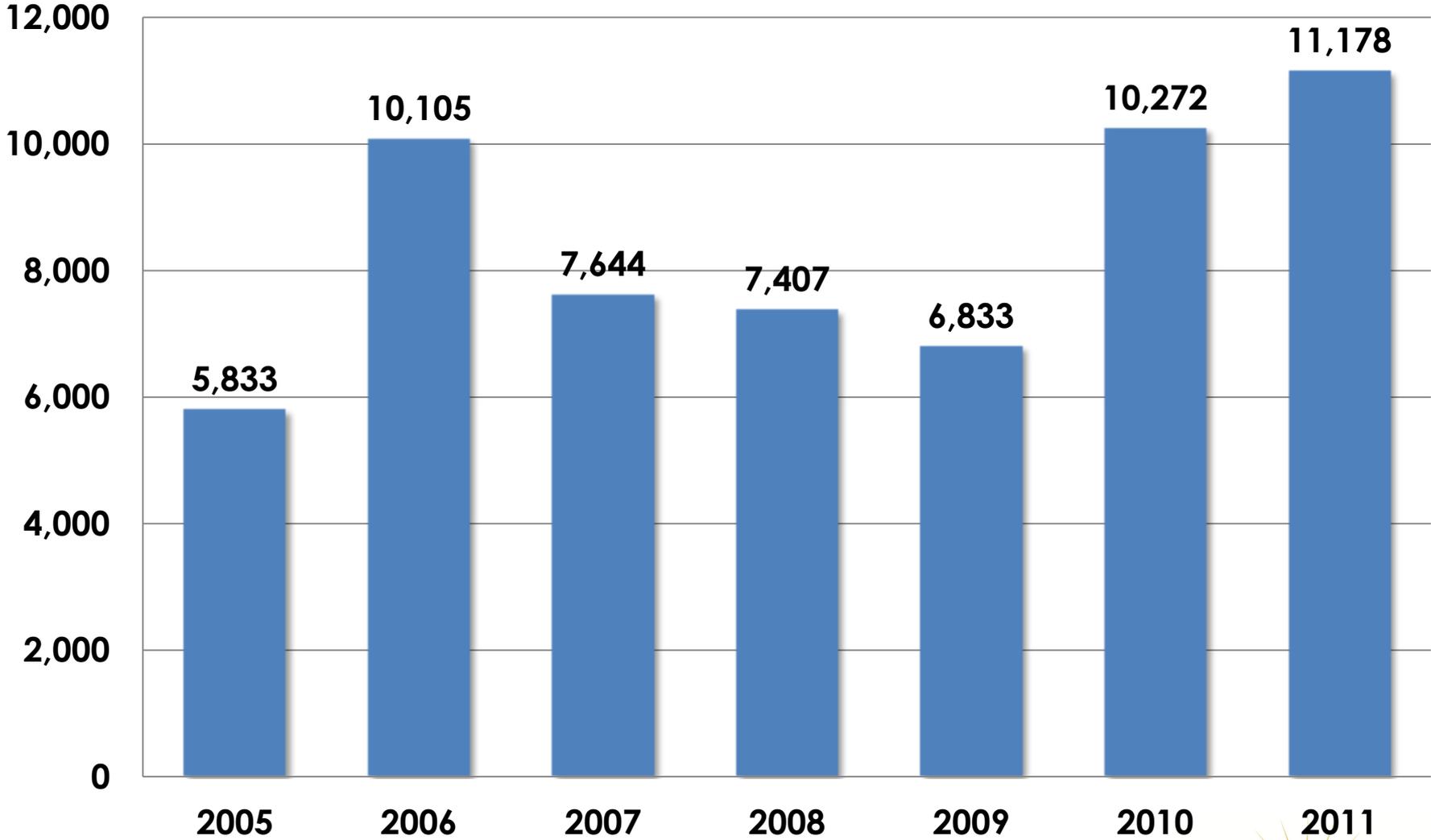




“Government does not create jobs; it only creates the conditions that make jobs more or less likely.”

