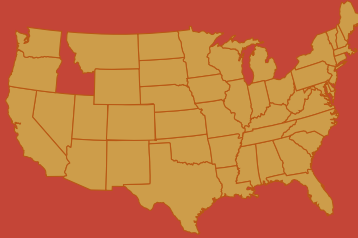


STATE OF
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U.S.A.

{ international investment guide }



International Business
www.commerce.idaho.gov





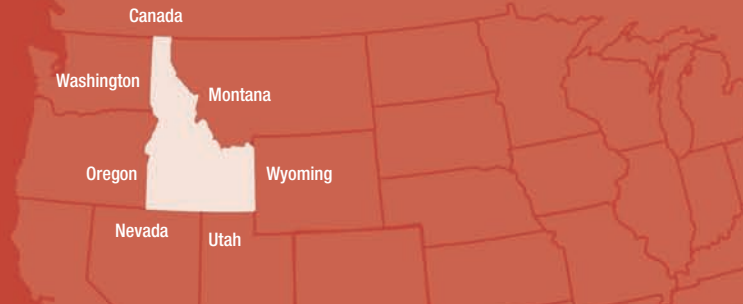
As the global community gets smaller and more competitive, more companies are discovering the value of doing business in Idaho. When you take a look at the many great reasons to invest in Idaho, you'll find out why companies such as Micron Technology, Hewlett-Packard, AREVA, Grupo Modelo, Nordic Windpower and Battelle Energy have decided to locate in Idaho.

Idaho is known for its low cost of doing business. We have reliable and inexpensive power, a productive work force, a stable tax base, and business-friendly policies. We're proud to be home to big-thinkers, in fact, Idaho ranks first in the nation for entrepreneurial activity, according to the Kauffman Foundation.

I am personally committed to making Idaho the best place in America to start, expand, relocate or invest in a business. Our International Business Development team stands ready to show you what we have to offer and how we can help you and your business succeed.

Come visit and see for yourself. I know you'll agree – Idaho has an attractive business climate and quality of life that's second to none.

C.L. "Butch" Otter, Governor



Idaho at a Glance

- Population: 1,523,816
- GDP: \$52.7 billion (2008)
- Location: Strategically located in the Pacific Northwest corner of the United States, Idaho covers two time zones, and is bordered by Montana, Wyoming, Utah, Nevada, Oregon, Washington and Canada.
- Quality of Life: Idaho is both cosmopolitan and small-town friendly. Outdoor recreation opportunities include: hiking, golfing, world-class skiing, and enjoying more than 1,000 mountain lakes. We have always been proud of the health and quality of our arts community. Boise, our capital city, enjoys a symphony, a nationally celebrated Shakespeare festival, classical ballet, and a professional contemporary theater and opera. With our inviting cities and great outdoors, there's always something to do.

Idaho's crime rate is the lowest in the western United States. In fact, according to FBI data, the rate of serious crime here is 30 percent less than the national average.

Boise, Idaho: 2nd Most Secure U.S. Place
Sperlings, 2008

The Idaho Business Advantage

Idaho's vigorous business climate and economic vitality have consistently placed it near the top in virtually all business indicators. The Milken Institute ranked Idaho 5th Lowest Cost of Doing Business (2007) and Forbes Magazine ranked Idaho the #6 Best State for Business (2007).

There are several reasons why it's easy to do business in Idaho:

- Idaho is strategically located to providing ready access to global markets, and firms seeking to expand business to the western United States. In addition to an efficient railway, highway and interstate system, the Port of Lewiston is the most inland port on the west coast providing access to key international destinations, especially markets in North America and the Pacific Rim.
- There are valuable business resources available to investors. Idaho Department of Commerce foreign direct investment specialists are ready to provide assistance to you.

