THINKKENTUCKY

Cabinet for Economic Development

2015 ANNUAL REPORT

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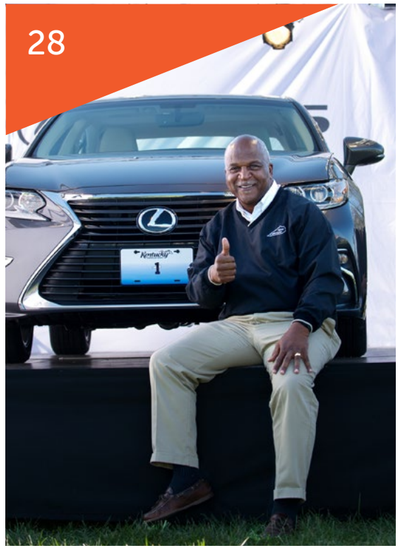

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INTRODUCTION

Businesses large and small look for the perfect place to locate and grow.

The Kentucky Cabinet for Economic Development works with those businesses to ensure their success.

MEET GOVERNOR MATT BEVIN

On December 8, 2015, Matthew G. Bevin became the 62nd governor of the Commonwealth of Kentucky and the leader of the state's economic development and job-growth efforts.

Gov. Bevin brings his background as a businessman, entrepreneur and manufacturer to the job. "I love people who work and make things for a living and sell products. I always have. That is where my heart is," he says. "Since I was a kid, I have always been an entrepreneur, and it is that same thinking that I plan to bring to Kentucky state government."

Gov. Bevin sees economic development from the perspective of a businessman. "They want to know, is government being responsive to my needs? Is the tax structure correct? Is the workforce what's needed for my business?"

As a manufacturer, Gov. Bevin has a message for businesses considering Kentucky for a new or expanded location. "If you want to make things in America, there is no better place than Kentucky. Some of the country's most popular products are made right here."

His immediate goal is to create a better, more effective, more efficient workforce development system. "Everything we aspire to is contingent on us having a workforce that is ready and able to enter into production and service on all these jobs," he says. "We are going to be the manufacturing hub of excellence in the U.S. The difference between where we want to go economically will be our investment in education and our investment in infrastructure."

Kentucky's new governor has many new ideas to take Kentucky's economy to a new level, but he is guided by a basic wish: "When people think of Kentucky, I want them to know that we make things here and that it is easy to do business here. I want this to be the first place people come. We are a place that blends all of the hospitality and charm of being Southern with all of the classic values of being Midwestern. That does not exist anyplace else in America."

BOARDS & COMMISSIONS

The Kentucky Cabinet for Economic Development appreciates the support of a group of Kentucky business men and women, representing both the public and private sectors, who serve in a variety of volunteer capacities, supporting the Cabinet in business development, workforce and small business oversight efforts.

KENTUCKY ECONOMIC DEVELOPMENT PARTNERSHIP

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Governor, Commonwealth of Kentucky

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President & CEO - Central Bank & Trust Company

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VP of Business Development
Farmers Bank & Trust Company

ERIK DUNNIGAN
Acting Secretary
Cabinet for Economic Development

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Community Trust Bancorp, Inc.

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CPA, Director
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Wells Health System

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Secretary
Finance & Administration Cabinet

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Acting Secretary, Cabinet for Economic Development

HAL HEINER
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Secretary, Kentucky Labor Cabinet

JEFF WHITEHEAD
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Vice President, C2 Strategic Communications

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HERBERT L. MCKEE
Self-Employed

MALISSA SHELTON
Vice President, Hometown Bank

KRISTEL SMITH
Director, Kentucky Innovation Network at Eastern Kentucky University

SANDRA WILSON
Executive Director, Hart County Tourist Commission

A RECORD-BREAKING YEAR

Kentucky's success in attracting business continues to garner national attention.

Record investments and new jobs are strengthening Kentucky's economy.

Expansions by existing businesses lead the way.

TOP MOMENTS OF 2015

JAN

KYFAME

FIRST CHAPTERS OF KY FAME ARE CREATED AS PROGRAM GOES STATEWIDE.

FEB

IN THE KENTUCKY ANGEL INVESTMENT TAX CREDIT'S FIRST MONTH, **40 ANGEL INVESTORS ANNOUNCE PLANS TO INVEST MORE THAN $2.8 MILLION** IN KENTUCKY BUSINESSES.

THE CABINET LEADS AN ECONOMIC DEVELOPMENT MISSION TO ASIA.

MAR

SELECT USA

THE CABINET MARKETS KENTUCKY OPPORTUNITIES TO INTERNATIONAL INVESTORS AT THE SELECTUSA INVESTMENT SUMMIT IN WASHINGTON D.C.

APR

KENTUCKY EXPORT INITIATIVE

THE KENTUCKY EXPORT INITIATIVE CONDUCTS A TRADE MISSION TO CANADA PROVIDING KENTUCKY SMALL BUSINESSES ACCESS TO NEW MARKETS.

MAY

SOUTHERN BUSINESS & DEVELOPMENT

KENTUCKY IS NAMED **"STATE OF THE YEAR"** BY SOUTHERN BUSINESS & DEVELOPMENT MAGAZINE.

JUN

GOVERNOR'S SCHOOL FOR ENTREPRENEURS

THE THIRD ANNUAL **GOVERNOR'S SCHOOL FOR ENTREPRENEURS** IS HELD AT GEORGETOWN COLLEGE, EXPOSING HIGH SCHOOL STUDENTS TO AN INTENSIVE THREE-WEEK CURRICULUM ON ENTREPRENEURISM.

JUL

Kentucky Innovation Network

THE KENTUCKY INNOVATION NETWORK REPORTS IT HAS **HELPED COMPANIES RAISE $1 BILLION** SINCE ITS INCEPTION.

AUG

THE CABINET SECURES AN ADDITIONAL **$5.3 MILLION IN FEDERAL FUNDING** TO ENCOURAGE SMALL BUSINESS LENDING.

SEP

AutoVision Conference

THE CABINET PRESENTS THE INAUGURAL AUTOVISION CONFERENCE IN KENTUCKY, FOCUSING ON THE FUTURE OF THE AUTOMOTIVE INDUSTRY.

OCT

3RD

KENTUCKY PLACES THIRD NATIONALLY IN BUSINESS CLIMATE RANKING BY SITE SELECTION MAGAZINE.

NOV

TRIBLUE ENGINEERING WINS THE STATEWIDE ENTREPRENEUR PITCH COMPETITION DURING THE ANNUAL ANGEL INVESTOR'S SUMMIT.

DEC

KENTUCKY WINS GOVERNOR'S CUP FOR THE NATION'S MOST NEW AND EXPANDING INDUSTRY ACTIVITY PER CAPITA IN 2014.

THE CABINET PURSUES ECONOMIC DEVELOPMENT OPPORTUNITIES IN GERMANY AND SWEDEN.

2016 IDEA STATE U

REGIONAL COMPETITIONS BEGIN FOR IDEA STATE U WITH NEARLY 35 TEAMS OF UNDERGRADUATE AND GRADUATE STUDENTS PARTICIPATING.

IDEA STATE U FINALS COMPETITION HELD IN LEXINGTON.

THE CABINET'S KENTUCKY INNOVATION NETWORK IS PRESENTED A **NATIONAL ACHIEVEMENT IN INNOVATION HUBS AWARD BY BUSINESS FACILITIES MAGAZINE.**

KENTUCKY WINS **SILVER SHOVEL AWARD** FOR SUCCESSFUL JOB CREATION AND INVESTMENTS.

KENTUCKY RECEIVES **$400,000 STATE TRADE EXPANSION PROGRAM (STEP) GRANT** TO ENCOURAGE AND BOOST INTERNATIONAL TRADE AMONG KENTUCKY'S SMALL BUSINESSES.

IF IDEA FESTIVAL®

THE KENTUCKY INNOVATION NETWORK SERVES AS PRESENTING SPONSOR OF THE ANNUAL IDEAFESTIVAL, WORKING WITH ATTENDEES TO TURN THEIR GOOD IDEAS INTO BUSINESSES.

KENTUCKY RECOGNIZES OCTOBER AS MANUFACTURING MONTH, RECOGNIZING THE 2,400 FACILITIES AND 242,000 KENTUCKIANS WHO WORK IN THE INDUSTRY.

BUILD-READY KY APPROVED

A SIXTH KENTUCKY SITE RECEIVES BUILD-READY CERTIFICATION, WITH SIX OTHERS IN PROGRESS.

KENTUCKY ONCE AGAIN BROKE AN EXPORT RECORD WITH **MORE THAN $27.6 BILLION IN GOODS AND SERVICES** SOLD INTERNATIONALLY IN 2015.

