

FORWARD WISCONSIN

2002 ANNUAL REPORT



FORWARD WISCONSIN INC., WISCONSIN'S PUBLIC-PRIVATE BUSINESS MARKETING AND RECRUITMENT GROUP,
EXEMPLIFIES A SUCCESSFUL PARTNERSHIP BETWEEN STATE GOVERNMENT AND THE PRIVATE SECTOR.

**FOR EVERY STATE DOLLAR INVESTED IN FORWARD WISCONSIN,
THERE IS A 500 PERCENT RETURN ON INVESTMENT.**



Introduction

In October 1983, a task force considering new economic development strategies for Wisconsin recommended the formation of an organization to market the state outside its borders. By the next year, the organization was formed. Capitalizing on the state motto, it was named Forward Wisconsin.

Excerpt from the introduction of Forward Wisconsin's first Annual Report

Forward Wisconsin spends \$1 million annually to fulfill its objectives of attracting new businesses, stimulating the creation of employment opportunities, recruiting talent, marketing key industry clusters and increasing economic activity and investment.

Its public-private partnership model continues to provide results for the State of Wisconsin and its private sector investors. Forward Wisconsin encourages investment in Wisconsin by firms in the traditional manufacturing sectors, as well as in emerging technology industries. The group's recent recruitment efforts have been very successful, as evidenced by the following two examples.

In March 2002, TNT Logistics, in partnership with Andersen Windows, announced its intent to construct a 648,000-square-foot distribution center and assembly facility in Menomonie, Wis. The building is scheduled for completion in March 2003 and represents a market value of at least \$18 million. TNT Logistics will employ 300 in the light assembly and distribution of Andersen window products by the end of 2005. This is the second facility that TNT Logistics has built in Wisconsin under a contractual agreement with Andersen Windows — the market leader in manufactured wood windows. Ken McAdams, director of Forward Wisconsin's Western Regional Office in Eau Claire, worked directly with TNT Logistics throughout the site selection process.

A Message from Governor Scott McCallum, Our Chairman

I am delighted to be a strong Forward Wisconsin partner. I am proud of the innovative and proactive approach our state business marketing group continues to take in promoting the wonderful quality of life and positive business climate we have in the great state of Wisconsin.

Forward Wisconsin successfully recruits new businesses to the state and works closely with the Wisconsin Department of Commerce and many other partners to bring new jobs and investment to the state. In the past fiscal year, I have personally been involved in several Forward Wisconsin events to highlight the importance of working together to bring economic growth to our state.

Some of the many events I participated in this past year include the 2001 Annual Meeting, the Greater Milwaukee Open business recognition outing, Forward Wisconsin's Plastics Industry Day at the State Capitol, the Governor's Fishing Opener, BIO 2002 — the world's largest biotech conference, and the Board of Directors Annual Retreat to help develop a new strategic direction for Forward Wisconsin through Forward Vision 2004. It has been a busy year in my role as Forward Wisconsin chairman — and a busy year for Forward Wisconsin.

My vision for the future of Forward Wisconsin lies in our state's Build Wisconsin strategic economic development plan. Forward Wisconsin will continue to recruit businesses and encourage investment in Wisconsin. And, in conjunction with the Build Wisconsin plan, Forward Wisconsin will take on an expanded role. I see Forward Wisconsin intensifying its efforts to promote Wisconsin's status as a

leader in the high-tech sector and increase its attractiveness to out-of-state companies, venture capital firms and students in science and technology fields. I envision Forward Wisconsin marketing to college seniors and alumni to apprise them of Wisconsin careers. I foresee marketing efforts focused on economic development consolidated within Forward Wisconsin to give our state business marketing group more resources. Finally, I believe that Forward Wisconsin should lead the effort to develop a Wisconsin "brand" and help integrate it into the business practices and promotions of both government and private companies.

The upcoming agenda for Forward Wisconsin is certainly an aggressive, proactive one. I am confident that Forward Wisconsin will be as successful and productive as it has been for the past 18 years.