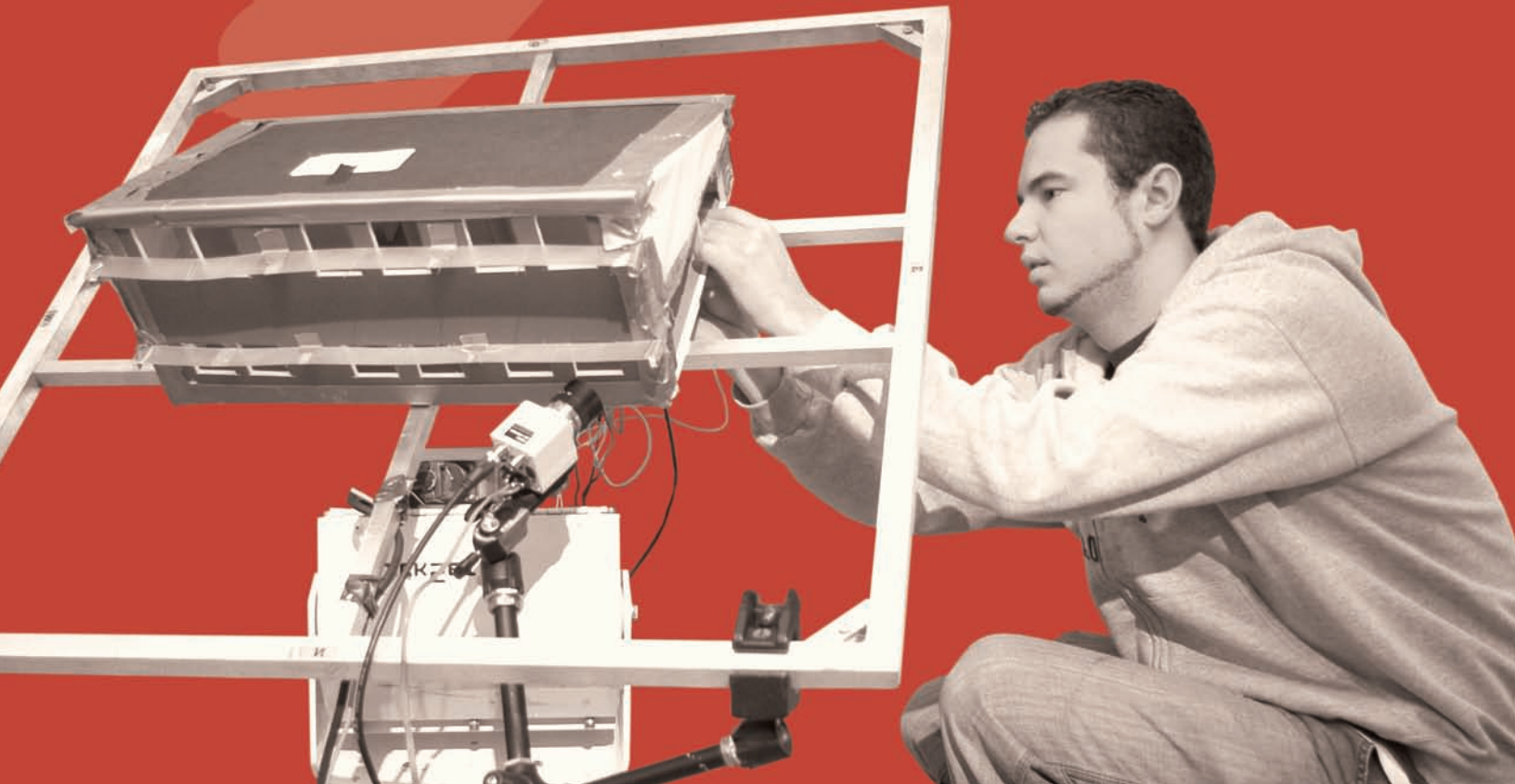
- Idaho has a strong, motivated workforce. In fact Forbes Magazine ranked Idaho "#10 Best Labor Pool" in 2007. The state has workforce development training funds and customized recruiting services available. Ten colleges and universities located throughout the state provide an educated workforce. Idaho's technical colleges are ready, willing and able to customize training suited to the specific needs of each company.
- Our decidedly pro-business environment, reflected in financial incentives, business tax credit programs and industrial revenue bonds, are designed to enhance overall profitability. Economic development professionals are ready to provide personalized, step-by-step assistance to companies and investors interested in expanding to Idaho.
- Foreign investors will find many attractive sectors for investment: Renewable Energy, including wind, solar and geothermal; Technology

& Innovation, including software development; Manufacturing & Energy, including precision design and assembly, Agri-business and Food Processing, Forest Products and Green Building, Mining Equipment and Environmental Solutions, Recreational Technology, and Mobile Communications.

Many companies have relocated to, expanded or invested in Idaho. Nordic Wind Power, a Swedish manufacturer of utility-scale wind turbines, built a plant in Pocatello; Nunhems Seed Company, a subsidiary of German Bayer Crop Sciences, a world leader in the hybrid seed industry recently expanded their plant in Parma; Grupo Modelo, Mexico's largest brewing company completed a 6.5 million dollar malt barley facility, and French AREVA, an energy company, is building a multi-billion dollar facility in Idaho Falls; NYK Line, a global logistics company from Japan, is increasing their operations in the Port of Lewiston.

