

Puerto Rico Aerospace Initiative

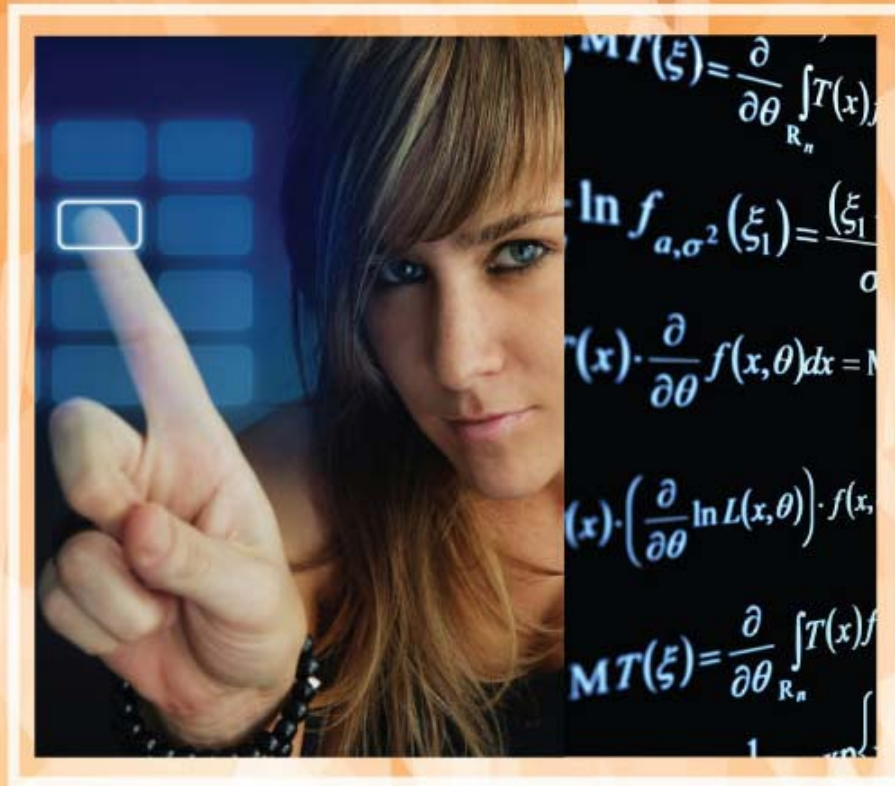


**International Center for Renewable Energy
and Aerospace/Turbulence**

**Marcos Polanco, Director,
Information & Communication Technology
/ Engineering & Aerospace**

PUERTO RICO

THE OFFSHORE ADVANTAGE IN THE USA



What is the Puerto Rico Industrial Development Company?



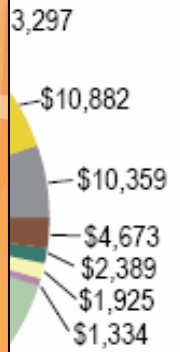
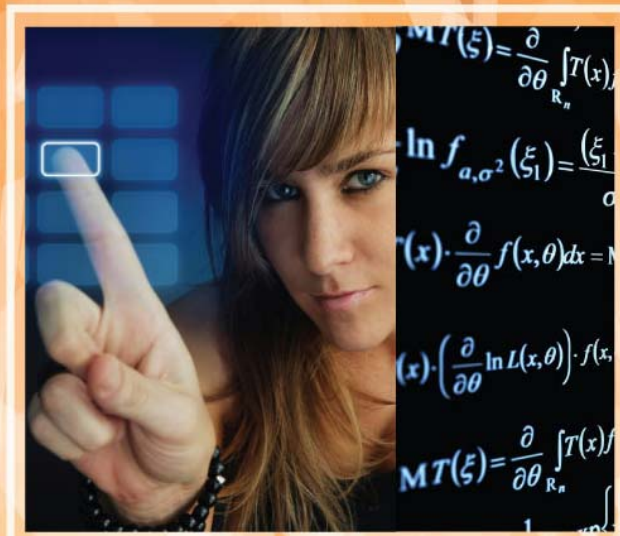
- Puerto Rico's official investment promotion agency
- Manufacturing focus since 1942
- Generating jobs through the development of a vibrant knowledge economy, particularly in the biosciences, information technology and aerospace sectors
- Offers business intelligence, facility selection, project management support, investment incentives and one-stop customer service
- Hosts over 1,400 client firms, responsible for over 11% of Puerto Rico's workforce

Welcome to Puerto Rico!

The screenshot shows a website interface for 'Rums of Puerto Rico'. At the top, there is a navigation bar with 'Departures' and 'The Rum Capital of the World' on the left, and 'Contact Us', 'Register', and 'Media Watch' on the right. Below this is a menu with 'Airport Lounge' and 'Gate 1' through 'Gate 6'. The main content area features a photograph of a bar with several people and a wide array of rum bottles on the backshelf. At the bottom, there are four content tiles: 'Rum Party Assistant', 'In Flight Promos', 'Personality Test', and 'Rum and Cooking'. To the right of these tiles is a logo for 'RUMS of PUERTO RICO' with the tagline 'ONLY THE FINEST'.