Congratulations to Forward Wisconsin, its Board of Directors and its many statewide partners on another great year. I look forward to the exciting role Forward Wisconsin will play in the state's Build Wisconsin plan.

Sincerely,


Scott McCallum

Governor



In November 2001, EraGen Biosciences announced the expansion of its discovery research facilities and the consolidation of all its operations to Madison, Wis. The new 20,000-square-foot office and laboratory space, located in the new Biotechnology Center in the Old Sauk Trails business park, offers state-of-the-art nucleic acid facilities including a discovery research laboratory, organic chemistry synthesis, molecular recognition utilizing advanced robotics and optical technologies, plus world-class bioinformatics capabilities. In consolidating its operations in Madison, EraGen brought its corporate headquarters, as well as a 12-person Master Catalog division, to Wisconsin from Florida. The company plans to expand its staff of 45 to as many as 70 employees by the end of 2002. Also in November, EraGen Biosciences announced it had developed technology to provide a quick test for anthrax exposure. Scott Reigstad, Forward Wisconsin's biosciences industry marketing specialist, worked in partnership with economic development leaders in the Madison area to help convince EraGen Biosciences to move its corporate headquarters to Wisconsin.

**FORWARD WISCONSIN
PARTNERS AND INVESTORS
CONTRIBUTED
MORE THAN \$70,000
TO SUPPORT THE MARKETING
OF WISCONSIN'S BIOTECH
CLUSTER AT BIO 2002 IN
TORONTO THIS PAST JUNE.**

A Message from Wayne R. Harris,
Our President

The "State of the State" for Forward Wisconsin is clear. While challenging economic times and current state budget gaps are triggering concerns among many constituencies, Forward Wisconsin and its partners are steadfastly optimistic. In our role as state "cheerleaders," we are committed to projecting a positive, enthusiastic outlook on Wisconsin. Marketing Wisconsin, the greatest state in the union, is a vital objective for the Forward Wisconsin team that will continue to provide results and value well into the future.

This is not the time for Forward Wisconsin to retrench, retreat or recoil from the task at hand. On the contrary, it is a time to strategically focus even more on promoting the state's tremendous attributes and advantages. It is a time to drive home the benefits of Wisconsin's outstanding educational options, share the availability of the many great job opportunities that exist, provide a reason to sample the recreational offerings found right here and invite both business and talent to become part of this exciting Wisconsin community.

Our private sector partners have been solid proponents in the push to propel Wisconsin to a visible position in the global economy. Over the past fiscal year, 10 new companies have made financial commitments to Forward Wisconsin to tip our investor base to more than 70 members.

An exciting new component to Forward Wisconsin's future is an aggressive plan called "Forward Vision 2004," a strategic direction that was approved by our Board of Directors at the annual meeting this past September. Forward Vision 2004 was compiled over an eight-month period that embraced the thoughts and ideas of all our key part-

ners. Our thanks truly go to the Wisconsin Economic Development Association, Governor Scott McCallum, our investors, key Cabinet Secretaries, the Forward Wisconsin Board of Directors and Executive Committee members, as well as many other valuable partners who worked tirelessly to craft a carefully constructed plan of action.

Forward Vision 2004 is the foundation for all of our upcoming marketing programs. It follows a path that sharply focuses this organization's resources on the key emerging industry clusters that show the greatest propensity for growth within our great state. Forward Wisconsin's marketing team will also incorporate the priorities of the Build Wisconsin program and take on the task of branding Wisconsin — an ambition that will require the full support of both the public and private sectors.

Our mission is clear and our commitment is steadfast. A heartfelt "thank you" to everyone who is working diligently to create vitality and economic strength to bring lasting growth to the citizens of this great state.

Sincerely,



Wayne R. Harris
President



OUR INDUSTRY MARKETING EFFORTS GAIN MOMENTUM

In 1999, Forward Wisconsin announced the results of an extensive Wisconsin target industry study that identified six emerging business clusters — all projected to exhibit a high growth rate in the state. The announcement spurred an opportunity to spring into action. The business clusters that were cited included biotechnology, plastics, forest products, professional business services, computer and data processing services and production machinery and equipment. With a strategic focus, biotechnology and plastics were chosen as the first two clusters to be marketed.

