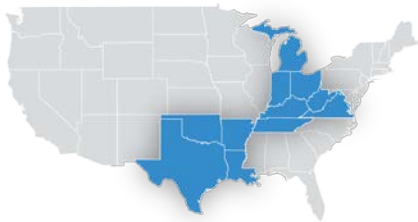




Manufacturing

LOCATION ADVISORY SERVICES IN AMERICA'S BEST MANUFACTURING REGIONS



AEP States
Manufacturing Snapshot

\$733.6 billion

Total manufacturing output
(Bureau of Economic Analysis, 2014)

45%

Percent of U.S. new projects and
expansions in AEP States, 2007-2014
(Conway New Plant Database)

91,214

Number of manufacturing facilities
employing 4 million workers
(EMSI, 2014.4)

38%

Percent of U.S. manufacturing
exports are made in AEP States
(USA Trade® Online, 2014)



America's Economic Development AuthoritySM

AEP's electric service territory spans 11 states in the Midwest, Southwest and Southeast regions of the United States, and offers some of the nation's most attractive locations for manufacturing facilities.

“Decisive factors were among others the excellent conditions in Shreveport-Bossier concerning logistics, infrastructure and the availability of a strong and talented workforce. This is the perfect place to step up our activities in the U.S. market for Oil Country Tubular Goods (OCTG) and to expand our presence in the U.S.”

Matthias Jaeger, President and CEO Benteler Steel/Tube GmbH

Source: 'Site Selection: Benteler Steel/Tube Build the New U.S. Production Facility in Louisiana,' Benteler Steel/Tube Press Release, 10.26.2012.

Strong Existing Industry Presence

One third of the total U.S. manufacturing output

is made in AEP's 11 States.

(Bureau of Economic Analysis, 2014)

Key Manufacturing Customers

Company	HQ	AEP	Sector
Aalberts Industries N.V.	Netherlands	Indiana	Metals
AB Volvo	Germany	Virginia	Automotive
Acciaierie Valbruna Spa	Italy	Indiana	Metals
Alfa Laval	Sweden	Oklahoma	Metals
Bayer AG	Germany	Ohio, West Virginia	Chemical
Boehringer Ingelheim	Germany	Ohio	Chemical
Bridgestone	Japan	Ohio and Texas	Rubber Products
Industria de Alimentos Zenu	Columbia	Texas	Food
INEOS AG	England	Texas	Plastics
Michelin	France	Indiana	Rubber Products
Motherson Sumi Systems	India	Indiana, Ohio	Automotive
Nissin Kogyo	Japan	Ohio	Automotive
Rexam	England	Texas	Plastics
Robert Bosch	Germany	Michigan, Ohio	Machinery
Rolls-Royce	England	Ohio	Automotive
Toyota	Japan	West Virginia	Automotive

A Strong Supply of Skilled, Affordable Workers

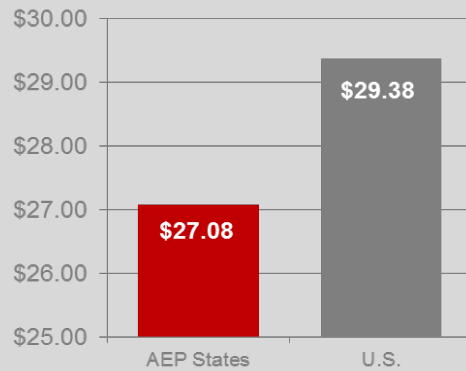
AEP states are home to **31 percent** of the U.S.'s manufacturing workers. (EMSI, 2014.4)

Manufacturing wages in AEP states are competitive compared to the U.S. average.

8 of 11

AEP States offer wages for manufacturing occupations that are lower than the U.S. average

Source: 2013 Annual Data, Quarterly Census of Employment and Wages, U.S. Bureau of Labor Statistics (BLS)

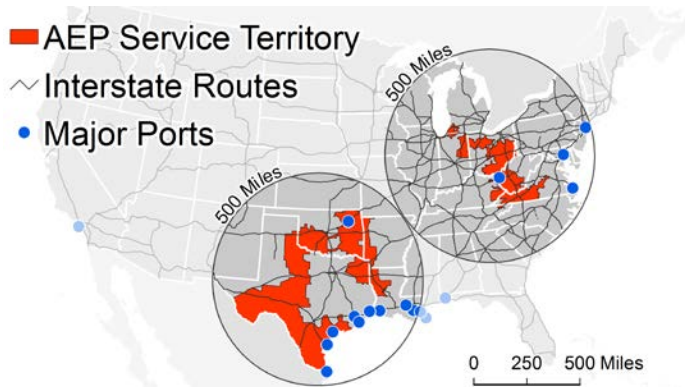


2,134

Colleges and Universities in AEP States

World Class Transportation Infrastructure

The AEP service territory is well connected to important domestic and global markets.



1,839

Miles of interstate highway in AEP service territory

9,530

Miles of freight railroad track in AEP service territory

5

Major ports enable manufacturers to quickly ship to domestic and global customers

Low Cost of Doing Business

AEP states are among the **nation's most competitive tax structures.**

8 of 11 AEP states are below the national average effective tax rate for labor-intensive manufacturing operations.

7 of 11 AEP states are below the national average effective tax rate for capital-intensive manufacturing operations.

Source: 2013 Annual Data, Quarterly Census of Employment and Wages, U.S. Bureau of Labor Statistics (BLS)

AEP's industrial electric rates in regulated states average **10% less** than the national average.

(EIA Average Rates 2014)

Wide Selection of Quality Sites

- America's largest electric service territory
- 200,000 square miles in 11 states
- A large inventory of available sites and buildings, including sites independently certified for industrial use, food manufacturing and data centers.