Puerto Rico Means Business

PUERTO RICO THE OFFSHORE ADVANTAGE IN THE USA



illones

The Infotech Aerospace Services Story

The screenshot shows the Infotech website with the following elements:

- Logo:** Infotech, Creating Business Impact
- Navigation:** HOME, ABOUT US, CONTACT US, SITEMAP, FEEDBACK (top); SERVICES, INDUSTRIES, CLIENTS, INVESTORS, CAREERS, NEWS & EVENTS (red bar)
- Left Sidebar:** NEWS (dropdown), CURRENT NEWS, EVENTS, MEDIA KIT, NEWS ARCHIVES (highlighted), > PRINT THIS PAGE, > REQUEST FOR INFORMATION
- Breadcrumbs:** HOME > NEWS > NEWS ARCHIVES
- Section Header:** NEWS
- Article Title:** Pratt & Whitney Division of United Technologies Corporation to participate with up to 18% equity in Infotech
- Text:** Substantially extends current relationship to focus on value-added Engineering Services over the next five years
- Text:** Pratt & Whitney Division of United Technologies Corporation to participate with up to ~18% equity in Infotech, demonstrating long-term partnering intent and endorsing Infotech's business competence
- Text:** Charles Ayer, Finance Director, Manufacturing and Technology, Pratt & Whitney joins Infotech's Board
- Text:** Infotech Enterprises further strengthens its business and financial model
- Date:** Hyderabad - February 25, 2002
- Text:** Commenting on the alliance, BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises, said:

The Challenge: Export-Controlled Technology Development

The image shows a screenshot of the Pratt & Whitney website. At the top left is the Pratt & Whitney logo with the tagline "A United Technologies Company". To the right are navigation links: "ABOUT | CAREERS | NEWS | CONTACT US". Below the logo is a "PRODUCTS" menu with sub-categories: "Commercial", "Military", "Space", "Power Systems", "Business, Regional & Helicopter", and "Specialty Materials & Services". A list of engine models is shown: "F100", "F117", "F119", "F135", "PW4000", and "JT8D-219". The "F119" item is highlighted with a yellow circle. A yellow callout bubble with a black border contains the text "Can we get the offshore advantage in the USA?". To the left of the callout is a blue book cover titled "International Traffic in Arms Regulations" with "ENVIRO TRADE COMPLIANCE plus" at the top. The main content area features a large image of an F119 engine and a text block starting with "The F119...".

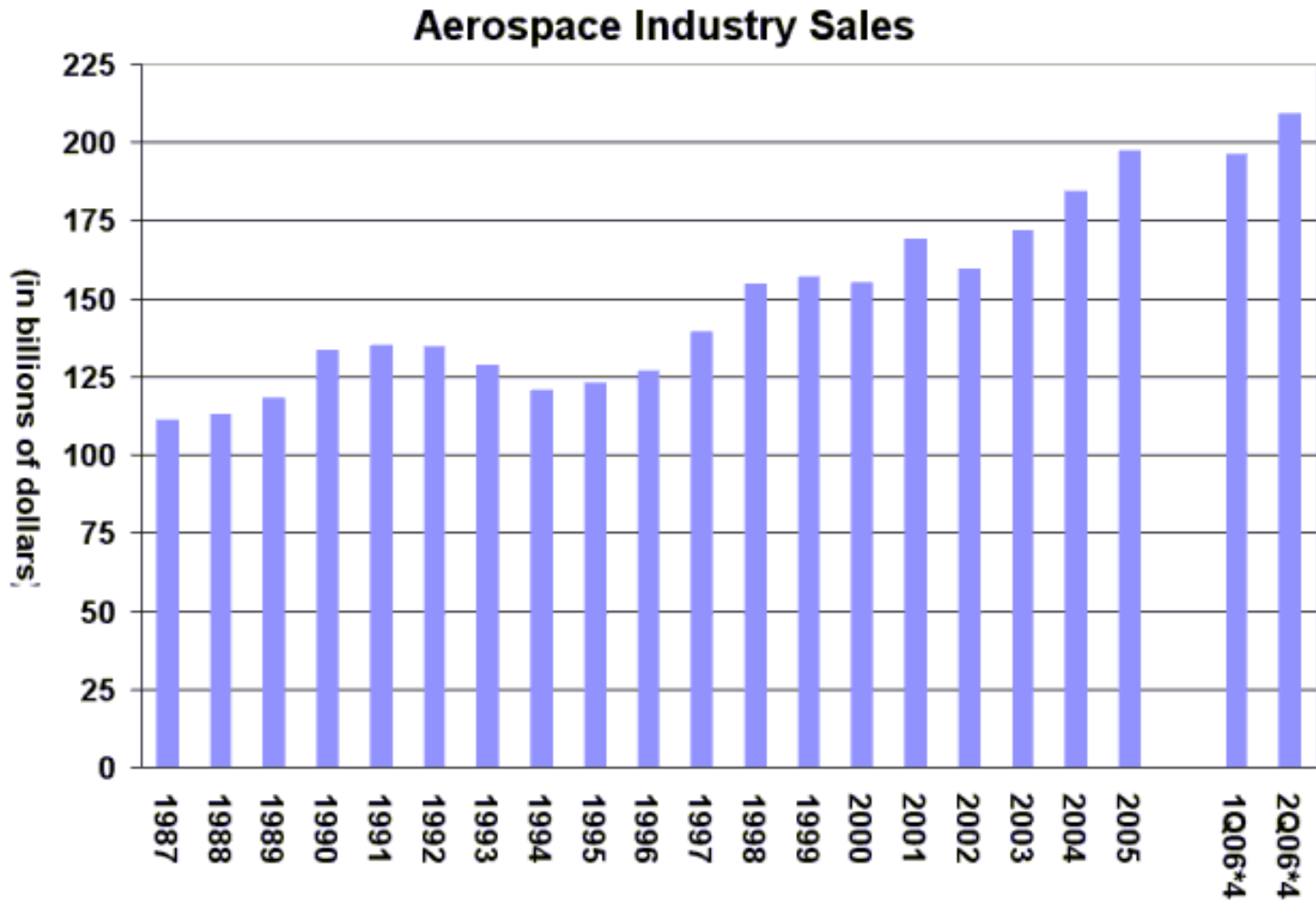
“Yes.”



