Front Cover:

National Industries for the Blind

Annual Report 2011

Building Careers: No Boundaries

Graphic: NIB logo and photo of man walking with a cane

Inside front cover:

Message from the Chairman and President

NIB used to be just about jobs. We developed products for people with vision loss to manufacture in our associated agencies. Today, NIB is still about jobs, but it’s also about careers — challenging, knowledge-based positions in high-energy, quality work environments. Our careers know no boundaries. NIB and our associated agencies proudly offer a variety of exciting career opportunities in locations throughout the United States. From positions at NIB headquarters near the nation’s capital, to those in our associated agencies, to service occupations in government and military facilities, to

virtual and telework opportunities, NIB and its associated agencies offer exceptional pathways for people who are blind to pursue their passion and maximize their potential.

Over the last few years, we have expanded the offerings in our Business Leaders Program to equip people who are blind with the training and hands-on experience to

succeed. Our new Effective Supervision: The Essentials track was an immediate hit with high-potential employees in our associated agencies. Our Contract Management

Support training program continues to grow as word gets out about the rewarding career opportunities in this field.

We have increased these learning and development offerings because we believe that people achieve the most when they continuously grow and develop their skills and competencies. Our efforts were recognized last year by ASAE: The Center for Association Leadership with a Summit Award, the organization’s highest honor, in “The Power to Create a Competitive Workforce” category. Very simply put, we are determined to be the best at doing what matters most. We continued to stay focused on our core business of creating 537 new work years of employment for people who are blind during the fiscal year in product manufacturing and service delivery. AbilityOne® Program sales reached a record $711.4 million in fiscal year 2011, while net employment, wages and placements also grew. In short, we remained a catalyst for the development of products and services for our community-based nonprofits that help people who are blind succeed in quality work environments. We are extremely grateful

for the continued advocacy of the Administration, the Congress, the U.S. AbilityOne Commission and our valued customers, which all have contributed immensely

to the success of NIB and our associated agencies.

Over the next few years, we will continue to transform our organization with shifts in priorities and greater efficiencies put into place. We will be introducing a new line of information technology business focused on Section 508 compliance services. We will more aggressively pursue commercial and state use business opportunities, enhance business partnerships, and strengthen marketing within the AbilityOne Program to expand career offerings for the people we serve.

The future is filled with challenges and changes to our program. But we believe the future belongs to those who balance vision with innovation, strategic initiatives with financial discipline, and the promise of more learning and development opportunities

to keep building competencies and careers.

James A. Kutsch, Jr., Chairman of the Board

Kevin A. Lynch, President and Chief Executive Officer

Photo: James A. Kutsch, Jr., Chairman of the Board, and Kevin A. Lynch, President and Chief Executive Officer

Vellum fly sheet:

"NIB is about careers ─ challenging, knowledge-based positions in high-energy, quality work environments."

Kevin A. Lynch

President and CEO

National Industries for the Blind

Photo on page that shows through vellum fly sheet: Man walking with cane

Page 2-3:

2011 Highlights

Creating Jobs, Building Careers for People Who Are Blind

In today’s challenging economy, jobs are precious commodities for all Americans. This is particularly true for people who are blind — seven out of 10 of whom are not employed. In FY 2011, NIB and its associated nonprofit agencies continued and strengthened an aggressive job creation approach, which focused not only on creating new jobs for people who are blind, but highlighted the development of more diverse, upwardly-mobile professional opportunities that lead to long-term career growth. By providing rewarding work, greater opportunities for career advancement and economic

independence, NIB is building careers with no limits on achievement and no boundaries on success.

Employment of People Who Are Blind

Total employment of people who are blind in NIB associated agencies in FY 2011 rose 3.8 percent to 6,118 individuals who worked 8.3 million hours, a 1.2% increase over 2010.

Wages

The average hourly wage paid to people who are blind grew by 6.0 percent in FY 2011 to $10.59 per hour.

Promotions and Placements

In FY 2011, 787 people who are blind were promoted or obtained competitive positions with NIB associated agencies or other organizations in their communities as a result of vocational training and specialized rehabilitation services.

New Employment Opportunities

NIB and its associated agencies generated an estimated 537 new job opportunities for people who are blind in product manufacturing and service delivery, supporting both government and commercial customers.

AbilityOne Program Sales

AbilityOne® Program sales by NIB associated agencies reached a record $711.4 million in FY 2011, a 7.7 percent increase above FY 2010.

People Reached

NIB associated agencies offered rehabilitative services to more than 183,000 persons who are blind nationwide during FY 2011.

Graphic at top of pages 2-3:

Employment of People Who Are Blind

Total employment of people who are blind in NIB associated agencies

2007: 5,610

2008: 5,878

2009: 5,880

2010: 5,894

2011: 6,118

Graphic at bottom of pages 2-3:

Employment of People Who are Blind: up 3.8%

Wages: up 6.0%

Promotions and Placements: 787 people who are blind

New Employment Opportunities: 537 new jobs

AbilityOne Program Sales: up 7.7%

People Reached: more than 183,000 persons

Page 4:

Building a Foundation for Career Success: Training, Outreach and Recognition

Business Leaders Program Recognized with ASAE Summit Award

One of the most dynamic ways that NIB is offering individuals who are blind more upwardly mobile career choices is through its highly successful and nationally acclaimed Business Leaders Program.

The Business Leaders Program was recognized in 2011 by ASAE: The Center for Association Leadership with a Summit Award, the organization’s highest honor, in “The Power to Create a Competitive Workforce” category.

