreciation	5,200	4,531	87	4,026
From City of Prague subsidies	5,200	4,531	87	4,026
From government & foreign subsidies	0	0		0
Small-scale fixed assets	1,900	1,163	61	1,532
Income tax	6,416	10,230	159	9,080
Net income (NI)	-66,771	-66,301	99	-10,994
Non-investment subsidies (NIS)	66,771	66,771	100	32,436
Government subsidies				
Other				
Total net income	0	470		21,442

2014 ECONOMIC ANALYSIS
SUPPLEMENTAL ACTIVITIES

in thousands CZK

	Budget 2014	Actual 2014	% fulfilment of budget	Actual 2013
Total revenue	5,500	9,235	168	12,767
Total costs	4,459	8,775	197	10,480
of which:				
Purchases – of which:	73	3,647	4,996	2,417
Materials consumed	45	260	578	57
Energy consumed	28	43	154	52
Services – of which:	2,475	2,570	104	4,920
Repairs and maintenance	9	77	856	25
Travel expenses	11	25	227	28
Lease and services of non-residential premises	55	143	260	132
Cleaning	28	28	100	64
Telecommunications	165	45	27	277
Personnel costs – of which:	1,006	1,739	173	2,021
Payroll	680	1,115	164	1,338
Other personnel costs	65	228	351	147
Compulsory social insurance	231	356	154	481
Compulsory social costs – Cultural and Social Needs Fund	7	11	157	13
Taxes and fees	5	6	120	2

2014 ECONOMIC ANALYSIS

SUPPLEMENTAL ACTIVITIES (cont'd.)

in thousands CZK

	Budget 2014	Actual 2014	% fulfilment of budget	Actual 2013
Other costs - of which:	0	19		102
Contractual penalties and interest on late payment	0	0		0
Other penalties & fines	0	0		3
Deficits and damages	0	0		0
Fixed asset depreciation	630	513	81	457
Buildings and structures	0	0		0
Facilities & equipment	630	513	81	457
Small-scale fixed assets	20	53	265	76
Income tax	250	228	91	485
Net income (NI) (+ profit, - loss)	1,041	460	44	2,287

TOURISM IN PRAGUE 2014

In terms of incoming tourism, 2014 was a very successful year; for the first time, visitor arrivals to Prague exceeded 6 million. Similarly, a record number of overnights were achieved.

Throughout the year, Prague's collective accommodation establishments accepted 6,096,015 visitors spending a total of 14,750,287 overnights. The vast majority – 87.2% – were visitors from abroad, with 12.8% domestic visitors.

Prague was the most-visited region of the Czech Republic. When comparing the Czech Republic's individual regions, Prague's share represents 39.1% of all visitors to our country.

The highest number of visitors visited Prague during the third quarter of 2014, which tends to represent the peak of the tourist season every year. Similar to other years, August was the strongest month of the year in terms of arrival figures. In terms of the overall figures, the period between June and December showed steady monthly increases, which is true both for the category of arrivals generally and for international arrivals. By contrast, domestic visitors tended to visit Prague most frequently towards the end of the year, especially during December.

Overall, Prague gained a total of 196,385 visitors year-on-year (+3.3%). There was an increase only in international arrivals: 267,098 in total (+5.3%), while domestic arrivals dropped by 70,713 (-8.3%).

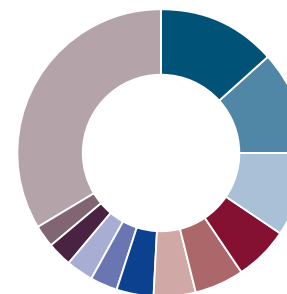
Similarly, overnights numbers showed a positive trend. The overall number of overnights spent in Prague rose year-on-year by 96,005 (+0.7%). A marked increase was registered in foreign guest overnights: 324,802 overnights (+2.5%). By contrast, domestic visitors spent 228,797 (-14.3%) overnights fewer than in the previous year. In terms of total overnights, international visitors accounted for 90.7%, domestic visitors for 9.3%.