A Closer Look at the Aerospace Industry



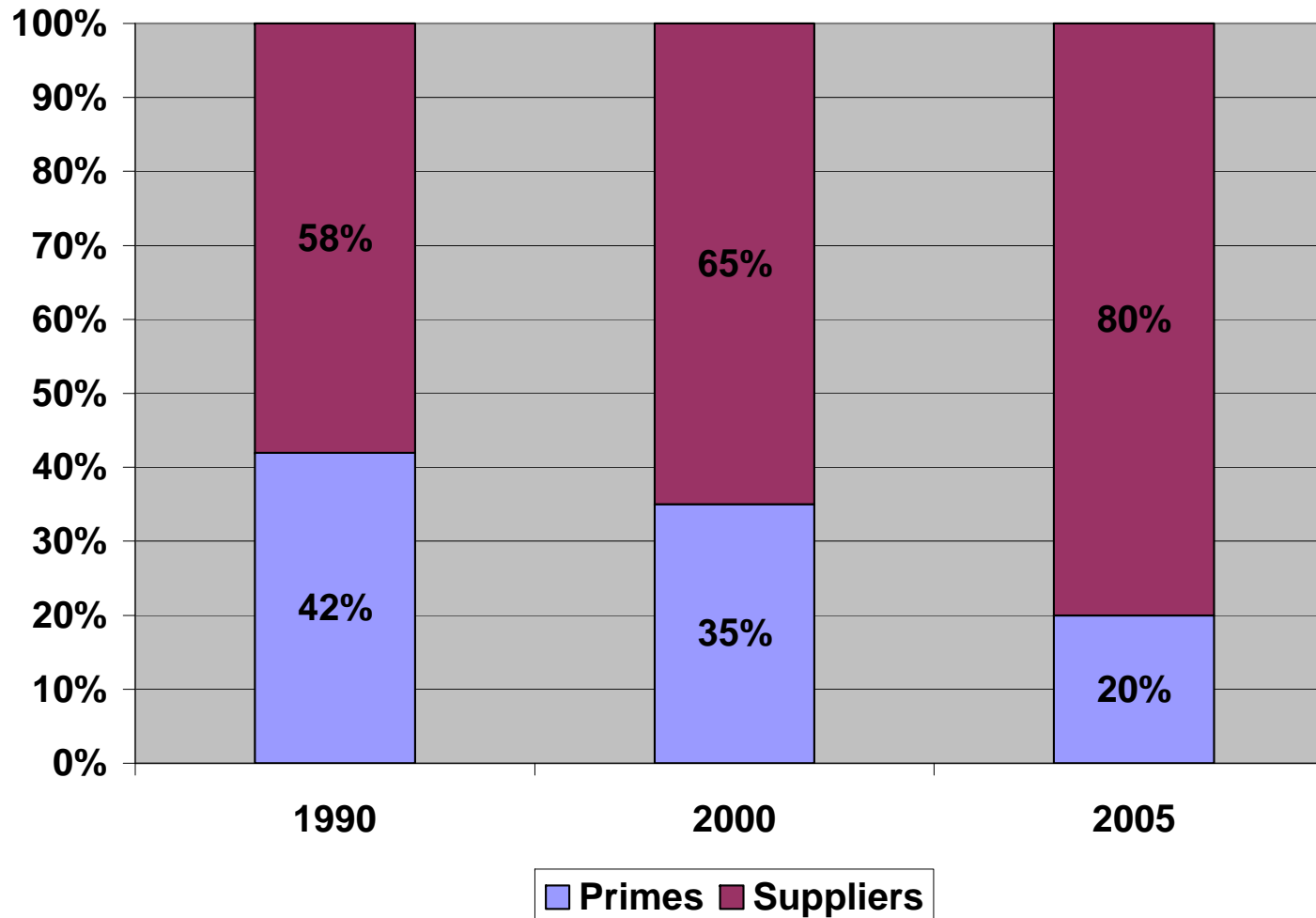
\$197 Billion in 2005, and Growing...



Source: Aerospace Industry Association



More Outsourcing as a Proportion of Contract Value



Source: Supplier Excellence Alliance

The Importance of the Aerospace Industry to the United States

- \$37 billion in trade surplus (the largest in 2005)
- \$50 billion in R&D investment in past 15 years
- 624,000 jobs
- The linchpin of the US national security strategy



The Talent Crunch in the Aerospace Industry

QUOTED

For Lockheed Martin, where almost half of our 135,000 employees are scientists and engineers, questions of technological competitiveness go to the heart of our ability to innovate and thrive. Given the security constraints surrounding our work, outsourcing and offshoring aren't feasible options for companies in our sector. For the aerospace and defense industry, the front lines of the brainpower battle aren't in China, they're here at home.