Governor Mitchell E. Daniels, Jr.
State of the State Address, January 18, 2005

Private Sector Job Projections Year-to-Date

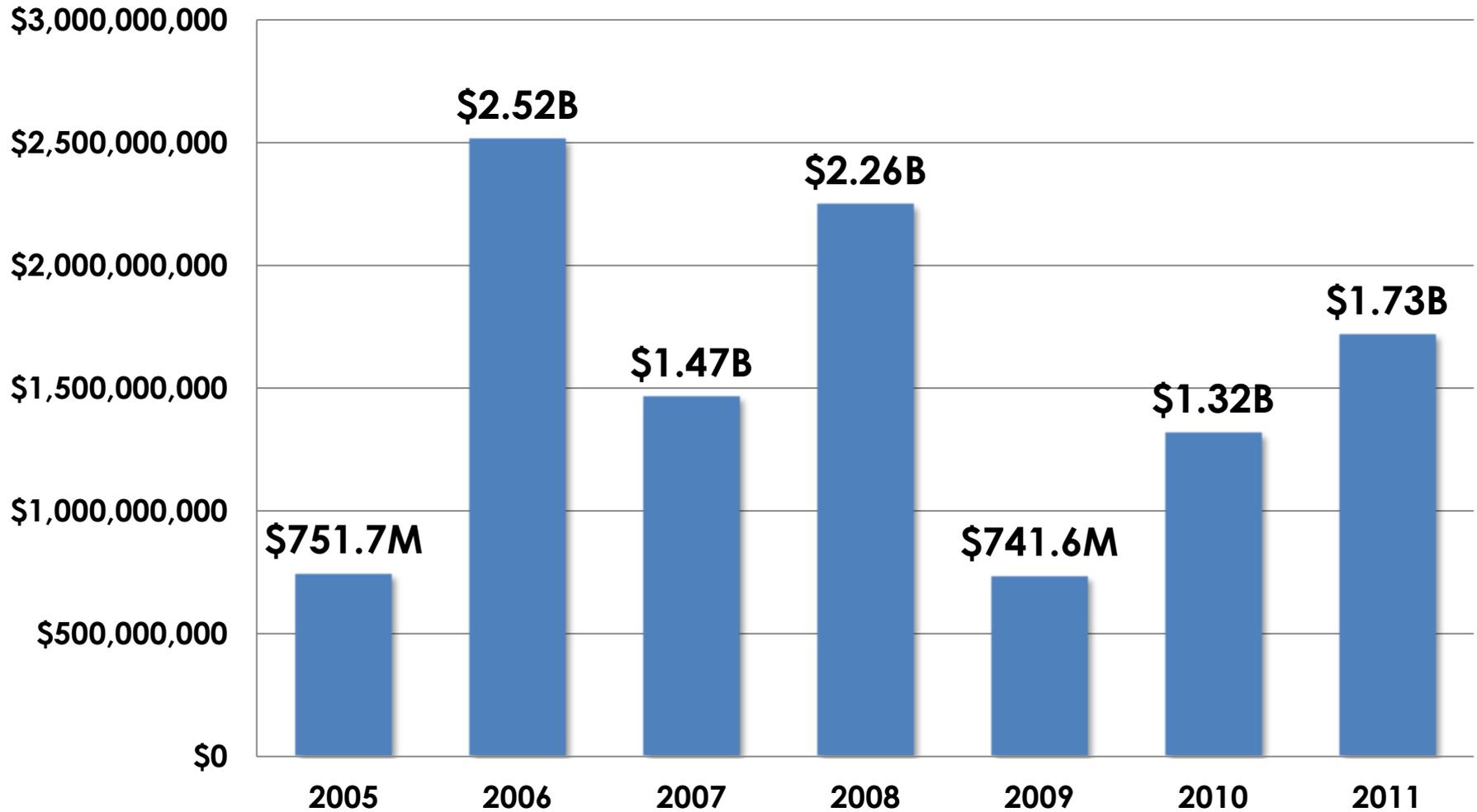


• As of 6/15/2011

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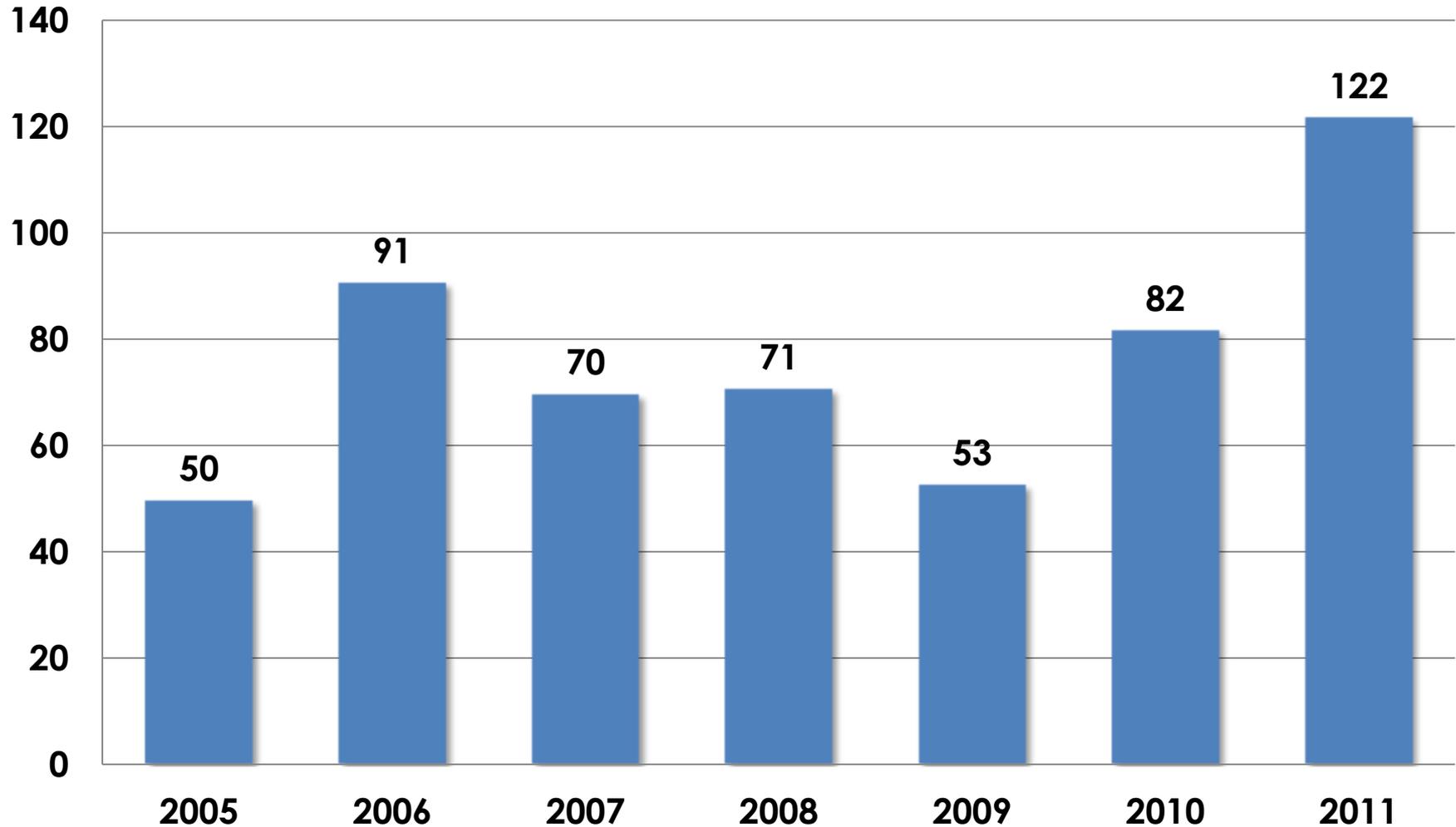
Private Sector Investment Projections Year-to-Date



• As of 6/15/2011

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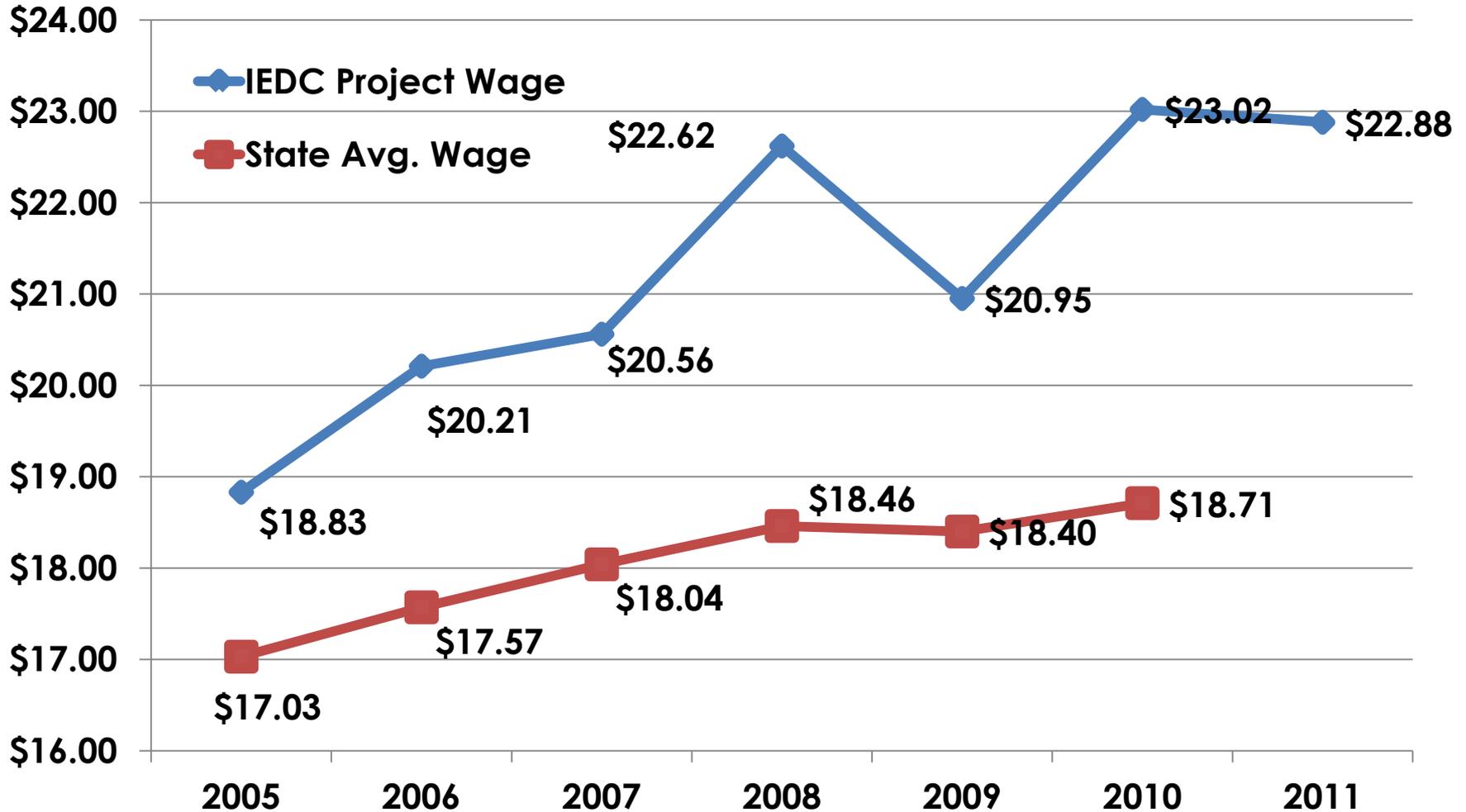
Total Competitive Projects Year-to-Date