By providing educational and employment opportunities, the program encourages professional development and transforms talented employees into successful business leaders. The program offers five tracks for professional development and 65 percent of NIB’s associated agencies have participated in at least one track:

Fellowship for Leadership Development - 12 fellows completed since 2003

Business Management Training - 79 students graduated since 2004

Leaders At All Levels - 5,725 employees trained since 2005

Business Basics - 265 enrollees since 2007

Effective Supervision: The Essentials - 21 participants and 19 coaches in 2011

Photo: Pictured left to right at ASAE Summit Awards event: National Retail Federation CEO Matt Shay, American Academy of Orthopaedic Surgeons CEO Karen Hackett, ASAE President and CEO John Graham, NIB President and CEO Kevin Lynch, NIB Chairman of the Board Jim Kutsch, Thurgood Marshall College Fund CFO Velma Hart, and AMG Inc. Client Leader John Ganoe.

Page 5:

Quality Work Environment Increases Collaboration and Efficiency

NIB has taken a leadership role in implementing the AbilityOne® Quality Work Environment (QWE) initiative launched by the U.S. AbilityOne Commission (the

operating name for the Committee for Purchase From People Who Are Blind or Severely Disabled) in 2010.

QWE’s continual improvement process helps associated agencies adopt employment practices that provide opportunities for employees who are blind to increase earnings and advance at their nonprofit agencies or into other community-based employment. The QWE initiative enables employees to work more collaboratively and efficiently, making their jobs more rewarding and effective.

Two NIB associated agencies were recognized in October 2011 for their outstanding efforts to make positive changes in their organizations by embracing the Commission’s QWE initiative. NIB President and CEO Kevin Lynch honored Louisiana Association for the Blind and Midwest Enterprises for the Blind at the 2011 NIB/NAEPB Annual Training

Conference, held in New Orleans in October.

Photo: Karen Walls, president, Midwest Enterprises for the Blind Inc., and

Shelly Taylor, president and CEO, Louisiana Association for the Blind.

Building Careers: No Boundaries for Advancement

Photo:

Sharon Giovinazzo

RCLB Inc.

As vice president of programs and services at RLCB Inc. in Raleigh, North Carolina,

Sharon Giovinazzo focuses on expanding training, employment and promotional

opportunities for people who are blind. She also oversees call center operations and

collaborates on public policy issues.

Giovinazzo’s career began as a medical specialist in the U.S. Army where she supervised training facility operations and edited professional and academic materials

for the Health Services Command.

After multiple sclerosis took her sight in 2001, she sought rehabilitation services at Central Association for the Blind and Visually Impaired (CABVI) in Utica, New York, where she packaged gloves for the Transportation Security Administration. Giovinazzo earned a college degree, then was promoted at CABVI to sewing machine operator.

She participated in NIB’s Business Management Training Program, and was promoted to public policy consumer relations associate. She later served as NIB Public Policy Specialist before assuming her current role at RLCB Inc.

Page 6:

Contract Management Support Training Builds a Solid Foundation for Career Growth

Over the past two years, the Contract Management Support (CMS) training program continued to grow, along with a variety of agreements to support customers with contract closeout services. After $15.5 million in task orders, more than 40 job seekers who are blind secured not only employment, but a career, as a direct result of NIB’s CMS Program.

Two CMS Training Program participants, who have been role models for others, were recognized at the 2011 NIB/NAEPB Annual Training Conference in October for their excellent performance in the training program and on the job:

Andrew B. Thomas, closeout specialist, San Antonio Lighthouse for the Blind

Jeremy Reeves, contract specialist, Defense Contract Management Agency, formerly at Virginia Industries for the Blind

Photo:

CMS Training Program participants recognized: Jeremy Reeves, Defense Contract Management Agency, and Andrew B. Thomas, San Antonio Lighthouse for the Blind.

Expanding Outreach to Wounded Warriors

NIB is reaching out to veterans and Wounded Warriors of the Afghanistan and

Iraq conflicts through job fairs and conferences, the Department of Veterans

Affairs, and service and veterans organizations such as the American Legion,

Veterans of Foreign Wars, Disabled American Veterans and the Blinded Veterans

Association. NIB and its associated nonprofit agencies offer training, job placement,

career opportunities, and guidance with transition to civilian life for veterans

who are wounded with any type of injury, including those who are blind.

Graphic:

New Wounded Warrior Program landing page at [www.nib.org/woundedwarrior](http://www.nib.org/woundedwarrior)

Page 7:

NIB Named One of 2012 Best Places to Work in Virginia

NIB was named to the annual “Best Places to Work in Virginia” list, created by Virginia Business magazine and Best Companies Group. The award program is designed to identify, recognize and honor the best places of employment in Virginia, benefiting the

state’s economy, its work force and businesses.

“We have an excellent team at NIB, and together, we are making a positive difference in the lives of Americans who are blind,” said NIB President and CEO Kevin Lynch.

Graphic:

Virginia Business 2012 Best Places to Work logo

Computerworld Honors Program Recognizes NIB Technology Project

NIB was named Laureate in the 2011 Computerworld Honors Program, in the Digital Access category, in recognition of its Enterprise Resource Planning project to support the organization’s internal operations and provide a fully accessible web-based

e-commerce platform. The awards program is designed to promote thought leadership for using technology to advance public welfare, benefit society and improve quality of life for future generations.

Photo:

Pictured at the 2011 Computerworld Honors Program awards ceremony June 20 in Washington, D.C., are NIB employees Luis Interiano, e-commerce website operations manager, and Thomas Panek, vice president, relationship management.