We encourage you to learn more about why Idaho should be *your* choice too.

"We started with a map of the United States and we ended up in Idaho. Idaho Falls is an ideal location. From top down, there was cooperation, and it carried through from the governor's office right down to the mayor's office." *Robert Poyser, Vice President of Areva*





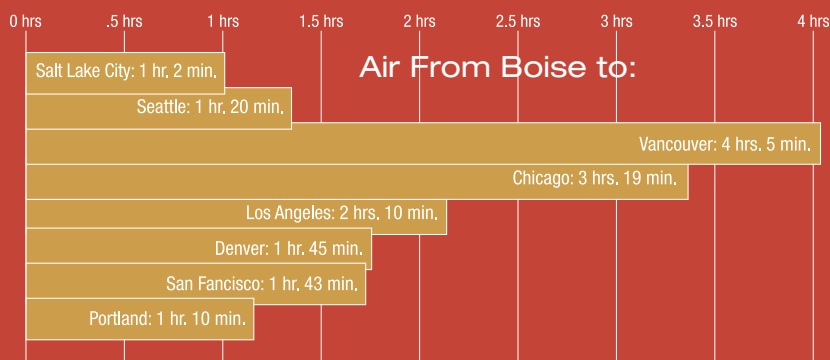
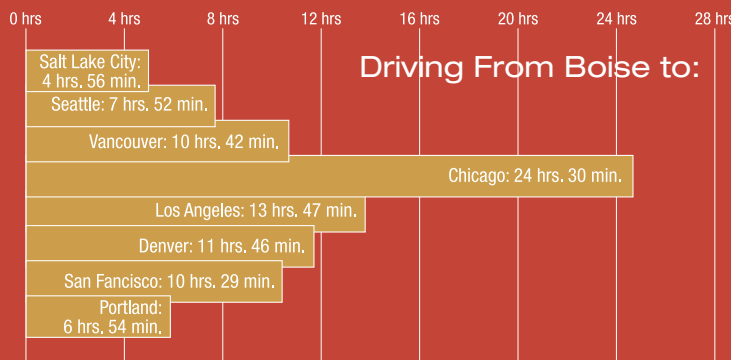
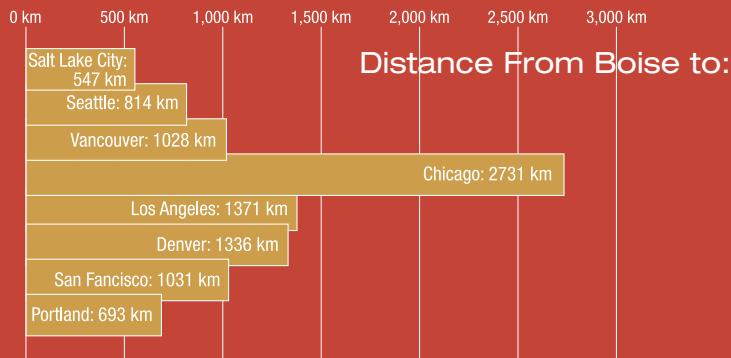
Access to Global Markets

Intermodal access to Western United States and Canada:

- **Airport:** Idaho is well connected by an efficient aviation system. There are seven commercial service airports throughout the state. Boise, Idaho's capital city, has a newly renovated, state-of-the-art facility with service to all major U.S. cities and easy connections to international flights. More than 3 million passengers transited Boise Airport in 2008.
- **Highways:** With five interstates, nearly 20 U.S. highways and 30 state highways, Idaho has a stable transport system to support all your shipping needs.
- **Rail:** Idaho supports an extensive and dynamic railroad system of over 2,414 km (1,500 miles) of rail, with 101,104,460 metric tons of freight carried in 2006. Idaho has established class I railroad companies such as Union Pacific and Burlington Northern Santa Fe that operate within the state to provide competitive shipping costs.
- **The Port of Lewiston:** Located 748 km (465 miles) from the Pacific Ocean, the Port of Lewiston is the most inland port on the west coast. The Columbia-Snake River system is supported by an inland barge service that transports bulk commodities and containerized cargo. The Port has full intermodal capabilities, and provides the largest crane, warehouse facility and grain storage facilities on the inland river system.