A RECORD NUMBER OF KENTUCKY SMALL BUSINESSES TAKE ADVANTAGE OF SMALL BUSINESS TAX CREDITS, WHICH PUT $1 MILLION BACK INTO THE STATE'S SMALL BUSINESS COMMUNITY.

BUSINESS ACTIVITY BREAKS A RECORD

Businesses - large and small - showed confidence in Kentucky's business climate in 2015. The Commonwealth's manufacturing, service and technology sectors announced more than 460 new location or expansion projects with total investment exceeding $5.1 billion. That is the most business investment in the Commonwealth since record keeping began almost 30 years ago.

Existing Kentucky businesses made up the majority of the new growth, with more than 90 percent of Kentucky's new investment and more than 80 percent of new jobs coming from existing industries that chose to expand. Those companies plan to create more than 16,000 full-time jobs – the most announced jobs in the Commonwealth in almost a decade.

Kentucky also announced many new facility projects throughout the state. From automotive to primary metals to food and beverage to distribution and logistics, Kentucky's growth in 2015 crossed a wide variety of industries. International businesses also continued to come to Kentucky in substantial numbers to open new markets.

In 2015, Kentucky made headlines in many national business publications for its record growth. The accolades included "State of the Year" (Southern Business Development), Governor's Cup (Site Selection) and Silver Shovel Award (Area Development). Kentucky's growth in both new and existing businesses proves that doing business in the Commonwealth is a better prospect than ever.

Paris Machining LLC
PARIS
$4.2M INVESTMENT
30 NEW JOBS

North American Stainless
GHENT
$150M INVESTMENT
36 NEW JOBS

Catalent
WINCHESTER
$61.8M INVESTMENT
300 NEW JOBS

DHL Express
ERLANGER
$108M INVESTMENT
81 NEW JOBS

Omni Materials Inc.
AUGUSTA
$1M INVESTMENT
10 NEW JOBS

Progress Rail Raceland Corporation
WORTHINGTON
$8M INVESTMENT
161 NEW JOBS

Belcan
LEXINGTON
$1.3M INVESTMENT
100 NEW JOBS

Senture LLC
ANNVILLE/LONDON
$6M INVESTMENT
440 NEW JOBS

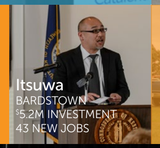
General Motors
BOWLING GREEN
$483M INVESTMENT
36 NEW JOBS

Itron
OWENTON
$1M INVESTMENT
51 NEW JOBS

Logan Aluminum
RUSSELLVILLE
$240M INVESTMENT
190 NEW JOBS

TWB Company
GLASGOW
$7.7M INVESTMENT
12 NEW JOBS

Bowling Green Metalforming
BOWLING GREEN
$261.2M INVESTMENT
450 NEW JOBS



Itsuwa
BARDSTOWN
$5.2M INVESTMENT
43 NEW JOBS

Kelley Beekeeping
CLARKSON
$7.4M INVESTMENT
50 NEW JOBS

Robert Bosch Automotive Steering
FLORENCE
$84.5M INVESTMENT
212 NEW JOBS

Dr. Schneider
RUSSELL SPRINGS
$13.4M INVESTMENT
145 NEW JOBS

Ford Motor Company
LOUISVILLE
$1.3B INVESTMENT
2,000 NEW JOBS

Dana Light Axle Manufacturing LLC
DRY RIDGE
$20M INVESTMENT
120 NEW JOBS

Hydro Gear LP
PRINCETON
$2.6M INVESTMENT
40 NEW JOBS

Douglas Autotech
HOPKINSVILLE
$14.1M INVESTMENT
115 NEW JOBS

Country Boy Brewing
GEORGETOWN
$4.3M INVESTMENT
20 NEW JOBS

Coalfield Lumber Company Inc
INEZ
$2M INVESTMENT
10 NEW JOBS

Four Roses
LAWRENCEBURG/
COX CREEK
$63.5M INVESTMENT
50 NEW JOBS

International Paper
MAYSVILLE
$80M INVESTMENT

Grupo Antolin
LOUISVILLE
$13.7M INVESTMENT
200 NEW JOBS

Hendrickson
ELIZABETHTOWN
$19.2M INVESTMENT
21 NEW JOBS

Specialty Foods Group (Field Packing Division)
OWENSBORO
$6.1M INVESTMENT
95 NEW JOBS

Appalachian Metal Prototypes
MIDDLESBORO
$2.6M INVESTMENT
50 NEW JOBS

EOS CCA
SOMERSET
$3.9M INVESTMENT
150 NEW JOBS

Gibbs Die Casting Corporation
HENDERSON
$9.8M INVESTMENT
36 NEW JOBS

Kentucky Chrome Works
HORSE CAVE
$707K INVESTMENT
63 NEW JOBS

Cend LLC
SHEPHERDSVILLE
$17.2M INVESTMENT
350 NEW JOBS

American Howa Kentucky
MIDWAY
$13.1M INVESTMENT
54 JOBS

GE Aircraft Engine Division
MADISONVILLE
$4M INVESTMENT
41 NEW JOBS

Marquette Transportation Company LLC
PADUCAH
$20M INVESTMENT
15 NEW JOBS

Innovative Mattress
LEXINGTON
$2.4M INVESTMENT
52 NEW JOBS

2015 AT A GLANCE

STATE OF THE YEAR
SOUTHERN BUSINESS & DEVELOPMENT

GOVERNOR'S CUP
2ND CONSECUTIVE YEAR
SITE SELECTION MAGAZINE

SILVER SHOVEL AWARD
AREA DEVELOPMENT

CiCi AWARD
TRADE & INDUSTRY DEVELOPMENT

INNOVATION HUB AWARD
BUSINESS FACILITIES

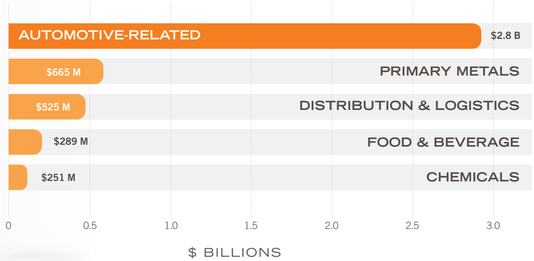
TOTAL 2015 NUMBERS

$5.1B INVESTMENT

16,024 NEW JOBS

INVESTMENT TRENDS BY SECTOR

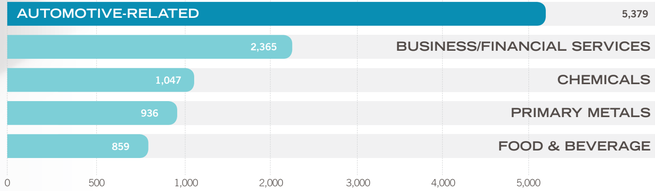
2015



JOBS ANNOUNCEMENT TRENDS BY SECTOR

2015

SOURCE: KENTUCKY CABINET FOR ECONOMIC DEVELOPMENT



2015 PROJECTS BY JOBS AND INVESTMENT

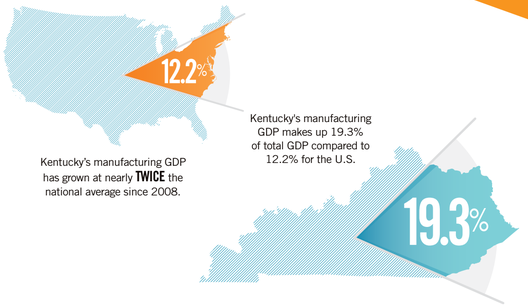
JANUARY-DECEMBER 2015

NEW LOCATIONS (43)
EXISTING INDUSTRY EXPANSIONS (419)

NEW LOCATIONS ($414M)
EXISTING INDUSTRY EXPANSIONS ($4.7B)

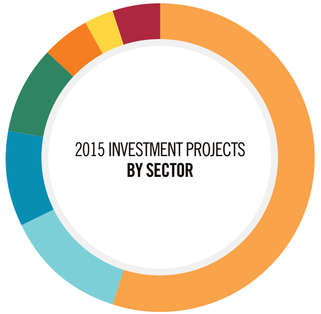
NEW LOCATIONS (2,736)
EXISTING INDUSTRY EXPANSIONS (13,288)

2015 MANUFACTURING GDP



Kentucky's manufacturing GDP has grown at nearly **TWICE** the national average since 2008.

Kentucky's manufacturing GDP makes up 19.3% of total GDP compared to 12.2% for the U.S.



AUTOMOTIVE 55%
PRIMARY METALS 13%
DISTRIBUTION & LOGISTICS 10%
FOOD & BEVERAGE 9%
CHEMICALS 5%
AEROSPACE 3%
OTHERS 5%

2015 ANNOUNCED PROJECT LIST

Business creation and expansion crossed most industry sectors in 2015 as companies, small and large, expressed confidence in the Commonwealth through increased investment. The following list of 2015 projects includes those creating at least 40 jobs or investing $10 million or more in Kentucky.

