



INDIANA: A STATE THAT WORKS FOR AEROSPACE

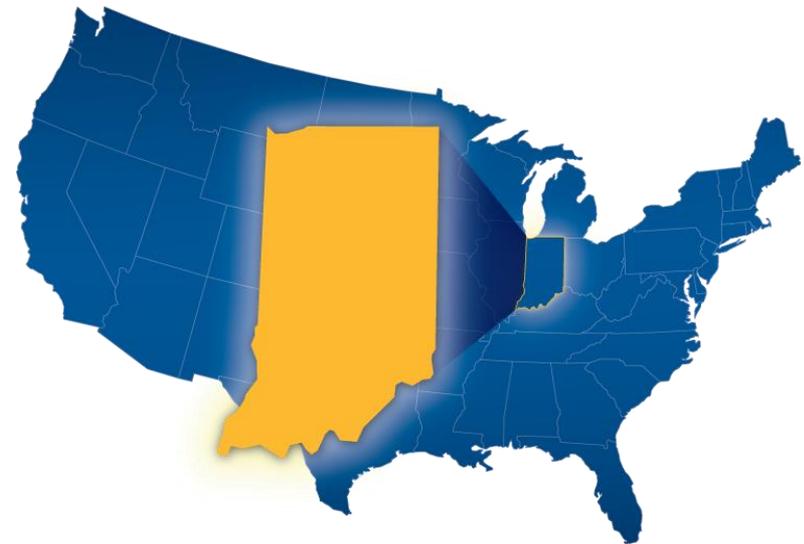
Victor P. Smith
Secretary of Commerce
State of Indiana



INDIANA FACTS

Population	6,596,855
Total Resident Labor Force	3,052,200
Increase in Labor Force Since 2013	84,000
Unemployment Rate (September 2015, Seasonally Adjusted)	4.5%

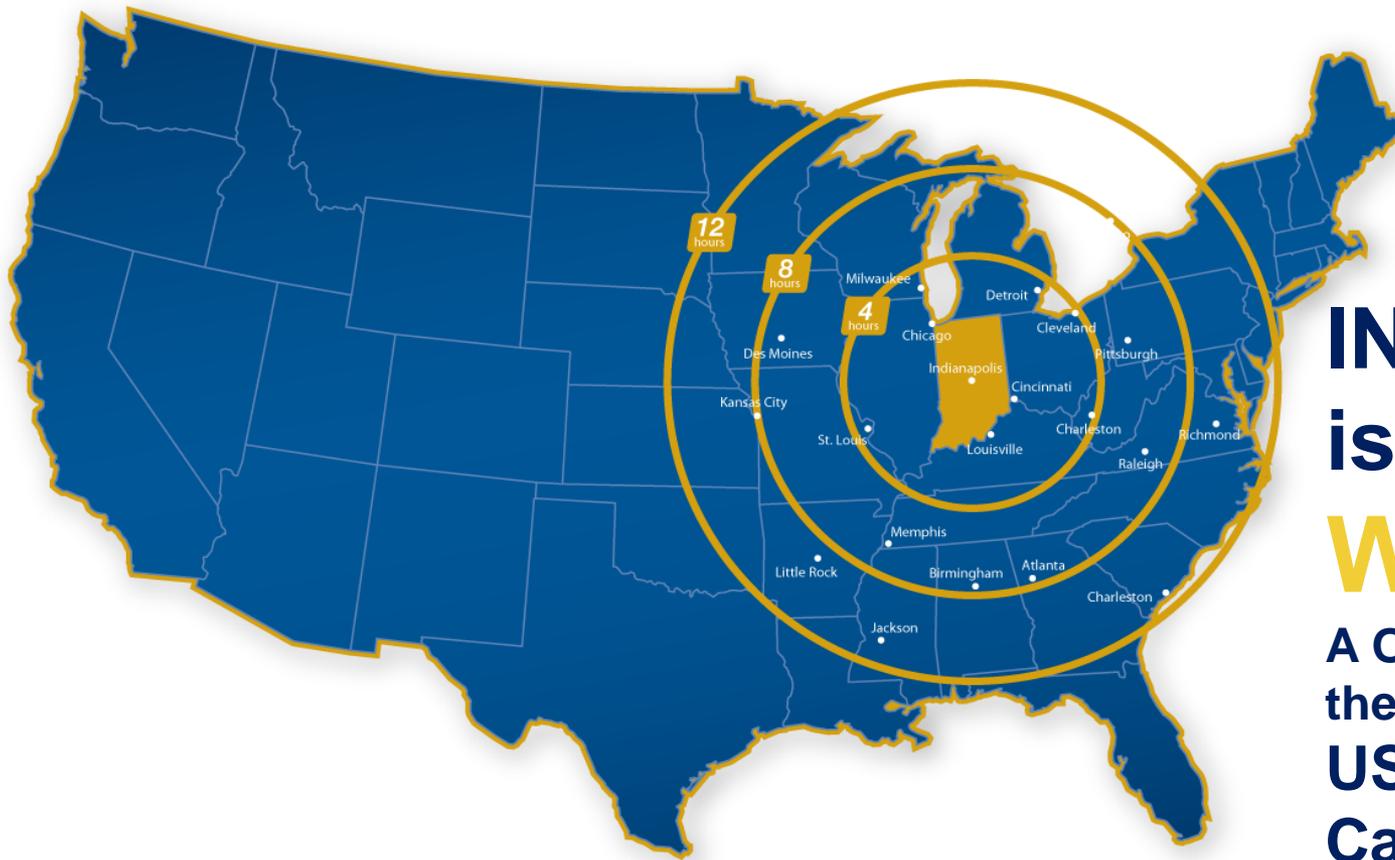
GDP	\$317.8B
Median Age	37.0
Per Capita Income	\$39,433



Source: STATS Indiana, Hoosiers by the Numbers, U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, GDP by state retrieved 6.19.15 Global Positioning, Census Bureau.



