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SEA Program continued

help sway the odds in entrepreneurs' favor, according to Jim Edwards, JARI's Director of Entrepreneurial Development.

"The SEA Program enables eligible participants to continue to receive their unemployment benefits at the same rate and duration as they would normally," Edwards explained. "This provides a financial 'safety net' as the entrepreneur learns business management techniques and begins to get their business up and running."

In 2008, five of nine people that Edwards counseled started a new business. Four of those businesses are still operating.

JARI has been awarded the SEA contract for 2009, and will be the sole provider for the Southern Alleghenies Region.

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2008 ANNUAL REPORT

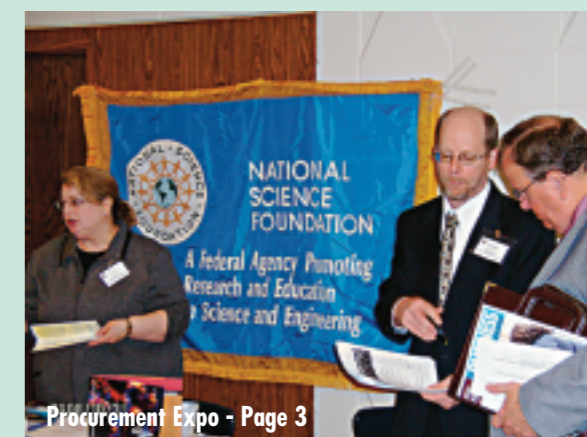
REPORT TO OUR STAKEHOLDERS:

The year 2008 proved to be both a boon and a challenge for JARI and its partners. Although our commitment to enhancing the region's economy and vitality never wavered, the year-end economic crisis had an impact on our local businesses. In retrospect, that crisis provided JARI with even greater momentum — and even more commitment — to serving our region's business leaders and its workforce.

Throughout these pages, you'll get a glimpse of just some of the successes that JARI spearheaded in 2008. In all facets of our programs — workforce development, procurement, technology, economic development, and entrepreneurial support — we enhanced our ability to support Cambria and Somerset Counties' economy by providing training, mentoring, and networking opportunities for a wide variety of local companies. The results are clear: statistics in training and exposition attendance has increased, as has the entrepreneurial spirit exhibited by permanently displaced workers.

We at JARI — with the steadfast support of our Board of Directors, the JIDC Board of Directors, and our wealth of additional partner support — will continue to explore opportunities to expand the businesses and economy of our region. As always, we look forward to your support as we lay the groundwork to meet the challenges ahead.

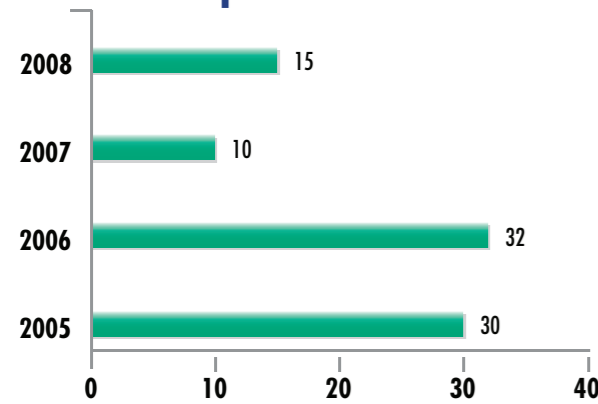
Sincerely,
Linda R. Thomson
JARI President



Somerset County's "Blueberry Hill"

Down below Jennerstown, off Route 30, lies the five-acre Keyser family farm, the home of Skyview Labs. The lab established by Alan and Verdean Keyser, was in response to a need for a more efficient and computerized testing service for the thriving dairy industry in Somerset County. Skyview Labs tests a variety of elements for farms, including cattle, zoo, and wildlife feeds; horse hay, crops, and dog treats; soil; and water.

BY THE NUMBERS: Start-Up Businesses



But the Keyser family farm is home to another product—blueberries. Before the Keyser family started their lab, the farm was the site of a 4 ½-acre “you-pick” blueberry plot dating back to 1968. This plot produced 10,000 to 12,000 quarts of berries per season. In 2007, the Keyser family decided to rejuvenate the field. “Blueberry bushes can grow for up to 50 years,” Verdean Keyser explained. “It was a worthwhile venture to try to refresh them.”

After weeks of work and a year of growth, the five-acre patch came back to life. In 2008, the you-pick’s patch produced two tons of blueberries. The blueberry patch is now a thriving part of the family business.

“We don’t advertise this part of the business much,” said Keyser. “It’s pretty much word of mouth. We get a lot of people from the Pittsburgh area who enjoy walking through the hill and picking the berries.”

The trend toward more organic, healthier foods has been a boon for the blueberry business. Blueberries are naturally high in antioxidants, a buzz word in today’s healthier lifestyles. So when additional farm land became available, the Keyser family de-

cidated to capitalize on this unique business opportunity and expand the blueberries over another 10 acres.

Expansion was not without careful thought and research. The Keyser family met with Jim Edwards, JARI’s Director of Entrepreneurial Development, who reviewed the local farming industry, and helped them draft an expanded business plan, financial statement, and cash flow analysis. He also encouraged them to pursue their idea of starting their own co-op with local farmers.