310 Tempering, Jefferson County, $5,950,000 investment, 147 jobs
ABC Automotive Systems Inc, Laurel County, $7,363,192 investment, 75 jobs
ADP Inc, Jefferson County, $25,559,363 investment, 35 jobs
Algood Food Company, Jefferson County, $15,000,000 investment
Allstate Tower Inc, Henderson County, $1,000,000 investment, 50 jobs
Amazon, Boone County, 100 jobs
American Fuji Seal Inc, Nelson County, $750,000 investment, 56 jobs
American Howa Kentucky Inc, Woodford County, $13,108,804 investment, 54 jobs
American Synthetic Rubber Company, Jefferson County, $21,000,000 investment
Appalachian Metal Prototypes, Bell County, $2,641,000 investment, 50 jobs
Armstrong Wood Products, Pulaski County, $2,521,037 investment, 79 jobs
Ashland Consumer Markets (Valvoline), Fayette County, $35,000,000 investment
Beckman Coulter Inc, Boone County, $10,412,000 investment, 44 jobs
Bekaert Corporation, Shelby County, $13,420,000 investment, 25 jobs
Belcan - Lexington Design Center, Fayette County, $1,307,340 investment, 100 jobs
Bilstein Cold Rolled Steel LP, Warren County, $10,000,000 investment, 20 jobs
Bluegrass Supply Chain Services, Warren County, $5,285,600 investment, 55 jobs
Bowling Green Metalforming LLC, Warren County, $261,240,000 investment, 450 jobs
Brazeway Inc, Christian County, 49 jobs
Brown-Forman Corporation, Jefferson County, $34,000,000 investment
Calgon Carbon Corporation, Boyd County, $32,000,000 investment
Capture Higher Education, Jefferson County, $1,760,000 investment, 180 jobs
Catalent Pharma Solutions, Clark County, $61,760,250 investment, 300 jobs
Cend LLC, Bullitt County, $17,213,589 investment, 350 jobs
Champion Petfood USA Inc, Logan County, $37,705,033 investment
Chemours Company, Jefferson County, $12,000,000 investment, 140 jobs
Citicorp Credit Services, Boone County, $14,000,000 investment, 430 jobs
Clarcor Air Filtration Products, Taylor County, $3,800,000 investment, 50 jobs

Cobb Vantress Inc, Wayne County, $12,000,000 investment
Cotiviti Healthcare, Jefferson County, $3,454,905 investment, 45 jobs
D & B Trucks and Equipment, Barren County, $575,000 investment, 50 jobs
Dana Corporation, Boyle County, $3,000,000 investment, 71 jobs
Dana Light Axle Manufacturing LLC, Grant County, $20,000,000 investment, 100 jobs
Danafilms Inc, Simpson County, $18,500,000 investment, 23 jobs
Dant Clayton Corporation, Jefferson County, $1,650,000 investment, 65 jobs
DHL Express, Boone County, $108,000,000 investment, 81 jobs
Diageo Americas Supply Inc, Jefferson County, $10,500,000 investment, 12 jobs
Dorman Products, Gallatin County, $849,436 investment, 200 jobs
Douglas Autotech Corporation, Christian County, $14,134,000 investment, 115 jobs
Dr. Schneider Automotive Systems Inc, Russell County, $13,370,000 investment, 145 jobs
DURO Bag (Novolex), Boone County, $5,022,371 investment, 173 jobs
EDAC Composites LLC, Boone County, $32,073,000 investment, 112 jobs
El Toro Internet Marketing, Jefferson County, $2,150,000 investment, 60 jobs
Emerge Technologies LLC, Boone County, $4,862,000 investment, 48 jobs
EOS CCA, Pulaski County, $3,923,750 investment, 150 jobs
eTechCampus LLC, Fayette County, $2,050,000 investment, 45 jobs
Ethos Laboratories, Campbell County, $3,219,531 investment, 48 jobs
Florida Tile Inc, Anderson County, $25,175,736 investment, 61 jobs
Ford Motor Company, Jefferson County, $1,300,000,000 investment, 2,000 jobs
Forge Lumber, Kenton County, 52 jobs
Four Roses Distillery LLC, Anderson County, $34,130,000 investment, 15 jobs
Four Roses Distillery LLC, Bullitt County, $29,370,000 investment, 35 jobs
Fritz Winter, Simpson County, $193,720,000 investment, 343 jobs
GameStop Inc, Bullitt County, $22,571,310 investment, 172 jobs
GE Aircraft Engine Division, Hopkins County, $4,000,000 investment, 41 jobs
General Cable, Anderson County, $2,530,000 investment, 54 jobs
General Motors, Warren County, $483,000,000 investment, 36 jobs
Genscape Inc, Jefferson County, $3,000,000 investment, 100 jobs
Graham Packaging Company, Warren County, $22,000,000 investment, 68 jobs
Great Lakes Minerals LLC, Greenup County, $11,230,000 investment, 10 jobs
Greensky Trade Credit LLC, Kenton County, $6,860,000 investment, 300 jobs
Grupo Antolin Kentucky Inc, Jefferson County, $13,725,000 investment, 200 jobs
Healthcare National Marketing Inc, Letcher County, $182,000 investment, 50 jobs
Heaven Hill Distilleries Inc, Jefferson County, $16,200,012 investment, 16 jobs
Heaven Hill Distilleries Inc, Nelson County, $13,200,000 investment, 10 jobs

Hendrickson USA LLC, Hardin County, $19,200,000 investment, 21 jobs
Highlands Diversified Services Inc, Laurel County, $3,000,000 investment, 140 jobs
Homecare Homebase LLC, Jefferson County, $7,800,000 investment, 71 jobs
Houston-Johnson Inc, Jefferson County, $3,600,000 investment, 117 jobs
Hydro-Gear LP, Caldwell County, $2,550,000 investment, 40 jobs
Innovation Mattress Solutions, Fayette County, $2,382,850 investment, 52 jobs
International Paper, Mason County, $80,000,000 investment
ISCO Industries, Jefferson County, $4,340,000 investment, 55 jobs
Itron, Owen County, $1,000,000 investment, 51 jobs
Itsuwa Kentucky, Nelson County, $5,167,820 investment, 43 jobs
Just Fabulous Inc, Jefferson County, $22,291,840 investment, 310 jobs
Karbec LLC, LaRue County, $1,040,000 investment, 48 jobs
Kelley Beekeeping Company, Grayson County, $7,450,000 investment, 50 jobs
Kentucky Chrome Works LLC, Hart County, $707,200 investment, 63 jobs
Kobe Aluminum Automotive Products LLC, Warren County, $57,000,000 investment, 112 jobs
Koch Filter Corporation, Jefferson County, $25,721,480 investment, 160 jobs
Korrect Optical, Jefferson County, $2,559,902 investment, 61 jobs
L'Oreal USA, Kenton County, $19,198,351 investment
LeanCor LLC, Boone County, $1,441,946 investment, 60 jobs
Logan Aluminum Inc, Logan County, $240,000,000 investment, 190 jobs
Louisville Packaging, Jefferson County, $10,000,000 investment, 5 jobs
Louisville Plate Glass Company Inc, Jefferson County, $4,050,000 investment, 90 jobs
Louisville Processing and Cold Storage, Jefferson County, $4,200,000 investment, 96 jobs
Marquette Transportation Company LLC, McCracken County, $20,000,000 investment, 15 jobs
Meggitt Aircraft Braking Systems Kentucky Corporation, Boyle County, $9,343,060 investment, 66 jobs
Menzner Lumber & Supply, Pulaski County, $5,615,000 investment, 90 jobs
National Office Furniture, Boyle County, $530,000 investment, 40 jobs
National Office Furniture, Ohio County, $318,015 investment, 42 jobs
New Mather Metals, Simpson County, $20,219,400 investment, 40 jobs
NHK of America Suspension Components Inc, Warren County, $15,164,000 investment, 20 jobs
NHK Spring Precision of America Inc, Jefferson County, 75 jobs
North American Stainless, Carroll County, $150,000,000 investment, 36 jobs
NPR of America Inc, Nelson County, $1,300,000 investment, 40 jobs
Onco360, Jefferson County, $2,000,000 investment, 150 jobs
PARx Solutions Inc, Jefferson County, $2,315,985 investment, 77 jobs
Perdue Farms Inc, Ohio County, $2,400,519 investment, 50 jobs
ProCom, Warren County, $19,249,838 investment, 37 jobs