EASY ACCESS TO MAJOR U.S. MARKETS



INDIANA
is...

WITHIN

A ONE-DAY DRIVE of
the majority of the
US and
Canadian AUTO
Industry



CROSSROADS OF AMERICA

- ▶ 17,702 kilometers of highways and Interstates
–intersected by 14 Interstates
- ▶ 7,242 rail road kilometers
- ▶ 3 international maritime ports, each with FTZs
- ▶ Only State with a major Interstate under construction
–223 kilometer Interstate 69 extension





LOGISTICS-AIRFREIGHT



2nd largest FedEx hub
in Indianapolis, IN

UPS One World - Largest UPS hub
worldwide

DHL's Americas Hub

O'Hare: 1.6 million tons of air cargo

Illinois Dept of Commerce & Economic Opportunity, 2010





INTERNATIONAL INVESTMENTS 2012-2014

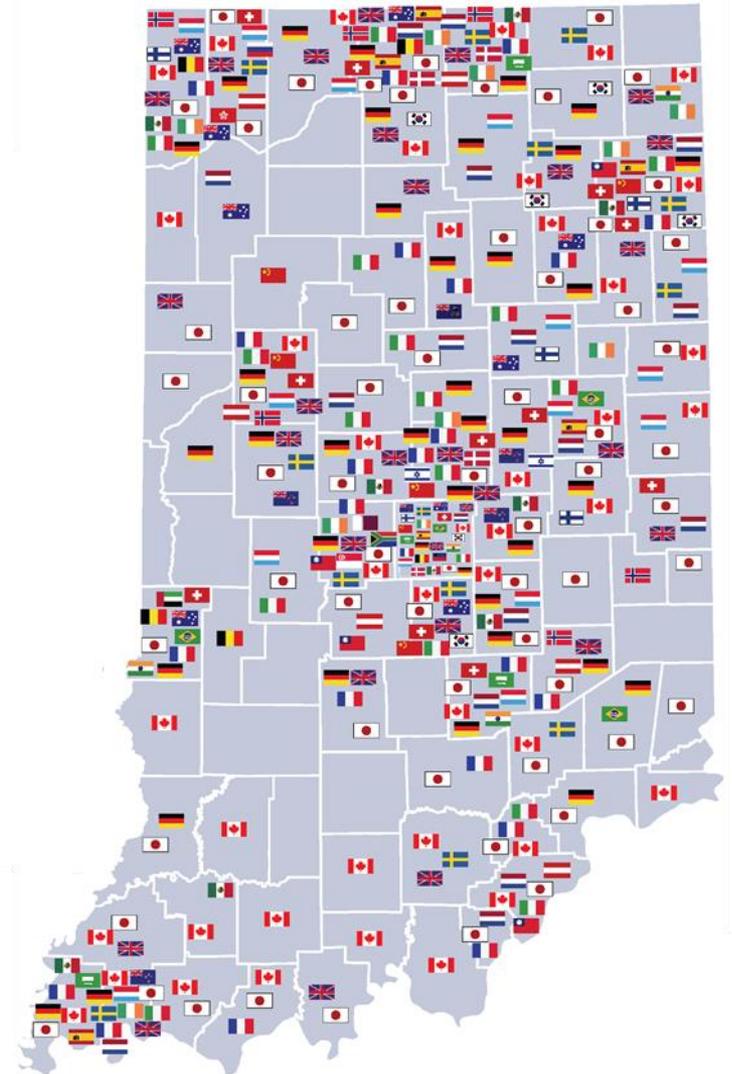
\$4.6 Billion

IN INTERNATIONAL INVESTMENT

&

13,300

NEW JOBS FROM
INTERNATIONAL INVESTORS

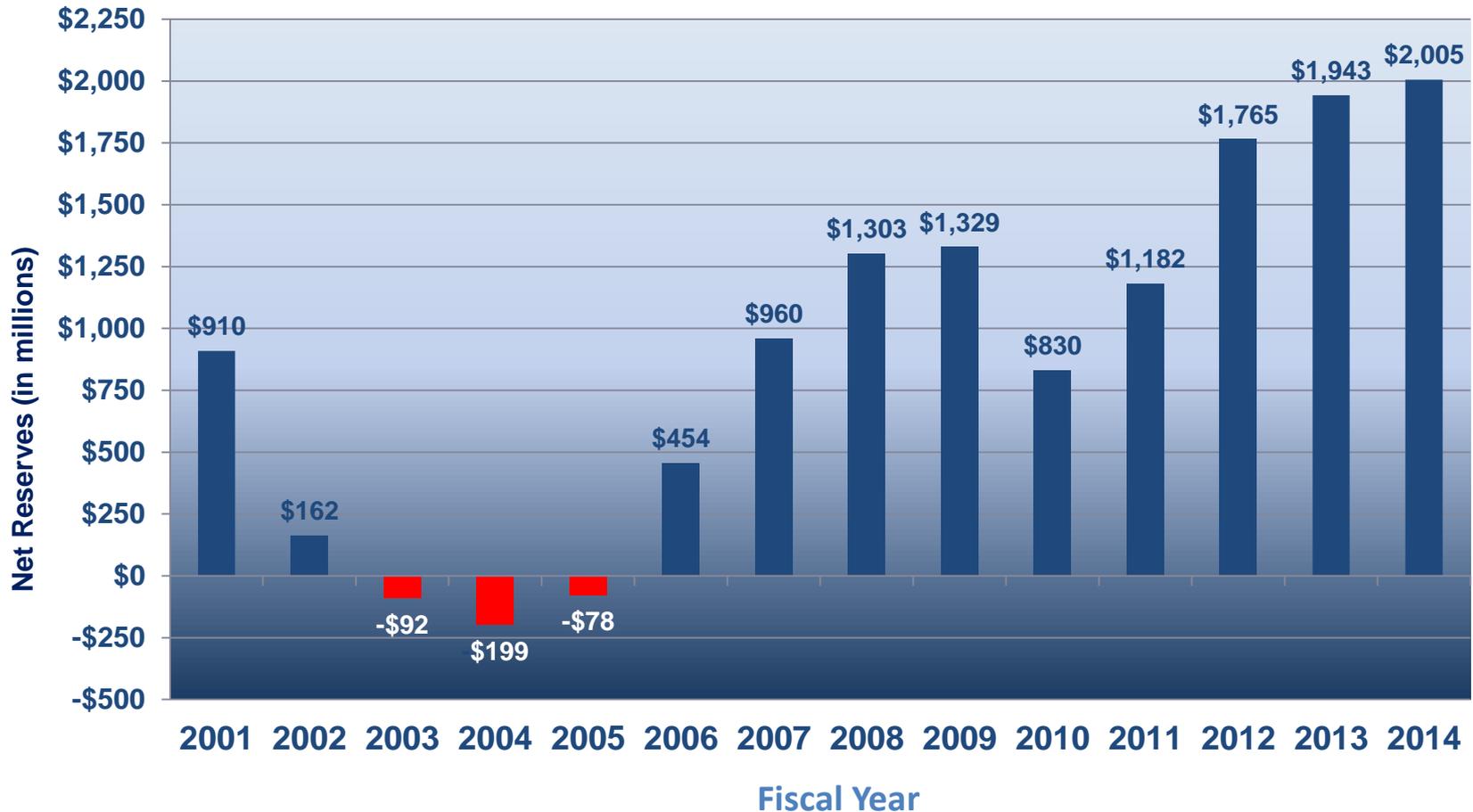


Source: Capturing the
Flag: Foreign Direct
Investment in Indiana,
September 2015- IBRC

A STATE THAT WORKS



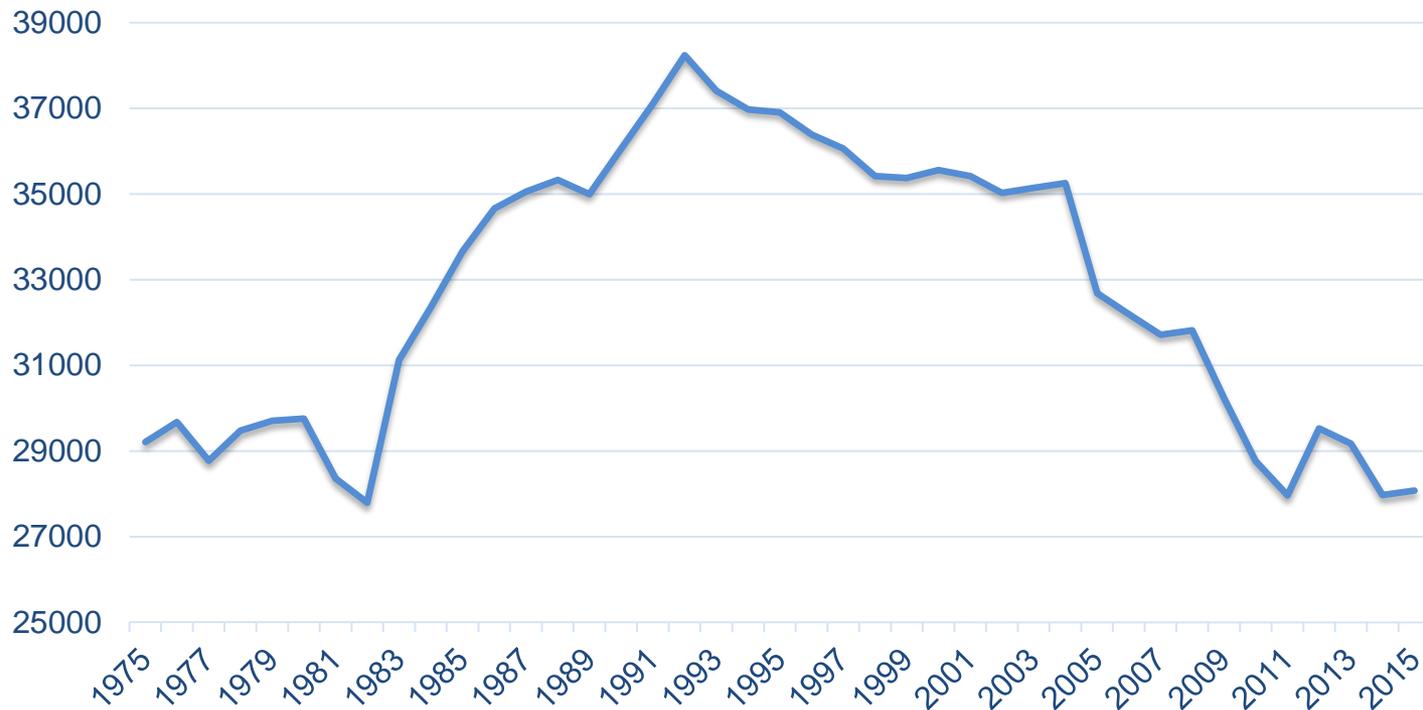
FISCAL SURPLUS





NUMBER OF STATE EMPLOYEES

Full-Time Active Employees





AAA BOND RATING BEST IN HISTORY



ONE OF 11 STATES
with top bond rating
from all three major
credit rating agencies

