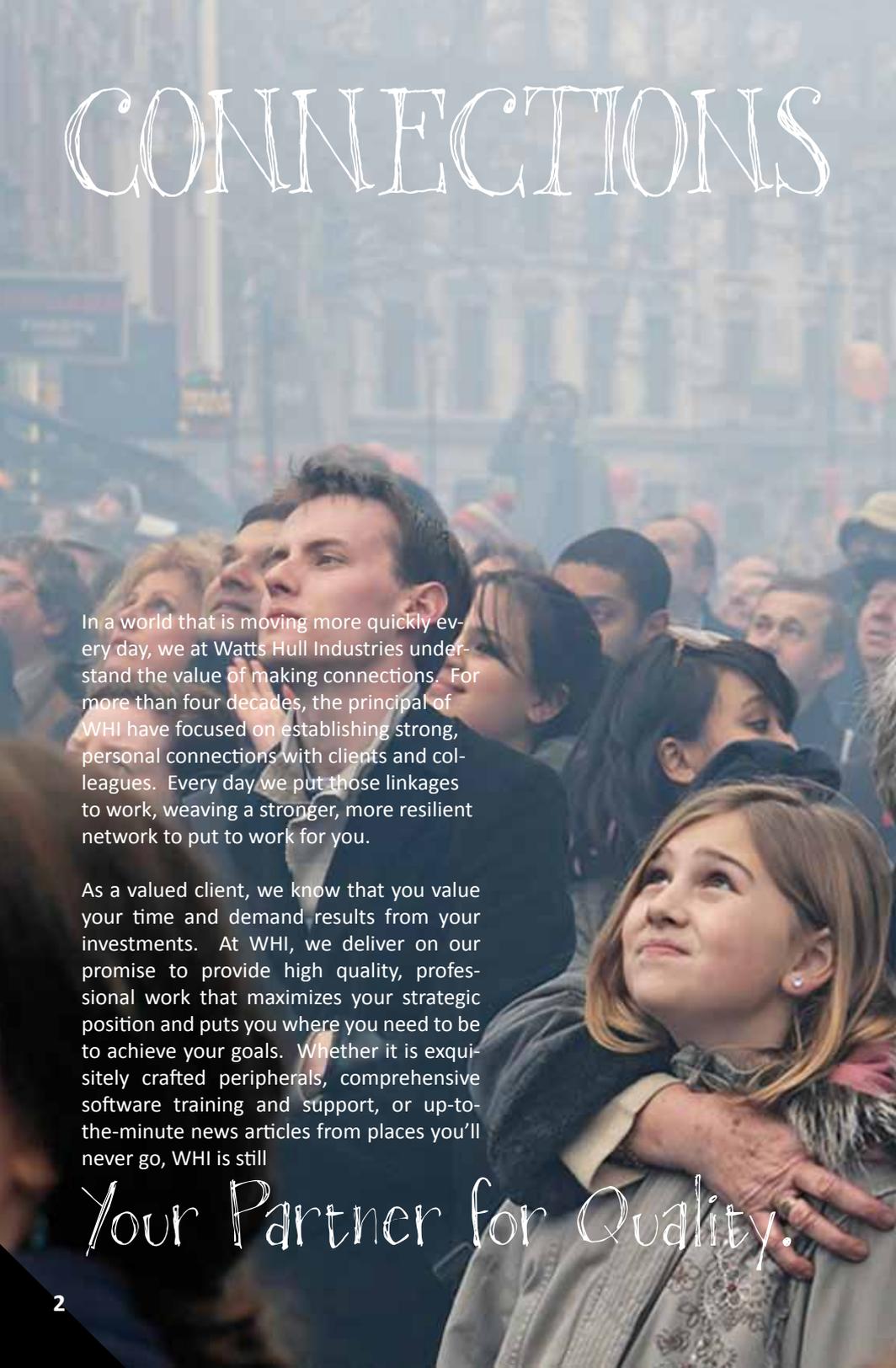


CONNECTIONS

2008-2009 Annual Report



CONNECTIONS

A large, diverse crowd of people is shown from the chest up, looking upwards and to the right with expressions of interest and anticipation. The background is a blurred city street scene with buildings and streetlights, suggesting an outdoor public event or festival. The overall tone is positive and community-oriented.