• As of 6/15/2011

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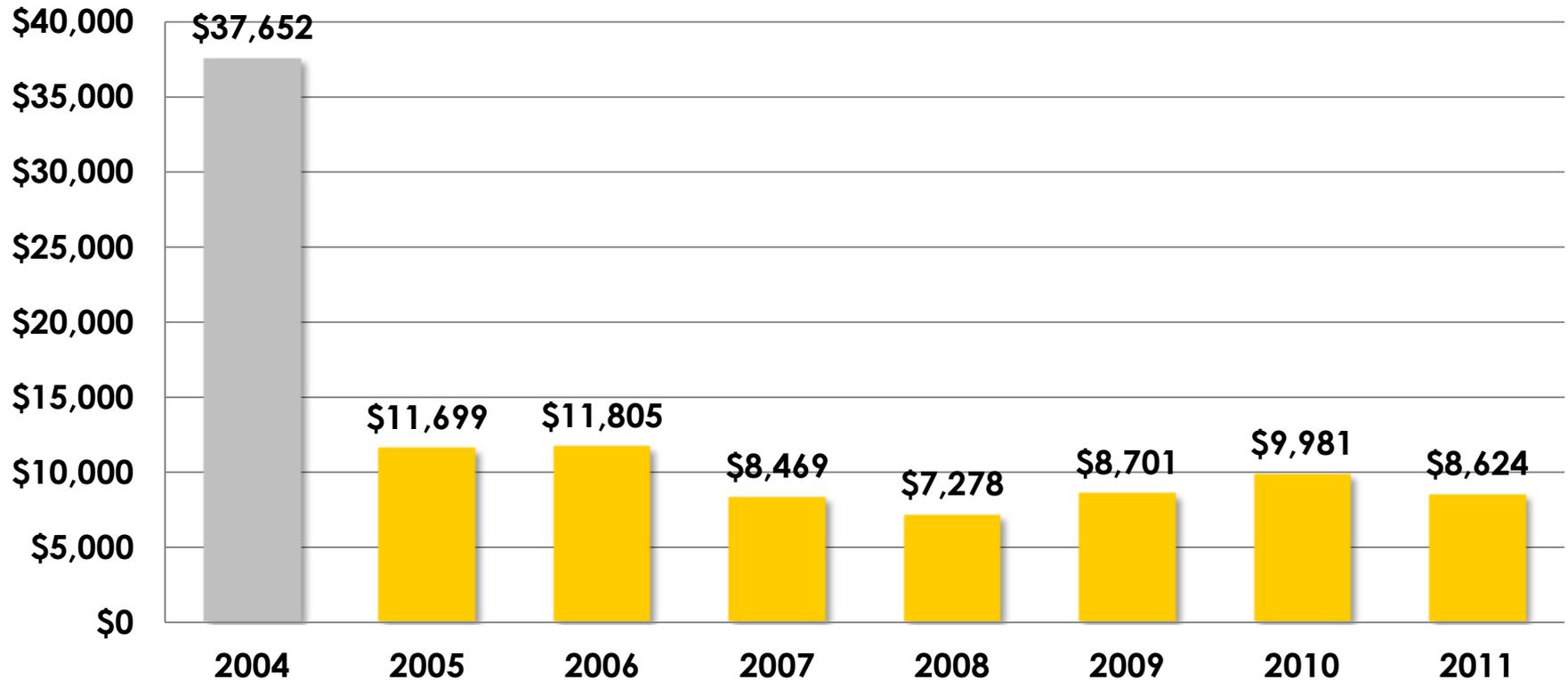
Hoosier Average Wage



• As of 6/15/2011

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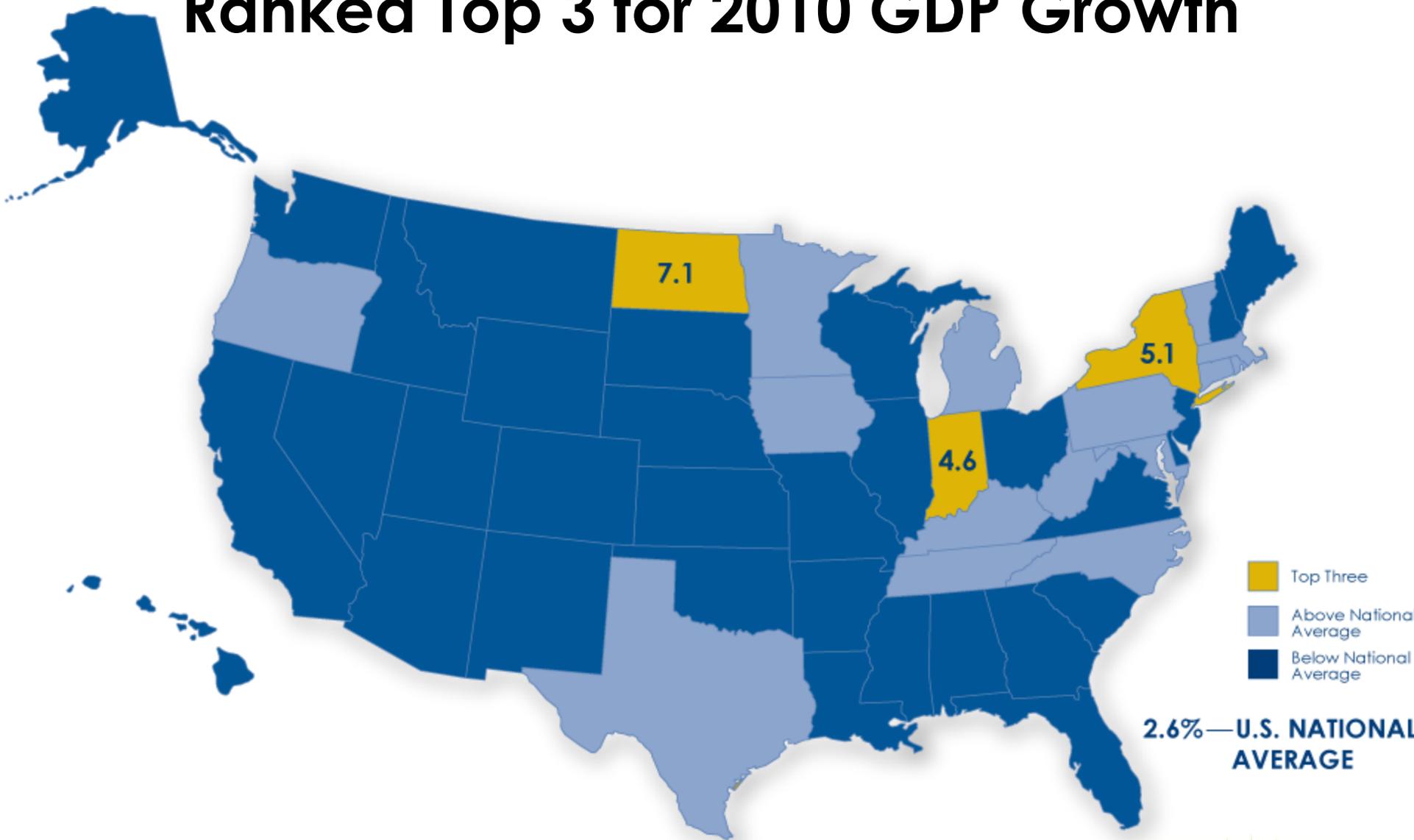
Low Cost of Incentives Yields Quicker Return