FitchRatings

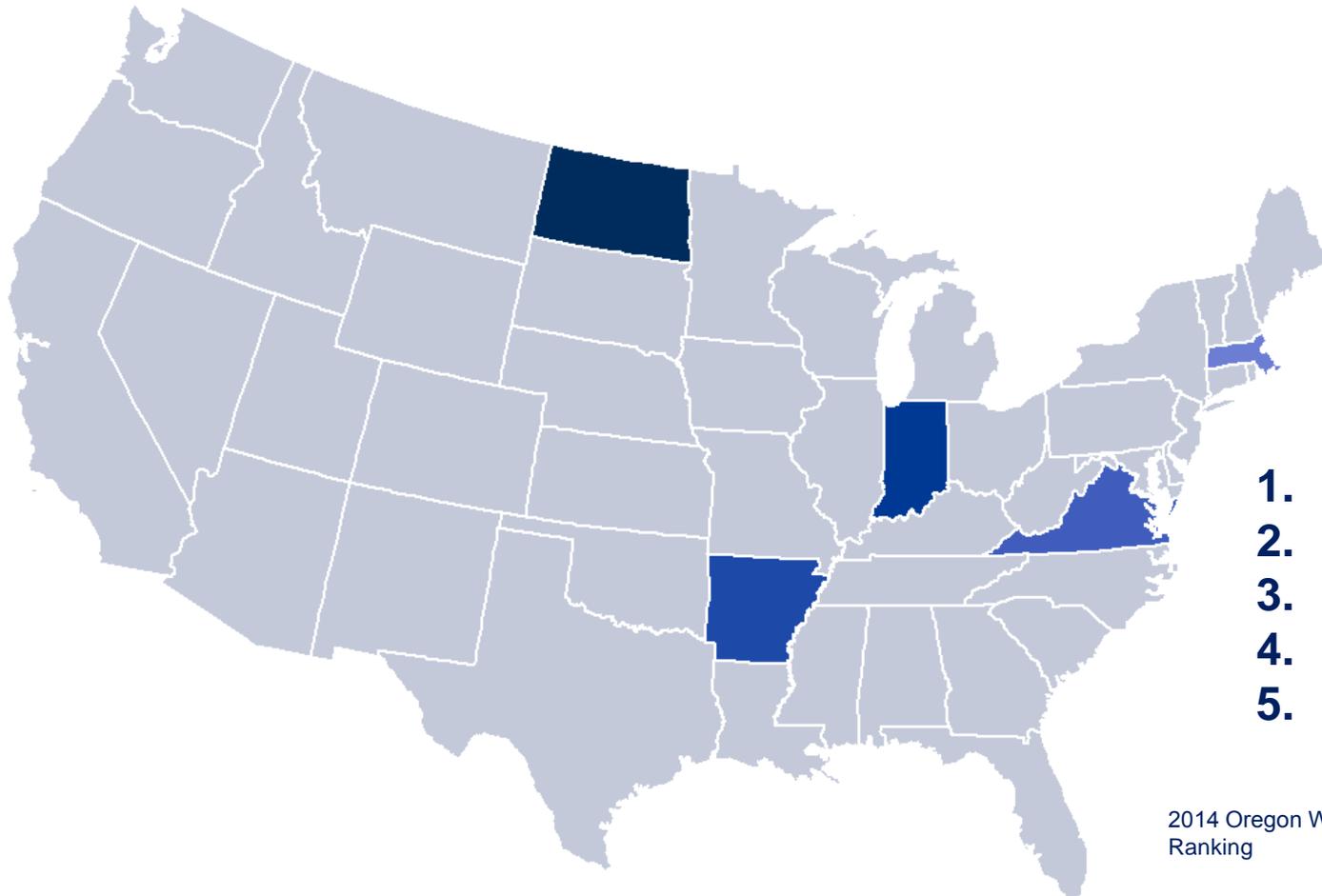


**STANDARD
& POOR'S**

May 2015



SECOND LOWEST RATE FOR WORKERS' COMPENSATION INSURANCE IN THE NATION



1. North Dakota
2. INDIANA
3. Arkansas
4. Virginia
5. Massachusetts

2014 Oregon Workers' Compensation Premium Rate Ranking



TAX RATES DECREASING

Corporate Income Tax **6.5% reducing to 4.9%**

Indiana's corporate income tax rate is decreasing from the current 6.5% by 0.25% each year until 2020 when we reach 5.25%. In 2021, the rate will fall one final time to 4.9%.

July 2015	6.5%	July 2019	5.5%
July 2016	6.25%	July 2020	5.25%
July 2017	6%	July 2021	4.9%
July 2018	5.75%		

Single Sales Factor Apportionment – The Indiana portion of a corporation's tax liability is based solely on the portion of the company's sales in Indiana.

Individual Income Tax **3.3% reducing to 3.23%**

Individual income tax rate is decreasing from the current 3.3% for 2015-2016 and 3.23% for 2017 and beyond.



CONTINUOUS IMPROVEMENT

Increased R&D Tax Credit – Provides a tax credit equal to 15% of a company's first \$1 million of qualifying R&D expenditures, giving Indiana one of the highest R&D tax credit percentages in the country. (2005)

Major Moves – Indiana is the only state in the nation with a record-breaking funded \$10 billion infrastructure improvement plan that includes the construction or renovation of more than 400 roads and bridges. (2006)

Single Sales Factor Corporate Tax – The single sales factor apportionment calculates the Indiana portion of corporate taxes based solely on the portion of a company's sales in Indiana. (2006)



CONTINUOUS IMPROVEMENT

Property Tax Exemption on IT Equipment – Allows municipalities the ability to permanently exempt personal property tax for enterprise information technology equipment. (2009)

Raised Cap for VC Tax Credit – Increases the maximum amount of income tax credits available under the Venture Capital Investment Tax Credit from \$500,000 to \$1,000,000. (2005 and 2011)

Right-To-Work – On February 1, 2012, Indiana became the 23rd state in the nation to enact a right-to-work bill into law. (2012)

Property Tax Relief – Cut property taxes by 1/3, capped property taxes. (2008)