Advisory committees have been formed and are meeting regularly, marketing pieces have been developed, Web sites are functioning and outreach efforts like BIO 2000, 2001 & 2002 and Plastics Day were created through partnerships and strong private sector support. The forest products cluster was targeted at the International Woodworking Fair in Atlanta this year, wood directories have been printed and two listening sessions were convened earlier this year. Finally, the production machinery and equipment cluster was promoted at the National Design & Engineering show in Chicago. Forward Wisconsin is enthusiastic about expanding its industry cluster marketing.

PROSPECT DEVELOPMENT TARGETS CEOs & REAL ESTATE EXECUTIVES

In 2001-02, Forward Wisconsin directly contacted, via a letter from Governor Scott McCallum and follow-up telemarketing, more than 7,500 CEOs in the Chicago and Twin Cities metro areas as part of our prospecting trips to those two geographic markets. In addition, the Forward Wisconsin team participated in the National Design & Engineering show (Chicago), BIO 2002 (Toronto), two national real estate executive association meetings (Dallas and Nashville), one regional real estate executive chapter meeting (Afton, MN) and an international meeting with Japanese CEOs (Wichita, KS).

SPECIAL EVENTS MARKETING HIGHLIGHTS WISCONSIN'S QUALITY OF LIFE

Wisconsin's great quality of life is one of its strongest assets, and it is a common theme in our marketing efforts. We promoted it outside the state with a "Come Home to Wisconsin" alumni reception in Toronto during BIO 2002 and within the state during "A Day at the Greater Milwaukee Open," as well as with Minnesota prospects at the annual Governor's Fishing Opener.



Our Technology Marketing Tools are Online All the Time

ForwardWI.com, the flagship Web site for our organization, is Wisconsin's business attraction site. It includes business, tax, labor, quality-of-life and infrastructure information, as well as the monthly Forward "Flash" newsletter, economic development research, news and direct links to our other Internet properties.

SitesWI.com is a statewide available building and sites database that includes free agent registration, free access to all listings, simple and advanced search capability,

e-mail alerts notifying users of new listings and featured "building and sites" exposure.

PlasticsWI.com, the first of our industry cluster Web sites, promotes Wisconsin's plastics industry by providing resource information on upcoming state, regional and national events; business connections and partnering opportunities; and recent industry news.

BioWI.com, a joint-venture initiative with the Wisconsin Biotechnology Association (WBA),

is a new one-stop site for specifics on the Wisconsin life sciences. BioWI.com features technology resources, latest industry news, WBA member services, industry research, recreational opportunities, potential joint ventures and more.

GreatJobsWI.com promotes job opportunities in Wisconsin by matching employers with potential employees. The site offers user-friendly navigation, quick browsing of résumés, online applications, e-mail alerts and a personal career agent feature.

Our Partnership Efforts Yield Success

Partnership is a key ingredient to our success in encouraging businesses to expand in or relocate to Wisconsin. Working together with the Wisconsin Department of Commerce, economic development professionals, state government, educational institutions and our many private sector partners, we provided assistance to 13 businesses that brought additional investment and jobs to the Badger State over the past year.

Company Name	Origin Location	Wisconsin Location	Business Sector
Addison Machine Engineering	Illinois	Reedsburg	Manufacturing & Corp HQ
Andersen Corporation	Minnesota	Menomonie	Manufacturing
American Roller Company	Illinois	Union Grove	Manufacturing & Corp HQ
Cartonplast LLC	Germany	DeForest	Manufacturing
EraGen Biosciences	Florida	Madison	Biotech & Corp HQ
Islander Houseboats, Inc.	Minnesota	Ellsworth	Manufacturing
Miscellaneous Metal Fabricators	Minnesota	Somerset	Manufacturing
Nicolet Vascular	Colorado	Fitchburg	Medical Equipment
NRE Wheelworks, Inc.	Illinois	Milwaukee	Re-Manufacturing
Passe Engineering, Inc.	Minnesota	Hudson	Civil Engineering
Professional Power Products, Inc.	Illinois	Darien	Manufacturing
Syntex Silicon Parts	Brazil	Madison	Manufacturing
Xten Industries LLC	Illinois	Kenosha	Manufacturing