- Direct state incentives include tax credits, training grants and infrastructure assistance
- Tax credits are performance-based linked to IEDC certification of new jobs
- Average time of return on investment: approximately 2 years

As of 6/15/2011

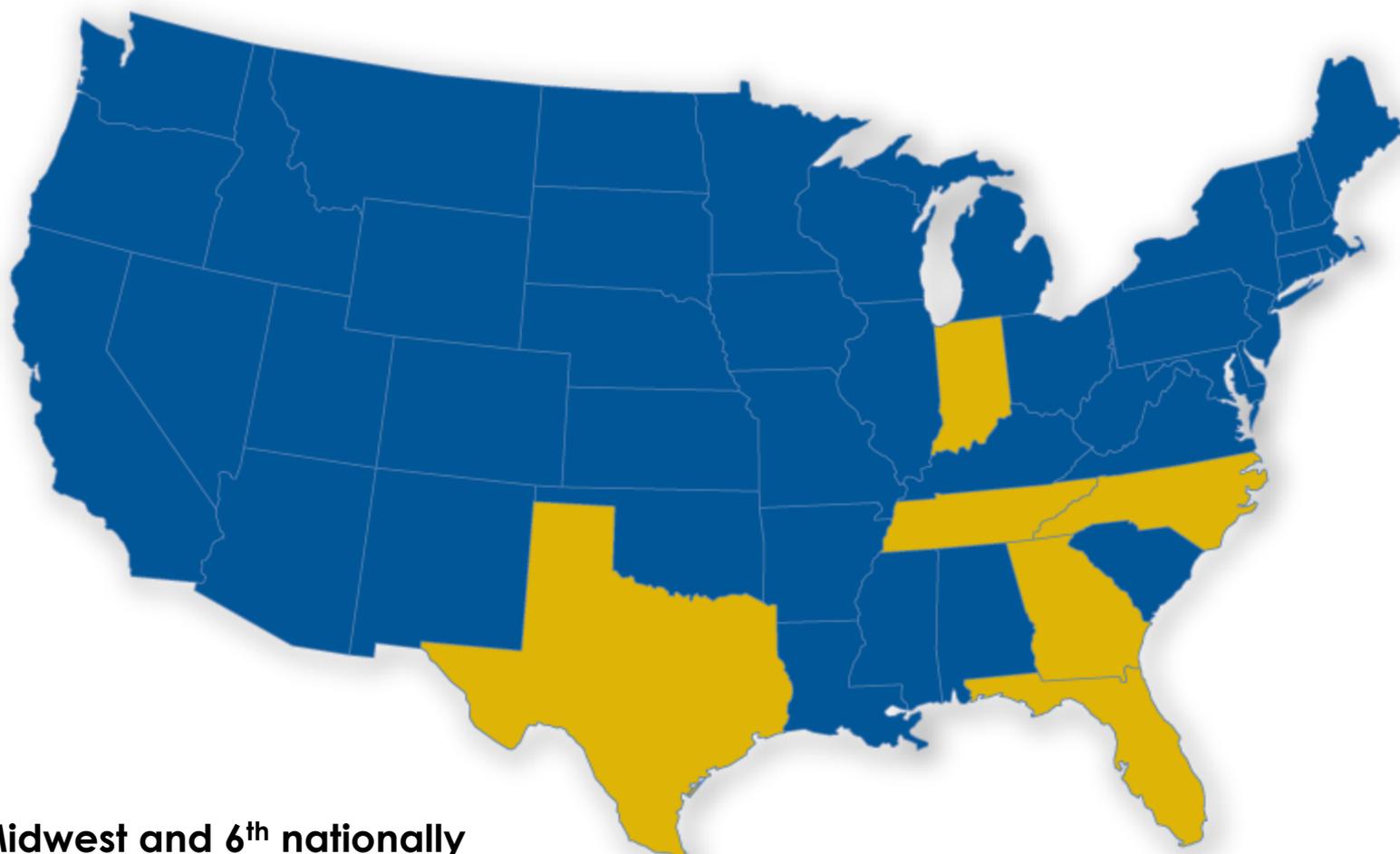
Ranked Top 3 for 2010 GDP Growth



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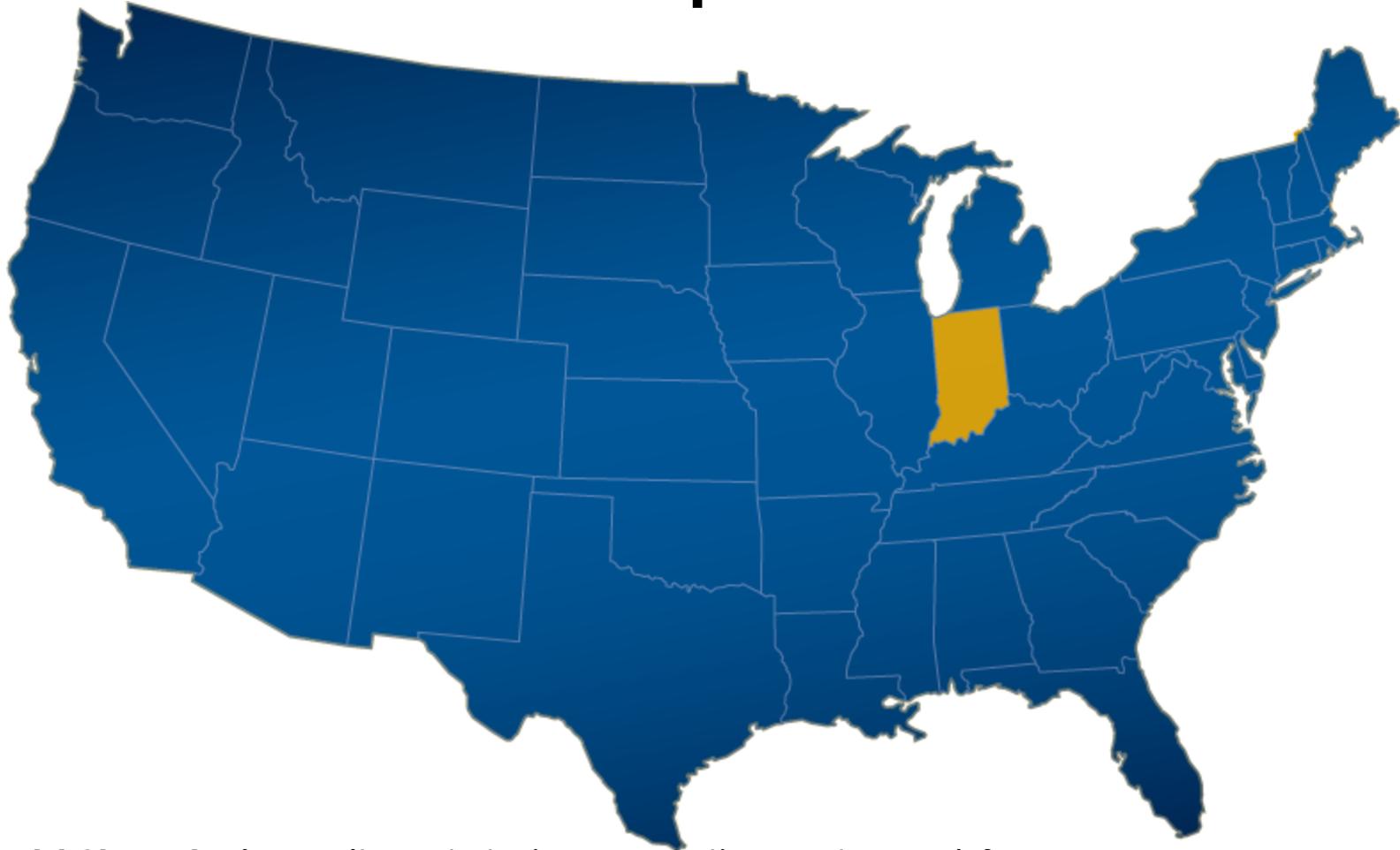
Indiana's Business Climate Among Best in U.S.