Building Up Others: No Boundaries for Advocacy

Photo:

Christina Tran

The Chicago Lighthouse for People Who Are Blind or Visually Impaired

Christina Tran is the lead contract closeout specialist at The Chicago Lighthouse for People Who Are Blind or Visually Impaired in Chicago, Illinois. Since joining The Chicago Lighthouse in 2004, Tran, who is legally blind, has demonstrated her commitment to assisting blind and visually impaired individuals in finding employment.

Her experience includes serving as service manager for the Recipient Identification Number (RIN) Program, which provides customer service and database entry training for people who are blind or visually impaired and/or physically impaired to support clients of the State of Illinois Department of Human Services programs. She was instrumental in developing a training curriculum for the program and ensuring that

RIN proprietary software was accessible.

Tran also has engaged in public relations and marketing activities, redesigning the agency’s website, producing marketing materials and providing outreach to the community to educate and inform individuals about blindness and services of The Chicago Lighthouse. As an advocate in the disability community, Tran urges people to think outside the box about career choices, job options and social opportunities.

Pages 8-9:

Honoring Employee Achievement: NIB 2011 National Award Winners

The 2011 NIB/NAEPB Annual Training Conference, held in New Orleans in October, provided an opportunity to celebrate and recognize the Employee of the Year nominees from NIB associated agencies. The NIB Board of Directors voted to recognize the following outstanding nominees as national award winners:

Linda Allen

2011 Peter J. Salmon Employee of the Year Award

Travis Association for the Blind (Austin Lighthouse)

Born with retinitis pigmentosa, Allen moved to Austin at age 16 to attend the Texas School for the Blind, where she was active in gymnastics, cheerleading, choir and

student council, and a member of the honor society.

In 1987, Allen started at the Austin Lighthouse, and after a stint at IBM employed as an assembly line operator and in other roles, she returned to the Lighthouse. As a sewing machine operator, she has worked in the skin care products, shrink wrap, drill press, leather key holder, Army combat helmet chin strap and trouser belt departments.

She is a member of the Lighthouse Strikers bowling team and an avid volunteer for numerous community causes, including the Austin Right to Life Walk, Juvenile Diabetes

Walk and Operation Blue Santa. She also prepared and served meals for people displaced by Hurricane Katrina.

The Peter J. Salmon Employee of the Year Award honors employees who excel in their positions at NIB associated agencies. The late Dr. Salmon was instrumental in the passage of the Wagner-O’Day Act in 1938 and the formation of NIB.

Photo:

Linda Allen

Nina Bektic-Marrero

2011 Milton J. Samuelson Career Achievement Award

Association for Vision Rehabilitation and Employment Inc. (A.V.R.E.)

Bektic-Marrero, born in Sarajevo, developed brain tumors that damaged her optic nerves and her mother sought treatment for her daughter in the United States.

In 2008, Bektic-Marrero started at A.V.R.E. as a switchboard operator at the Veterans Administration (VA) Hudson Valley Healthcare Center. Two years later, she was promoted to her current role as supervisor of switchboard operations at the Bronx VA Medical Center in New York, where her unit has earned recognition from medical center administrators, staff and veterans.

An advocate for improving opportunities and affecting positive changes in legislative policy for people with disabilities, Bektic-Marrero is a leader in the Serbian disability community. She holds a Bachelor of Arts degree in political science from Bard College, where she developed the Visible/Invisible Disabilities Awareness Program (VIDAP)

and later the Citizens’ Association - VIDAP in Serbia. She is pursuing a master’s degree in public administration at Baruch College and is participating in NIB’s Effective Supervision training program.

The Milton J. Samuelson Career Achievement Award is presented to an individual who demonstrates career advancement at an NIB associated agency or in the private sector. The late Mr. Samuelson championed upward mobility and placement programs for people who are blind.

Photo:

Nina Bektic-Marrero

Arun Shimpi Named Irwin Award Winner

Arun Shimpi, NIB’s long-time vice president, strategic business issues, was named the 2011 Robert B. Irwin Award winner by the NIB Board of Directors. After 43 years of service to NIB and its associated agencies until his retirement in June 2011, Shimpi has been an integral part of the executive team, contributing his business expertise and historical knowledge of NIB issues, managing NIB’s annual business and strategic planning, conducting macro-level studies and overseeing legal issues.

The R. B. Irwin Award is the highest honor given by NIB to a professional or volunteer

who has championed employment of people who are blind. The late Dr. Irwin worked with other leaders toward the formation of NIB.

Photo:

Arun Shimpi

Page 10:

Created With Pride: New Products in 2011

Business has been brisk in FY 2011. NIB and its associated agencies have collaborated on new projects to provide an exciting array of products and services to federal government customers through the AbilityOne® Program, and at the same time, have pursued commercial and state use opportunities. Here are some of the year’s highlights:

Building Upon Commodity Products

Approximately 100 new jobs for people who are blind at several NIB associated agencies nationwide were created in FY 2011 through the addition of new products such as:

Laser toner cartridges. Alabama Industries for the Blind teamed with a New Jersey-based small business, Clarity Imaging Technologies, to assemble double life monochrome cartridges that print more pages at a lower cost and higher quality than other brands.

Spiral notebooks. The Arkansas Lighthouse for the Blind is manufacturing products made from 100% post-consumer recycled paper or tree-free “bagasse” paper from the residue of processing sugar cane.

Calendar books and wall calendars. The Chicago Lighthouse for People Who Are Blind or Visually Impaired has created a new line of products, partnering with NISH and UNICOR, which both produce related calendar items, to market a wide range of products to federal customers.