The average length of stay was 2.4 nights; international visitors spent an average of 2.5 nights while domestic ones only 1.8 nights. In all categories, the average length of stay became shorter by 0.1 night.

Germany remains the main source market for Prague, with 733,241 arrivals representing an increase of 56,108 (8.3%) increase over 2013. With 473,571 visitors, Russia remained in second place, despite the fact that the Russian-Ukrainian crisis and the fall of the rouble meant that the Russian arrivals dropped by a substantial 68,618 (-12.7%) people. The Top Ten chart for visitor arrivals in Prague remains steady and has not changed since 2013.

ARRIVALS BY MAIN SOURCE COUNTRIES 2014

Country	Visitors	Share in %
Domestic	780,961	12.8
Germany	733,241	12.0
Russia	473,571	7.8
United States	388,817	6.4
United Kingdom	337,373	5.5
Italy	304,570	5.0
France	220,072	3.6
Slovakia	213,667	3.5
Poland	187,570	3.1
Spain	173,015	2.8
China	149,403	2.5
Other countries	2,133,755	35.0
TOTAL	6,096,015	100.0



Since Prague is a tourist destination attractive to visitors from a growing number of countries, the momentary dip in visitor figures from Russia and Ukraine was easily compensated by an increase in visitor numbers from the majority of other top source countries and by the dynamic development of new tourism markets especially in Asia. There were marked increases in arrivals from China (+35,049, +30.6%) and South Korea (+33,717, +36.9%). Prague appears to hold a strong appeal also for visitors from neighbouring countries like Poland (+25,658, +15.8%) and Slovakia (+12,875, +6.4%).

Of the overall number of 52 monitored source countries and regions, only eleven registered drops in arrivals; the rest showed an increase. Among larger regions, the highest absolute increase was registered by Europe (+178,618 arrivals, not including Russia). A robust increase was also shown by Asian arrivals (+96,649 people). Europeans represented 64.5% of total visitors. Russia represented 8.9%, North America 8.6%.

The most overnights were realized in August, fewest in February. The difference between the strongest and weakest month represented nearly a million overnights.

The country contributing the largest number of overnights was, again, Russia in 2014. Its citizens spent a total of 1,884,225 overnights in Prague, despite the fact that year-on-year, Russian overnights dropped by 353,168 (-15.8%). Russia's share of all international overnights was thus 14.1% while Germany represented 12.6 %.

The composition and relative order of the top ten source countries for overnights remain identical to those from 2013. Russia's relative lead over Germany was reduced to a mere 199,866 overnights (from the 650,000 overnights of 2013). Similarly to 2013, the United States, the third largest contributor of overnights, accounted for some 750,000 fewer than Germany. The only top ten country other than Russia that registered a year-on-year drop in overnights was France; however, this fact didn't affect its overall standing.

Further increases were noted also in bed and room occupancy rates. In Prague, the net bed-place occupancy rate represented an average of 54.3% while the room occupancy rate was 64.6% (up by nearly 5%). The best results were achieved by five-star hotels whose net bed-place occupancy rate amounted to 61.4% and room occupancy 70.1%.

Adjustment of 2012 and 2013 figures

In the first quarter of 2014, the Register of Collective Accommodation Establishments of the Czech Statistical Office was updated, resulting in revised accommodation capacity and visitor figures for the years 2012 and 2013. For this reason, it was necessary to interrupt the continuous data series that had been published. The Prague register of collective accommodation establishments was expanded by roughly 200 facilities. For this reason, it was necessary to perform a fairly substantial revision of the published data, both in terms of guest numbers and overnights in 2012 and 2013.