Best in Midwest and 6th nationally
Best and Worst States for Business 2011
survey of more than 500 chief executives

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Winner of 2011 Gold Shovel Award for Economic Development – State's First



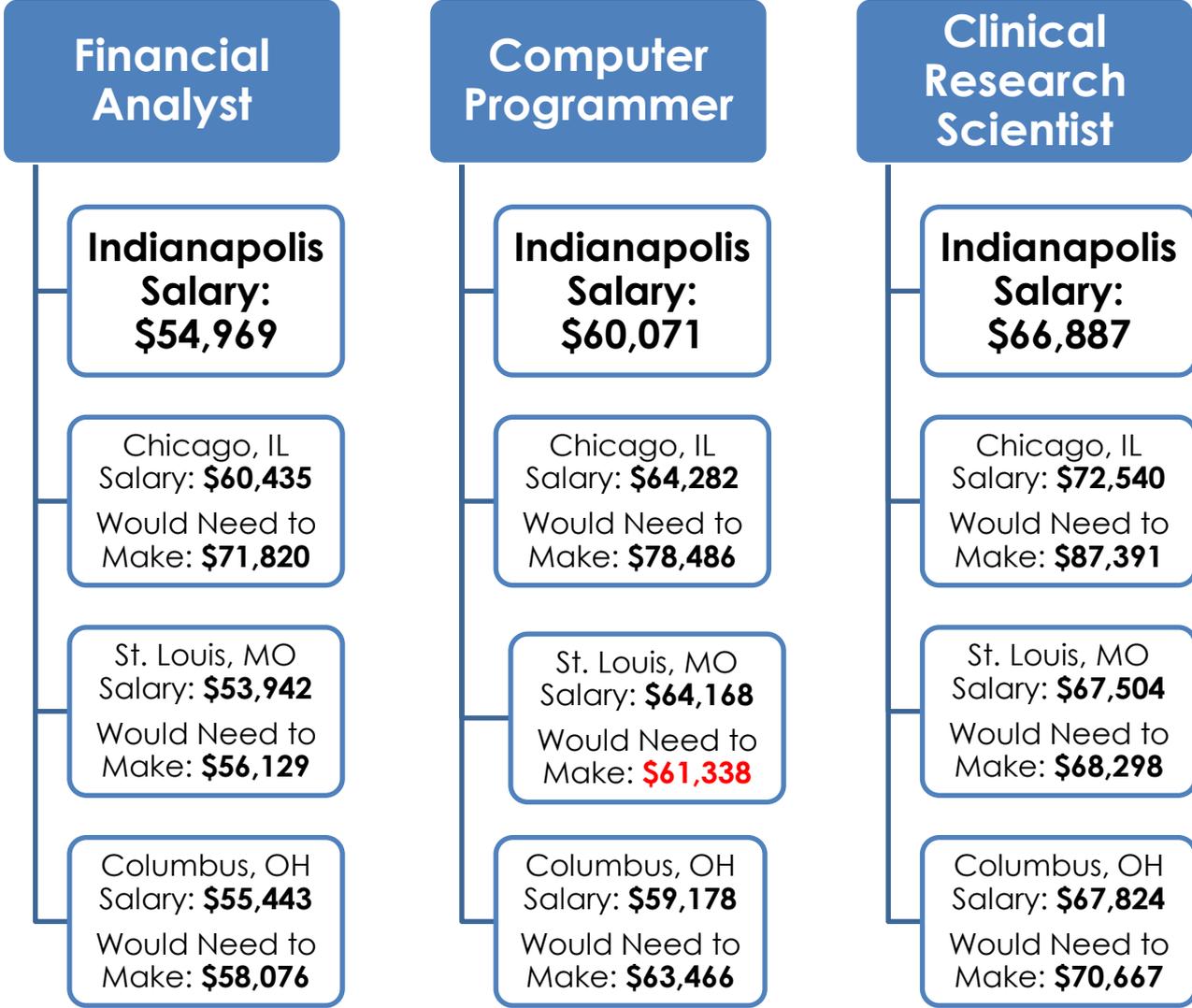
2011 Gold Shovel winner (top state in population category) for innovative policies, infrastructure, processes and promotions that attract new employers and investments

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AREA DEVELOPMENT
SITE AND FACILITY PLANNING
ONLINE

May, 2011

Midwest Salary Comparison



Each profession is based on five years experience in that field and a bachelor degree level of education. The amount following "Would Need to Make" is the salary the professional would have to earn to maintain his or her lifestyle in Indianapolis. Data compiled June 2011 from PayScale.com.

2011 Manufacturing and Logistics Report Card

- Indiana ranks second among states in per capita manufacturing employment and 9th in logistics employment (*Conexus Indiana*)



2011 Scorecard: Indiana and Its Neighbors

U.S. STATE	MANUFACTURING INDUSTRY HEALTH	LOGISTICS INDUSTRY HEALTH	HUMAN CAPITAL	BENEFIT COSTS	GLOBAL REACH	PRODUCTIVITY and INNOVATION	TAX CLIMATE	DIVERSIFICATION	VENTURE CAPITAL per Capita
ILLINOIS	C	A	C	D-	B	C+	D	C	B-
INDIANA	A	A	C	C-	A	C+	A	C	C-
KENTUCKY	B	B	D-	C	B+	C-	C	C+	D
MICHIGAN	A	C+	D	D	A	C	C-	F	C
OHIO	A	A	C	D	A	C-	D-	B-	C
WISCONSIN	B+	B-	B+	D-	C	D-	C-	B-	C

2011 State of Our Business Survey

June, 2011 - Inside INdiana Business, Butler University College of Business, Ice Miller

