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**ALLIANCE INNOVATIVE MANUFACTURING, INC. EXPANDS MACHINING CAPABILITIES
AND CREATES JOBS IN WESTERN NEW YORK**

Company's \$2.2 million investment, with ESD support, provides highly competitive machinery better suited for market needs; retains 33 at-risk jobs and creates six new jobs

Empire State Development (ESD) and Alliance Innovative Manufacturing, Inc. today announced that the Lackawanna based precision machinery and cutting tool company has acquired new equipment that positions it for large format machining, preventing this kind of work from being sourced outside New York State and allowing Alliance Innovative to remain in business and competitive. A total of 33 jobs have been retained and six new positions created in Erie County.

"Small businesses, such as Alliance Innovative, are the backbone of our economy, which is why Governor Cuomo is committed to helping small business owners start and grow their business in New York State," said Empire State Development President, CEO & Commissioner Kenneth Adams. "Without ESD's assistance, Alliance would have continued to lose sales and market share to a point where it was no longer viable, but today, as the company's new machines are up and running, the company has a bright future."

"This project celebrates small business success in New York's manufacturing sector," said Empire State Development Regional President Sam Hoyt. "Governor Cuomo's new approach to economic development has empowered Western New York to support and grow businesses like Alliance Innovative, whose \$2.2 million investment will ensure the creation and retention of manufacturing jobs in our region."

"Empire State Development's \$180,000 capital grant is a key component in realizing our strategic growth initiatives in the coming year," said Alliance Innovative President Richard St. John. "This project is crucial to the future of our company and we are excited about the additional job security it will ensure for our employees."

New York State, through Empire State Development, has provided an \$181,000 capital grant to assist with the project, which included the purchase of Okuma VTM-200Yb and Chevalier FVM-4022DCL machines. The Erie County IDA provided \$357,825. Alliance began the initial phase of its

project in July of 2011. Inability to produce large machinery parts has led to a decrease in sales as well as pressure to reduce costs below Alliance's viable threshold. This project, however, increases Alliance's manufacturing potential and allows the company to take a larger portion of the market share from competitors, leading to higher sales numbers and the protection and creation of jobs in Western New York.

Alliance Innovative's precision machining business has been in operation since 1945. The company was located in South Buffalo before moving into a brand new facility in Lackawanna in 2007. The company has established an unparalleled reputation for difficult, close tolerance machining for Fortune 500 manufacturing firms in New York State and elsewhere on the East Coast. Its precision components can be found in aircraft engines, motion control systems, hydraulic systems; it manufactures components for aerospace/defense contractors, as well as companies in the oil and gas extraction industry. It also supplies components found in compression systems, power transfer systems, magnetic crawlers, radiation detection systems, robotic systems and risk pins.

Senator Tim Kennedy said, "Small businesses are engines for economic growth in Western New York and across the state. That's why it's so important to support local businesses like Alliance Innovative that have high potential for growth and expansion. This investment from the state will provide a welcome boost to this Lackawanna-based company and help retain 33 jobs and create six new jobs. I applaud Governor Cuomo and Empire State Development for targeting Alliance Innovative for this critical investment."

Assemblyman Kevin Smardz said, "I am proud to spotlight a great company in Alliance Innovative Manufacturing Inc finding solutions to market demand through public-private partnership. This is a great achievement for local business while retaining and creating jobs in Western New York. The strategy taken by Alliance Innovative in collaboration with Empire State Development exemplifies what is necessary for the economic revitalization of our region."

Erie County Executive Mark Poloncarz said, "Keeping and adding jobs in Erie County is good for all, especially in the small business sector, and it is encouraging that Alliance Innovative Manufacturing will be doing that while expanding their machining capabilities. This investment demonstrates confidence in our workforce and our region, and will benefit workers, their families, and their communities."

Erie County IDA Chief Operating Officer Al Culliton said, "ECIDA's Regional Development Corporation aims at spurring the growth of Erie County's small businesses and welcomes the opportunity to join its State and local partners in helping Alliance compete more efficiently and grow."

City of Lackawanna Mayor Geoffrey M. Szymanski said, "As a former precision machinist for over ten years, I fully understand how competitive it is, in this international arena, to stay competitive. The funds secured by the Empire State Development for Alliance Innovative Manufacturing shows that Governor Andrew Cuomo truly understands the need for American companies to stay ahead of competition by allowing companies like Alliance to grow and advance. There is only one way for

New York State to retain its title as the 'Empire State' and that is by reinvesting in the great businesses within our state, like Alliance Innovative Manufacturing and giving them the tools to stay ahead of the competition."

Alliance Innovative Manufacturing, Inc. is a diversified contract manufacturer specializing in quality precision machining and industrial cutting tool reconditioning and is AS9100 and ISO9001 certified, the highest quality and efficiency certifications in the manufacturing industry. Alliance Innovation serves as a national industrial customer base, including the aerospace/defense, aircraft, compression, energy, mining, and oil and gas industries. Alliance Innovative is headquartered in Western New York.

Since taking office in January 2011, Governor Andrew M. Cuomo has targeted the revitalization of the Buffalo and Western New York economy as a top priority that will contribute to the overall strength and vitality of New York State. The Governor's commitment to Buffalo and Western New York is evidenced in his unprecedented \$1 billion pledge to reinvigorate the city's and region's economy, leverage additional private sector investment and create a sustainable economy today and for generations to come. Additionally, the Governor's creation of the statewide Regional Economic Development Council's resulted in the Western New York Regional Economic Development Council's successful 2011 submission that will bring \$100.3 million in state funding to key development projects in eight industry sectors that are essential to Buffalo's future growth and development: health and life sciences, advanced manufacturing, energy, higher education, professional services, agriculture, bi-national logistics and tourism.

Empire State Development (ESD) is New York's chief economic development agency (www.esd.ny.gov). The mission of ESD is to promote a vigorous and growing economy, encourage the creation of new job and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies. Through the use of loans, grants, tax credits and other forms of financial assistance, ESD strives to enhance private business investment and growth to spur job creation and support prosperous communities across New York State. ESD is also the primary administrative agency overseeing Governor Cuomo's Regional Economic Development Councils and the marketing of "I Love NY," the State's iconic tourism brand. For more information on Regional Councils and Empire State Development, visit www.regionalcouncils.ny.gov and www.esd.ny.gov.



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