Transportation Research Center Inc. (TRC Inc.) independently manages a transportation research and testing facility serving the needs of industries, governments, trade associations, and educational organizations worldwide. Transportation Research Center (the Center) is located near East Liberty, Ohio, approximately 40 miles northwest of Columbus. Because much of TRC Inc.'s work is proprietary, many projects are described in general terms. However, the information presented on the following pages will provide the extent of TRC Inc.'s capabilities.

**History**

The Center was developed by the State of Ohio as a transportation research and development proving ground with the purpose of encouraging motor vehicle research and development activities in Ohio. The Center began testing in 1974. In 1979, the State of Ohio's Transportation Research Board entered into a management agreement with The Ohio State University's (University) College of Engineering to oversee the operations of the Center. In 1987, the Center was sold as part of an economic inducement to Honda of America Manufacturing, Inc. to build an automobile plant in Ohio. In order to ensure that the business of the Center could be preserved without violating the confidentiality of the Center’s customers, the University established Transportation Research Center Inc., a non-profit corporation. TRC Inc. is governed by a Board of Directors chaired by the University's Dean of the College of Engineering.

**Mission Statement**

As the leading independent provider of testing, development and research, TRC Inc. helps the transportation industry create safer, improved products. We will accomplish our mission through high-quality services while satisfying stakeholders' expectations.

**Vision**

Customer satisfaction is our competitive advantage.

**Quality**

We will strive to meet or exceed customer expectations.

**Environmental**

We will strive to protect the environment and assure safe and healthful working conditions.

ISO 9001 and ISO 14001 Registered
ISO 17025 Accreditation

**Equal Employment Opportunity**

It is the policy of Transportation Research Center Inc. to provide equal opportunity in all areas of employment practices, without regard to race, color, religion, national origin, sex, age, disability, veteran status, or any other reason prohibited by law.
I am pleased to present, on behalf of our staff, the annual report for Transportation Research Center Inc. (TRC Inc.) for fiscal year ending June 30, 2009.

Revenue from all sources for Fiscal Year 2009 was $42 million, reflecting a 12% decrease from the previous year, which is a success based on the current condition of the automotive industry.

At the beginning of this fiscal year, TRC Inc. was on a record-setting pace in revenues and added staff to support growth. During the second quarter, however, the economy went into a nose dive and the automotive industry entered a survival mode that forced reductions. TRC Inc. was able to manage through the second quarter based on the success of the first quarter, but as the third quarter began, the economic downturn and the adjustments being made by the automotive industry forced us to implement strategies to reduce cost and staff. During the fourth quarter, we were successful in securing contracts relating to fuel evaluation and economy, which combined with the reductions made in the fourth quarter, positioned TRC Inc. to finish the fiscal year on an upturn.

TRC Inc. made several improvements to facilities to meet the needs of our customers during the past fiscal year. Durability and Dynamics upgraded data acquisition and began incorporating a global positioning driver assist system into vehicles, which is designed to provide driving instructions to operators based on the vehicle’s location on the facilities. The Emissions Laboratory added a new engine dynamometer and upgraded the data collection bench. The Impact laboratory acquired new high-speed imagers and data acquisition equipment and replaced the Crash Test Facility car-to-car area decking and barrier runway.

TRC Inc. remains an ongoing sponsor of the Automotive News PACE Awards, now entering its 16th year. This program recognizes automotive suppliers for excellence and innovation and enables us to strengthen our relationship with our customers by providing opportunities to improve technology.

We continue to maintain a strong relationship with The Ohio State University through transfers to the University Endowment Portfolio to support transportation research in the College of Engineering. In addition, we provide assistance for numerous student engineering projects and maintain our consortium memberships in the OSU Center for Automotive Research and Smart Car Vehicle Concept Center.

As we prepare to celebrate the 35th anniversary of the dedication of Transportation Research Center in July, we are cautiously optimistic about the recovery of the automotive industry and our ability to be supportive of their efforts to create new and improved products as the economy recovers. In addition, TRC Inc. is well positioned to expand its support of our customers focusing on fuel evaluation and economy and alternative fuels, as public pressure in the United States continues to demand energy independence.

I would like to thank TRC Inc.’s stakeholders, especially our staff, for their hard work, dedication and sacrifices during the past year. I would also like to thank our Board of Directors for their continued guidance and support throughout the years.