Photos:

Product photos

Page 11:

Other new products in FY 2011 include:

Safety vests – Dallas Lighthouse for the Blind and Bestwork Industries for the Blind

Professional grade paint brushes and rollers – Industries for the Blind – Milwaukee

Repositionable rectangular flags – Association for the Blind and Visually Impaired (ABVI) – Goodwill

Encrypted flash drives – North Central Sight Services

Padded mailing envelopes – Alphapointe Association for the Blind

Index tab dividers – South Texas Lighthouse for the Blind

Two NIB associated agencies, Envision Inc. and the Lighthouse for the Blind - St. Louis, teamed with Zep Inc. to assemble Zep’s Meter Mist® line of cleaning products under both the Zep® and SKILCRAFT® brands.

Supporting Our Troops with New Textile Products

Several key textile projects created 77 new jobs for people who are blind:

Low-cost high-visibility parachute. As air drop capability became a crucial issue for DLA Aviation, demand increased for Winston-Salem Industries for the Blind, and two additional agencies, San Antonio Lighthouse for the Blind and Industries of the Blind

- Greensboro, to manufacture this important item.

Extreme Cold Weather Clothing System (ECWCS) Layer 4 jacket. Blind Industries and Services of Maryland supported Defense Logistics Agency (DLA) Troop Support with

this protective garment, including converting production from Universal Camouflage Pattern (UCP) to Operation Camouflage Pattern (OCP).

Coast Guard physical training uniform. The Association for the Blind and Visually

Impaired - Goodwill and the Arkansas Lighthouse for the Blind are the sole providers

of these high-quality T-shirts and shorts.

Building on a Proud Military History: No Boundaries for Success

Photo:

George Lewis

East Texas Lighthouse for the Blind

With 18 years of experience at East Texas Lighthouse for the Blind (Horizon Industries) in Tyler, Texas, George Lewis supports the warfighter as an industrial wipes cutting machine operator. He operates machinery that slices large sheets of industrial wipes before they are assembled for packaging and distribution to military customers.

Lewis is a veteran of the U.S. Air Force Reserves, where he served in Vietnam before he began to lose his vision. Now legally blind, he is wise about his financial future and offers guidance to younger team members at Horizon about how to save their money and start planning for retirement. Lewis carefully watches his investments by paying

close attention to market trends and news stories about the stock market. He is cautious and precise, a proud veteran and dedicated employee who stays on the cutting edge of industry.

Page 12:

Expanding Career Options: Delivering Services to Customers

Approximately 65 new jobs for people who are blind were created through services provided by NIB associated agencies across the United States. Growth in the services area included:

Contract Management Support (CMS). NIB was awarded 13 new Department of Defense task orders utilizing three additional associated agencies to perform the services: The Chicago Lighthouse for People Who Are Blind or Visually Impaired, Virginia Industries for the Blind and The Lighthouse for the Blind - Seattle. The first civilian federal agency contract was signed with the Federal Aviation Administration to pilot contract closeout services for its Washington, D.C., branch.

Section 508 Assurance Service. This new, emerging line of business helps customers

ensure their websites, web-based applications and electronic documents are accessible for people who are blind. This supports the federal government’s Section 508 mandate for all employees to have accessible workstations and tools to do their jobs successfully and for public websites to be accessible.

Administrative Services. The U.S. Navy Commander, Global Logistics Support (COMGLS) consolidated contractor support for six domestic mail operations through the AbilityOne® Program with NewView Oklahoma as prime contractor.

Photos:

Alex Robbins, Georgia Industries for the Blind.

James Caldwell, Arizona Industries for the Blind.

Page 13:

Supply Chain Services. Parts machining services, including reverse engineering, and

machine set-up and production, were added to the AbilityOne Program Procurement List (PL) for DLA by DLA Land and Maritime and basic ordering agreements were established with Arizona Industries for the Blind, The Lighthouse for the Blind - Seattle and Wiscraft. NIB leveraged a commercial relationship with Lion Vallen Inc. in Pendergrass, Georgia, to provide warehouse logistics support from Georgia Industries for the Blind employees.

Package Reclamation Service. DLA-wide services were added to the PL to repair and

reuse wood, fiberboard, metal, and plastic packages to reduce costs, increase reuse

and availability of containers, improve asset protection, and conserve resources. NewView Oklahoma employees at Tinker Air Force Base will support the first contract in FY 2012.

Teleservices. Humana Military Healthcare Services subcontracted with NIB to provide

call center services on the Tricare Beneficiary Representative Services contract supporting military service personnel and their families through Bosma Enterprises. The Department of Transportation’s New Entrant Call Center was added to the PL for the Central Association for the Blind and Visually Impaired. NIB provides Tier 1 help desk support personnel under subcontract on the Food and Drug Administration’s User Fee System through the Columbia Lighthouse for the Blind.

Photo:

Mendi Evans, Bosma Enterprises.

Building on Versatility: No Boundaries for Growth

Photo:

Dwayne Cunningham

Travis Association for the Blind

Dwayne Cunningham is a warehouse clerk specialist at Travis Association for the

Blind (Austin Lighthouse) in Austin, Texas. A versatile employee, he is cross-trained

for several roles in the distribution services department, as well as in production.

After losing his eyesight while serving in the U.S. Marine Corps, Cunningham attended the School of Social Work at the University of Texas and graduated with honors, earning three degrees. A member of Phi Beta Kappa, Golden Key, and the National Honors Society, he is a licensed chemical dependency counselor and social worker.