INDIANA RANKINGS

FIRST Nationally for Cost of Doing Business

CNBC, June 2015

FIRST Nationally for Highway Accessibility

Area Development, September 2015

FIRST in the Midwest for low taxes and **8TH NATIONALLY**

Tax Foundation, October 2014

SECOND Nationally for Availability of Skilled Labor

Area Development, September 2015

Regulatory Climate Ranks **SECOND** in the Nation

Forbes, October 2015

FOURTH Nationally for Cost of Living

CNBC, June 2015

BEST BUSINESS CLIMATE in the Midwest
and **6TH NATIONALLY**

Chief Executive, May 2015

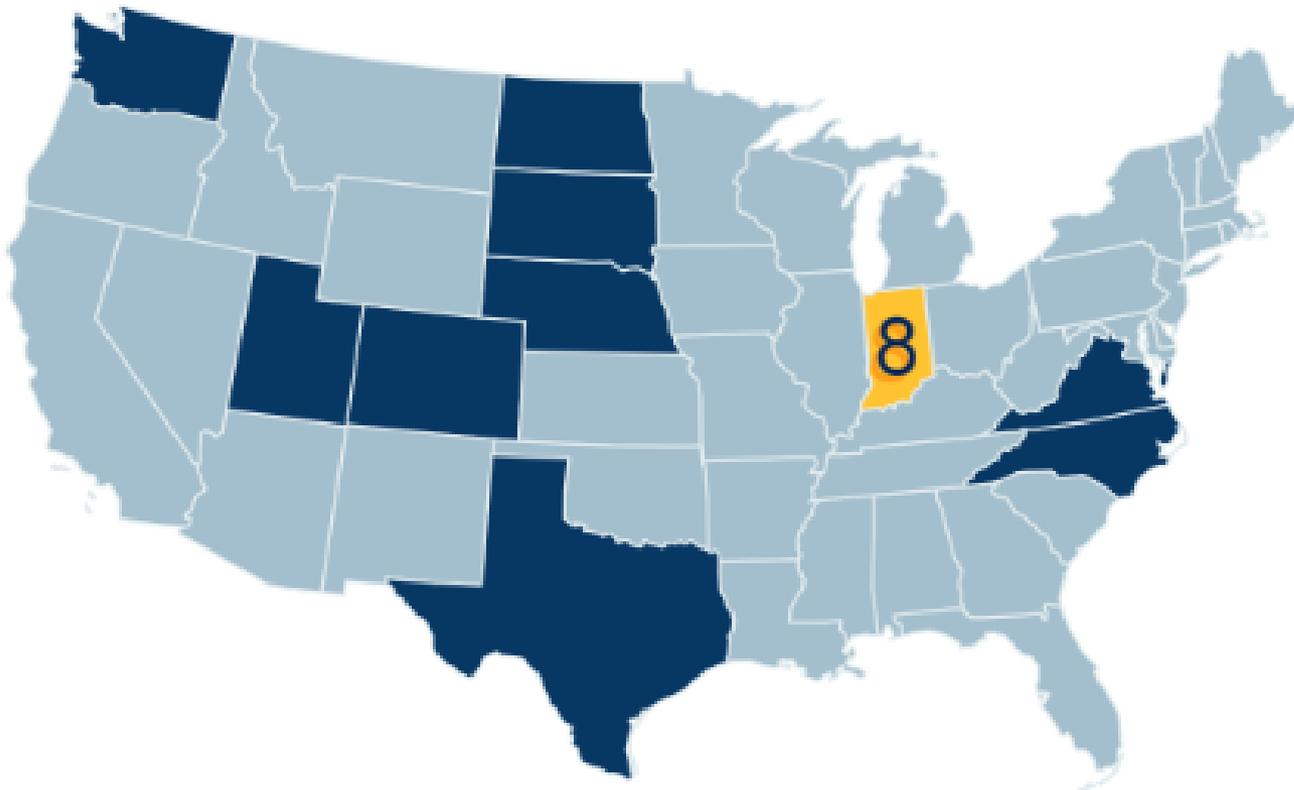