Travel Times



“We really see the Boise airport as a strategic weapon in our business. We ship products all over the world; we receive raw material from all over the world. So it's very important for us to really have a streamlined operation and the Boise airport provides that.” *Mike Reynoldson, Micron spokesman*

Business Resources

Idaho Department of Commerce international investment specialists are ready to connect you with industry and community leaders, and provide you with market research on the business opportunities in Idaho. Through strong relationships with over 40 state, municipal and county economic development organizations, they can facilitate access to key business and government decision makers. They also collaborate with a variety of non-profit organizations to provide consulting expertise on market and strategic planning for businesses looking to expand or relocate to Idaho.

An online service, *Gem State Prospector*, gives companies considering relocation or expansion a database of business locations across Idaho. Companies can search their property needs and find in-depth results for each site, including demographic information, access to utilities, and proximity to support businesses. Visit www.gemstateprospector.com

Idaho attracts over 2,000 international students through its colleges and universities. In addition, Idaho has the lowest crime rate in the West, attracting people looking for a quality of life unmatched by any other state.

Strong, Motivated Workforce

Idaho has a highly educated and skilled populace. From agricultural farmhands to high tech engineers, Idaho has a stable and quality workforce – in fact, over 750,000 people are in the labor force blending their skills, talents and expertise to create a productive environment for business.

Customized Recruiting Services

The Department of Labor, with offices across the state, offers employers one-on-one professional guidance in managing the recruitment process. Experienced labor workforce consultants can visit your worksite to identify needs and then effectively match employee prospects to the skills, training and experience required to fill your jobs.

Employee Development

Your business may be eligible to receive Idaho Workforce Development Training funds to provide new full-time employees with needed skills or upgrade the skills of current full-time workers who are at risk of permanent layoffs.

Technical and Higher Education

Idaho's technical colleges are located throughout the state and are ready, willing and able to customize training suited to the specific needs of each company. Idaho has many excellent colleges and universities, positioned to provide higher education opportunities for your employees and their families. Public institutions include: Boise State University, University of Idaho, Idaho State University, College of Southern Idaho, North Idaho College, Lewis-Clark State College and Eastern Idaho Technical College. Private Institutions include: Brigham Young University-Idaho, the College of Idaho, Northwest Nazarene University.

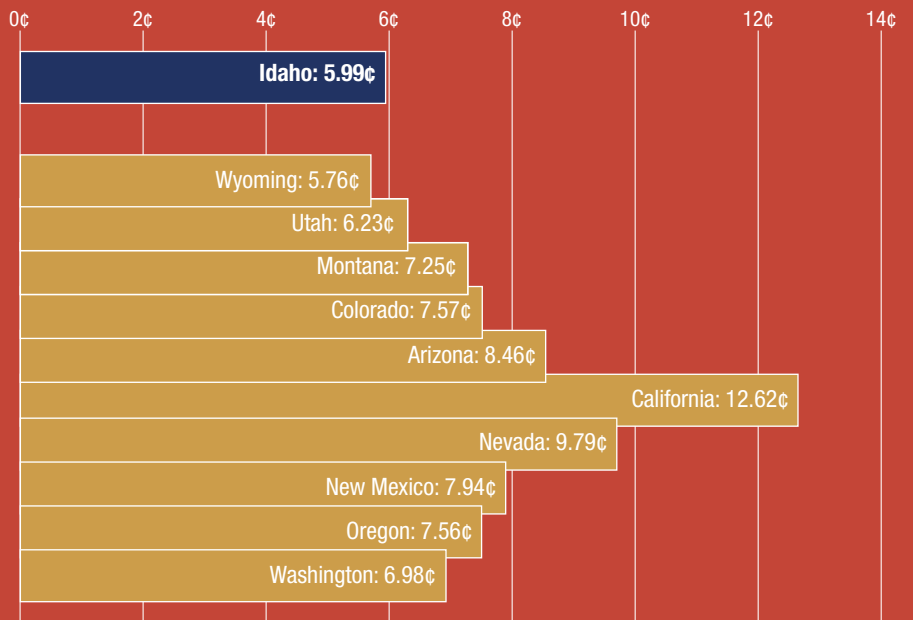
"# 10 Best Labor Pool"
Forbes Magazine 2007



Electricity Costs

A major source of Idaho's electricity is low-cost hydropower. As part of the Bonneville Power Administration's northwest power distribution grid, industrial electric rates are lower than most major cities in the nation and about half of many western cities.