With experience as a transportation representative for Capital Metro in Austin, Cunningham joined the Lighthouse team seven years ago. He volunteers as a mentor at Big Brothers Big Sisters, and advises the United Way on transportation, health and welfare issues related to people who are blind.

Page 14:

Building Greater Success: Key Customers Champion the AbilityOne Program

NIB and its associated agencies have had great success selling products and services to the U.S. Department of Defense (DoD) and look forward to building on these customer relationships in FY 2012, as well as expanding business into more civilian agencies.

Two of NIB’s key federal customers, DoD Director of Defense Pricing Shay Assad and Steven Kempf, commissioner, U.S. General Services Administration (GSA) - Federal Acquisition Service (FAS), addressed the 2011 NIB/NAEPB Annual Training Conference, held in New Orleans in October. One of NIB’s key supporters, Assad stated that in spite of government budget challenges, there was tremendous opportunity

for NIB and the AbilityOne® Program. Kempf said that GSA was one of the biggest partners and advocates for the AbilityOne Program, noting that one-fifth of all products sold by GSA to government agencies in FY 2011 were SKILCRAFT® products.

At the 2011 NIB/NAEPB Opportunity Forum, held in Denver in June, Vice Admiral Alan S. Thompson, director, Defense Logistics Agency (DLA), said while reduced defense budgets have an impact on the AbilityOne Program, DLA would work with NIB agencies

on an expanded portfolio of products and services.

Other customer highlights in FY 2011 included:

GSA and NIB Sign Strategic Supplier Alliance Charter. Leaders from NIB and the GSA – FAS agreed in May 2011 to identify opportunities to improve customer service, procurement quality, program management, engineering and program integration to further enhance support to federal government customers.

Photo:

Airmen at Bagram Air Base in Afghanistan thank Winston-Salem Industries for the Blind employees for producing the OCP (Operation Enduring Freedom Camouflage Pattern) combat shirt for U.S. warfighters.

Page 15:

NIB Hosts GSA/AbilityOne Greening Summit. In December 2010, executives from GSA, civilian government agencies, leading commercial partners, and the AbilityOne Program discussed how the group can assist in moving forward with the “zero carbon footprint” directive set forth by GSA Administrator Martha Johnson.

NIB Represented at Government SmartPay Training Conference. Addressing government purchase card managers, vendors and federal agency coordinators in Las Vegas in August 2011, Thomas Panek, NIB vice president of relationship management, spoke about the important role of purchase card holders in supporting the employment of people who are blind.

SKILCRAFT® Products Meet USDA BioPreferred Program Standards. As announced at a U.S. Department of Agriculture (USDA) biobased product meeting March 31 in Glenwillow, Ohio, products from two NIB associated agencies were among those

approved by USDA to use the USDA’s new product label on certified biobased products. Travis Association for the Blind, Austin, Texas, in partnership with GOJO Industries Inc., sells hand sanitizer under the SKILCRAFT brand. SKILCRAFT liquid hand soap is manufactured by The Lighthouse for the Blind, St. Louis, Missouri.

Photos:

Photo of hand sanitizer and liquid hand soap.

Jason Endicott, NIB channel sales representative, showcased products for U.S. Department of Agriculture Deputy Secretary Kathleen Merrigan.

Pictured left to right: GSA Administrator Martha Johnson, NIB President and CEO Kevin Lynch, and GSA-FAS Commissioner Steven Kempf sign an agreement May 11 at the 2011 GSA Training Conference and Expo in San Diego, California.

Page 16:

Opening Doors to New Business Opportunities

Strengthening Relationships with Commercial Prime Contractors

While committed to the AbilityOne® Program and to its federal customers, NIB has strengthened and expanded its relationships with commercial prime contractors,

such as Boeing and Northrop Grumman, to increase employment opportunities for people who are blind.

Through an agreement with the AbilityOne Program in FY 2011, Boeing added SKILCRAFT® office supplies, produced by people who are blind or severely disabled,

to its catalog of products for employees to purchase.

OfficeMax, an authorized AbilityOne Program distributor since 1996, offers Boeing employees the option to select SKILCRAFT products produced by 25 nonprofit agencies associated with NIB and eight NISH affiliated agencies.

In 2011, Boeing offered a full-time internship to Ian Elliot, who completed the AbilityOne Contract Management Support (CMS) training program conducted in partnership with Defense Acquisition University, to provide contract management support to its Network and Space Systems and Digital Receiver Technology divisions.

In a ceremony October 26, 2011 at Boeing’s office in Crystal City, Virginia, NIB President and CEO Kevin Lynch presented the NIB Partner in Excellence Award to Boeing executives representing the two divisions. He expressed his appreciation for the corporation’s support in working with NIB to provide professional contract management

employment opportunities through an internship program for talented individuals who are blind.

Photo:

Pictured left to right: Elizabeth Huldin, director of human resources (HR), Boeing Network and Space Systems; Rhonda Mower, Boeing HR; Ian Elliot, contracts and pricing administrator, Boeing Digital Receiver Technology (DRT); Anne Toffey, director of finance, Boeing DRT; Billy Parker, NIB CMS training program director; Lynn Konetschni, NIB vice president of HR.

Small Business Partnerships Create Innovative Products, Big Return on Investment

In April 2011, SustainU, a small business that manufactures 100% recyclable apparel, joined forces with Winston-Salem Industries for the Blind (WSIFB) to manufacture larger production levels of recycled fiber T-shirts. SustainU was impressed with WSIFB’s

textile operations and its ability to create an exceptional product in a timely fashion. With a shared commitment to people, community, and planet preservation, the partnership has been extremely successful. WSIFB created an innovative process that allowed the agency to quickly produce 24,000 shirts, exceeding quality expectations and keeping jobs in North Carolina.