High-skill jobs

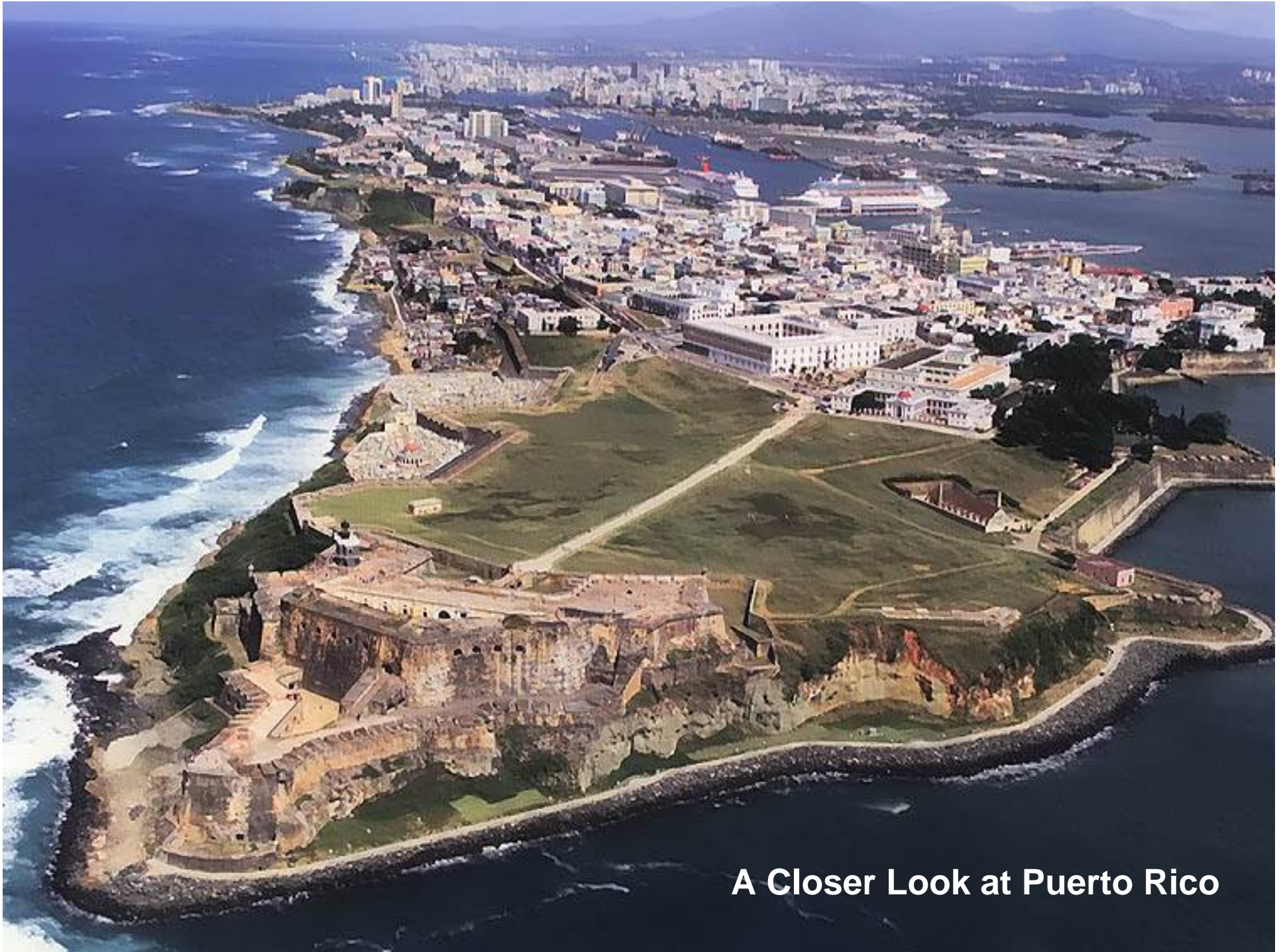
Cannot Go Abroad

Retiring Workforce

One in every three of Lockheed's employees is over 50. To sustain our talent base, we're hiring 14,000 people a year. In two years, we're going to need 29,000 new hires; in three years, 44,000. If this trend continues, over the next decade we will need 142,000. We're not alone; industry-wide, some 19 percent of employees are eligible for retirement. Yet Department of Education data suggests U.S. colleges and universities are only producing about 62,000 engineering B.A.'s a year — fewer than the visual and performing arts graduates — and that figure hasn't grown in a decade.

Fewer S&T graduates

- **Robert J. Stevens, CEO, Lockheed Martin** in "Social Engineering," Op-ed, *The Wall Street Journal*, April 19, 2006.



A Closer Look at Puerto Rico

Deep Source of Talent

University Level Enrollment by Type of Institution

Degrees Awarded by Sector, Level and Academic Area

By the Numbers

UNDERGRADUATE ENROLLMENT, FALL 2005

ENGINEERING UNDERGRADUATE ENROLLMENT BY SCHOOL*

1. Georgia Institute of Technology	6,576	23. University of Central Florida	3,058	45. Oklahoma State University	2,030
2. Purdue University	5,990	24. Michigan State University	3,044	46. FAMU-FSU College of Eng.	2,000
3. Texas A&M University	5,975	25. University of Wisconsin, Madison	2,937	47. University of Virginia	1,975
4. Pennsylvania State University	5,433	26. University of Missouri, Rolla	2,928	48. West Virginia University	1,955
5. Virginia Tech	5,366	27. Clemson University	2,923	49. Brigham Young University	1,944
6. Univ. of Illinois, Urbana-Champaign	5,313	28. Cornell University	2,911	50. Stanford University	1,943