Progress Rail Raceland Corporation, Greenup County, $8,000,000 investment, 161 jobs
Rabbit Hole Spirits LLC, Jefferson County, $14,217,500 investment, 31 jobs
Riken Elastomers Corporation, Christian County, $22,400,000 investment, 27 jobs
River View Coal LLC, Union County, $40,000,000 investment, 100 jobs
Robert Bosch Automotive Steering LLC, Boone County, $84,506,776 investment, 212 jobs
Roller Die & Forming Company Inc, Franklin County, $804,000 investment, 125 jobs
RxCrossroads, Jefferson County, $1,173,750 investment, 168 jobs
SAIC, Pulaski County, 48 jobs
Santa Rosa Systems Inc., Jefferson County, $5,850,000 investment, 61 jobs
Senture LLC, Laurel County, $2,982,362 investment, 351 jobs
Senture LLC, Jackson County, $2,998,630 investment, 89 jobs
Signature HealthCARE Inc, Jefferson County, $229,250 investment, 63 jobs
Specialty Foods Group Inc aka Field Packaging Division, Daviess County, $6,095,000 investment, 95 jobs
Stampede Oil Sands Inc, Logan County, $10,000,000 investment, 28 jobs
Stephens Pipe & Supply, Russell County, $10,000,000 investment, 50 jobs
Sumitomo Electric Wiring Systems Inc, Fayette County, $16,610,670 investment, 10 jobs
Tamarlane Industries Inc, Ohio County, 50 jobs
TCO LLC, Knox County, 50 jobs
Texas Roadhouse Inc, Jefferson County, $13,400,000 investment, 150 jobs
TG Automotive Sealing Kentucky, Christian County, 100 jobs
The Rawlings Group, Oldham County, $14,500,000 investment
Thortons Inc, Jefferson County, $27,782,000 investment, 110 jobs
Toyota Motor Manufacturing, Kentucky, Scott County, $124,000,000 investment, 50 jobs
Toyotetsu America Inc, Pulaski County, $20,612,252 investment, 28 jobs
Trace Die Cast Inc, Warren County, $25,000,000 investment, 30 jobs
Trilogy Health Services LLC, Jefferson County, $1,247,500 investment, 100 jobs
Trover Solutions Inc, Jefferson County, 75 jobs
Tyson Foods Inc, Henderson County, $8,245,498 investment, 91 jobs
Universal Woods Inc, Jefferson County, $14,950,000 investment, 156 jobs
UPS, Jefferson County, $309,734,119 investment, 12 jobs
Verst Group Logistics, Anderson County, $17,465,735 investment, 18 jobs
Waddington North America Inc, Kenton County, 41 jobs
Westport Global, Jefferson County, $4,200,000 investment, 60 jobs
YFAI, Jefferson County, 81 jobs
ZirMed Inc, Jefferson County, 40 jobs

TAKING A WORLD VIEW

FOREIGN DIRECT INVESTMENT (FDI)

Companies from around the world are locating and growing in Kentucky, a trend gaining momentum for years.

In 2015 alone, companies from 20 countries announced more than 90 new location or expansion projects in Kentucky, with anticipated investments of nearly $1.6 billion. Nearly a quarter – 22 percent – of all new full-time jobs announced in Kentucky in 2015 came from internationally owned enterprises.

These foreign corporate partners inject life into Kentucky's economy by providing jobs and investment and introducing the state to new industries and untapped international markets. The Commonwealth strives to develop these connections while continuing to build the state's international footprint.

Four Roses barrels at the distillery in Lawrenceburg.

TOP 5 ANNOUNCEMENTS BY JOBS

Company	City	Jobs	Country
Bowling Green Metalforming LLC	Bowling Green	450	Canada
Cend LLC	Shepherdsville	350	United Kingdom
Fritz Winter	Franklin	343	Germany
Robert Bosch Automotive Steering LLC	Florence	212	Germany
Grupo Antolin Kentucky Inc	Louisville	200	Spain

TOP 5 ANNOUNCEMENTS BY INVESTMENT

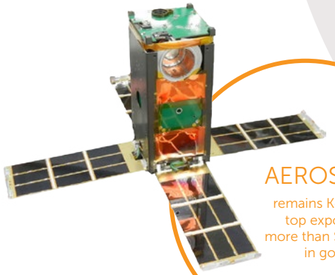
Company	City	Investment	Country
Bowling Green Metalforming LLC	Bowling Green	$261,240,000	Canada
Logan Aluminum Inc	Russsellville	$240,000,000	Japan, India
Fritz Winter	Franklin	$193,720,000	Germany
North American Stainless	Ghent	$150,000,000	Spain
Toyota Motor Manufacturing Kentucky	Georgetown	$124,000,000	Japan

TAKING KENTUCKY AROUND THE GLOBE

Kentucky continued to build relationships with the international business community as the Cabinet actively sought out new economic development opportunities during trips in 2015 to Germany, Sweden, Belgium, Switzerland, Japan, Taiwan, Singapore and Canada. These trips provided an opportunity for Kentucky's economic development leaders to meet with numerous companies and business organizations to showcase what makes the Commonwealth an ideal partner for international business.

U.S. Ambassador to Japan Caroline Kennedy addresses Cabinet officials, representatives from the Kentucky Chamber of Commerce and members of the Japanese business community during a Cabinet economic development mission to Asia.

EXPORTING TO THE WORLD



AEROSPACE
remains Kentucky's top export with more than $8.7 billion in goods.

Over
$27.6B
in Kentucky exports in 2015.

198
Kentucky exported to 198 countries.

Kentucky ranked
Top 10
nationally in the percentage increase in exports.

EXPANDING GLOBAL MARKETS

Kentucky set a new export record in 2015 with $27.6 billion in goods and services sold abroad, edging out the prior year's record. That achievement provides further evidence that the state builds, distills, provides, engineers and assembles quality products known the world over. By exporting their goods and services, Kentucky businesses grow stronger, support more jobs and gain international exposure for the state and its workforce.

Kentucky's positive numbers stand in contrast to a 7.2 percent exporting decline nationally during 2015. The state placed ninth nationally by percentage increase and 17th by dollar amount.

The Commonwealth sent goods and services across the borders of 198 nations, with Canada, the United Kingdom, Mexico, China and France holding status as the state's top five trade partners. Kentucky sold more than $7.2 billion in products and services to Canada last year, nearly three times as much as the next largest destination, the U.K.

Aerospace products and parts led Kentucky's export categories with more than $8.7 billion in goods sold abroad, an increase of more than 12 percent over 2014.

Kentucky's automotive industry – with parts, bodies, trailers and whole vehicles combined – exported more than $5.3 billion in products throughout 2015. Of that, motor vehicles came in second among categories with $3.5 billion exported, ranking the Commonwealth fifth nationally. Other top industry categories include third-place pharmaceuticals and medicines ($1.7 billion), resin and synthetic rubber, artificial and synthetic fibers and filament ($1.2 billion) and basic chemicals ($987 million).

STEP GRANTS

Small businesses can often increase their success by exporting their products abroad. However, learning how to get started is often a major problem. The Cabinet helps those small businesses learn the basics of exporting, using funds provided by the State Trade Expansion Program (STEP).

The U.S. Small Business Administration awarded the Cabinet a $400,000 STEP grant to lower the cost for small businesses wanting to participate in international trade missions, sales trips and subscription services provided by the U.S. Department of Commerce. Additionally, the funds assisted companies with international marketing campaigns, export trade show exhibits, training workshops or other export initiatives that are in line with the objectives of the program.

Thanks to the program, some 60 Kentucky companies received grants in 2015 to enhance their exporting efforts.

To find out more, visit www.kyexports.com

> It was so beneficial to be able to meet and speak firsthand to people who could instruct us on how to get our products into the Canadian market.
>
> Stacey Beeler
> Founder, SnapDolls

KEI TRADE MISSION

The Cabinet, through its Kentucky Export Initiative (KEI), conducted a trade mission to Canada in 2015 to match Kentucky small businesses with potential customers.

During the trade mission, the delegation stopped in Ottawa, Montreal and Toronto, where Kentucky company representatives met with perspective business partners. Some two dozen Kentucky companies and trading partners were able to conduct one-on-one meetings with Canadian businesses interested in Kentucky products. The trade mission also included a reception to celebrate and build business relationships between Kentucky and Canadian companies.

As a result of the 2015 mission, many of the participating companies were able to start the processes that will bring more Kentucky-made products to Canada.

SnapDolls founder Stacey Beeler displays one of her company's creations. Beeler participated in the 2015 KEI Trade Mission to Canada.

INDUSTRY HIGHLIGHTS

Kentucky makes what the world wants.

In 2015, that led to strong growth in our signature industries.

AUTOMOTIVE

Momentum among the state's automotive manufacturing plants and supplier companies surged forward throughout 2015 as facilities across the state announced $2.8 billion in investments and nearly 5,400 new jobs.