In a world that is moving more quickly every day, we at Watts Hull Industries understand the value of making connections. For more than four decades, the principal of WHI have focused on establishing strong, personal connections with clients and colleagues. Every day we put those linkages to work, weaving a stronger, more resilient network to put to work for you.

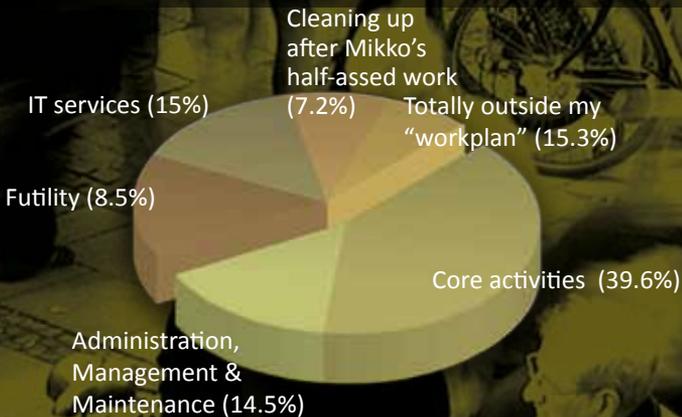
As a valued client, we know that you value your time and demand results from your investments. At WHI, we deliver on our promise to provide high quality, professional work that maximizes your strategic position and puts you where you need to be to achieve your goals. Whether it is exquisitely crafted peripherals, comprehensive software training and support, or up-to-the-minute news articles from places you'll never go, WHI is still

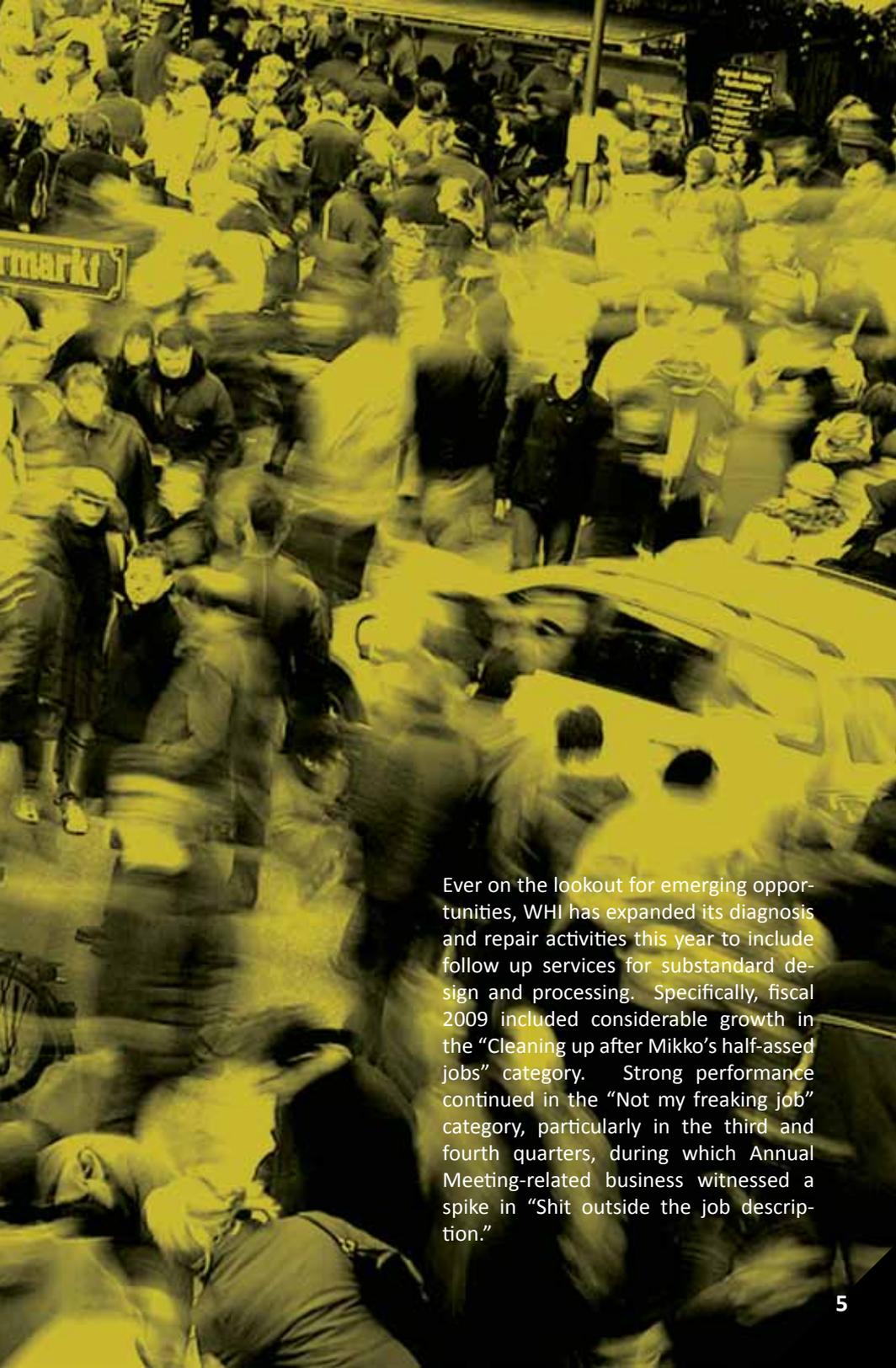
Your Partner for Quality.