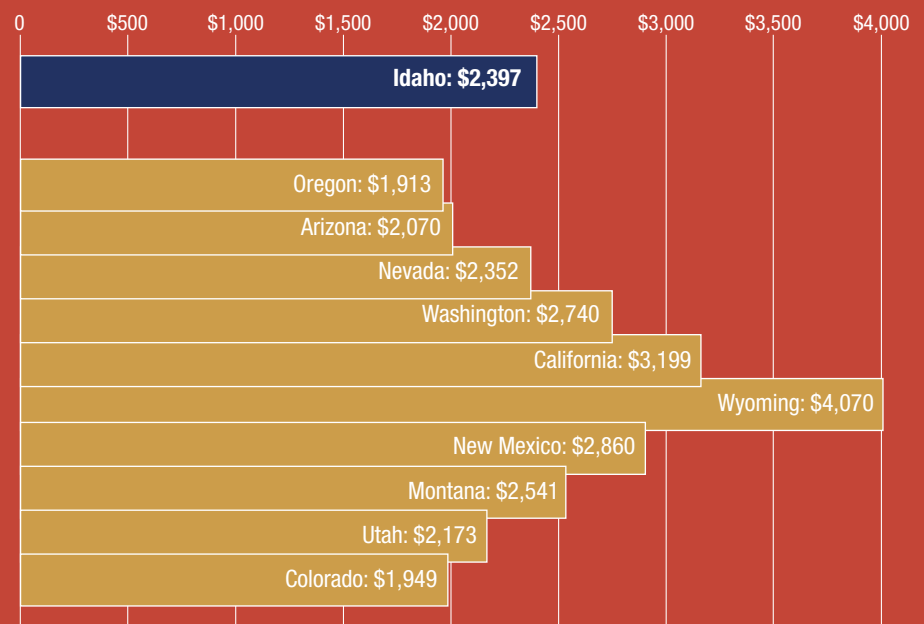
Annual Industrial Electricity Costs Average Rate (Cents per Kilowatt Hour) Source: Energy Information Administration, May 2009



Per Capita Taxes

Our tax revenues come from a balanced mix of personal income, sales, property and corporate taxes, providing a stable base to fund public services without unfairly burdening any sector. Plus, Idaho's state and local government debt per capita is the lowest in the nation.

Annual Per Capita State & Local Taxes in Western States Source: U.S. Bureau of the Census (Total State Taxes 2008), U.S. Bureau of the Census: Annual Estimates of the Resident Population



Unemployment Costs

Idaho's unemployment insurance program adjusts annual employer rates more equitably. This new structure, adopted in 2005, makes the same percentage change, up or down, in the tax rate of every employer, regardless of the experience rating. This new tax mechanism also triggers lower tax rates than the previous system under similar economic conditions.

Average Unemployment Insurance Costs New Employers 2008 Source: Payroll-Taxes.com, May 2009

