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Delaware is, as one company declared, “a unique and favored gateway to the U.S. marketplace.” Businesses choose Delaware not for one single reason, but because we provide a complete package of incorporation services.

Our Court of Chancery is a unique, centuries-old business court that has written most of the modern U.S. corporation case law. It interprets Delaware’s General Corporation Law, which is the most advanced and flexible business formation statute in the nation, owing to our state government’s emphasis on being business friendly and accessible.

The final piece of the package is the Delaware Division of Corporations which provides prompt, friendly, and professional service to our customers. These factors have all contributed to making Delaware a premier legal home to companies around the world. In 2009, the Delaware Division of Corporations continued to provide exceptional service and identify new ways to better serve our customers.

A letter we recently received from a businessman dissolving his company after 40 years of operation touched on a recurring theme: that the Division of Corporations provides service which is second to none. He wrote to tell us how the Corporations Specialist who guided him through the dissolution made a somewhat melancholy event bearable, with her friendly voice and helpful answers. He went on to say: “We were always thankful that we had incorporated in Delaware. Nothing but the best, it seemed.”

Our Continued Preeminence

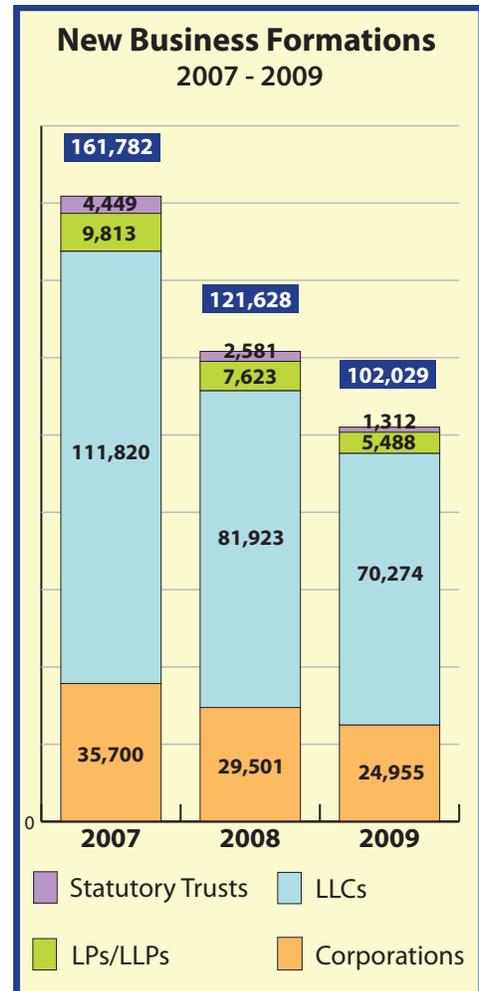
Delaware has remained the chosen home of 63% of Fortune 500 companies. At the end of 2009, there were over 879,000 active business entities in the state, which amounts to less than a 0.5% decrease over the previous year. Considering the state of the broader international economy over the last two years, we are hopeful that this represents a minor and temporary adjustment and is an overall testament to Delaware’s strength as the domicile of choice.

Of the 102,029 new entities formed in Delaware in 2009, 69% were LLCs and 24% were corporations. All entity types, including trusts and partnerships, experienced reduced growth in 2009 due to unfavorable global economic trends. However, it is important to note that, while new formations dropped 22% in the



“In the Division of Corporations, we strive to ensure that our customer service capabilities remain second to none.”

– Secretary of State Jeffrey Bullock



first three quarters of the year, formations staged a small 7% recovery in the fourth quarter, consistent with the trends in the international economy.

New Initial Public Offerings (IPOs)

In 2009, over 73% of all new U.S. IPOs were domiciled in Delaware. Among these IPOs were genealogical research powerhouse Ancestry.com, online restaurant reservation network Open Table, and language instruction software producer Rosetta Stone.

“Serving Delaware and the World”

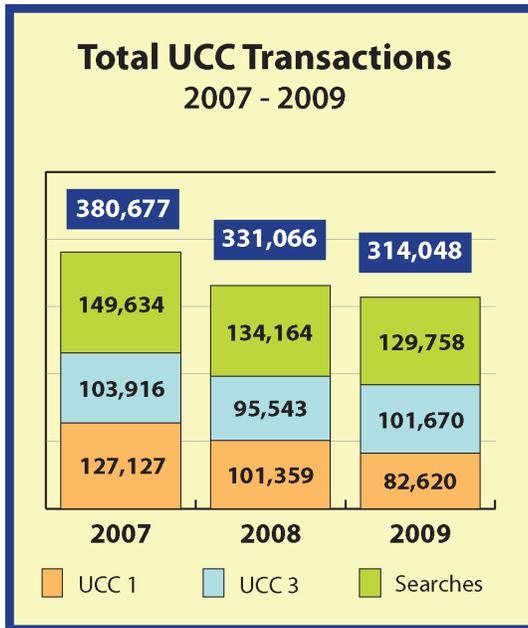
Delaware Division of Corporations

Financial Results

General fund revenue collections have continued to increase steadily since 2000, reaching a record high of \$767 million in fiscal year (FY) 2009. Incorporations revenue accounted for 25% of the State's general fund in FY2009. The Division also distributed a record \$10.6 million to local governments in Delaware in the form of recording, courthouse, and other fees.