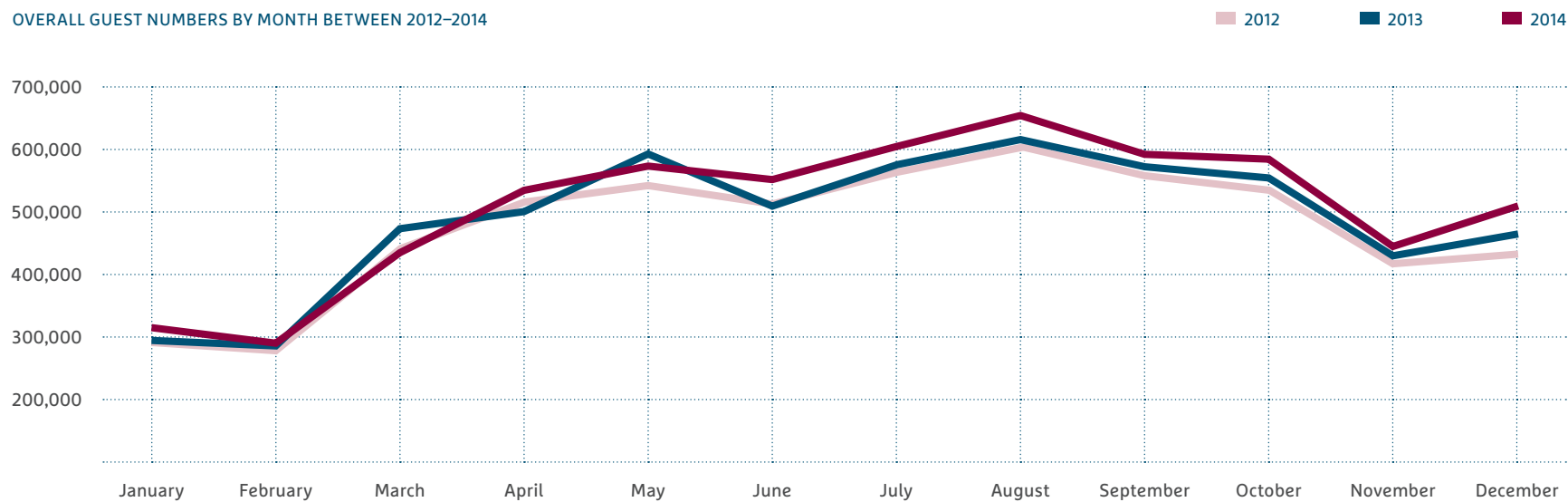
GUESTS

Year	Guests total	Domestic	International	Overall increase
2012	5,726,454	806,997	4,919,457	x
2013	5,899,630	851,674	5,047,956	3%

OVERNIGHTS

Year	Overnights total	Domestic	International	Overall increase
2012	14,443,143	1,506,098	12,937,045	x
2013	14,654,282	1,597,351	13,056,931	1.5%

OVERALL GUEST NUMBERS BY MONTH BETWEEN 2012-2014



Guests	2012	2013	2014
January	293,036	298,986	315,634
February	281,333	290,061	290,954
March	448,338	486,257	436,332
April	521,451	499,667	536,203
May	549,728	595,159	573,391
June	513,733	509,713	552,841
July	564,894	572,166	603,929
August	601,489	623,077	653,744
September	559,827	570,757	592,674
October	543,050	559,039	585,326
November	417,021	430,169	444,892
December	432,554	464,579	510,095

Notice: Data updated in April 2015 according to the Czech Statistical Office revision.







“In 1910, Alfons Mucha was summoned to Prague to design the murals and mosaics of the Municipal House: a palace whose chandeliers resemble suspended jewels, whose golden pilasters support cupolas and tall ceilings, whose geometric forms combine in a harmony of straight and undulating forms, creating an absolutely superb work of Art Nouveau.”

Le Figaro Voyageur, January 2014

PRAGUE CITY TOURISM – 2015 OUTLOOK

Our organization's chief priority in 2015 continues to be to increase the prestige of Prague as a tourist destination. We aim to achieve this by implementing our strategic marketing plan. Our other activities will focus on providing a better service for all visitors and potential visitors to Prague. Promoting Prague on worldwide social media will be a strong focus.