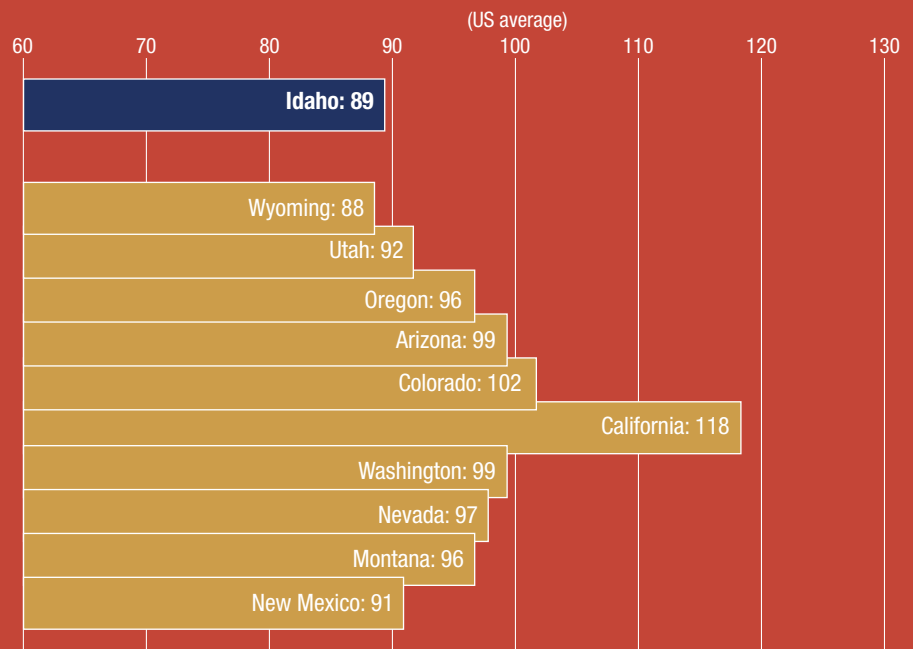
| | Maximum Wage Base | Taxable Amount | New Employer Rate | Contribution |
|--------------|-------------------|--------------------|-------------------|-----------------|
| Idaho | \$33,200 | \$6,440,000 | 1.302% | \$83,848 |
| Wyoming | \$20,100 | \$4,020,000 | 1.530% | \$61,506 |
| Arizona | \$7,000 | \$1,400,000 | 2.000% | \$28,000 |
| New Mexico | \$20,900 | \$3,800,000 | 2.000% | \$76,000 |
| Oregon | \$31,300 | \$6,040,000 | 2.400% | \$144,960 |
| Colorado | \$10,000 | \$2,000,000 | 2.520% | \$50,400 |
| Washington | \$35,700 | \$6,280,000 | 2.700% | \$169,560 |
| Montana | \$23,800 | \$4,760,000 | 2.780% | \$132,328 |
| Nevada | \$26,600 | \$5,050,000 | 2.950% | \$148,975 |
| California | \$7,000 | \$1,400,000 | 3.400% | \$47,600 |
| Utah | \$27,800 | \$5,340,000 | 5.400% | \$288,360 |

“We believe that Idaho is the best location in terms of cost, resources, labor and government support.” The combination of tax incentives, financial support for infrastructure improvements around the facilities and grants to fund training of new employees has made Idaho, “...a very attractive place for us to expand our business.”
Dustin Shindo-Chairman, Founder and CEO of Hoku

Overall Business Costs

Economy.com ranks Idaho the second lowest state in the West in overall costs of doing business.

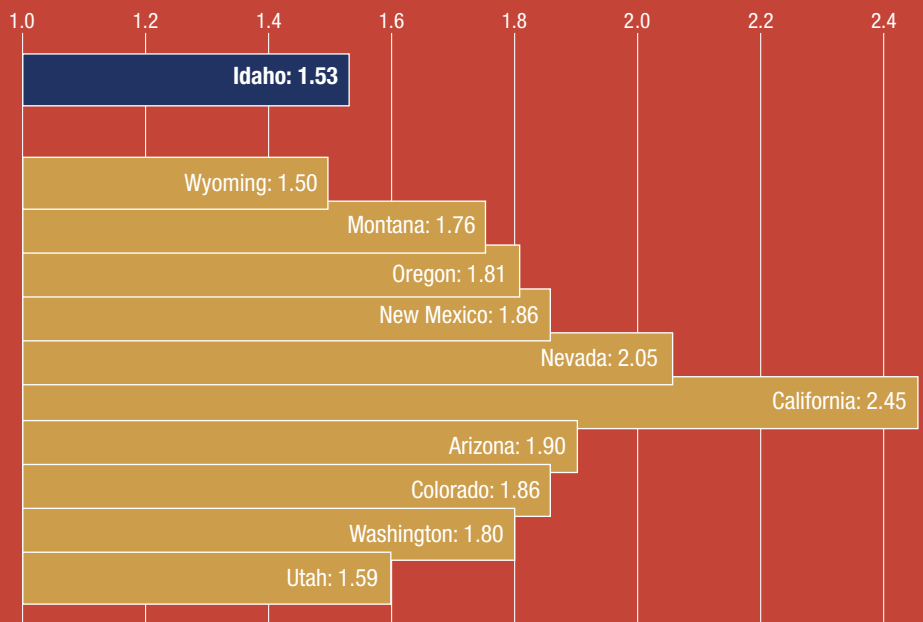
Overall Business Costs in Western States Source: Moody's Economy.com, July 2008



Overall Energy Costs

Overall energy costs are impacted by a variety of factors, including regulation, taxes, government mandates, economic growth and development of resources. With a business friendly regulatory environment and continued development of a diverse range of energy sources, Idaho has the second lowest energy costs of any state in the nation.