Each of the three automakers with assembly plants in Kentucky – Ford Motor Co., Toyota Motor Manufacturing Kentucky and General Motors Corp. – made major announcements last year. GM announced a total of $483 million in projects for its Bowling Green Assembly Plant, home of the Chevrolet Corvette.

In October, Toyota Motor Manufacturing Kentucky became the first-ever U.S. production site for the Lexus ES 350, the world's top-selling Lexus sedan. The project, along with additional facility upgrades, entails a $360 million investment and the creation of 750 new jobs.

In December, Ford announced it will invest $1.3 billion at its Kentucky Truck Plant in Louisville and add 2,000 new workers to produce the all-new, aluminum-bodied 2017 Super Duty and chassis cab trucks.

Automotive suppliers also announced substantial growth in 2015, with more than 60 expansion or new location projects reported. Those projects will create nearly 3,000 new jobs and bring a total investment into Kentucky of $1.4 billion.

Expansions were geographically diverse throughout Kentucky and included such projects as Robert Bosch Automotive Steering LLC in Northern Kentucky, Riken Elastomers Corporation in the west, Sumitomo in central Kentucky, Bowling Green Metalforming in southcentral Kentucky, Highlands Diversified Services in the east and Dr. Schneider Automotive Systems in the southern part of the state.

TOP 5 ANNOUNCEMENTS BY JOBS

Company	City	Jobs
Ford Motor Co	Louisville	2,000
Bowling Green Metalforming LLC	Bowling Green	350
Fritz Winter	Franklin	343
Robert Bosch Automotive Steering LLC	Florence	212
Grupo Antolin Kentucky Inc	Louisville	200

TOP 5 ANNOUNCEMENTS BY INVESTMENT

Company	City	Investment
Ford Motor Co	Louisville	$1,300,000,000
General Motors Corp	Bowling Green	$483,000,000
Bowling Green Metalforming LLC	Bowling Green	$261,240,000
Fritz Winter	Franklin	$193,720,000
North American Stainless	Ghent	$150,000,000

ECONOMIC IMPACT

As one of the state's signature and largest industries, the automotive sector directly employs about 90,000 people. According to a study by the Kentucky Automotive Industry Association (KAIA) and the University of Louisville released last year, the industry in total supports 136,500 direct and indirect jobs.

Center: Wil James, president of Toyota Motor Manufacturing Kentucky, displays the first Lexus ES 350 produced in Georgetown.

Right Top: Sheryl Connelly, Manager, Global Consumer Trends & Futuring, Ford Motor Co, discusses the industry's future at the AutoVision Conference in Louisville.

Right Bottom: Victor Mendez, U.S. Deputy Secretary of Transportation, discusses safety issues at the AutoVision Conference in Louisville.

Other findings include:

- The industry contributes $14.3 billion to Kentucky's gross state product.
- Roughly $1 out of every $13 in the state's economy ties to the automotive industry.
- Kentucky's automotive manufacturers and suppliers contribute $6.1 billion to payrolls annually.
- On average, an automotive manufacturing employee earns $58,280 annually.
- In the past five years, motor vehicle-related investments of $5 billion have been announced and nearly 20,000 new jobs reported.

AUTOVISION

To stimulate conversation about the impact of the state's vehicle-and-parts-production industry and its future, KAIA hosted a premier, national automotive conference, AutoVision, in Louisville in September. The Cabinet served as presenting sponsor of the conference, which included presentations from Victor Mendez, U.S. Deputy Secretary of Transportation and executives from Ford, Toyota and General Motors. The conference, in its inagural year, sold out and received highly positive feedback. A 2016 AutoVision conference is being planned.

FOOD AND BEVERAGE

From pork chops to Dippin' Dots, Kentucky bakes, brews, raises, grows and processes products that feed the world's appetite. The state's food and beverage industry saw 44 announcements of new locations, plant expansions and reinvestments in 2015 totaling nearly $290 million. Those are projected to create more than 850 new, full-time jobs.

Those new investments included expansions at such companies as Specialty Foods Group in Owensboro, Tyson Chicken in Robards, Land O'Frost in Madisonville and Perdue Farms in Beaver Dam. Texas Roadhouse in Louisville was among the companies announcing a new headquarters, and Diageo Americas is moving forward with a warehousing operation in Shelbyville.

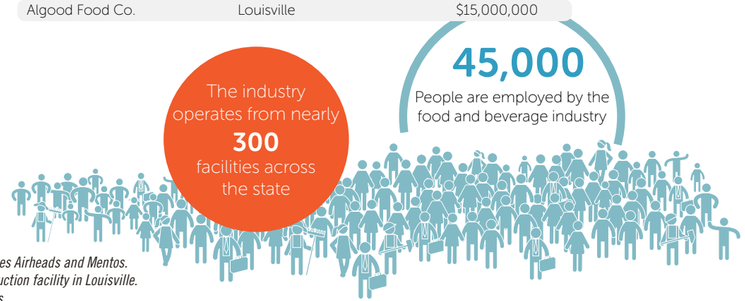
The spirits industry enjoyed a phenomenal year of growth with investments by Four Roses Distillery, Wilderness Trail Distillery, Beam Suntory, Alltech Lexington Brewing, West Sixth Brewing, Brown-Forman and Woodford Reserve, plus a variety of craft distilleries, wineries and microbreweries throughout the state.

TOP 5 ANNOUNCEMENTS BY JOBS

Company	City	Jobs
Texas Roadhouse Inc	Louisville	150
Louisville Processing and Cold Storage	Louisville	96
Specialty Foods Group/Field Packing Division	Owensboro	95
Tyson Foods Inc	Henderson	91
Perdue Farms	Beaver Dam	50

TOP 5 ANNOUNCEMENTS BY INVESTMENT

Company	City	Investment
Four Roses Distillery LLC	Lawrenceburg & Shepherdsville	$63,500,000
Champion Petfoods USA Inc	Russellvillle	$37,705,033
Brown-Forman Corp	Louisville	$34,000,000
Heaven Hill Distilleries Inc	Bardstown & Louisville	$29,400,012
Algood Food Co.	Louisville	$15,000,000



Left: A production employee packages candy at Perfetti Van Melle USA in Erlanger. The company makes Airheads and Mentos.
Center: Tim Koons-McGee, co-owner of Comfy Cow, speaks at the July opening of the company's production facility in Louisville.
Right: Bourbon whiskey spends years in the aging process at Woodford Reserve Distillery in Versailles.

PRIMARY METALS

The Commonwealth continued to roll out high-quality metals in 2015, supplying a substantial portion of the nation's iron, steel, aluminum and stainless. The state's primary metals industry announced $665 million in projects last year, creating an estimated 936 jobs, which brought the industry's projected total employment to nearly 19,000 Kentuckians.

Aluminum-related facilities alone announced more than $379 million in investments and the creation of more than 640 jobs in 2015. That includes a 190-job, $240 million expansion project at Logan Aluminum near Russellville, thanks to demand in the automotive industry for lightweight material.

Fritz Winter, a German company, announced it would build an iron-casting foundry in Simpson County. The $194 million project is expected to employ about 340 people and will allow the company to supply automotive companies with cast brake rotors.

North American Stainless announced a $150 million expansion at its mill in Carroll County in 2015, a project expected to bring 36 jobs. These projects and more than a dozen others position the state to continue in its vanguard role in the primary metals industry.

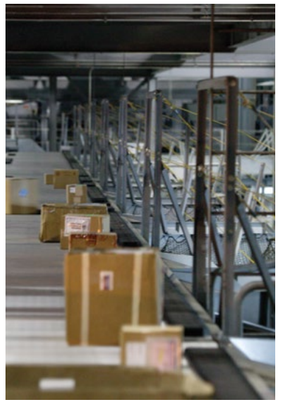
TOP 5 ANNOUNCEMENTS BY JOBS

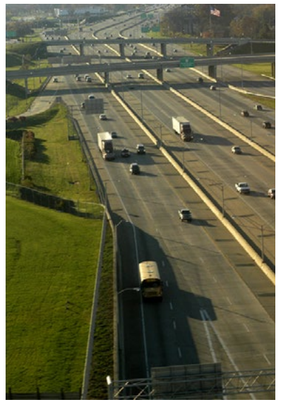
Company	City	Jobs
Fritz Winter	Franklin	343
Logan Aluminum Inc	Russellville	190
Roller Die & Forming Co Inc	Frankfort	125
General Cable Industries	Lawrenceburg	54
Stephens Pipe & Supply	Russell Springs	50

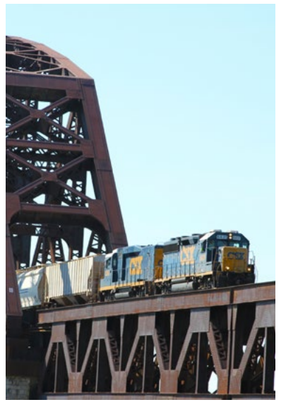
TOP 5 ANNOUNCEMENTS BY INVESTMENT

Company	City	Investment
Logan Aluminum Inc	Russellville	$240,000,000
Fritz Winter	Franklin	$193,720,000
North American Stainless	Ghent	$150,000,000
Trace Die Cast Inc	Bowling Green	$25,000,000
Bekaert Corporation	Shelbyville	$13,420,000

Top: Aleris continues the $350 million expansion of its Lewisport facility. The company produces wide aluminum auto body sheet for the automotive industry.
Center: Tom Harned, Logan Economic Alliance for Development, celebrates Logan Aluminum's $240 million expansion in Russellville.
Bottom: In March 2015, North American Stainless announced a $150 million expansion of its Ghent facility.