Page 17:

State Use Program Expands Job Options

NIB’s State Use Program focuses on developing opportunities to increase employment for people who are blind. State Use programs sell products and deliver services to state governments. Several NIB associated agencies work successfully with state use programs. A panel discussion at the 2011 Annual Training Conference in New Orleans addressed how to diversify and grow business through state use.

Photo:

Pictured from left to right: State Use Program panelists Sabra Stipe, NIB state use program manager; Richard M. Healey, president and CEO, Industries for the Blind of New York State Inc.; and Fred Weber, Jr., president and CEO of TIBH Industries in Texas and president of the State Use PRograms Association (SUPRA).

Spreading the Word to Key Stakeholders

NIB is proud to have supportive public policy champions, advisors and partners committed to creating meaningful employment opportunities for people who are blind.

Many years ago, jobs were non-existent for people who were blind. Today, the sky’s the limit in terms of potential and advancement. There are no boundaries.

That’s why NIB took steps in 2011 to get this message out to all key stakeholders – including the media, elected officials and small business owners – about the capabilities of people who are blind. The 2011 NIB/NAEPB Public Policy Forum in March enabled

legislators and their staffs to hear from constituents about how NIB associated agencies create job opportunities for people who are blind by providing high-quality solutions for a variety of customer partners.

Conference attendees encouraged new representatives and senators elected in 2010 to become AbilityOne® Champions, and invited legislators to send letters to Office of Management and Budget Director Jacob Lew requesting an update on federal agency compliance with the AbilityOne Program. Other messaging encouraged legislative staffs to purchase SKILCRAFT® office supplies, informed legislators about the taxpayer benefits of NIB’s portion of the AbilityOne Program and communicated how NIB’s successful partnerships with small business help to create jobs for people who are blind.

Photo:

Rep. Steve Austria (R-OH) receives an AbilityOne Champion award at the March 16 congressional reception. Pictured left to right: Kevin Lynch, president and CEO, NIB; Rep. Austria; Bob Chamberlin, president and CEO, NISH; and Amy Luttrell, president and CEO, Goodwill Easter Seals of the Miami Valley, Dayton, Ohio.

Page 18:

Building for the Future: Associated Agency Growth and Change

Agency Achievement Awards Recognize Employment Growth

At the June 2011 NIB/NAEPB Opportunity Forum in Denver, NIB presented Agency Achievement Awards to two NIB associated agencies that had the greatest increase in

employment for people who are blind during the prior year, coupled with outstanding contract compliance:

Outlook Nebraska (small agency award)

San Antonio Lighthouse for the

Blind (large agency award)

Photos:

From Outlook Nebraska: Marv Riepe, chairman of the board, and Eric Stueckrath, CEO.

Georgina Dottin, NIB rehabilitation engineer, discusses new work station layout with Herley Walker at Winston-Salem Industries for the Blind in Winston-Salem, North Carolina.

Page 19:

Rehabilitation Engineering Contributes to Increased Productivity, Wages

NIB’s Rehabilitation Engineering Program supports associated agencies by enhancing productivity of employees who are blind or blind with other disabilities, and helping to sustain and improve employment opportunities. The rehabilitation engineers collaborate

with agency staff to develop, recommend and implement simple, practical tools and solutions to improve output and productivity; provide job conversions from sighted employees to blind employees; conduct training; and strengthen contract competitiveness.

In the past two years, the rehab engineers have worked with more than 30 agencies, resulting in wage increases for 52 employees, 23 jobs converted from sighted to blind jobs and development of several new positions for employees who are blind. In 2011, they developed the Contract Management Support (CMS) best practices manual to guide agencies providing CMS services; conducted onsite, tailored solutions training for 25 agency staff and supervisors; and offered two-day comprehensive training for multiple agencies to learn together.

Photos:

At ABVI-Goodwill, Rochester, New York, NIB rehabilitation engineers designed and built a jig for packaging 3M memo pads to enable David Sayre to perform the standard packaging procedures.

Phyllis Salerno at the Elizabeth Pierce Olmsted, M.D. Center for the Visually Impaired, Buffalo, New York, increased productivity by 40 percent using a jig to invert shirt sleeve cuffs.

Page 20:

U.S. AbilityOne Commission: Providing Leadership and Recognition

The Commission presented its inaugural Chairperson’s Award for Leadership to A.

Gidget Hopf, Ed.D, president and CEO, Association for the Blind and Visually

Impaired (ABVI) - Goodwill, Rochester, New York, one of NIB’s associated nonprofit

agencies. During her 25 years as president and CEO of ABVI-Goodwill, Dr. Hopf

has transformed the organization into an industry leader of vision rehabilitation

services. The award also was presented to NISH agency leader, Richard Gilmartin

of Lakeview Center, Pensacola, Florida.

The Chairperson’s award recognizes leaders who consistently meet or surpass the Commission’s statutory and regulatory requirements, fulfill its guiding principles for a

Quality Work Environment (QWE), and exhibit business acumen that leads to increased

employment opportunities for people who are blind or otherwise severely disabled.

Photo:

Pictured left to right: NISH COO Dennis Fields, Commission Deputy Executive

Director Kimberly Zeich, Gidget Hopf, former Commission Chairperson Andrew

Houghton, Rich Gilmartin, and NIB COO Scottie Knott.

New Commission Leaders Address NIB/NAEPB Conference

The AbilityOne® Program is the largest source of employment for people who are blind or severely disabled in the United States. The program is administered by the U.S. AbilityOne Commission, the new operating name as of October 1, 2011 for the Committee for Purchase From People Who Are Blind or Severely Disabled.