3,800 Graduates Per Year in ICTEA and Related Disciplines

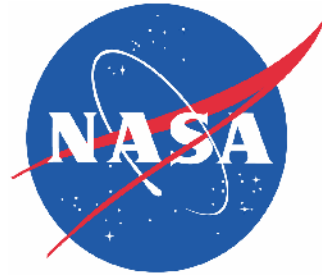
7. California Poly. State, SLO	4,666	31. Rochester Polytechnic Institute	2,646	53. University of South Florida	1,706
10. University of Michigan	4,712	32. University of Colorado, Boulder	2,739	54. San Jose State University	1,850
11. University of Texas, Austin	4,536	33. University of Arizona	2,694	55. University of Oklahoma	1,826
12. University of Florida	4,529	34. Kansas State University	2,585	56. New Jersey Inst. of Technology	1,820
13. Univ. of Puerto Rico, Mayaguez	4,521	35. Auburn University	2,533	57. City College of the CUNY	1,807
14. Iowa State University	4,420	36. Louisiana State University	2,520	58. California State Univ., Long Beach	1,780
15. University of California, San Diego	4,035	37. Univ. of Maryland, College Park	2,488	59. University of Cincinnati	1,772
16. Polytechnic Univ. of Puerto Rico	3,806	38. Texas Tech University	2,412	60. Columbia University	1,740
17. California State Poly., Pomona	3,737	39. Rutgers University	2,285		
18. University of Minnesota, Twin Cities	3,737	40. Univ. of California, Los Angeles	2,269		
19. Arizona State University	3,402	41. Rochester Inst. of Technology	2,247		
20. Drexel University	3,123	42. Kettering University	2,209		
21. Colorado School of Mines	3,100	43. University of California, Irvine	2,133		
22. Michigan Technological University	3,094	44. SUNY, Buffalo	2,101		

326 schools reported.
* Some schools do not permit formal enrollment in their engineering colleges until the second or third year. Enrollment is for full-time students only.