Rick D. Gildow

President’s Message

<table>
<thead>
<tr>
<th>Statement of Revenues &amp; Expenses</th>
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<tbody>
<tr>
<td>Total Operating Revenue</td>
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<tr>
<td>Total Operating Expense</td>
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<tr>
<td>Nonoperating Expense</td>
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<tr>
<td>Change in Net Assets</td>
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<table>
<thead>
<tr>
<th>Statement of Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
</tr>
<tr>
<td>Current Assets</td>
</tr>
<tr>
<td>Net Property &amp; Equipment</td>
</tr>
<tr>
<td>Total Assets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
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</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
</tr>
<tr>
<td>Long-Term Debt</td>
</tr>
<tr>
<td>Total Liabilities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
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<tbody>
<tr>
<td>Net Asset at July 1, 2008</td>
</tr>
<tr>
<td>FY 2009 Change in Net Assets</td>
</tr>
<tr>
<td>Transfer to Transportation</td>
</tr>
<tr>
<td>Research Fund</td>
</tr>
<tr>
<td>Net Assets at June 30, 2009</td>
</tr>
</tbody>
</table>

| Total Liabilities & Net Assets  | $14,193,307 |
Introduction

Over the past 35 years Transportation Research Center Inc. has gained a reputation as the world’s leading provider of vehicular testing services. This reputation has been maintained, not only because of the quality of the services offered, but also because the challenges that each year brings are viewed as new and exciting opportunities for growth.

Since the Center began operations in 1974, new programs have been developed for customers in the areas of collision avoidance, energy absorption, fuel economy, emissions, durability, performance, noise, crash simulation, and crashworthiness. Please see the timeline presented on Page 4 of this report for an overview of our progress since we began. Test programs evaluate the performance of passenger cars, trucks, airplanes, tracked vehicles, off-road vehicles, recreational vehicles, buses, motorcycles, electric vehicles, and automotive components. TRC Inc. schedules and monitors all facilities with primary importance placed on the safety and security of each customer.

TRC Inc. is continually improving and adapting to meet changing customer needs. To enhance the Center and TRC Inc.’s overall service offerings, new facilities have been designed to assist customers in developing safe and marketable products. To complement our new facilities, TRC Inc. is ISO 9001 and 14001 registered, and maintains a 17025 Accreditation. These registrations demonstrate TRC Inc.’s commitment to our customers. We will continue to measure and improve the quality of the services we provide.

The following pages of this report are dedicated to describing each of TRC Inc.’s primary business areas - Durability and Dynamics Operations, Impact Laboratory Operations, and Contract Services - including a brief review of their activities and accomplishments during the past year.
The Facilities and Equipment

Under the terms of our management agreement, Transportation Research Center Inc. (TRC Inc.) exclusively schedules the facilities and equipment of the Center. In addition, TRC Inc. maintains the facilities and buildings, which include approximately 150 lane-miles of improved and unimproved road surfaces and 350,000 square feet of building space. Annual extensive facility upgrades are made through maintenance and repair, procurement of equipment, and facility construction based on customer survey feedback.

During Fiscal Year 2009, TRC Inc. has overseen upgrades to the Chip Road and Salt Spray courses in order to maintain specific salinity levels and to prevent corrosion. Modifications and additions are underway to the Winding Road Course including: the addition of a low mu and high mu paved area; a double lane change gate; the resurfacing of the Skid Pad edge and the separation of the course into compound pattern areas. Also, an additional Mud Pit has been added to the Center’s expansive facilities.

This past Fiscal Year, over $500,000 was invested in the Center’s Crash Test Facility. The project included the installation of a new electrical power supply and distribution system, a new concrete runway for the main towing and guiderail system, and a new concrete surface over the main drive stand pit bridge. The additions allow for a wide range of vehicle-to-vehicle crash tests at head-on and various angles up to 90 degrees and the towing system can pull vehicles or carts in either direction into other vehicles, obstacles, the barrier wall, roadside safety features, perimeter barriers, etc. The new concrete surface replaced an asphalt surface creating a smooth, longer lasting surface. Each guiderail system is approximately 500 feet long and the main runway is covered for most of its length.

Transportation Research Center Inc. prepares to celebrate 35 years of testing on July 10, 2009. The facility officially opened in 1974 for testing and has now become one of the world’s leading independent providers of vehicular testing services.

Understanding our customers’ expectations and staying abreast of their changing needs has always been of utmost importance to TRC Inc. We are committed to continual monitoring and improvement of all of our services and facilities.
Durability and Dynamics Operations (DDO) experienced a 6.5% decrease in revenue from Fiscal Year 2009. An economic downturn, combined with the current state of the automotive industry, was responsible for the decline. Although revenues have decreased, DDO continues to service the same core customers as previous years. The consistent customer base reinforces our optimism that sales will rebound when the automotive industry improves.