During the 2011 NIB/NAEPB Annual Training Conference in October, new leaders of the Commission, Chairperson Tony Poleo and Vice Chairperson Jim Kesteloot, said

their leadership style would emphasize collaboration, consultation and mutual respect, leveraging their combined experience. Poleo urged NIB and its associated agencies to communicate the value proposition of the AbilityOne Program. Kesteloot is the former executive director and president of The Chicago Lighthouse for People Who Are Blind or Visually Impaired.

Photo:

U.S. AbilityOne Commission Vice Chairperson Jim Kesteloot and Chairperson Tony Poleo.

Page 21:

2011 Financial Summary

Statement of Financial Position

As of September 30, 2011 (Dollars in Thousands)

Assets

Cash and cash equivalents: $3,042

Investments: $23,637

Receivables, net: $19,000

Deposits and prepaid expense: $538

Property and equipment, at cost less accumulated depreciation: $3,630

Total assets: $49,847

Liabilities and Net Assets

Liabilities: $23,114

Net assets ($108 temporarily restricted): $26,733

Total liabilities and net assets: $49,847

Statement of Activities

For the 12 months ended September 30, 2011 (Dollars in Thousands)

Fees from associated agencies: $28,307

Gross profit on e-commerce sales: $1,760

Other income (loss): ($234)

Total revenue: $29,833

Total expenses: $32,019

Change in net assets: ($2,186)

Net assets at beginning of year: $28,919

Net assets at end of year: $26,733

Summarized from audited financial statements

Pages 22-23:

National Industries for the Blind Associated Agencies

ALABAMA

Alabama Industries for the Blind

Talladega and Birmingham, AL

ARIZONA

Arizona Industries for the Blind

Phoenix, AZ

Southern Arizona Association for the Visually Impaired

Tucson, AZ

ARKANSAS

The Arkansas Lighthouse for the Blind

Little Rock, AR

CALIFORNIA

Earle Baum Center of the Blind Inc.

Santa Rosa, CA

Junior Blind of America

Los Angeles, CA

Lighthouse for the Blind and Visually Impaired

Oakland and San Francisco, CA

Lions Center for the Blind

Oakland, CA

Valley Center for the Blind

Fresno, CA

DELAWARE

Delaware Industries for the Blind

New Castle, DE

DISTRICT OF COLUMBIA

Columbia Lighthouse for the Blind

Washington, DC and Riverdale and Silver Spring, MD

FLORIDA

Center for the Visually Impaired Inc.

Daytona Beach, FL

Florida Center for the Blind Inc.

Ocala, FL

Lighthouse for the Blind of the Palm Beaches Inc.

West Palm Beach, FL

Lighthouse Central Florida

Orlando, FL

Lighthouse for Visually Impaired and Blind

Port Richey, FL

Tampa Lighthouse for the Blind

Tampa, FL

GEORGIA

Center for the Visually Impaired

Atlanta, GA

Georgia Industries for the Blind

Bainbridge, Albany and Griffin, GA

Vision Rehabilitation Services of Georgia Inc.

Smyrna, GA

ILLINOIS

The Chicago Lighthouse for People Who Are Blind or Visually Impaired

Chicago, IL

INDIANA

Bosma Enterprises

Indianapolis, IN

KANSAS

Envision Inc.

Kansas City and Wichita, KS

LOUISIANA

Blind Labor Training Center Inc.

Bastrop, LA

Louisiana Association for the Blind

Shreveport, LA

The Lighthouse for the Blind in New Orleans Inc.

Baton Rouge, Crystal Springs, Gulfport and New Orleans, LA

MAINE

Lighthouse Industries of Maine Inc.

Portland, ME

MARYLAND

Blind Industries and Services of Maryland

Baltimore, Cumberland and Salisbury, MD

MASSACHUSETTS

The Carroll Center for the Blind Inc.

Newton, MA

MICHIGAN

Midwest Enterprises for the Blind Inc.

Kalamazoo, MI

MISSISSIPPI

Mississippi Industries for the Blind

Jackson and Meridian, MS

MISSOURI

Alphapointe Association for the Blind

Kansas City, MO

The Lighthouse for the Blind

Berkeley and St. Louis, MO

NEBRASKA

Outlook-Nebraska Inc.

Omaha, NE

NEVADA

Blind Center of Nevada Inc.

Las Vegas, NV

NEW JERSEY

Bestwork Industries for the Blind Inc.

Runnemede, NJ and Philadelphia, PA

Cambridge Industries for the Visually Impaired

Somerset, NJ

New Jersey Association of the Deaf-Blind Inc.

Somerset, NJ

NEW MEXICO

New Mexico Commission for the Blind

Albuquerque, NM

NEW YORK

Association for the Blind and Visually Impaired – Goodwill Industries of Greater Rochester Inc.

Rochester, NY

Association for Vision Rehabilitation and Employment Inc.

Binghamton, NY

Aurora of Central New York

Syracuse, NY

Central Association for the Blind and Visually Impaired

Utica, NY

Elizabeth Pierce Olmsted, M.D. Center for the Visually Impaired

Buffalo, NY

Lighthouse International

New York, NY

New York City Industries for the Blind Inc.

Brooklyn, NY

Northeastern Association of the Blind at Albany

Albany, NY

Southern Tier Association for the Visually Impaired

Elmira, NY

Visionary Media

New York, NY

NORTH CAROLINA

Industries of the Blind Inc.