Sources: PR Government Development Bank, ASEE



Deep Source of Quality Talent



NORTHROP GRUMMAN



US Army Corps
of Engineers

Raytheon

GENERAL DYNAMICS

MITRE



Georgia Tech Research
Institute

accenture

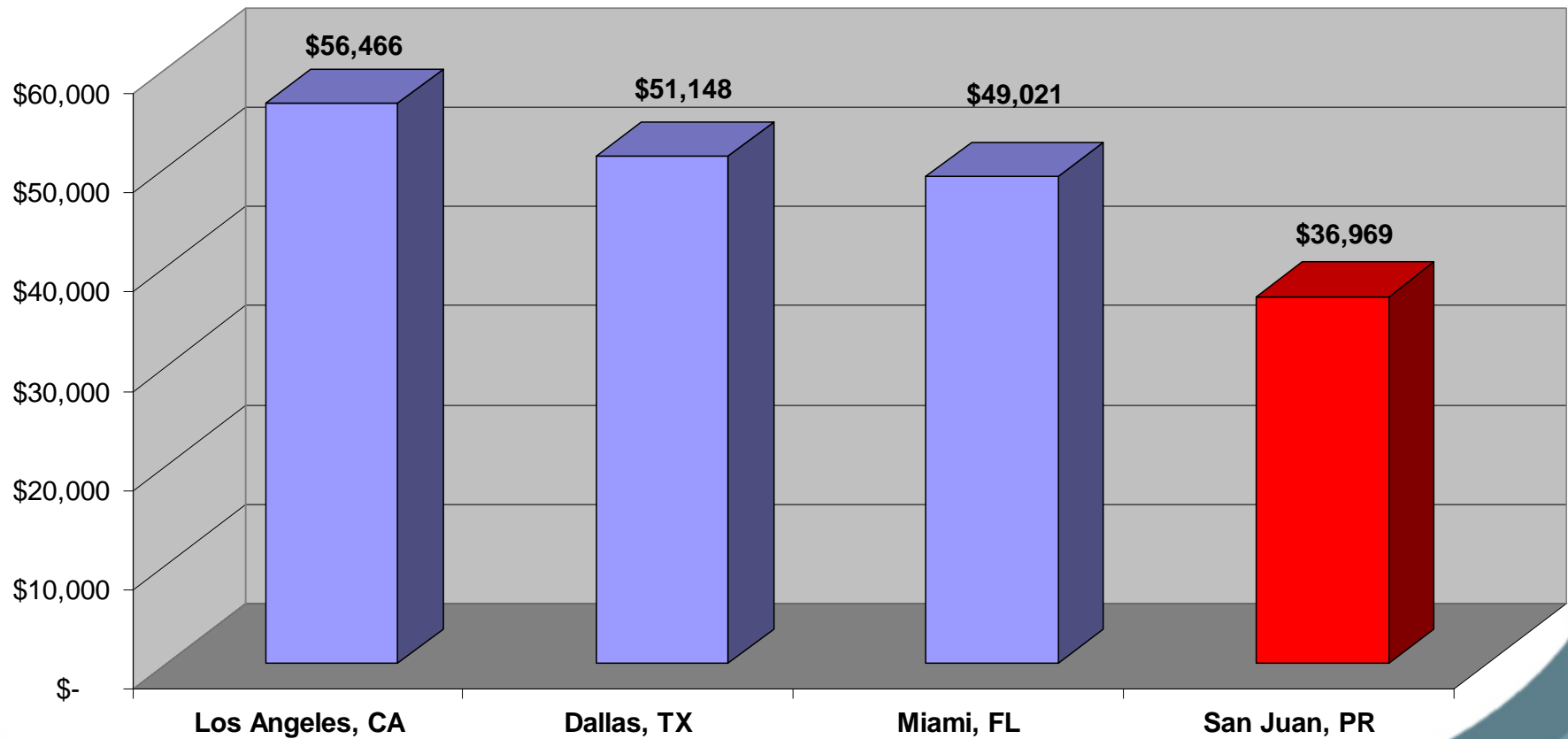


Source: University of Puerto Rico



Deep Source of Cost-Competitive Talent

Mechanical Engineering I



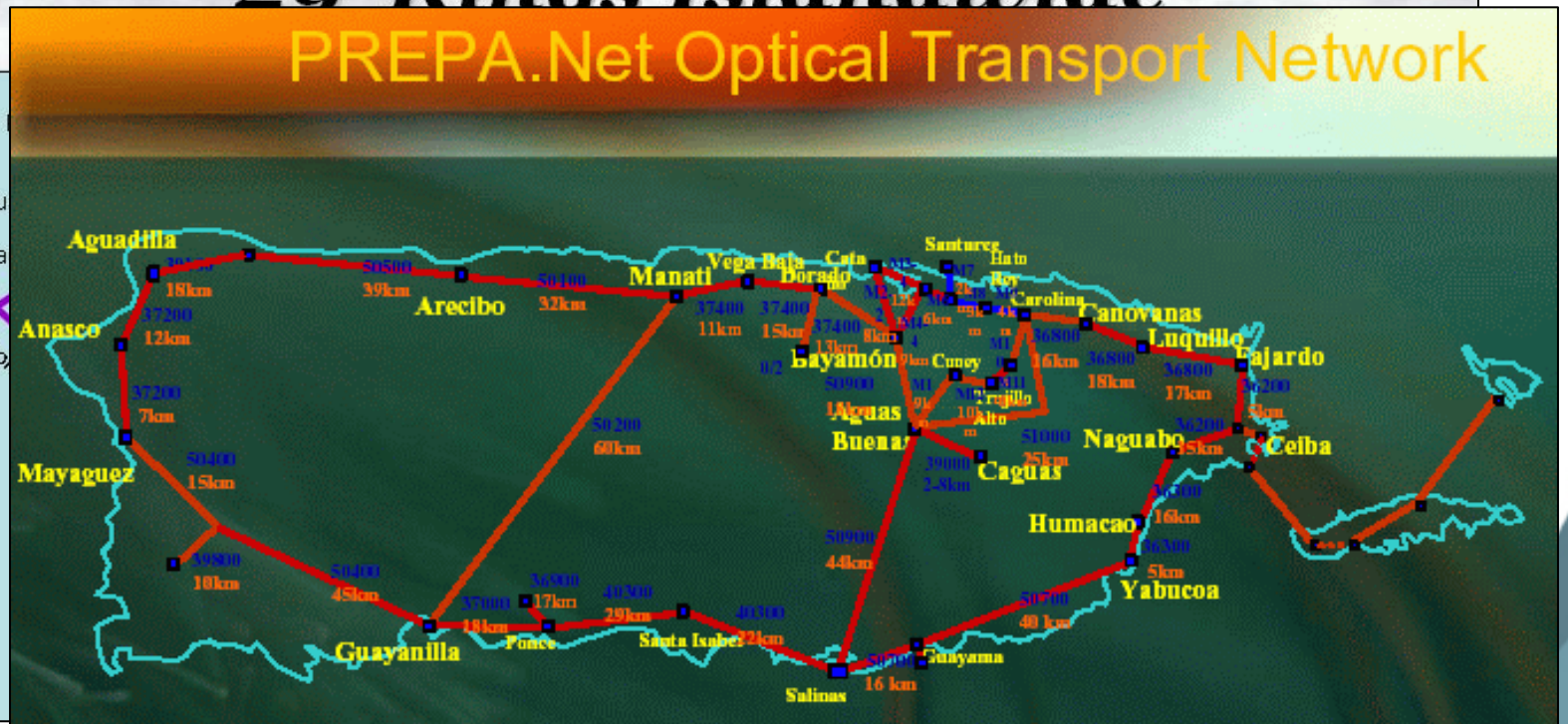
Source: Salary.com



Robust Telecommunications

Fiber Optic Network *29 Rinas Islandwide*

PREPA.Net Optical Transport Network



PRIDCO-Sponsored Technology Parks

Moca



Dorado



Ceiba



Mayagüez



Guayama



Cayey



Customer Wins



Infotech Aerospace Services opens a new facility

Hyderabad, August 25, (NSE:INFOTECENT) Infotech Aero Enterprise Limited and Pratt & Whitney have inaugurated a new facility in Hyderabad, India.

Lockheed Martin exploring R&D center in P.R.

BY MICHELLE KANTROW VAZQUEZ
 Lockheed Martin Corp. has been coming to Puerto Rico for the last few years, aerospace engineering giant Lockheed Martin Corp. has been coming to Puerto Rico to add to its roster of worldwide operations.

Lockheed Martin is exploring the possibility of opening a research and development center in Puerto Rico. The company is currently in the process of evaluating the island as a potential location for a new R&D center. Lockheed Martin is currently in the process of evaluating the island as a potential location for a new R&D center.