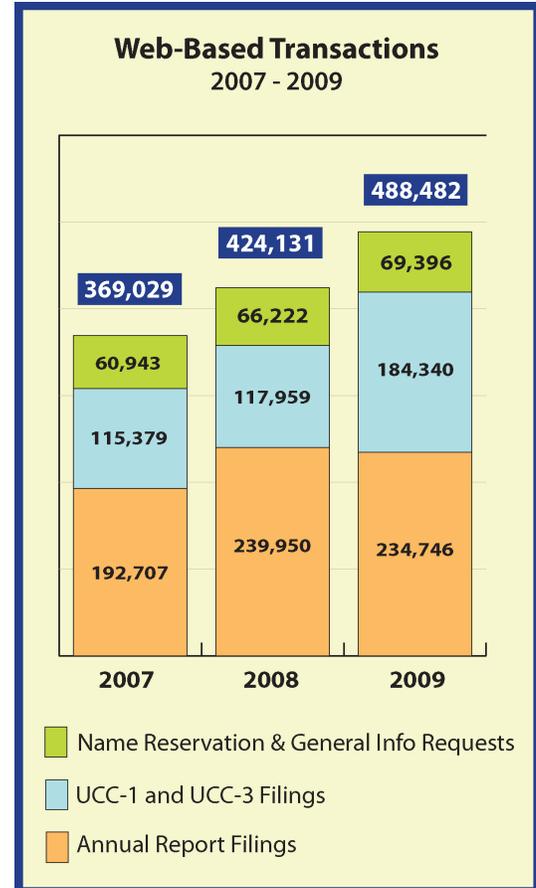
Division of Corporations General Fund Revenue	(in millions \$)		
	FY 2007	FY 2008	FY 2009
Net Business Entity Taxes	622.4	665.2	705.3
Business Entity Fees	65.4	63.4	50.8
UCC Fees	13.0	13.6	11.2
Total Revenue	700.8	742.2	767.3

Division operating expenses, which totalled approximately \$9.7 million in FY2009, are fully covered by special fees assessed on customers requesting our 24-hour, same day, 2-hour, or 1-hour service guarantee. In all, the Division collected \$18 million in expedited service income in FY2009.



Expanded "Green" Initiatives

The Division's website still attracts more visits than any other State agency website in Delaware. In 2009, our customers conducted over 488,000 paid transactions via the Internet (a 15% increase from the prior year), such as filing name reservations and performing entity status searches.



Using Mobius Reports, we have eliminated the need to print the majority of the 300-plus reports that are routinely produced by the Division, saving vast amounts of paper and thousands of dollars in printing costs.

Developing ICIS

The Division of Corporations is currently in the process of developing an Integrated Corporation Information System (ICIS) which will bring newer underlying technology to the database, imaging, and workflow applications that power the Division's operations. The primary benefits of the project will be increased processing flexibility and more efficient service for the Division's customers and stakeholders. The ICIS system is on track to be launched in mid-2011.

Within the ICIS system, customers of the Division will benefit from more flexible searching for faster and more accurate data retrieval. They will also experience more efficient processing, thanks to the integrated nature of the system which eliminates the need for any duplication in data entry. In addition, online agents will have greatly increased access to operational data, allowing their management to allocate resources more effectively.

International Marketing

A major part of our overall strategy is to continuously expand Delaware's global market share. Since 1994, our marketing efforts have helped the State reach thousands of legal professionals in dozens of countries across the globe.

Perhaps the most exciting development in our recent international marketing efforts occurred when Governor Jack Markell added the State's well-established International Trade and Development Group (ITG) to my Department's portfolio. The General Assembly authorized this move, which has already begun to bear fruit for the State and the Division of Corporations, in particular.

Delaware's legal pre-eminence opens doors for international trade opportunities, and Delaware's international economic connections opens doors for the state's legal community.

In the last year, delegations from Delaware have visited Brazil, Canada, Israel, and Spain to tell the Delaware story.

In September, Supreme Court Chief Justice Myron Steele gave the keynote address at a gathering of over 100 Canadian lawyers and law students at the University of Toronto Law School. His presentation was entitled "Views from the Delaware Supreme Court on Corporate Governance Matters." During the visit, we also met with directors and CEOs of some of Canada's largest companies, including Air Canada and TD Bank.

On a trip to Calgary, Supreme Court Justice Henry Ridgely led a delegation that presented Delaware to members of the local legal community who specialize in the oil and gas industries.

At the International Bar Association's annual meeting in Madrid in October, members of the Delaware delegation moderated and served as panel members in discussions about issues that affect corporate governance in the United States and Europe.

Most recently, a Delaware delegation traveled to Jerusalem to participate in a US-Israel Corporate Governance Conference at Hebrew University. We also visited ten separate law firms to discuss the intersection of Delaware and Israeli corporate law.

In addition to our meetings abroad in 2009, we also received visiting delegations from Australia, China, Japan, and Taiwan.

Service Enhancements

We have continued to partner with our online registered agents to offer service enhancements. To that end, we recently launched a new service which allows Division of Corporations employees to be able to respond much more quickly when documents require assistance from our Customer Service Section.

Building on a four year effort, the Division of Corporations received the W.L. Gore Award of Excellence in February 2009 for displaying outstanding performance in quality management.

After receiving that accolade, the Division of Corporations began turning its attention to ISO 9001 certification, which will further improve the effectiveness of the Division's quality management systems.

ISO 9001 is the internationally recognized standard for the quality management of businesses. It prescribes systematic control of activities to ensure that the needs and expectations of customers are met and is designed to apply to virtually any product or service, made by any process anywhere in the world.

As a supplier to world-class companies, we continue to strive for world-class performance and service.

Our Commitment to Quality

The Division of Corporations has earned well-deserved praise for its professionalism, efficiency, and dedication to quality. In doing so, it has further elevated Delaware's already prominent position as the Corporate Capital of the World. It is my duty and privilege to ensure that Delaware continues to exceed the expectations of those we serve.



Jeffrey W. Bullock, Secretary of State

March 31, 2010