FORBES BEST STATES FOR BUSINESS

FORBE'S 10TH ANNUAL RANKING

INDIANA EARNS TOP TEN

Source-Forbes, October 2015



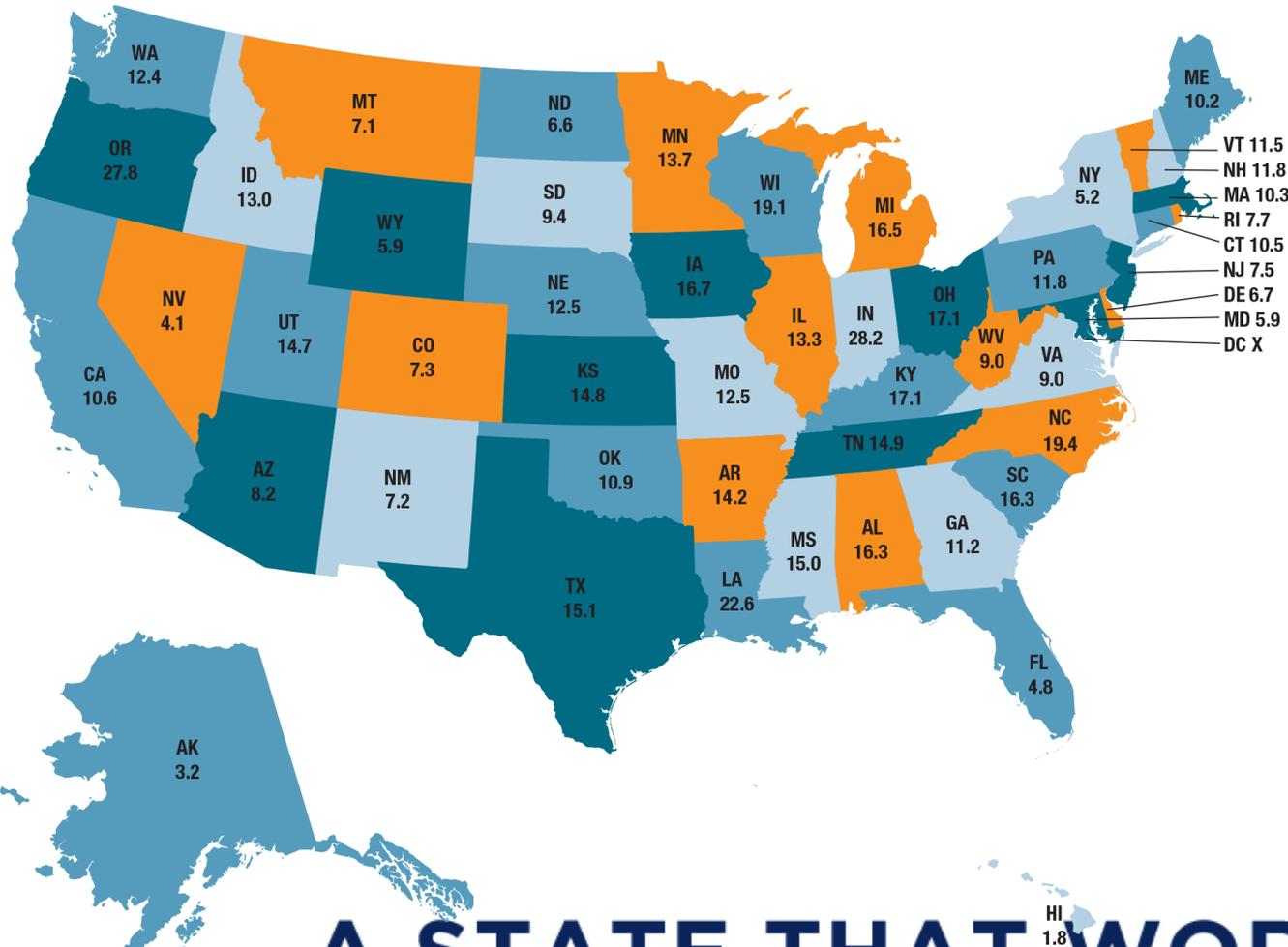
A STATE THAT WORKS



MANUFACTURING SHARE OF GSP

Indiana's share of GSP in manufacturing is 28.2%.

Manufacturing as Percent of Gross State Product



STATES WITH THE HIGHEST SHARES OF MANUFACTURING

(as a percentage of their GSP)

TOP 5 STATES

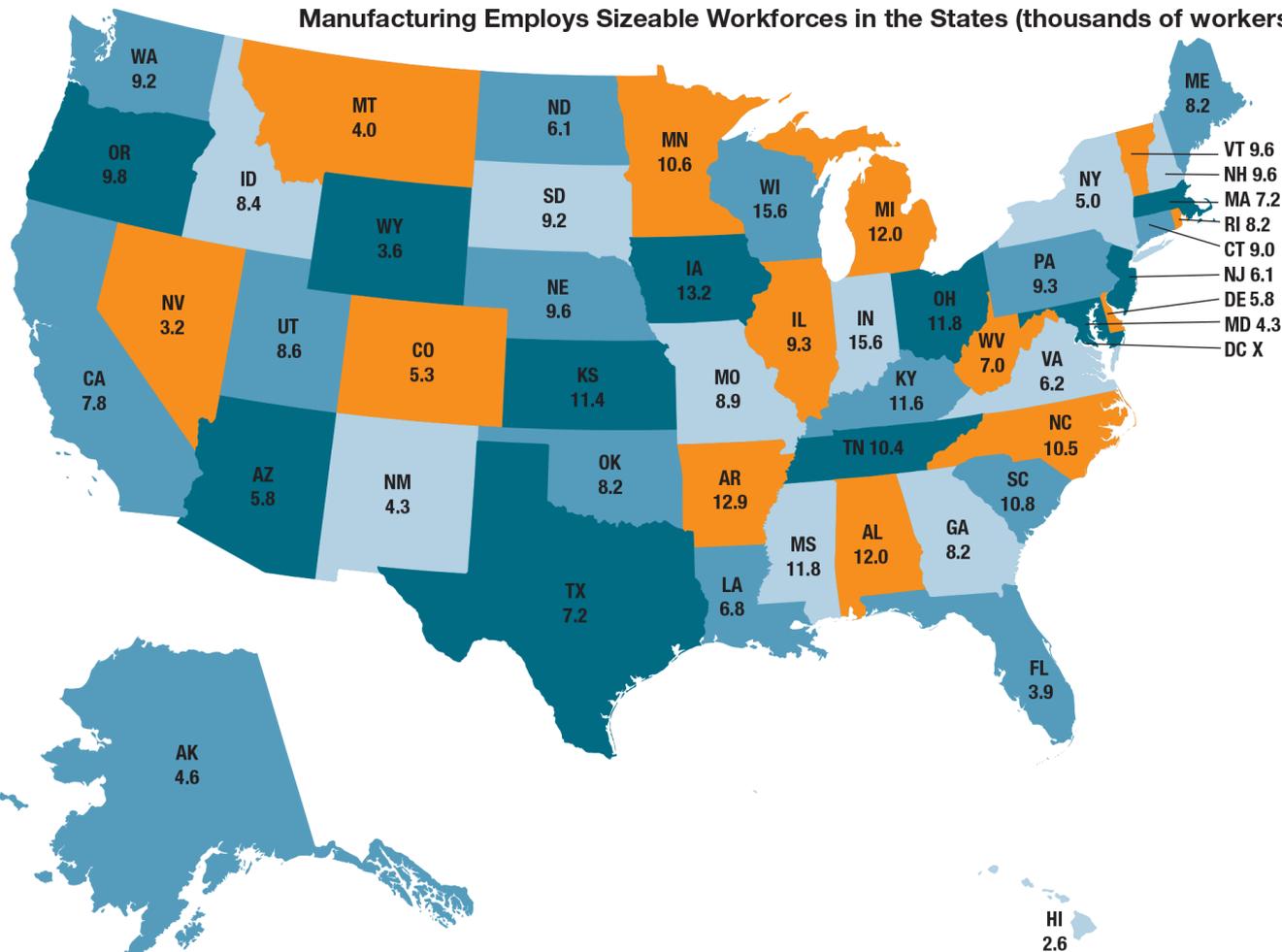
- Indiana 28.2%
- Oregon 27.8%
- Louisiana 22.6%
- Wisconsin 19.1%
- Kentucky 17.1%



MANUFACTURING EMPLOYMENT

Indiana's employment in manufacturing is highest in nation.