Despega la innovación en la Sultana del Oeste

New aerospace companies hiring 125 in the west

BY MICHELLE KANTROW VAZQUEZ
 mkantrow@sjstar.com
 Of The STAR Staff

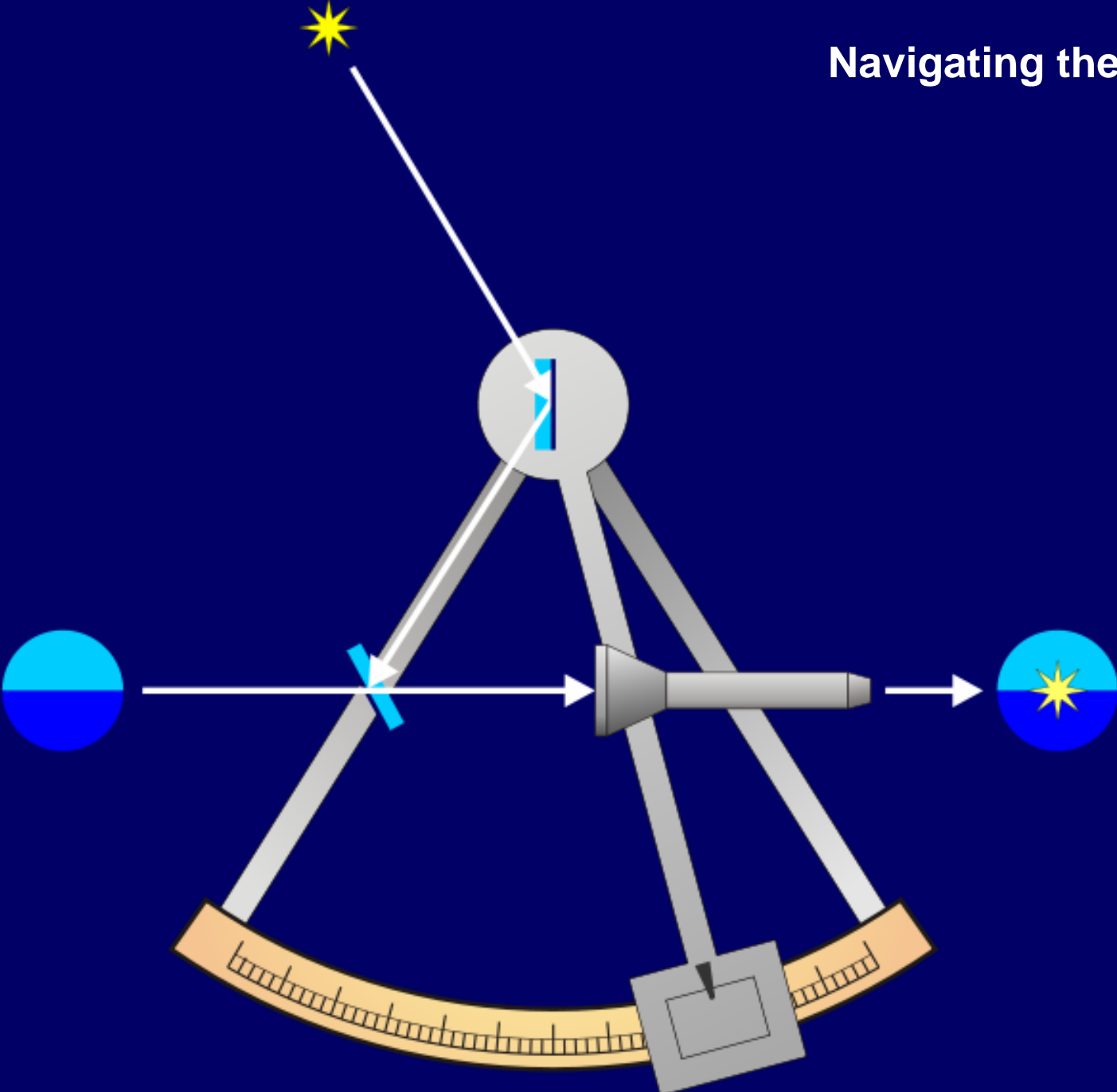
Two new aerospace companies have set up shop along the island's western flank and are recruiting personnel.