The majority of DDO’s testing involves powertrain, rough road, chassis, corrosion, fuel additives, fuel economy, durability, and emissions. In addition, DDO conducts brake, skid truck correlation, and vehicle handling testing to FMVSS, SAE, and ASTM Standards. DDO maintains a 24-hour-a-day, 7-day-a-week operation for rapid, but safe, mileage accumulation.

The following table shows the distribution of business by industry classification for Fiscal Year 2009:

<table>
<thead>
<tr>
<th>Industry Classification</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle Manufacturers</td>
<td>78%</td>
</tr>
<tr>
<td>Fuel &amp; Lube</td>
<td>8%</td>
</tr>
<tr>
<td>Component Manufacturers</td>
<td>8%</td>
</tr>
<tr>
<td>Government Organizations</td>
<td>4%</td>
</tr>
<tr>
<td>Independent Labs</td>
<td>1%</td>
</tr>
<tr>
<td>Litigation/Engineering Firms</td>
<td>.5%</td>
</tr>
<tr>
<td>Other</td>
<td>.5%</td>
</tr>
</tbody>
</table>

While product development has slowed in the automotive industry, there have been bright spots within the industry we service. Government regulations and research from NHTSA, EPA, and other national labs have resulted in an increase in fuel economy, fuel additives, and lubricants testing; tire rolling resistance testing; and aerodynamic improvement testing. Additionally, this research has branched out beyond the traditional automotive market we serve by providing research and testing for small engine manufacturers, importers of engines, and component manufacturers looking to increase fuel economy within the trucking industry. We anticipate this testing to continue throughout Fiscal Year 2010.

In order to meet our customers’ expectations for data acquisition and equipment, the skid truck and controllers were replaced, control software, and data acquisition equipment were upgraded, and data processing software was updated to a PC Based system. DDO also acquired an ISO/IEC 17025:2005 Accreditation to perform Fuel Injector Fouling Initial Performance (SCPI) testing, Intake Valve Stick (IVS) testing, and Automotive Spark-Ignition Engine Fuel for Electronic Port Fuel Injector Fouling (PFI) testing.
The Organization

Impact Laboratory Operations

Impact Laboratory Operations (ILO) experienced a decline in crash testing and impact simulation testing continued the Fiscal Year 2008 trend. A total of 186 crash tests were performed, a decrease of 38% from Fiscal Year 2008, and 100 impact simulation tests were conducted, a 22% decrease from Fiscal Year 2008.

The majority of ILO’s testing involved the development and certification of automobiles and light trucks to meet occupant protection requirements established by U.S. Federal and Canadian Motor Vehicle Safety Standards, European Economic Community Standards and in-house standards set by the manufacturers. ILO is in the process of obtaining ISO 17025 accreditation as the standard requires labs to be certified in order to perform certification tests for roadside appurtenances and protective barriers.

The majority of ILO’s customers are vehicle manufacturers and federal regulatory agencies such as the National Highway Traffic Safety Administration and its Vehicle Research and Test Center. The National Aeronautical and Space Administration conducted research for injury potential in different landing scenarios for its new Orion vehicle.

The following table shows the distribution of business by industry classification for Fiscal Year 2009:

<table>
<thead>
<tr>
<th>Industry Classification</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle Manufacturers</td>
<td>61%</td>
</tr>
<tr>
<td>Government Organizations</td>
<td>33%</td>
</tr>
<tr>
<td>Component Manufacturers</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
<tr>
<td>Independent Labs</td>
<td>1%</td>
</tr>
</tbody>
</table>

Improvements and upgrades at the Impact Lab over the past year include the purchase of data acquisition equipment, laboratory instrumentation, and a crash test dummy used for accessing injury risk to occupants in side-impact crashes. ILO also upgraded its capability to calibrate more technologically advanced lower legs used on crash test dummies for assessing the risk of debilitating lower leg injuries resulting from frontal crashes.

Several upgrades were made to the Crash Test Facility including: the installation of an impressive electrical power supply and distribution system, a new concrete runway for the main towing and guiderail system, and a new concrete surface over the main drive stand pit bridge. The additions allow for a wide range of vehicle-to-vehicle crash tests as well as various angles up to 90 degrees. The towing system can pull vehicles or carts in either direction.

Above left, the approach tunnel leading to the impact area during its construction and, above right picture, was taken following the completion of the resurfacing project.
Contract Services

The mission of Contract Services is to provide customers with high quality engineering and technical support to improve the safety, quality, and competitiveness of their products.