Top row, from left to right: Package shipping through UPS and DHL in Kentucky is responsible for thousands of jobs.; The Ohio River is a major carrier of barge freight; Interstate 264 in Louisville is one of 20 interstates and major highways in Kentucky; The Commonwealth offers nearly 3,200 miles of track, including 2,300 miles of Class I track.

Bottom: UPS announced a $310 million expansion project in 2015.

DISTRIBUTION AND LOGISTICS

With more than a half-billion dollars in new projects announced in 2015, Kentucky powered forward as a top choice for companies relying on timely shipping.

In May 2015, executives with DHL Express announced plans to invest $108 million to expand its hub at the Cincinnati/Northern Kentucky International Airport, a project that added an estimated 81 new jobs. Since establishing the hub in 2009, DHL has invested $280 million in a series of expansions.

UPS announced in October 2015 that it will invest nearly $310 million to roughly double package-sorting capacity at its Centennial ground hub in Louisville. The company also operates the Worldport international air hub in Louisville.

Kentucky offers companies 20 interstates and major highways, rail networks, barge traffic on the Ohio and Mississippi rivers, five commercial airports and dozens of regional airports. The state's transportation network can move products easily and efficiently by air, rail, road and water to all points globally.

DISTRIBUTION GROWTH

Among distributors, Amazon hired 100 employees at its Boone County facility, Groupon added warehouse capacity with a $9.6 million project in Hebron, and pharmaceutical packager and distributor APACE KY invested $8.3 million in Monroe County.

These, and many other companies, continue to use Kentucky's position at the intersection of key U.S. markets – the Midwest, South, Northeast and Atlantic Seaboard – to their competitive advantage.

- $526 million in distribution and logistics-related projects announced in 2015
- Nearly 850 new jobs expected
- 34 total announced projects

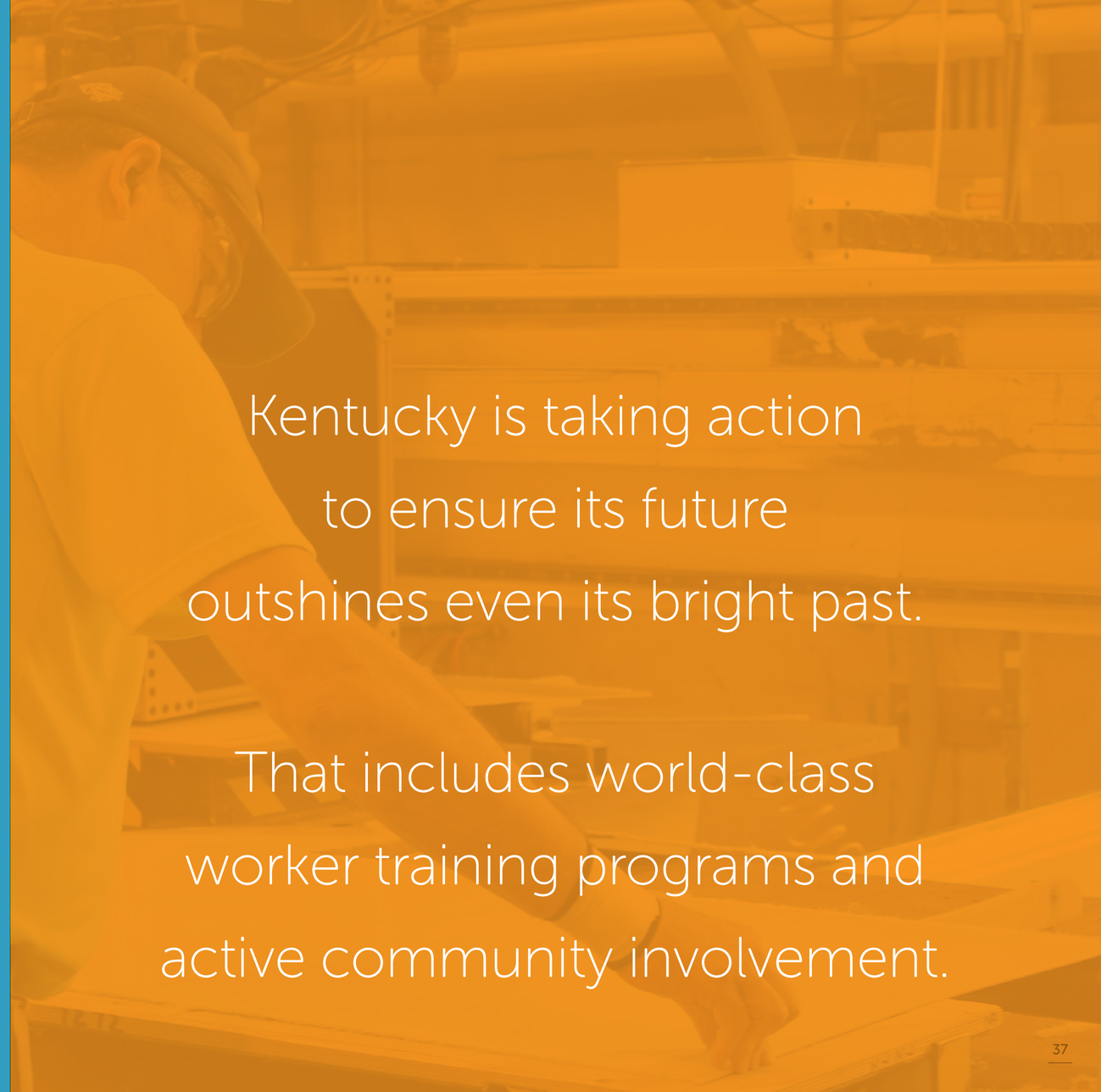
TOP 5 ANNOUNCEMENTS BY JOBS

Company	City	Jobs
Just Fabulous Inc	Louisville	310
Houston-Johnson Inc	Louisville	117
Amazon	Hebron	100
DHL Express	Erlanger	81
Bluegrass Supply Chain Services	Bowling Green	55

TOP 5 ANNOUNCEMENTS BY INVESTMENT

Company	City	Investment
UPS	Louisville	$309,734,119
DHL Express	Erlanger	$108,000,000
Just Fabulous Inc	Louisville	$22,291,840
Marquette Transportation Company LLC	Paducah	$20,000,000
Beckman Coulter Inc	Hebron	$10,012,000

BUILDING FOR TOMORROW



Kentucky is taking action to ensure its future outshines even its bright past.

That includes world-class worker training programs and active community involvement.

SHARPENING EMPLOYEE SKILLS

Ask any company in the Commonwealth of Kentucky that employs multiple people and they'll agree; workforce matters.

A strong workforce offers a combination of knowledge, training, skills and experience that forms the backbone of a successful economy.

Kentucky is undergoing a workforce training revolution. As a result, businesses throughout the state that rely on a well-trained workforce are coming to recognize and reap the benefits of the innovative and effective training options offered by the state and its partner organizations.

Kentucky's efforts were recognized in 2015 by Site Selection magazine, which cited Kentucky's workforce development programs as the best in the southcentral region, which includes Alabama, Tennessee, Arkansas, Texas, Louisiana, Oklahoma and Mississippi.

KENTUCKY SKILLS NETWORK

For many companies, the availability of a well-trained employee base plays a critical role in whether the business succeeds, grows and adds locations. To ensure Kentucky offers its business community a supply of workers ready to do the jobs required, the Kentucky Skills Network offers companies resources to help hire and train the right people.

The Kentucky Skills Network provides workforce development options to businesses through a variety of programs and partners. These resources include employee recruitment, customized training assistance, training incentives and skills development. By helping companies identify their specific needs, the Kentucky Skills Network customizes recruitment and training services and thereby meets the individual needs of each particular business.

Throughout 2015, the Kentucky Skills Network provided training to more than 84,000 employees and more than 5,600 Kentucky companies from a variety of industry sectors.

Services offered by the Kentucky Skills Network are available to new and existing businesses across the state. Those services include low or no cost recruitment and training services as well as job training grants and services.