The Keyser family met with blueberry farmers in Michigan, where a large blueberry co-op is successfully underway. The Keyser farm is on the leeward side of Laurel Mountain, an area very similar to the growing season and weather in Michigan. A unique advantage of planting blueberries in this region is the concentration of native bees. Natural predators like owls and hawks help to keep birds from eating the profits.

In the spring of 2008, the Keyser family expanded the blueberry operation with 6,200 new plants. An additional 5,000 plants will be added this spring, with another 2,000 plants this fall; harvesting for these plants will be available in 2010. The Keyser family’s goal is to have 80 acres of blueberries. They are hopeful that other Somerset County farmers will consider joining them as blueberry farmers, and the Somerset County region can become the blueberry co-op capital of the Eastern U.S.

As their blueberry business expands, the Keyser family are considering adding some fulltime jobs to the operation. “Blueberries aren’t just about the harvest,” Verdean Keyser explained. “There’s plenty of work to be done year-round, with soil testing, marketing, and inventory.”

Put 2010 on your calendar, and take a trip to “pick your own.”

Lockheed Martin Global Supply Chain Moves to Johnstown Industrial Park

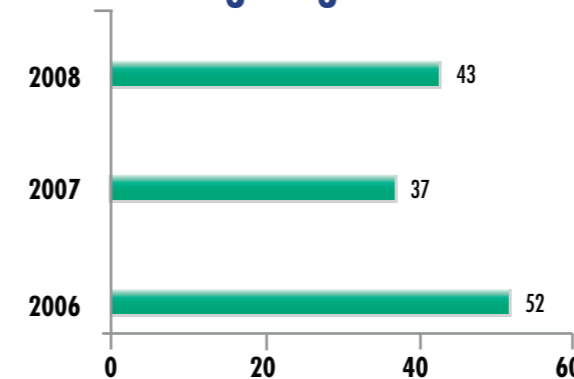
In 2008, Lockheed Martin Global Supply Chain Services relocated its offices from Greenville, South Carolina to Johnstown. Now located within a stone’s throw of its sister company, Lockheed Martin Aerospac, Inc., Global Supply Chain Services has an easily-accessible supplier for the variety of aircraft parts needed to better service its #1

customer—the U.S. Air Force.

Early last year, Lockheed Martin renovated 43,000 square feet at Industrial Park Commons, a multi-tenant facility in the Johnstown Industrial Park, and moved programs and employees to the facility in phases. Of the 134 total employees expected to work in the facility, 45 relocated from South Carolina. The remaining staff is comprised of employees from other Lockheed Martin locations across the country, the Johnstown region, and Maryland and West Virginia.

The entire relocation process spanned a period of eight months. JARI’s efforts to help relocate the company included locating a suitable facility, conducting tours of the area for Global Supply Chain employees, organizing a school fair to introduce employees to local school districts, assisting with employee recruitment, and spearheading the construction of a new intersection at Donald Lane and Industrial Park Road.

BY THE NUMBERS: Training Programs Held



Procurement Expo Enhances Opportunities

JARI’s first-ever Government Procurement Expo was held in 2008 to help local companies expand their business with federal and state agencies. More than 130 attendees met with government agencies seeking additional vendors to support their supply chains.

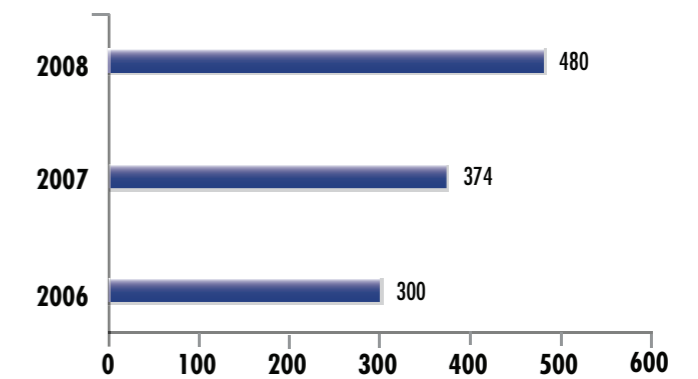
JARI coordinated the event with several Procurement Technical Assistance Centers (PTACs) from West Central Pennsylvania, including those from California University of Pennsylvania, Indiana University of Pennsylvania, Private Industry Council of Westmoreland/Fayette, and Southern Alleghenies Planning and Development Commission.

The event, held at the Greater Johnstown Career and Technology Center in Richland Township, brought together 15 government agencies and 10 service organizations—including the Department of Homeland Security, Department of Energy, General Services Administration, and NASA—to speak with area companies about the products and services they can provide to these agencies.

“We were very pleased with the turnout from both area businesses and agencies,” said Bob Shark, JARI’s Vice President, Procurement and Technology. “Events like this help our region by providing additional opportunities for increasing revenue and expanding the markets of area companies. This can lead to more jobs for the area.”

The Procurement Expo will be held again in 2009, in conjunction with the annual Showcase for Commerce.

BY THE NUMBERS: Companies/Clients Assisted Through JARI Programs



SEA Program Generates Business Creation

Pennsylvania’s Self-Employment Assistance (SEA) program, operated by JARI, continued to turn job loss into job creation by counseling unemployed individuals interested in starting their own businesses. Through the program, potential new business owners can receive basic training on starting and managing a business, in addition to advice and guidance on financing and other vital start-up needs.

Although nationally, more than half of all business start-ups fail after four years, the SEA Program can

(continued on page 4)