**FORWARD WISCONSIN
 MAILS MORE THAN
 7,500 LETTERS
 FROM ITS CHAIRMAN EVERY
 YEAR DIRECTLY TO
 OUT-OF-STATE CEOs,
 ENCOURAGING THEIR EXPANSION
 TO WISCONSIN AND REQUESTING
 FACE-TO-FACE MEETINGS.**

“Forward Wisconsin was a huge help to us in finding a new home for our rapidly growing business. From our first contact with Jan Alf, through reams of helpful information, to Governor McCallum’s attendance at our opening ceremonies, Forward Wisconsin eased the burden of relocation and made us feel welcomed in Wisconsin.”

— Matthew Davidson, Chief Executive Officer, Xten Industries LLC

Statements of Financial Position June 30, 2002 and 2001

	2002	2001
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 137,950	\$ 24,780
Certificates of deposit	216,950	162,758
Contributions receivable	18,911	47,000
Other receivables	4,500	4,909
Prepaid expenses	8,881	11,788
Total current assets	<u>387,192</u>	<u>251,235</u>
Property and Equipment, net	<u>53,175</u>	<u>59,439</u>
	<u>\$ 440,367</u>	<u>\$ 310,674</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of capital lease payable	\$ 9,251	\$ 8,685
Accounts payable	56,434	69,400
Accrued liabilities	41,245	57,022
Total current liabilities	<u>106,930</u>	<u>135,107</u>
Long-Term Portion of Capital Lease Payable	<u>4,029</u>	<u>13,280</u>
Total liabilities	<u>110,959</u>	<u>148,387</u>
Net Assets		
Unrestricted	296,908	162,287
Temporarily restricted	32,500	—
Total net assets	<u>329,408</u>	<u>162,287</u>
Total liabilities and net assets	<u>\$ 440,367</u>	<u>\$ 310,674</u>

Statements of Activities Years Ended June 30, 2002 and 2001

	2002	2001
CHANGES IN UNRESTRICTED NET ASSETS		
Revenue:		
Contributions	\$ 510,553	\$ 444,572
Contract — State of Wisconsin	500,000	500,000
Contributed materials and services	114,309	62,162
Interest income	10,480	14,658
Promotional activities income	101,171	54,938
Great Jobs Wisconsin — Web site fees	8,000	59,777
Total revenue	<u>1,244,513</u>	<u>1,136,107</u>
Expenses:		
Salaries and employee benefits	494,032	526,447
Advertising, promotional activities and publications	323,502	524,072
Contributed materials and services	114,309	62,162
Travel expenses	29,268	27,362
Consultants and professional services	22,893	26,705
Depreciation	13,943	16,926
General operating expenses	111,945	144,171
Total expenses	<u>1,109,892</u>	<u>1,327,845</u>
Increase (decrease) in unrestricted net assets	134,621	(191,738)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions, increase in temporarily restricted net assets	<u>32,500</u>	<u>—</u>
Increase (decrease) in net assets	167,121	(191,738)
Net assets, beginning	<u>162,287</u>	<u>354,025</u>
Net assets, ending	<u>\$ 329,408</u>	<u>\$ 162,287</u>

Our Growing List of Investors

Chairman's Level

State of Wisconsin
We Energies

President's Level

Alliant Energy
ANR Pipeline Company
Marshall & Ilsley Corporation
Marshfield Clinic
Northwestern Mutual
Foundation
SBC Ameritech
U.S. Bank
Verizon
Waukesha County
Technical College
Wisconsin Public Service
Xcel Energy