Manufacturing Employs Sizeable Workforces in the States (thousands of workers)



STATES WITH THE HIGHEST SHARES OF MANUFACTURING EMPLOYMENT

(as a percentage of the total)

TOP 5 STATES

- Indiana 16.4%
- Wisconsin 16.1%
- Arkansas 13.6%
- Michigan 12.8%
- Alabama 12.7%

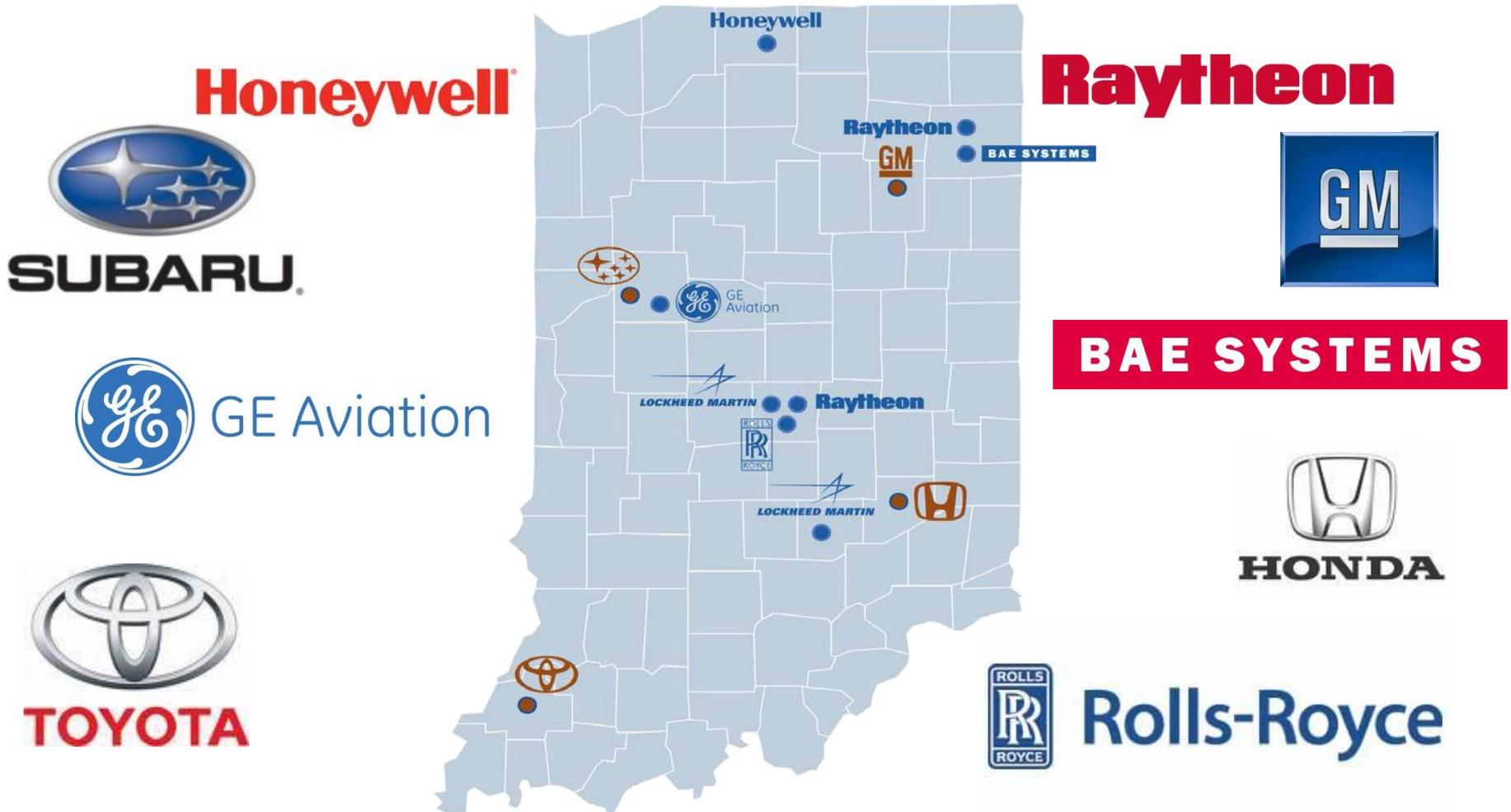


INDIANA WE MAKE THINGS

- ▶ **Metal sector concentration**
- ▶ **Highest density of manufacturing of the fifty United States**
- ▶ **World class universities**



KEY AEROSPACE & AUTOMOTIVE COMPANIES



A STATE THAT WORKS



SOLID AEROSPACE BASE

Raytheon



BAE SYSTEMS



GE Aviation



ALCOA



Rolls-Royce

- ▶ Many industry-leading aerospace companies do business in Indiana
- ▶ Combination of base in automotive, motor sports, advanced manufacturing and world class universities make Indiana a logical place for investment in the aerospace sector



STEEL



Largest steel producing state every year since 1980



RECENT AEROSPACE INVESTMENTS



During the last two years, industry leaders like GE Aviation, Rolls-Royce, Alcoa, Raytheon and BAE Systems have announced plans to invest more than \$900 million and create more than 1,200 new Hoosier jobs in the coming years.