Contract Services is comprised of technical personnel whose services are dedicated to specific customers on a full-time basis. Their work predominantly involves research and development testing, including vehicle components, crashworthiness, crash avoidance, biomechanics, research analysis, and test device and procedure development. The personnel in these groups include engineering technicians, mechanical and electronics technicians, engineering assistants, photographers, research engineers and research scientists.

The staff holds memberships in professional societies, such as the Society of Automotive Engineers (SAE) and plays major roles in various technical committees. Numerous technical papers were authored or co-authored by our personnel during the past year. The affiliations, committee work, and published writings bring recognition and industry/professional exposure to TRC Inc.

The following table describes the percentage of business by industry classification for Fiscal Year 2009:

<table>
<thead>
<tr>
<th>Industry Classification</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Organizations</td>
<td>49%</td>
</tr>
<tr>
<td>Vehicle Manufacturers</td>
<td>31%</td>
</tr>
<tr>
<td>Component Manufacturers</td>
<td>20%</td>
</tr>
</tbody>
</table>

Due to the downturn in vehicle and component sales with our customers, a decrease in revenues of 8% occurred versus Fiscal Year 2008. Employment also showed a 14% decrease. An additional 24% decrease in revenues and 28% in employment is expected in Fiscal Year 2010 due to the closure and sale of some of our customers’ operations.

We look forward to meeting the challenges of the coming year and exceeding the expectations of our customers.
Quality Planning, Assurance, Improvement, and Control

Company Registrations

ISO 9001 Registration
As part of TRC Inc.’s commitment to customer satisfaction and continual improvement, the organization acquired registration to the ISO 9001:1994 Standard on May 6, 2000 (Certificate #68096). The ISO 9001 Standard is an international model for quality management systems. Organizations are required to identify and document best business practices, and to implement these practices to achieve consistent quality services to meet and exceed customer expectations.

In addition, TRC Inc. successfully acquired registration to the ISO 9001:2000 revision of the Standard on May 24, 2002. The 9001:2000 version includes a process-based quality management system model with an increased focus on customer satisfaction and continual improvement.

TRC Inc.’s Quality Policy Statement:  
*We will strive to meet or exceed customer expectations.*

Quality Principles:

1. Customer Focus: TRC Inc. is committed to ensuring that each employee understands who the customer is, what the customer expects, and how their processes support the delivery of customer services.

2. Continual Improvement: TRC Inc. is committed to continual improvement in TRC Inc.’s Management System by setting quality objectives and targets, and by evaluating our performance to those goals.

3. Compliance: TRC Inc. is committed to complying with all applicable statutory, regulatory, and customer requirements, as well as internal policies.

4. Communication & Understanding: TRC Inc. provides education and training to ensure understanding of the quality policy throughout the organization.

ISO 14001 Registration
TRC Inc. is registered to the ISO 14001 Standard. The ISO 14001 Standard is a model for environmental management systems and addresses the management of business activities impacting the environment. Although not required by the ISO 14001 Standard, TRC Inc. has incorporated health and safety into our environmental program.

TRC Inc.’s Environmental, Health and Safety (EH&S) Policy Statement:  
*We will strive to protect the environment and assure safe and healthful working conditions.*

EH&S Principles:

1. TRC Inc. is committed to continual improvement in its environmental, health, and safety program by setting objectives and targets and by evaluating our performance to those goals.

2. TRC Inc. is committed to prevention of pollution by using processes and materials that prevent, reduce, or minimize pollution. This includes recycling, control mechanisms, material substitution, and efficient use of resources.

3. TRC Inc. is committed to compliance with all applicable environmental, health, and safety regulations, laws, and other internal and external requirements.

4. TRC Inc. provides education and training to ensure understanding of the environmental, health, and safety policies throughout the organization.

Company Accreditations

ISO 17025 Accreditation
As part of our commitment to customer satisfaction and continual improvement, TRC Inc. has been granted the ISO/IEC 17025:2005 Accreditation, from the Laboratory Accreditation Bureau, to perform the following tests:

- Fuel Injector Fouling Initial Performance (SCPI)
- Intake Valve Stick (IVS)
- Automotive Spark-Ignition Engine Fuel for Electronic Port Fuel Injector Fouling (PFI)
Transportation Research Center Inc. (TRC Inc.) has renewed its sponsorship of the Automotive News PACE™ Award for the eighth year. PACE™ is the acronym for Premier Automotive Suppliers’ Contribution to Excellence. Now in its 16th year, the PACE™ Award honors automotive suppliers who have embraced innovation or adapted and reinvented themselves to meet the demands of the OEM customer. This prestigious award sets the standard for innovation and excellence and has become a significant industry credential.