BLUEGRASS STATE SKILLS CORPORATION

The Cabinet for Economic Development plays a significant role in keeping Kentucky's business and industry competitive in the global economy by helping secure the necessary training for their workforce. This assistance comes through the Bluegrass State Skills Corporation (BSSC), which provides incentives to help new and existing employers in Kentucky keep their workers competitive through flexible, employer-driven skills-upgrade training.

In fiscal 2015, the BSSC Board of Directors approved Grant-In-Aid applications for 104 companies, training consortia to train approximately 17,000 Kentucky-resident employees and tax credit applications for 39 companies to train over 10,500 Kentucky-resident employees.

Employers benefited from Grants-In-Aid throughout the year as well as tax credits. Through that assistance, members of the state's workforce received customized, flexible skills-training that continues to keep Kentucky's employers and workers nationally and internationally competitive.

Page 37: Duane Stewart operates Universal Woods' fiberglass reinforced plastic (FRP) router and produces materials for their distributors. Photo courtesy of Universal Woods.

Current Page: An employee at Integrated Manufacturing & Assembly, Louisville, works to produce seats for the Chevrolet Corvette. The company produces seats for the GM Bowling Green Assembly Plant and seating assemblies for several Mercedes Benz models.

SHAPING KENTUCKY'S LABOR FORCE

Far left: KY FAME students attended the groundbreaking of a new state-of-the-art Advanced Manufacturing KCTCS Bluegrass facility.

Upper right: Christina Parton, KY FAME graduate who works at Toyota, speaks with a supervisor.

Lower right: KY FAME student Shane Daniel, participates in the Advanced Manufacturing Technician training program.

KY FAME

In 2015, the Kentucky Federation for Advanced Manufacturing Education (KY FAME) grew statewide and enrolled nearly 150 students and 125 employers in its innovative apprentice program.

Through KY FAME, an industry-led, public-private partnership, manufacturers, education providers and government leaders work together to create a pipeline of highly skilled employees.

Students enrolled in KY FAME receive paid, on-the-job training at a private-sector manufacturing company three days a week while attending a local Kentucky Community & Technical College two days a week. After five semesters, students graduate with an associate degree as an advanced manufacturing technician (AMT).

While AMT graduates often receive job offers from the manufacturer where they trained – typically earning starting salaries of $35,000 - $45,000 as full-time employees – KY FAME also provides a solid experience base for students to transition to bachelor's degree programs for business or engineering.

Based on a successful existing model in central Kentucky, KY FAME incorporated in January 2015 with four chapters. Throughout the year, that expanded to eight across the state with others being considered.

By providing students with relevant career experience, education toward a degree and full-time employment opportunities upon graduation, KY FAME directly addresses a need among manufacturing companies for skilled employees and is building a stronger economy for Kentucky.

For its innovative approach, KY FAME was cited among the top 10 economic development programs in the south by Southern Business & Development magazine.

PREPARING KENTUCKY'S COMMUNITIES

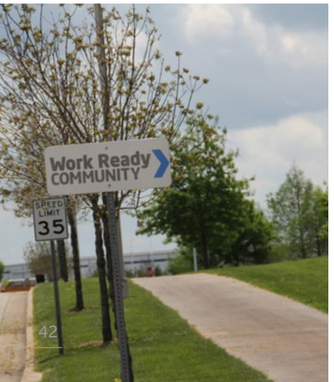
Kentucky communities are pro-actively working to increase their attractiveness to prospective businesses. Two particular initiatives provide distinct advantages while marketing to corporate site selectors.

KENTUCKY Work Ready COMMUNITIES

Through the Commonwealth's Work Ready Communities program, counties must meet six criteria to become certified. They include high school graduation rates, National Career Readiness Certificate holders, demonstrated community commitment, educational attainment, soft-skills development and digital literacy.

By the end of 2015, more than half of Kentucky counties had achieved Work Ready or Work Ready-in-Progress status. Also, every other Kentucky county has started the certification process toward becoming Work Ready.

Earning the Work Ready Community status gives counties a competitive edge when recruiting industry because certification means the local workforce has the talent and skills necessary to staff existing jobs and to master the innovative technologies new jobs will provide.



BUILD-READY

In addition to an available and qualified workforce, having the ability to begin construction quickly can be a deciding factor in a company's decision to locate in a community. A growing number of Kentucky communities constructed Build-Ready sites to attract those companies. In 2015, six Kentucky communities touted Build-Ready sites and more than a half-dozen others began the process.

Build-Ready fast tracks industrial development by working with developers to prepare surveys, permits, studies and building renderings on particular sites. Certification also requires utilities including electric, water, sewer and roadway to extend to the edge of the site. With those in place, companies searching for new sites can slice months off their pre-construction timelines, allowing them to rapidly locate, build and begin operations.

The Build-Ready sites made available in 2015 include the Highland Glen Industrial Park in Barren County, the Bluegrass Crossings Regional Business Centre in Ohio County, the 4-Star Regional Industrial Park in Henderson, the Shelton Industrial Park in Logan County, Graves County's Hickory Industrial Park and Bowling Green's Kentucky Transpark. Of the communities with completed Build-Ready sites, the Bowling Green and Henderson communities are certified Work Ready, Russellville, Beaver Dam and Glasgow are Work Ready-in-Progress and Mayfield has signed a letter of intent to become Work Ready.

Corporate site visits increased dramatically after the Build-Ready certification, demonstrating the interest in, and need for, this unique new option. More information on the Build-Ready program is available at BuildReadyKY.com.

With a Build-Ready site, buyers have access to land ready for development, as well as concepts for buildings to speed construction. Some of these Build-Ready sites include:

Upper left – Sheldon Lane Industrial Park, Russellville

Upper right – Hickory Industrial Park, Mayfield

Middle left – Bluegrass Crossings, Beaver Dam

Middle right – Kentucky Transpark, Bowling Green

Bottom left – A Work Ready Community sign at the entrance to the Kentucky Transpark in Bowling Green.

Bottom middle – 4-Star Regional Industrial Park, Henderson

Bottom right – Highland Glen Industrial Park, Glasgow

ENTREPRENEURSHIP

Innovation has driven Kentucky's entrepreneurs for 200 years. That same spirit thrives today.

The Cabinet fosters that spirit while helping Kentuckians of all ages create the businesses of tomorrow.

SPREADING THE ENTREPRENURIAL SPIRIT

We in the Commonwealth know the state's burgeoning business sector wouldn't be nearly as bright and innovative without Kentucky's many entrepreneurs. That's why the state makes more resources available to entrepreneurs and small business owners each year.

THE BIG PICTURE

The Cabinet remains focused on developing programs to encourage the success of small businesses and entrepreneurs throughout the Commonwealth.

Taking the lead in that initiative is the Cabinet's Office of Entrepreneurship and its statewide partners and programs aimed at setting up businesses for long-term success.

The Office of Entrepreneurship assists businesses by facilitating connections to partners and resources across the state. It helps small business owners from everything from funding to the acquisition of licenses and permits to incentives for locating or expanding their business.

In 2015, the Office assisted hundreds of Kentucky small businesses and entrepreneurs start or expand a business, attract new customers, access capital, receive hundreds of thousands of dollars in tax credits and connect with other small businesses for mutual benefit.

Granola being made by hand at SweetGrass Granola at its homestead commercial kitchen near Berea.

A NEW GENERATION OF BUSINESSES

KENTUCKY INNOVATION NETWORK

Small businesses and entrepreneurial ideas continue to spring up and flourish across Kentucky, thanks, in part to efforts by the Cabinet and its partners. To help these businesses maximize their potential, the Cabinet's Office of Entrepreneurship oversees and manages the Kentucky Innovation Network.

The Network has made significant strides over the past few years, expanding to become a statewide network with 13 regional offices. Each year, the Network provides support and mentorship to hundreds of small business clients, more than 800 in 2015 alone and touching companies in 100 of Kentucky's 120 counties. Network representatives even visited more than 100 schools last year, teaching the benefits and advantages of entrepreneurism.

The Network also has been successful in matching entrepreneurs with investors, helping small businesses raise more than $120 million in private investments last year, and reaching the $1 billion mark in capital raised since the Network's inception.

The Kentucky Angel Investors Network (Kentucky Angels) has been vital to increasing the amount of capital available to Kentucky entrepreneurs. Through state online meetings, Kentucky Angels brings together entrepreneurs and accredited investors to share opportunities, form partnerships and broker deals. More than 70 accredited investors now take part in these online meetings, and those investors have injected more than $1 million into small businesses since the program began.

GIVE US YOUR BEST PITCH

Kentuckians with dreams of starting their own business once again had the opportunity to present their business ideas to local angel investors as the entrepreneur pitch competition made its second tour of the state.