Leadership Level

American Family Insurance
Bank One – Wisconsin
Canadian National
Chippewa Valley
Technical College
Dairyland Power Cooperative

DeWitt Ross & Stevens
Madison Gas & Electric
Merrill Lynch
Wausau Insurance Companies

Investor Level

Advertising, Boelter & Lincoln
Associated Banc-Corp
CenturyTel Corporation
J.P. Cullen and Sons, Inc.
Johnson Controls Foundation
John Deere – Horicon Works
McGladrey & Pullen, LLP
Midwest Express
Quarles & Brady
Wausau Benefits

Partner Level

A.O. Smith Corporation
Arthur Andersen & Co.
Ayres Associates
Berghammer Corporation
First National Bank
Eau Claire Area Industrial
Development Corporation
Econoprint
General Motors

Georgia-Pacific Corporation
J.J. Keller & Associates
Johnson Bank
Kell Container Corp.
Kikkoman Foods
MLG Commercial
Opus North Corporation
Orion Marketing
Promega Corporation
Stora Enso
TDS Telecom
The Bower Group
The George Kress
Foundation
The Marcus Corporation
Foundation
The River Bank
Virchow, Krause & Company
WOW Logistics
Wells Fargo
WTMJ

Associate Level

A.C.E. Building Services
Allen-Edmonds Shoe
Corporation
AMCORE Bank
C.G. Bretting Manufacturing

Cedar Corporation
Church Mutual Insurance
CUNA Mutual Group
Durand Builders Service
Forward Janesville, Inc.
General Casualty Company, Inc.
Harley-Davidson Inc.
HGA Architects & Engineers
Kenosha News
Kwik Trip Inc.
Olympic Dream Fund
Peterson Builders
Phillips Plastics Corporation
Roethe, Krohn, Pope &
McCarthy, LLP
Saint Croix Ventures
Screen Specialists, LTD
SkipperLiner Industries
SSI Technologies
Sub-Zero Freezer Co.
The Edgewater Hotel
Whyte, Hirschboeck & Dudek
Wilderness Hotel & Golf Resort
Wipfli Ullrich & Bertelson, CPAs
Wisconsin Economic
Development Association
Wisconsin Manufacturers &
Commerce
Wisconsin Physicians Service

JOIN THE GROWING LIST OF
FORWARD WISCONSIN
INVESTORS TODAY. TO
LEARN THE BENEFITS,
CALL US DIRECTLY AT
608.261.2500,
OR E-MAIL
INFO@FORWARDWI.COM.

Forward Wisconsin wishes to sincerely thank all our additional partners that provided in-kind services, time, energy and marketing event support throughout the year. We appreciate everything you do for us and value your contributions.

Forward Wisconsin's Board of Directors

Chairman Governor Scott McCallum	William L. Berg <i>President and CEO</i> Dairyland Power Cooperative	Thomas King <i>Vice President – Investments</i> American Family Insurance	Rep. Jeff Plale 21st Assembly District D – South Milwaukee
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	Reed Hall <i>Executive Director</i> Marshfield Clinic		Gary Wolter <i>President and CEO</i> Madison Gas & Electric

We would like to extend a sincere “thank you” to the following individuals who gave of their time and resources to the Forward Wisconsin Board of Directors during the past fiscal year and have since left their board seats.

Brenda J. Blanchard
Wisconsin Department of Commerce

Ed Chin
Wisconsin Technical College System

Jerry L. Larsen
Xcel Energy

J. Reilly McCarren
Wisconsin Central System

Jay Williams
U.S. Bank

Forward Wisconsin Staff

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Jayme Dennee, *Marketing Assistant*
Karl Gutknecht, *Marketing/Investor Relations Volunteer*
Wayne R. Harris, *President*
Amy Jablonski, *Office Manager*
Ken McAdams, *Director of Western Regional Office*
Melanie Platt-Gibson, *Director of Marketing*
Scott Reigstad, *Director of Communications*

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