Source: Small Business & Entrepreneurship Council, April 2009



Workers' Comp Rates

Idaho employers with workers' compensation insurance pay some of the lowest premiums in the country. If lower-than-normal rates create a surplus, policyholders save in the form of rate deviations or actual dividends.

Annual Workers' Compensation Costs in Western States (in thousands) 2008 *Washington is a composite rate, both employer and employee contribute to the cost. Source: Idaho State Insurance Fund, U.S. Bureau of Labor Statistics, June 2009. Note: Rate shown is for ID Class Code 3681.

| State | Rate per \$100 of payroll | Average Annual Wage | Total Cost |
|--------------|---------------------------|---------------------|--------------------|
| Washington* | \$0.32 | \$30,070 | \$19,419.21 |
| Idaho | \$0.68 | \$24,990 | \$33,986.40 |
| New Mexico | \$0.61 | \$30,160 | \$36,795.20 |
| Oregon | \$0.71 | \$29,140 | \$41,378.80 |
| Utah | \$0.73 | \$28,990 | \$42,325.40 |
| Arizona | \$0.72 | \$35,850 | \$51,624.00 |
| Nevada | \$1.23 | \$28,100 | \$69,126.00 |
| Colorado | \$1.40 | \$30,150 | \$84,420.00 |
| Montana | \$1.78 | \$26,660 | \$94,909.60 |
| California | \$3.09 | \$29,830 | \$184,349.40 |
| Wyoming | \$2.59 | \$22,040 | \$114,167.20 |

“Our workers' compensation insurance premiums, due to the conservative nature of the Idaho Legislature, were reduced by more than 80%. We're saving more than \$1 million a year for workers' compensation insurance compared to doing the same work with the same number of people in California. Our electricity and water costs are 60% less.” *C.J. Buck, CEO Buck Knives*

Pro-Business Environment

Idaho offers a stable tax structure, reasonable tax rates and one of the lowest overall per capita tax burdens in the West. Revenue to provide needed services comes from a mix of income, sales, and property taxes. Simply stated... Idaho charges you less in taxes. USA Today cited Idaho as having the fastest growing economy in the United States in 2007, and CNBC said Idaho is one of five states poised to lead the U.S. out of the recession. (2009)

Businesses that invest in new facilities and create new jobs may qualify for incentives. Qualifying companies receive: an enhanced Investment Tax Credit, a new job tax credit, and a real property improvement tax credit. Upon request of the company, respective county commissioners may also authorize a full or partial property tax exemption. Details on these and other incentives are available on the Idaho Department of Commerce website: www.commerce.idaho.gov/business/incentives.aspx

“Idaho has the second lowest energy costs in the nation.”

*Small Business & Entrepreneur Council,
April 2009*

The Idaho Workforce Development Training Fund gives Idaho firms a competitive edge and supports local community efforts to attract new companies and retain existing businesses.

Energy

A large part of Idaho's electricity is low-cost hydropower. Industrial electric rates are lower than most major cities in the nation and about half that of many western cities.

Idaho's abundant renewable energy resources continue to fill a critical role in creating and maintaining a clean energy future – not only for the state of Idaho, but for the nation and the world. Idaho has supplies of almost all known renewable energy resources available to help meet our future needs.



Attractive Sectors for International Investment

RENEWABLE ENERGY

Idaho is a promising testing ground for numerous renewable energy technologies. This is not surprising, considering the state has a variety of elements that make it a viable laboratory for the next step in power generation.

Wind Energy

Idaho has a ready source of renewable wind power. In fact the state ranks #13 in the nation for wind power potential. New technologies such as wind turbines and wind energy converters have begun to generate electricity in Idaho. To support developing technologies, manufacturing companies that supply parts to wind-power companies are currently being constructed in both southern and northern Idaho.



Geothermal

There are at least 24 sites in Idaho that could be used for power generation according to the 2007 Idaho Department of Water Resources report. In January 2008, Idaho became the first state in the Pacific Northwest to have a geothermal power plant – the U.S. Geothermal Raft River Facility.

Solar

The Idaho National Laboratory, in partnership with MicroContinuum Inc., has created a nanoantenna that is more efficient and cost effective than conventional sun panels. While conventional panels transform less than 20% of the usable energy that strikes them into electricity, the nanoantenna can potentially reach rates of 80% efficiency.

Biomass

Biomass is supplying an increasing amount of the total energy used in Idaho in recent years and there is enough biomass waste (forest and logging residue, municipal solid waste, agricultural residues, animal waste, agricultural processing residue) to supply all the energy Idaho uses.