The 2015 event featured 11 regional competitions – three more than in its first year – held in Ashland, London, Morehead, Pikeville, Murray, Elizabethtown, Richmond, Covington, Lexington, Paducah and Louisville.

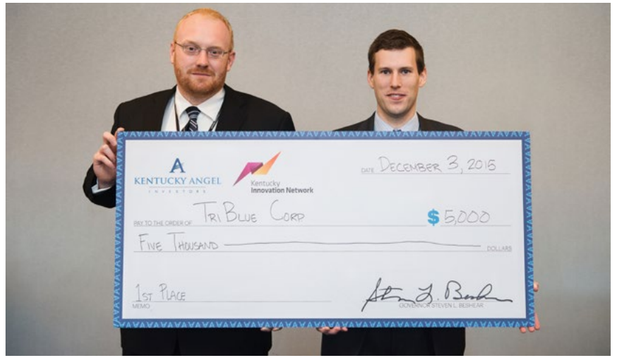
This year's event garnered even more interest than the previous year, with local media highlighting the competitions and winners from each community.

The winners of each region met in the finals, held during the Kentucky Angel Investors Summit in Louisville in December. TriBlue Engineering, a Lexington-based startup that developed an efficient system to clean low-quality natural gas, earned the first-place cash prize that will assist the company in reaching a commercial market.

Left page: A group of high school students pose with their 3-D pen-made glasses at Idea Festival in Louisville.

Right top: Students in Covington review displays at the Regional Pitch Competition in Covington.

Right bottom: TriBlue Engineering co-founders Joe Alexander and Hunter Gerlach display the grand prize they received for winning the statewide entrepreneur pitch competition.



THE BEST WAY TO PREDICT THE FUTURE IS TO INVENT IT

"IT'S AMAZING THAT, AT THEIR AGE, THEY'RE LEARNING TO THINK CRITICALLY AND UNDERSTANDING HOW BUSINESSES WORK."

RANDALL STEVENS, owner of ArchVision in Lexington and presentation day judge for the Governor's School for Entrepreneurs

There's no age requirement to be an entrepreneur, and young people with great new ideas are learning how to create the businesses of the future. The Cabinet for Economic Development works not only to encourage young entrepreneurs, but also to give them the tools for success.

GOVERNOR'S SCHOOL FOR ENTREPRENEURS

Companies of the future may include such names as Walk Easy, Slice Slide, Cord Keeper, Loco Locs and Varsity Exchange. If so, those companies got their start in summer 2015 when a group of Kentucky high school students conceived and demonstrated the ideas.

The company ideas came out of the Governor's School for Entrepreneurs (GSE), which provides students with an opportunity to showcase their entrepreneurial thinking, public speaking and team-building skills.

In 2015, GSE saw 16 teams participate in the three-week intensive course at Georgetown College. Students took in the campus life while working together to create and market groundbreaking business ideas. They also worked closely with, and received feedback from, successful entrepreneurs and business leaders in the region.

IDEA STATE U

As young entrepreneurs make their way through college for their next great challenge, they also look to further test their business prowess. Idea State U is an annual business plan competition that hosts students from colleges and universities who develop business models and plans to compete for a share of $100,000 in prizes.

In 2015, Engagely, a team from the University of Louisville, won the business plan category, while RhizoFeed, a team from the University of Pikeville, took first place in the business model category. Engagely develops software that uses behavioral biometrics to provide website security and a new revenue source for web publishers. RhizoFeed is an herbal extraction company based in central Appalachia that serves the poultry feed additive market with whole rhizome extract from bloodroot harvested in eastern Kentucky. Other 2015 winners include:

- Homegrown Brewing Co., University of Louisville
- EasySync, Northern Kentucky University
- Red Natural, University of Kentucky
- Tree Huggie, Owensboro Community and Technical College
- Eco Clean, Berea College

Left: A student at the Governor's School for Entrepreneurs tests an invention that holds a tablet for the user.

Middle: University of Pikeville students explain their new product during Idea State U.

Right: During Idea State U, Northern Kentucky University student Leighanna Banks explained the concept behind her business.

The owners of West 6th Brewing, Ben Self, Brady Barlow, Joe Kuosman and Robin Sither, display some of their company's products. West 6th Brewing was one of hundreds of companies assisted in 2015 by the Kentucky Cabinet for Economic Development.

BOOSTING SMALL BUSINESSES

KENTUCKY SMALL BUSINESS TAX CREDIT

Hundreds of small businesses received tax credits for making new hires and investing in new equipment thanks to the Kentucky Small Business Tax Credit (KSBTC).

The program offers up to $25,000 to eligible companies that create at least one qualified job and invest at least $5,000 in qualifying technology or equipment.

In 2015, Kentucky small businesses received $1.24 million through the KSBTC program, four times the amount approved during the previous year. On average, each business approved for tax credits received $8,856.

SBIR-STTR MATCHING FUNDS PROGRAM

High-tech companies continue to be drawn to Kentucky by the state's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Matching Funds program. The Commonwealth matches up to 100 percent of federal funds awarded to in-state companies and offers to do the same for any company committed to relocating to Kentucky. Kentucky's matching funds program is unparalleled, as it not only matches Phase I funding, but also is the only state to match Phase II awards.

In fiscal year 2015, Kentucky companies received a total of $6.8 million in SBIR-STTR matching grants, leveraging $12.4 million in federal funds.

KENTUCKY SMALL BUSINESS CREDIT INITIATIVE

Kentucky small businesses now have a better chance to succeed thanks to the Kentucky Small Business Credit Initiative (KSBCI). The program supports loans to allow banks throughout the state to accelerate lending to entrepreneurs and small business owners whose requests would otherwise fall outside the banks' normal lending criteria.

In 2015, KSBCI helped provide $4.5 million in approved loan support. That assistance contributed to banks lending $40 million to small businesses in Kentucky. That's $2 million more in KSBCI approvals and more than three times as many loans issued by Kentucky banks in 2014.

ANGEL INVESTMENT TAX CREDIT

Angel investors can receive a return on their investments in the form of tax credits while supporting Kentucky's small and startup companies.

Last year was the first since Kentucky lawmakers created the Kentucky Angel Investment Tax Credit, and it quickly proved to be successful. In 2015, qualified investors from 12 states injected $7.4 million into Kentucky startups and small businesses with the opportunity to recover up to 50 percent of their individual investments. The 2016 program offers a total $3 million in tax credits, available on a first-come, first-served basis.

BY THE NUMBERS

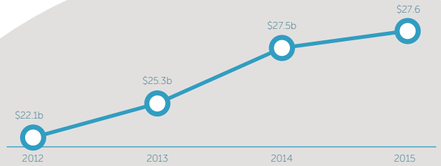
Kentucky celebrated numerous records and milestones throughout 2015. The accolades, awards and achievements gained during the year all add up to a vibrant economy promising more jobs and new investment announcements on the horizon.

Record-Breaking Year

$5.1B
Total new investment in 2015, the state's highest ever

462
New locations and expansions announced or created

16,024
NEW JOBS ANNOUNCED



For the fourth straight year,

Kentucky broke its previous export record.

$27.6 billion

198
Kentucky exported to 198 countries

Aerospace was the top export at 8.7 billion

61
Companies were approved for State Trade Export Promotion grants to assist with export efforts.

First in *Site Selection's* Governor's Cup rankings for most project activity per capita in 2014 and 2015

STATE OF THE YEAR
Southern Business & Development magazine

Area Development recognized Kentucky with a Silver Shovel Award for economic development projects

#3
Kentucky ranks 3rd in Business Climate in Site Selection magazine.

$7 million in capital

Infused in Kentucky Small Businesses through Kentucky Angel Investment Tax Credits

350,000
Kentucky's 350,000 small businesses employ nearly three quarters of a million people statewide.

Nearly **92%** of new investments in Kentucky came from existing-business expansions.

70
Kentucky Angel Investor Network membership rose to 70 accredited investors.

$8,856
Kentucky small businesses that took advantage of the Kentucky Small Business Tax Credit program cut their state tax bills by an average of $8,856 each.

>$1 Million
Kentucky businesses were approved more than $1 million in small business tax credits through the KSBTC program.

5%
Unemployment hit a record low of 5 percent in 2015.

120 **Every** Kentucky county has started the process toward becoming Work-Ready certified.

KYFAME
150
students enrolled in KY fame in 2015.

5,600 Kentucky companies received assistance for training.

84,000
More than 84,000 Kentuckians received free job training

LOOKING TO 2016

Kentucky businesses of all sizes achieved success in 2015.

In 2016, the Cabinet is working to accelerate that growth, thanks to our unique business advantages, passionate workforce and unsurpassed quality of life.

making business strong. making life exceptional.

THINKKENTUCKY

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