- Indiana CEOs have the highest level of corporate confidence since the annual report launched in 2007
- Fewer business leaders intend to outsource work, but rather plan to add jobs in 2011, with large companies leading the way
- Perceptions of Indiana's infrastructure and overall business environment have risen significantly since 2010
- Executives believe the state is better positioned to encourage business growth than a year ago
- More than 750 Indiana business leaders surveyed

Incentive Clawback Report

Projects originating from 1994 to the present

	In millions
Amount Pursued	\$11.5
\$ Collected	\$ 3.6
Performance Workout	\$ 1.4
Unrecoverable	\$ 2.6
In Collection	\$ 3.9
Payable	\$ 0

Additional Credits Released: \$10.2



2009 Job Actualization Analysis

Year of Transaction	Number of Projects	Total Expected Jobs by 2009 for Reporting Companies	Net New Jobs Reported in 2009	Percentage Realization for Reporting Companies
2005	99	10,017	5,885	59%
2006	127	12,114	9,972	82%
2007	116	10,485	6,381	61%
2008	111	6,834	8,524	125%
2009	144	4,758	7,695	162%
Total	597	44,208	38,457	87%

2010 Job Actualization Reporting Overview (WIP)

Year of Transaction	Total Projects	Canceled Projects	Completed Projects	Non-reporting Projects	Other Projects	Active Reporting Projects
2005	142	36	12	18	5	71
2006	186	44	28	30	1	83
2007	158	29	25	19	7	78
2008	151	28	18	23	6	76
2009	160	12	5	26	1	116
2010	200	10	2	56	1	131
TOTAL	997	159	90	172	21	555

2010 Job Actualization Analysis (WIP)

Year of Transaction	Number of Projects From Accepted Reporting Projects	Total Expected New Jobs by 2010 From Accepted Reporting Projects	Net New Jobs Reported in 2010 From Accepted Reporting Projects	Percentage Realization From Accepted Reporting Projects
2005	71	7,482	5,497	73%
2006	83	10,341	8,740	85%
2007	78	9,969	5,977	60%
2008	76	5,290	3,344	63%
2009	116	9,049	7,396	82%
2010	131	2,952	4,998	169%
TOTAL	555	45,083	35,952	80%

Project Loss Report

Bel Brands

- French-owned company manufactures and markets branded cheese products
- Projected new jobs: 200
- Projected capital investment: \$134.4 million
- Company considered sites in Northeast Indiana incl. Elkhart

Key Deal Factors: Indiana was removed from consideration based on the lack of suitable sites

Project Win Report

SS&C Technologies

- Connecticut based company provides software based solutions for trading, accounting, and reporting to the financial services industry
- Projected new jobs: 500
- Projected capital investment: \$3.98 million
- Company selected Evansville location

Key Deal Factors: Responsive guidance from IN Dept. of Revenue regarding the sourcing of service derived income

2011 Legislative Summary

- **Balanced Budget**
- **Corporate Income Tax Reduction**
- **No New Taxes**
- **Major Education Reform**
- **Increased School Funding**
- **Unemployment Insurance Trust Fund Fix**

2011 Legislative Summary

21st Century Fund

- Relatively flat biennial appropriation of \$30M
- Will be supplemented by U.S. Treasury grant of \$34M

Venture Capital Investment Tax Credit

- Raised the maximum tax credits per company from \$500,000 to \$1M
- Extended statutory sunset date of the program to 2015

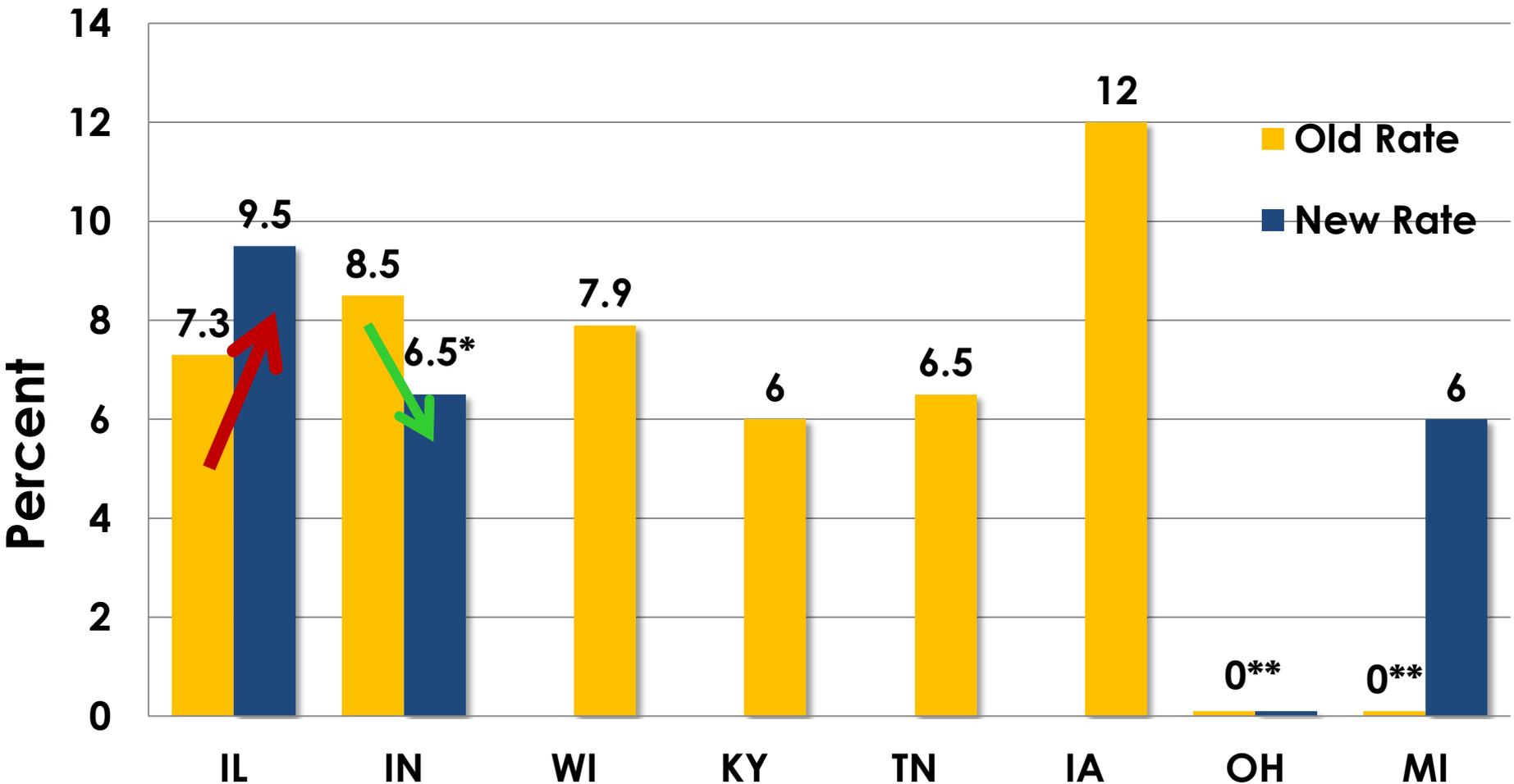
Corporate Income Tax

- Reduced over 4 years from 8.5% to 6.5%, beginning in 2012

Summer Study Committees

- Economic Development Study Committee continues again this year and will be composed of mostly lay members
- Right to Work and Project Labor Agreements (PLAs) study committee