“Idaho has more wind power potential than Oregon and Washington combined.” *Phyllis Cuttino, Director, U.S. Global Warming Campaign at the Pew Environment Group*

Innovation & Technology

Idaho is rapidly expanding its innovation economy, which accounts for nearly 10% of all jobs in the state and 16% of all payroll. Idaho has a number of dedicated knowledge corridors. Northern Idaho is home to a range of electronics, biotech, advanced materials and other innovative enterprises.

Hewlett-Packard's lucrative laser printing division operates in Boise. Idaho is teeming with smart entrepreneurs who receive patents for new products and technology, hatch new companies, and contribute to the state's #2 ranking in patents issued per capita.

Idaho is home to over 800 software companies, with 400 of those companies located in or near Boise. The software industry is also the fastest growing commercial sector in Idaho.

Innovators & Strategic Thinkers

Idaho is also home to individuals and organizations known for their innovation and strategic vision.

Technology manufacturing is Idaho's #1 gross domestic product.

Idaho National Laboratory

The Idaho National Laboratory in eastern Idaho is a cutting-edge federal research facility that has helped commercialize products and led to many startups in the areas of energy and environmental remediation. INL was designated as the Department of Energy's lead nuclear energy research facility in the nation. www.inl.gov

Center for Advanced Energy Studies

A public/private partnership comprised of the three Idaho public universities, private industry, and the Idaho National Laboratory to integrate resources and expertise to create new research capabilities. www.caesenergy.org

Institute of Nuclear Science and Engineering

Idaho State University, Boise State University and University of Idaho have established an Institute of Nuclear Science and Engineering to focus

on nuclear science and engineering education at the ISU Idaho Falls campus. www.isu.edu/departments/inse/orga.html

Boise State University

In 2007, BSU College of Engineering ranked 14th on U.S. News & World Report's list of best engineering colleges among public universities without Ph.D. programs. www.boisestate.edu

Idaho State University

The Idaho Accelerator Center, located near the ISU campus, is a unique research facility providing opportunities for University scientists and engineers, the private sector and the INL to utilize specialized nuclear facilities. www.isu.edu

University of Idaho

This public university has received nearly \$100 million in research funding each year since 2003, and recently received a \$10-million grant from the National Institute of Health. www.uidaho.edu



Manufacturing & Services

Precision Design & Assembly

Micron, headquartered in Boise, is one of the world's leading providers of advanced semiconductor solutions. Micron's DRAM and Flash components are used in advanced computing, networking and communications products, including computers, workstations, servers, cell phones, wireless devices, digital cameras, and gaming systems. Micron products go into a number of industries, including automotive, consumer electronics, mobile devices and computing – as well as manufacturer's LED's.

Premier Technology, a world-class metal fabrication company specializing in nuclear, energy, aerospace and food processing, is located in Blackfoot, Idaho.

Recreational Technology

Idaho is widely known for its recreational opportunities from mountain biking to hunting, so companies that innovate and manufacture recreational equipment are a natural fit. There are approximately 100 Rec-Tech companies spread across Idaho.

Agri Business & Food Processing

Idaho is the United States' potato producing capital, but other agricultural commodities include cattle, dairy, wheat, seeds, corn, lentils, beets and more. Idaho ranks #4 in the nation for dairy production, and is one of the top three seed producing states in the U.S. Idaho's agricultural equipment companies are world leaders in manufacturing innovative and technologically-advanced machinery. The food processing industry makes up a large part of Idaho's manufacturing market. With more than \$100 million dollars in sales last year, there is no end in sight for this developing and growing market.

Forest Products & Green Building

Idaho's forest industry, which includes such companies as Idaho Timber and Boise Cascade LLC, produces approximately \$2 billion of high quality wood products each year. Idaho is ranked #4 in the nation in both production and sales of lumber.

Mining Equipment & Environmental Solutions

Idaho is known as "the Gem State" and remains a strong exporter of precious metals, semi-precious metals and gems. As a result of decades of experience, Idahoans in the mining industry have founded numerous world-class companies to provide equipment, expertise and innovations to serve the industry worldwide.



"The big selling point is the work-life experience that you have here. The fact that we don't sit in a car for a two hour commute, and have ready access to the foothills or the river, we fish at lunch or after dinner. It's pretty spectacular." *Pete Gombert, CEO of Baliho*





For additional information on international investment opportunities in Idaho, please contact:

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