Annually, hundreds of automotive suppliers around the globe submit their innovations to win this eminent award. The winners earn the distinction of joining the automotive world’s list of “Who’s Who.”

The PACE™ Award sponsorship has been a natural link the past eight years as many of the innovations featured are ultimately validated at our proving ground. Through this sponsorship we have had, and will continue to have, the opportunity to support our customers and their efforts in the marketplace by acknowledging their hard work.

The following organizations have benefited this Fiscal Year from TRC Inc.’s Community Relations programs:

- American Red Cross
- Benjamin Logan High School First Team
- Children’s Hospitals of Dayton & Columbus
- Hi Point Fraternal Order of Police
- Local Food Pantries
- Logan County Education Foundation
- Keep Logan County Beautiful Committee
- March of Dimes
- Multiple Sclerosis Association of America
- Ridgeway Firefighters
- Special Olympics
- Union County Fraternal Order of Police
- Union County Humane Society
- Union County Memorial Hospital
- United Way

Child safety is promoted through TRC Inc.’s Child Seat Awareness Program, which provides employee reimbursement for the purchase of child restraints and assists the community through child restraint donation programs administered by local health departments.

Staff Activities/Community Service

Transportation Research Center Inc. believes in maintaining its role as a good corporate citizen in the community. TRC Inc. provides financial support through payrolls, payroll taxes, and local procurement of goods and services.

TRC Inc.’s “Partnership in Technology Scholarship” program provides $1,000 renewable college scholarships for high school seniors planning to major in a two- or four-year automotive-related field, as well as the opportunity for an internship at The Center. Three first-year students were added this year for a total of nine students receiving this award in FY 2010.

Good corporate citizenship includes protecting the environment. At the Center, this is accomplished in a variety of ways, including the recycling of paper, plastics, glass and metals. TRC Inc. participates in the Ohio Department of Transportation’s Adopt-a-Highway program and supports the Keep Logan County Beautiful Committee, an organization that encourages recycling and litter prevention.

Child safety is promoted through TRC Inc.’s Child Seat Awareness Program, which provides employee reimbursement for the purchase of child restraints and assists the community through child restraint donation programs administered by local health departments.
Board of Directors

Dr. Gregory N. Washington
Dean of the College of Engineering
The Ohio State University
TRC Inc. Chairman of the Board

Mr. George Arnold
Business Development Director, H.R. Gray
TRC Inc. Vice Chairman of the Board

Mr. C. John Easton
Chairman (retired), Honeywell Sensotec

Dr. Caroline C. Whitacre
Senior Vice President for Research
The Ohio State University

Ms. Greta J. Russell
University Controller
The Ohio State University

Mr. Rick D. Gildow
Transportation Research Center Inc.
TRC Inc. President

Board Changes

Dr. Robert T. McGrath, Senior Vice President for Research at The Ohio State University and TRC Inc. Director, accepted a position with Battelle Memorial Institute effective August 1, 2008. Dr. McGrath was replaced by Dr. Caroline C. Whitacre, who was appointed Interim Vice President for Research at The Ohio State University and TRC Inc. Director effective August 1, 2008. In September 2008, Dr. Whitacre was named Vice President for Research at The Ohio State University.

Dr. William A. Baeslack III, Chairman of the TRC Inc. Board and Dean of the College of Engineering at The Ohio State University, accepted the position of Executive Vice President and Provost at Case Western University effective October 1, 2008. Dr. Baeslack was replaced by Dr. Gregory N. Washington, who was appointed Interim Dean of the College of Engineering at The Ohio State University and Chairman of the TRC Inc. Board effective October 1, 2008. We are pleased to welcome Dr. Washington to the TRC Inc. Board.

In addition, Mr. George J. Arnold, Business Development Manager, H.R. Gray, was reappointed to the Board for a two-year term ending at the close of the annual meeting in 2010.

Officers

Mr. Shawn T. Ahern, CPA
TRC Inc. Vice President
Treasurer of the Board

Ms. Jill R. Macy
TRC Inc. Vice President
TRC Inc. Board Secretary

Mr. Milton J. Dunlop
TRC Inc. Senior Vice President

Mr. John W. Phillips
TRC Inc. Vice President

Mr. Jeffrey A. Sprague
TRC Inc. Vice President

Mr. Ronald W. Burton
TRC Inc. Assistant Vice President

Mr. Richard E. Powers
TRC Inc. Assistant Vice President

General Counsel
Mr. John S. De Libera

Independent Auditors
Parms & Company, LLC