States' Corporate Income Tax Rate Changes



*Fully phased-in by 2015

**Ohio and Michigan have gross receipts-style business taxes, not traditional corporate income taxes. Beginning FY 2013 Michigan will replace their current system with a flat corporate income tax



International Development

China

- IEDC Mission June 2011: Beijing, Shandong Province
- July 2011 Visit to Indiana by Zhejiang Province Party Secretary Zhao Hongzhu

India

- IEDC Mission February 2011: Mumbai, Hyderabad
 - IU School of Medicine partners with GVK, India biosciences leader

Italy

- IEDC Mission April 2011: Rome, Milan

Japan

- Tsunami Impact

Foreign Direct Investment

- Non-traditional initiatives in Emerging Markets

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Economic Growth from International Activity

Indiana ranks first in per capita income derived from foreign-owned manufacturing operations

9th in manufacturing exports per capita

13th in export growth (*Conexus Indiana*)

Export-supported jobs linked to manufacturing account for 9.2% of Indiana's total private-sector employment (*U.S. Bureau of Economic Analysis*)

Nearly one-quarter (23.5%) of all manufacturing workers in Indiana depend on exports for their jobs (*U.S. Bureau of Economic Analysis*)

THE INDIANAPOLIS STAR

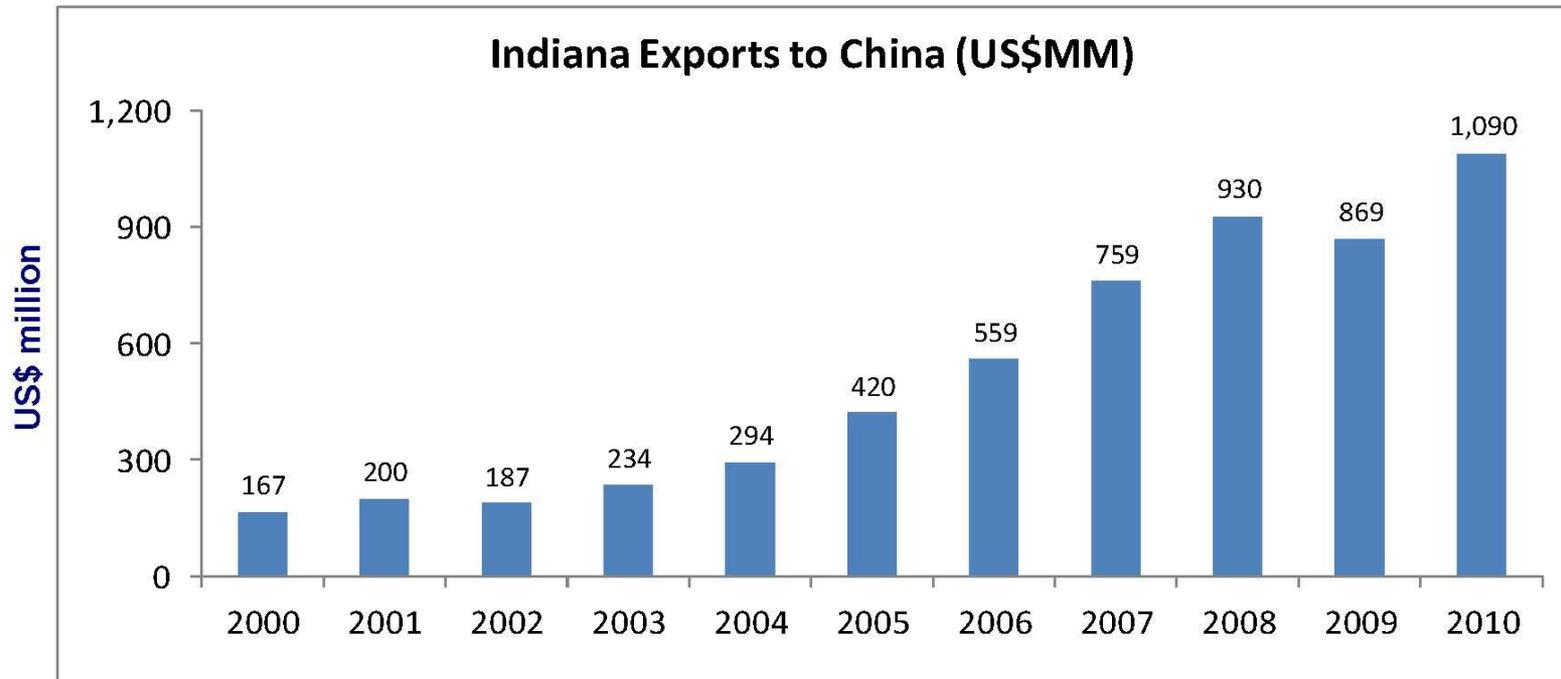
Cummins Bucks the Economic Trend with Expansion



June 10, 2011: Cummins announces 600 new jobs, 60% of sales generated outside the U.S.

"Our fastest growing markets are outside the United States, and that allows us to invest in Columbus," said Cummins President Thomas Linebarger.

Keeping Pace with China: Indiana's Exporters Rise to the Occasion



Growth in Indiana's Exports (2000-2010)

To China: 554%

To rest of world: 81%

Growth in U.S. Exports (2000-2010)

To China: 468%

To rest of world: 55%

China is Indiana's 7th largest export market with 2000-2010 growth rate substantially higher than the U.S. national average



Indiana Life Sciences... Leveraging our Strengths

Targeted outreach... 2 degrees of separation

- Out-of-state suppliers
- JV partners
- Company spinoffs
- Indiana alums in leadership positions
- Expansion opportunities, existing businesses

Indiana Life Sciences... Leveraging our Strengths

Key Events

NYC/ New Jersey company visits June 7-9

- Hosted suite at Yankees game with companies and site consultants

BioCrossroads 2011 Indiana Biosciences Report to be released June 23

Indiana Life Sciences... Leveraging our Strengths

2011 BIO Convention – June 28-30

Indiana Pavilion

Indiana reception for 300 attendees

Dr. John Lechleiter (Lilly) and David Johnson (BioCrossroads) to speak



Defense Vertical Update

Recent Transactions

- **Gryphon Technologies**

- 60 projected new jobs by 2013
- \$800K projected capital investment
- Company has received a \$26.6 million contract from NSWC Crane to provide engineering and logistics support services