06 | Septiembre | 2006

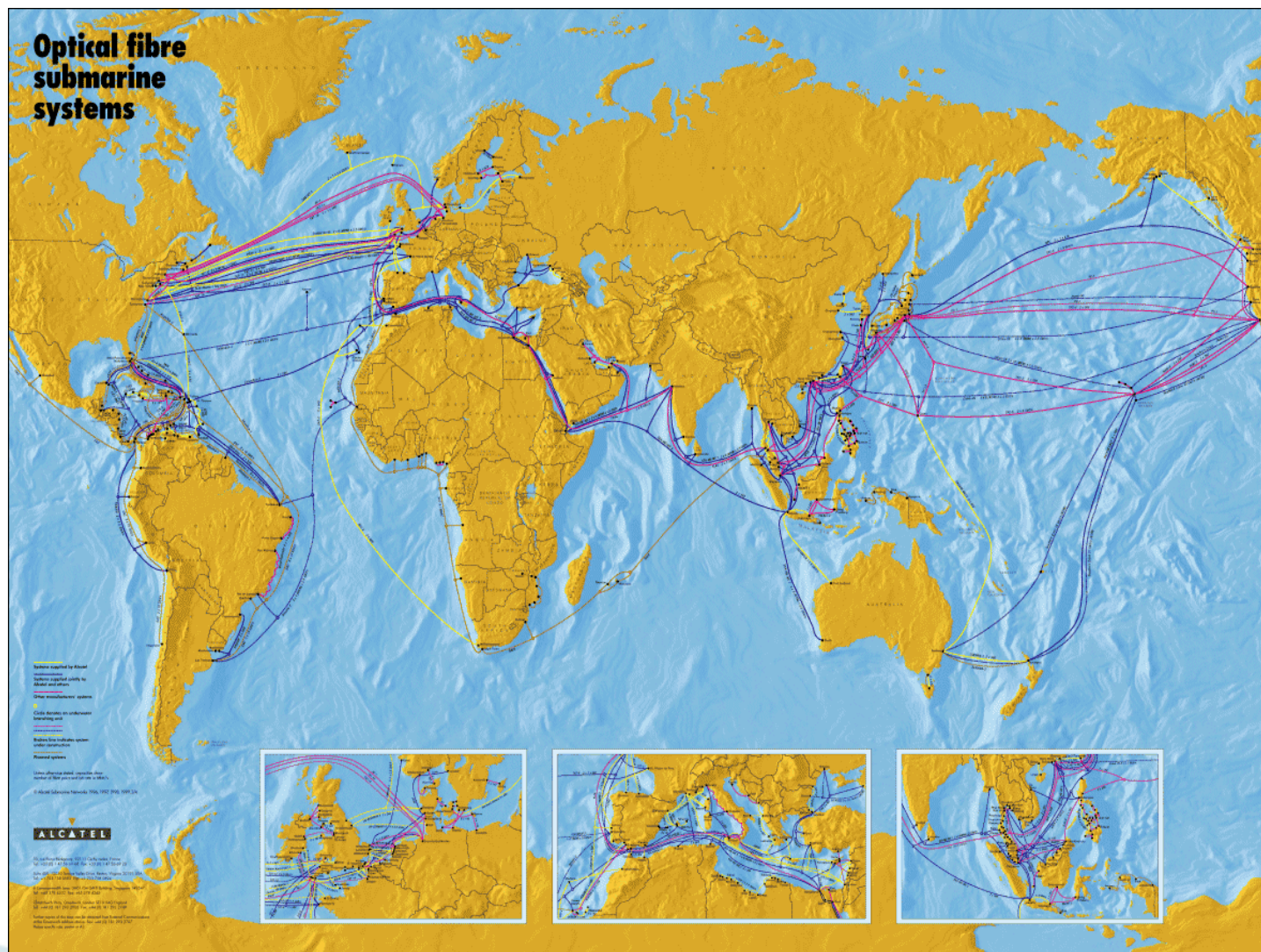
Gobernador anuncia millonaria expansión de empresa de alta tecnología en Santa Isabel

Santa Isabel, Puerto Rico – Firma en su meta de convertir a Puerto Rico en un centro mundial de primera para nuevas inversiones en las biociencias y en el uso de alta tecnología que promuevan empleos bien remunerados, el Gobernador Aníbal Acevedo Vilá anunció hoy la expansión de la empresa Hamilton Sundstrand, en Santa Isabel, con una inversión de \$40 millones que representa la creación de 374 nuevos empleos.

Navigating the Future



The Vision



The Plan



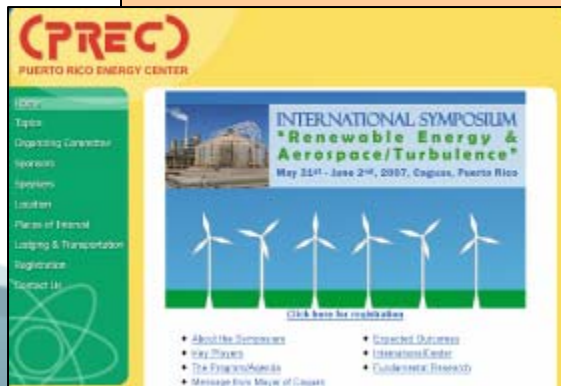
Develop
Aerospace
Supply Chain

Drive
Business
Development



Generate
Innovations

Strengthen
Engineering
Education



The Team

Vicente Nazario (Chairman)

General Manager

Hamilton Sundstrand of Puerto Rico

Charles Shanklin

Chairman of the Board

Snow Aviation

Abraham Rodriguez

Manager

Solectron

Antonio L. Negrón

Engineering Manager

Florida Turbine Technologies, Inc.

Harold Frohreich (Honorary)

Program Manager, Supplier Development

The Boeing Company

Luciano Castillo, Ph.D.

*Associate Professor, Dept. of Mechanical,
Aerospace, and Nuclear Engineering*

Rensselaer Polytechnic Institute

Héctor M. Rodríguez, Ph.D.

Manager, Structures Department

Infotech Aerospace Services, Inc.

José Castro Segarra

Business Innovation Officer

Puerto Rico Industrial Development Co.

Conclusions

- Puerto Rico matters to the aerospace industry.
- The aerospace industry matters to Puerto Rico.
- The aerospace industry has arrived.
- Puerto Rico is on its way.



Marcos Polanco
Director

Information & Communication Technologies,
Engineering & Aerospace
Puerto Rico Industrial Development Company
202-422-4097 (DC)
787-759-7578 (PR)
mpolanco@pridco.com
www.pridco.com

Talent + Citizenship + Location + Profit = A Unique Environment