DIESEL ENGINES





FORKLIFTS





TRANSMISSIONS



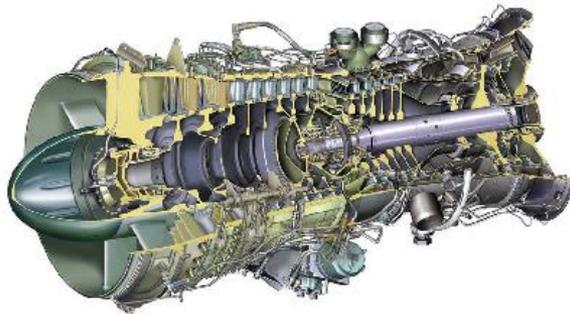
CHRYSLER

AISIN
Geared up for the future

 **Allison**
Transmission



GAS TURBINES



GE Aviation



Rolls-Royce



NUCLEAR REACTORS





RECREATIONAL VEHICLES



MONACO



Keystone RV
Company





LOCOMOTIVES





TRACTOR TRAILERS



CIMC 中集



Great Dane



VEHICLES

At 1.1 million vehicles per year, Indiana ranks third in the nation for automobile production



TOYOTA



SUBARU



HONDA



ACURA





MOTORSPORTS



COSWORTH





PHARMACEUTICALS



Lilly





ORTHOPEDICS



BIOMET[®]

 **DePuy**[®]

 **zimmer**



OTHER COMPANIES OF INTEREST





UNIVERSITIES IN INDIANA

- ▶ **INDIANA UNIVERSITY**
42,464 Enrolled Students (Main Campus)
*66,588 Enrolled Students (Regional Campuses)
- ▶ **PURDUE UNIVERSITY**
39,726 Enrolled Students (Main Campus)
*59,179 Enrolled Students (Regional Campuses)
- ▶ **UNIVERSITY OF NOTRE DAME**
11,992 Enrolled Students
- ▶ **ROSE-HULMAN INSTITUTE OF TECHNOLOGY**
1,980 Enrolled Students
- ▶ **BUTLER UNIVERSITY**
4,640 Enrolled Students



*Indiana University and Purdue University regional campuses include 44,758 from their two shared universities in Indianapolis and Fort Wayne.



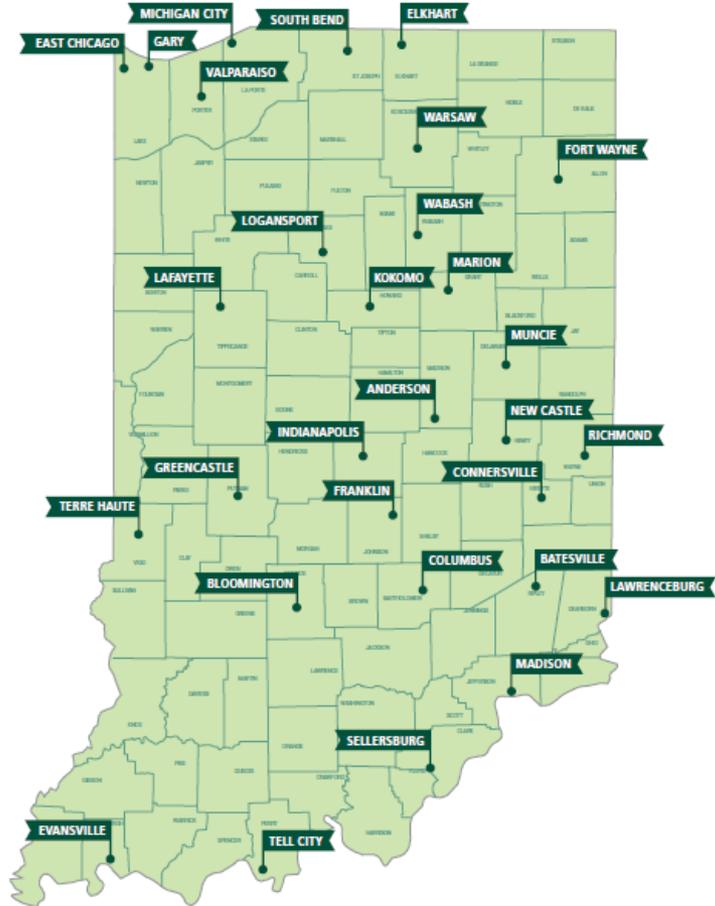
**CHANGING LIVES
MAKING INDIANA GREAT**

- ▶ **Largest state-wide community college in US**
- ▶ **Custom training tailored to industry needs based upon process mapping and position profiling**
- ▶ **Employee selection & recruitment**
- ▶ **Responsive, nimble, & business oriented**






**CHANGING LIVES
MAKING INDIANA GREAT**



Bloomington

Central Indiana (*Indianapolis*)

Columbus/Franklin

East Central (*Anderson, Marion, Muncie, New Castle*)

Kokomo (*Kokomo, Logansport, Wabash*)

Lafayette (*Lafayette, Monticello, Crawfordsville, Frankfort, Morocco*)

North Central (*Elkhart, South Bend, Warsaw*)

Northeast (*Fort Wayne*)

Northwest (*East Chicago, Gary, Michigan City, Valparaiso*)

Richmond (*Connersville, Richmond*)

Southeast Indiana (*Batesville, Lawrenceburg, Madison*)

Southwest (*Evansville, Tell City*)

Southern Indiana (*Sellersburg*)

Wabash Valley (*Greencastle, Terre Haute*)



INDIANA FACTS

- ▶ **At 19.6% of private sector employment, Indiana is the most manufacturing intensive state of the fifty States**
- ▶ **One third of the worlds orthopedics valued at \$11 billion are made in Warsaw, Indiana**
- ▶ **Indiana ranks second in auto sector GDP among the fifty US States**
- ▶ **Approximately 80% of North American recreation vehicles are made in Indiana**
- ▶ **Most Japanese investment per capita of any US State**
- ▶ **Indiana is the only state with three Japanese automotive OEMs**



THANK YOU

Victor Smith

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