- **Aero Engine Controls**

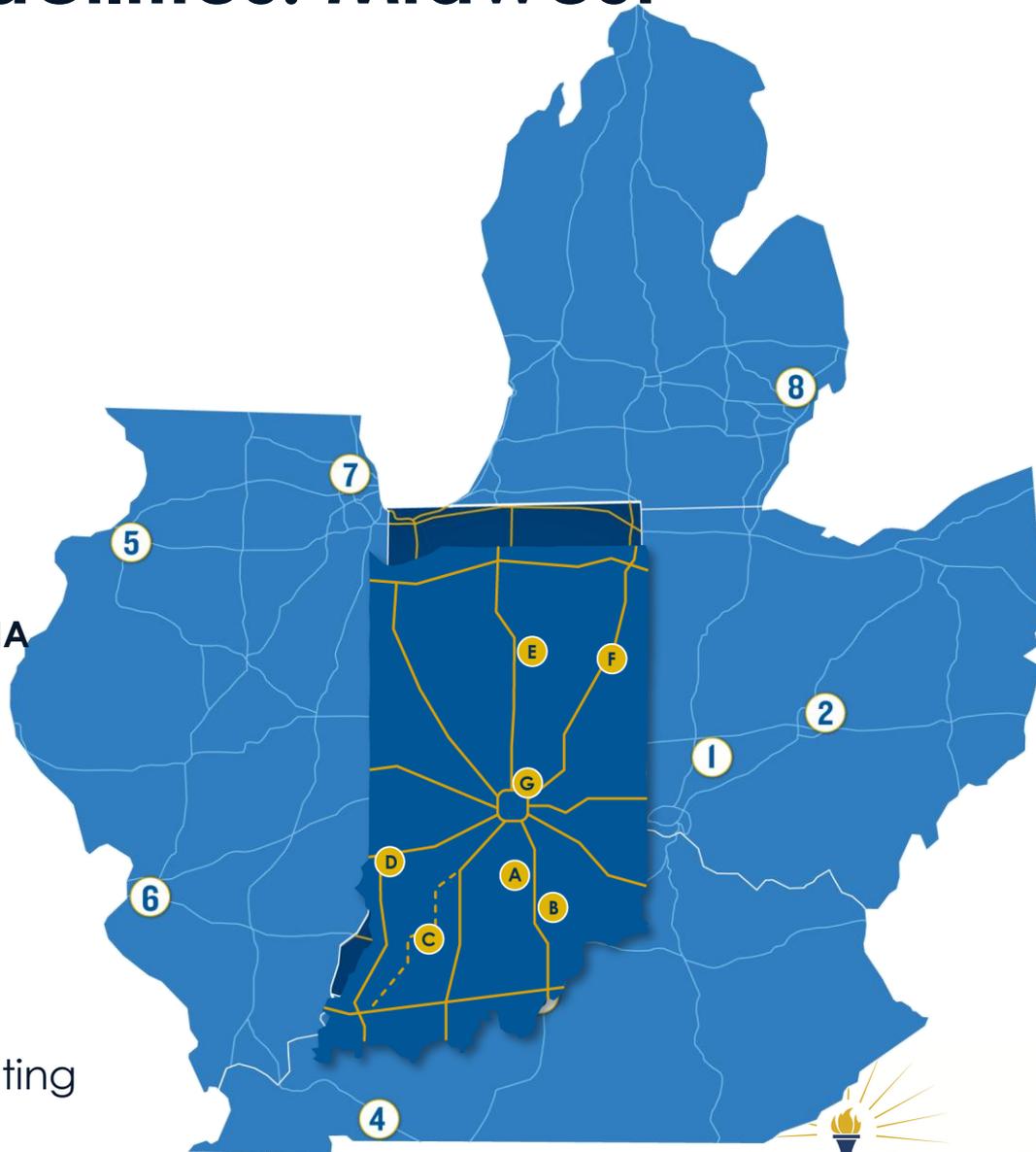
- 150 projected new jobs by 2013
- \$8.5 million projected capital investment
- Company designs engine control systems for military and commercial aerospace applications

Key DOD Facilities: Midwest

1. Wright Patterson AFB
2. Defense Supply Center
3. Ft. Knox
4. Ft. Campbell
5. Rock Island Arsenal
6. Scott AFB
7. Naval Station Great Lakes
8. TACOM

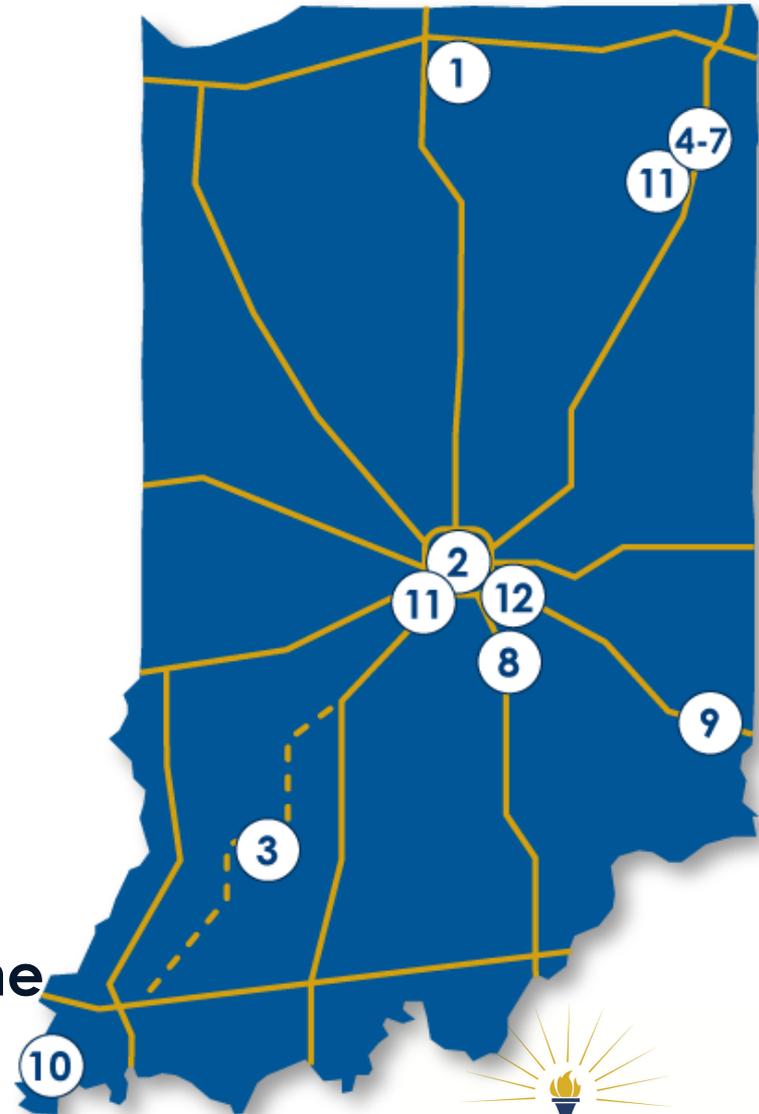
NATIONAL SECURITY FACILITIES INDIANA

- A. Camp Atterbury
- B. Muscatatuck Urban Training Center
- C. Crane, Naval Support Center
- D. International Hulman Field
- E. Grissom Air Reserve Base
- F. Fort Wayne International Airport Air Guard Station
- G. Defense Finance and Accounting Services



Major Indiana Defense Contractors

1. **AM General – South Bend**
2. **Rolls Royce – Indianapolis**
3. **SAIC – Crane**
4. **ITT – Fort Wayne**
5. **General Dynamics – Fort Wayne**
6. **Northrop Grumman – Fort Wayne**
7. **BAE – Fort Wayne**
8. **Cummins – Columbus**
9. **GE Defense – Cincinnati, OH**
10. **Babcock & Wilcox – Mt. Vernon**
11. **Raytheon-Indianapolis/Fort Wayne**
12. **Allison-Indianapolis**





SOMETIMES...

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Update on Illinois Campaign – *Business Development*

Illinois Visits (since 1/4/11)

37 consultant visits

19 company visits

Deals

- 7 consolidations
- 3 relocations
- 2 wins without incentives
- 20 wins when in competition with Illinois

Upcoming Business Development Events

Chicago Sales Trip

Hosting 2 events for site consultants:

August 3 (35 attendees)

August 23 (50-100 expected)

15 meetings with prospects and site consultants scheduled for August 22-24

Promoting Indiana's tax reduction vs. Illinois' tax increase



“Government does not create jobs; it only creates the conditions that make jobs more or less likely.”

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