The main marketing theme for 2015 is active tourism, embodied in the Prague in Motion slogan. There are practical reasons behind this choice – specifically, the fact that Prague hosts a number of important sports events in 2014 including the European Athletics Indoor Championships, the 2015 IIHF Ice Hockey World Championship, and the UEFA European Under-21 Championship. In addition to our participation in these events, we will focus on promoting recreational sports like hiking, Nordic walking, running and jogging as ideal options for a city environment. Our efforts will also focus on outdoor activities centred around the riverside and in Prague's extensive parks and green areas; cycling will also be promoted to a certain extent. A special sports-and-recreation map of Prague will be published along with a brochure outlining the sports and outdoor activity options in Prague. Under preparation is also a brochure of walking tours presenting suitable routes for walking.

The entire range of these activities will be presented during a one-day festival entitled Prague in Motion, to be held on 12 April 2015 in Old Town Square. Dozens of organizations and businesses offering sports and outdoor activities will have a chance to present their services to the public; visitors to the (free) event will also get a chance to try their own hand at some lesser-known sports or activities, while experts will demonstrate their skill.

We will also continue to promote the theme of romance and wedding tourism by creating a dedicated microsite and distributing our existing Prague Wedding Guide to important trade shows and events around the world.

The core of our marketing efforts is our continuing campaign realized by Havas Worldwide and MediaCom, dedicated to promoting the themes of romance, sights and architecture, active tourism, and, newly, lively culture.

Domestically, our focus will be on film tourism in its full range, from promoting film locations, film festivals and other film events to bringing greater awareness to Prague's cinemas, film clubs, museums, and schools.

An important part of our support for domestic tourism is creating new and attractive walk itineraries, providing access to new and newly-opened locations and venues, and creating a series of literary walks reflecting Prague's newly-awarded title of UNESCO Creative City of Literature.

During the spring and autumn months of 2015, we will again set out to travel around Bohemia and Moravia with our mobile information centre, promoting Prague to potential visitors.

New language versions will be added in the course of 2015 to our prague.eu web site, namely Italian, Spanish, and especially Chinese, reflecting the growing demand for Prague from this part of the world. Improvements will be made to our e-shop, which will become fully integrated in the web site while maintaining a good user experience.

The Old Town Hall, the operation of which has been our responsibility, is among the most visited and most important monuments in the Czech Republic. In 2015, we plan to carry out structural modifications including the cash register at the foot of the tower that will result in improved visitor experience and better service. The structure will also undergo some restoration work. Access to the tower will be improved.

In 2015, the international WFTGA (World Federation of Tourist Guide Associations) congress will be held in Prague, with Prague City Tourism as one of its principal partners. Since guide training and continuing education are among our long-term priorities, our partnership with this prestigious event is well justified.

Our organization will participate in a number of important trade shows and exhibitions both in the Czech Republic and worldwide, whether independently

or in collaboration with our partners (Prague Convention Bureau, CzechTourism, and Prague City Hall). These will include: Holiday World Prague, ITB Berlin, MTT Moscow, IMEX Frankfurt, EIBTM Barcelona, WTM London, and Prague Days in Chicago, Berlin, and Hamburg. For the purposes of presenting Prague together with our partner the Prague Convention Bureau at MICE events around the world, a brand-new exhibition stand was designed.

Last but not least, since information about visitors to our capital city, their needs, habits, and motivations is of utmost importance for our marketing strategy, we have commissioned a research study that would analyse the habits of visitors to Prague over a period of three years (2015–2017), with two survey rounds of 1500 visitors each year (summer/winter). This project, based on in-depth personal questioning, will be evaluated after each round, with partial results published thereafter at www.praguecitytourism.cz.

2014 Annual Report

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