CONNECTIONS: emerging markets

Allocation of Effort 2008–2009

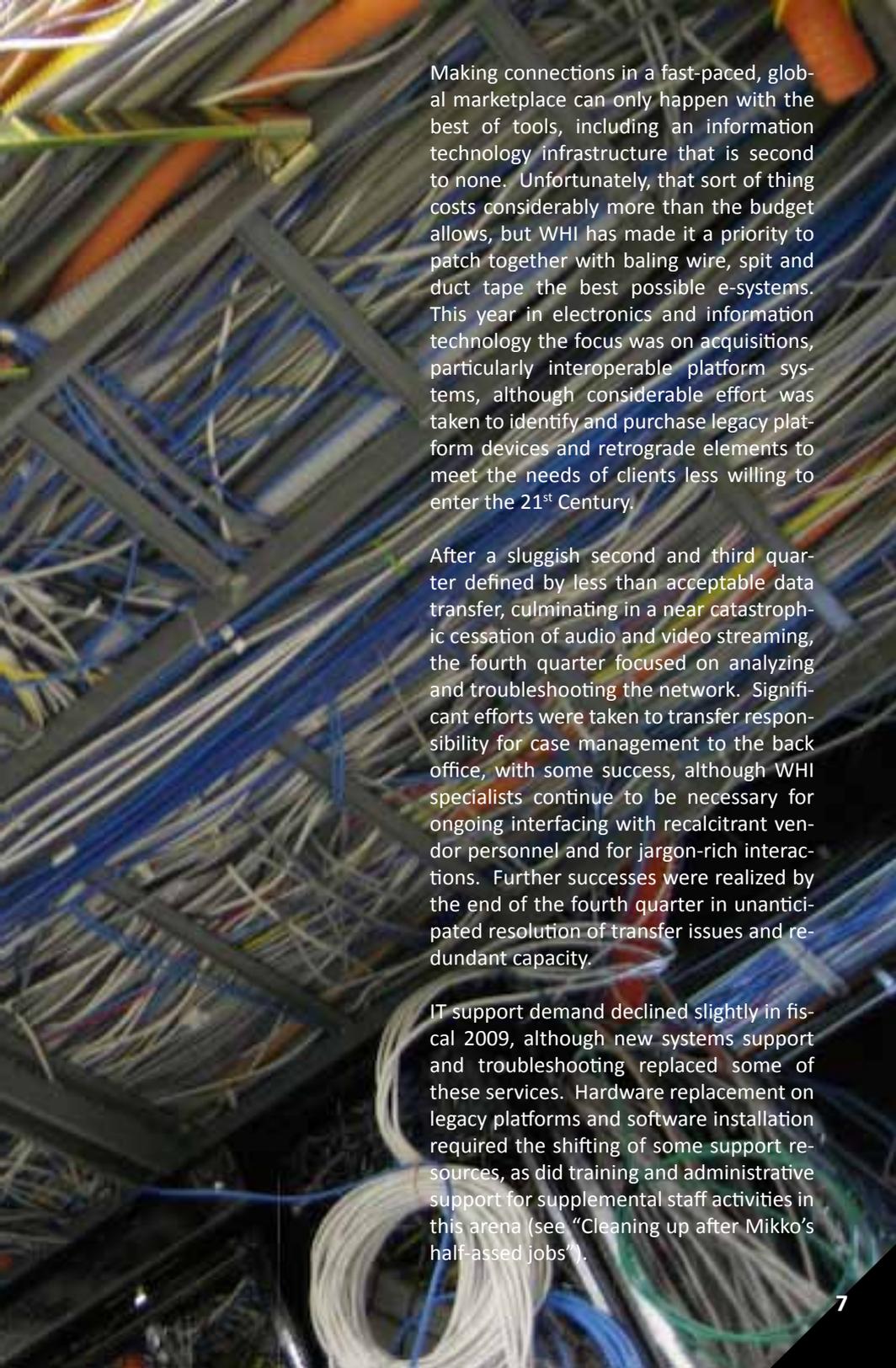




Ever on the lookout for emerging opportunities, WHI has expanded its diagnosis and repair activities this year to include follow up services for substandard design and processing. Specifically, fiscal 2009 included considerable growth in the “Cleaning up after Mikko’s half-assed jobs” category. Strong performance continued in the “Not my freaking job” category, particularly in the third and fourth quarters, during which Annual Meeting-related business witnessed a spike in “Shit outside the job description.”



CONNECTIONS: information technology



Making connections in a fast-paced, global marketplace can only happen with the best of tools, including an information technology infrastructure that is second to none. Unfortunately, that sort of thing costs considerably more than the budget allows, but WHI has made it a priority to patch together with baling wire, spit and duct tape the best possible e-systems. This year in electronics and information technology the focus was on acquisitions, particularly interoperable platform systems, although considerable effort was taken to identify and purchase legacy platform devices and retrograde elements to meet the needs of clients less willing to enter the 21st Century.

After a sluggish second and third quarter defined by less than acceptable data transfer, culminating in a near catastrophic cessation of audio and video streaming, the fourth quarter focused on analyzing and troubleshooting the network. Significant efforts were taken to transfer responsibility for case management to the back office, with some success, although WHI specialists continue to be necessary for ongoing interfacing with recalcitrant vendor personnel and for jargon-rich interactions. Further successes were realized by the end of the fourth quarter in unanticipated resolution of transfer issues and redundant capacity.

IT support demand declined slightly in fiscal 2009, although new systems support and troubleshooting replaced some of these services. Hardware replacement on legacy platforms and software installation required the shifting of some support resources, as did training and administrative support for supplemental staff activities in this arena (see "Cleaning up after Mikko's half-assed jobs").

CONNECTIONS:

creative services



CONNECTIONS: policy

James Binney and Michael Merrifield

GALACTIC ASTRONOMY

Binney
and
Merrifield

GALACTIC ASTRONOMY

SPACETIME
and
GEOMETRY
An Introduction to General Relativity

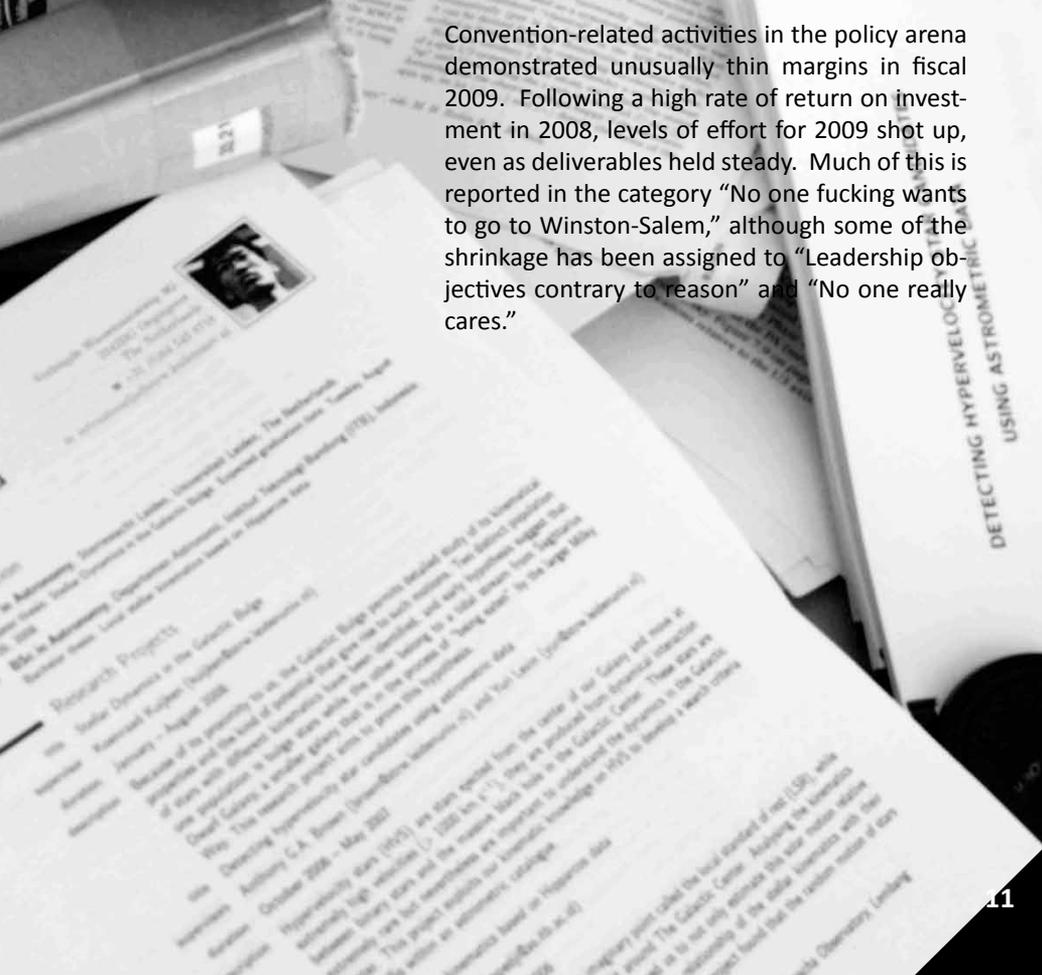
An Introduction to General Relativity
SPACETIME and GEOMETRY

Tri L. Astraatmadja

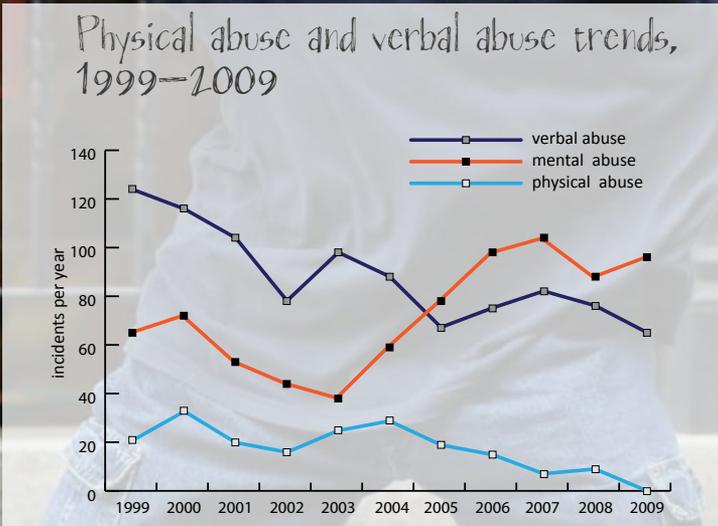


Policy remains at the forefront of the service model for WHI. This year's production included the surprising delivery of reports in both major fields of focus, the first time such activity was reported in several years. Additional public activity on FDIC-related contracts included leveraging the L&L Used Tires, Pets, Live Bait and Taxes account, extending the reach and focus of this opportunity. Furthermore, weekly distributions of news reports continue to demand resources above targets. Specifically, collection of assets from regional materials is seen as a loss leader, particularly in the third quarter, as resources are needed for convention services. Nonetheless, these components of WHI's portfolio remain valuable as positioning tools and will continue to be supported.

Convention-related activities in the policy arena demonstrated unusually thin margins in fiscal 2009. Following a high rate of return on investment in 2008, levels of effort for 2009 shot up, even as deliverables held steady. Much of this is reported in the category "No one fucking wants to go to Winston-Salem," although some of the shrinkage has been assigned to "Leadership objectives contrary to reason" and "No one really cares."



CONNECTIONS: diversity & tolerance





WHI has a long history of honoring the many valuable cultures and traditions that we encounter. Through the SoD network, WHI has brought in excess of 100 heart-warming, sensitive tales to an audience that desperately needs the uplift and assurance of our shared humanity. The uptick in activity in this category is in part due to stronger surveillance—the Florida collection system, which historically included five sources has recently grown to seven regular and two additional occasional resources—as well as a continuation of a long-standing trend of Sunshine Staters getting drunk and hurting themselves/one-another.

Staff with the consortium are notably pleased that no one was pole-axed this year as a result of cultural misunderstandings. It is an accomplishment of near epic proportions that at no point in fiscal 2009 was any peer or client threatened physically. Management with WHI dispute the auditor's claim that verbal abuse has risen unacceptably in the past 12 months, noting that the incidents were largely justified and within the bounds of reasonable discourse. This level of self-restraint is perhaps most notable in light of this year's participation in the Toll Fellows program in Lexington, Kentucky, which demanded considerable allocation of scarce patience resources to achieve acceptable levels of abuse.

CONNECTIONS: management



While a downturn in management and administration was anticipated for fiscal 2009, the opposite has proven to be the case. As abdication of responsibility has expanded from existing clients, WHI has stepped in to fill the gaps left behind, providing training, day-to-day oversight and management, and counseling on an ad hoc basis. Delegation has been largely effected without the transfer of resources or clear authority, which has resulted in slight increases in the “Not my job” as well as “Beg forgiveness, not permission” categories. Training activities has had the unintended consequence of increasing the level of management reliance, a condition unlikely to be altered in the coming fiscal year.

CONNECTIONS: travel

It is not possible to maintain the high level of connectivity that is the hallmark of WHI's services without getting out to meet with clients and peers. Inevitably, this requires time spent in airports, train stations, bus parks, taxi stands and burro rental establishments. This (entirely, and unfortunately unbillable) time is our down payment on future returns for the brand and our clients. This fiscal year mirrored previous years' travel patterns: nine major trips (with a tenth planned and cancelled), including 15 overnights and four fly-ins covering eight U.S. states.

States visited



Miles travelled:  : 154  : 475
 : 356  : 3,843

Total: 4828

Nights away:

      
 (15)

The logo for Watts Hull Industries is centered on the page. It consists of a white circle containing a stylized white 'W' and 'H' that overlap each other. The 'W' is on the left and the 'H' is on the right, with their vertical bars intersecting in the middle. The text 'Watts Hull Industries' is written in a bold, white, sans-serif font across the top horizontal bar of the 'W'. Below this, the tagline 'Your partner for Quality' is written in a smaller, white, italicized serif font across the horizontal bar of the 'H'.

**Watts Hull
Industries**

Your partner for Quality