Greensboro, NC

LC Industries Inc.

Durham, NC; Louisville, KY; Daytona, FL; and Ellisville, Hazlehurst, Jackson, Natchez, Sanitorium, Tupelo and Whitfield, MS

Lions Industries for the Blind Inc.

Kinston, NC

Lions Services Inc.

Charlotte, NC

RLCB Inc.

Raleigh, NC

Winston-Salem Industries for the Blind Inc.

Winston-Salem and Asheville, NC and Mayaguez, PR

OHIO

Cincinnati Association for the Blind and Visually Impaired

Cincinnati, OH

Cleveland Sight Center

Cleveland, OH

Clovernook Center for the Blind and Visually Impaired

Cincinnati, OH and Memphis, TN

The Ohio Lighthouse for the Blind and Vision Impaired Inc.

Ravenna, OH

OKLAHOMA

New View Oklahoma Inc.

Oklahoma City, OK

OREGON

Blind Enterprises of Oregon

Portland, OR

PENNSYLVANIA

Blind and Vision Rehabilitation Services of Pittsburgh

Homestead, PA

Center for the Blind and Visually Impaired

Chester, PA

Chester County Branch Inc.

Pennsylvania Association for the Blind

Coatesville, PA

ForSight Vision

York, PA

Keystone Vocational Services Inc.

Sharon, PA

North Central Sight Services Inc.

Williamsport, PA

Susquehanna Association for the Blind and Vision Impaired

Lancaster, Philadelphia and Somerset, PA

Washington-Greene County Branch Pennsylvania Association for the Blind

Washington, PA

Westmoreland County Blind Association

Greensburg and Uniontown, PA

RHODE ISLAND

IN-SIGHT

Warwick, RI

TENNESSEE

Ed Lindsey Industries for the Blind Inc.

Nashville, TN

Lions Volunteer Blind Industries Inc.

Johnson City and Morristown, TN

TEXAS

Beacon Lighthouse Inc.

Wichita Falls, TX

Dallas Lighthouse for the Blind Inc.

Dallas, TX

El Paso Lighthouse for the Blind

El Paso, TX

Horizon Industries

Tyler, TX

Lighthouse for the Blind of Fort Worth

Fort Worth, TX

San Antonio Lighthouse for the Blind

San Antonio, TX

South Texas Lighthouse for the Blind

Corpus Christi and Victoria, TX

The Lighthouse of Houston

Houston, TX

Travis Association for the Blind

Austin, TX

West Texas Lighthouse for the Blind

San Angelo, TX

UTAH

Utah Industries for the Blind

Salt Lake City, UT

VIRGINIA

Virginia Industries for the Blind

Charlottesville and Richmond, VA

WASHINGTON

The Lighthouse for the Blind Inc.

Seattle and Spokane, WA

WEST VIRGINIA

The Seeing Hand Association Inc.

Wheeling, WV

WISCONSIN

Associated Industries for the Blind Inc.

Milwaukee, WI

Industries for the Blind Inc.

West Allis and Janesville, WI

Wiscraft Inc.

Milwaukee, WI

Page 24:

NIB Board of Directors as of September 30, 2011

Chairperson of the Board

Dr. James A. Kutsch, Jr.\*

President and Chief Executive Officer

The Seeing Eye

Morristown, NJ

Vice Chairperson of the Board

The Honorable Gary J. Krump\*

Senior Vice President

Cassidy & Associates

Washington, DC

Treasurer

Ronald Tascarella\*

Senior Vice President and Chief Credit Officer

PathFinder Bank

Oswego, NY

Secretary

Kristin Graham Koehler, Esq.

Partner

Sidley Austin LLP

Washington, DC

Daniel J. Boucher\*

Executive Chair

Winston-Salem Industries for the Blind

Winston-Salem, NC

Michael G. Chew

Executive Director

Mississippi Industries for the Blind

Jackson, MS

Robert A. Council

General Manager of Government Markets

3M

Washington, DC

Gibson M. DuTerroil

President and Chief Executive Officer

The Lighthouse of Houston

Houston, TX

Michael N. Gilliam

President and Chief Executive Officer

San Antonio Lighthouse for the Blind

San Antonio, TX

Robert K. Hanye

President and Chief Executive Officer

Association for Vision Rehabilitation and Employment Inc.

Binghamton, NY

Louis Jablonski, Jr.

Executive Vice President and General Manager

KGB

Bethlehem, PA

The Honorable William A. Johnson, Jr.

Distinguished Professor of Public Policy

Rochester Institute of Technology

Rochester, NY

William B. Johnson, CPA

Savannah, GA

Reinhard M. Mabry

President and Chief Executive Officer

Alphapointe Association for the Blind

Kansas City, MO

John H. Mitchell, III

Executive Director

Cincinnati Association for the Blind and Visually Impaired

Cincinnati, OH

Jeanne L. Morin

Consultant

Akerman Senterfitt

Washington, DC

Major General Hawthorne L. Proctor, USA (Ret)

President

Proctor & Boone, LLC

Clifton, VA

Billy J. Sparkman

Executive Director

Alabama Industries for the Blind

Talladega, AL

Dennis L. Steiner\*

President and Chief Executive Officer

Susquehanna Association for the Blind and Vision Impaired

Lancaster, PA

Karen S. Walls, CPA\*

President

Midwest Enterprises for the Blind

Kalamazoo, MI

Assistant Secretary

Mary Jane Surrago

Councilwoman

Glen Rock, NJ

Honorary Lifetime Director

Abram Claude, Jr.

North Salem, NY

\*Executive Committee member

Vellum fly sheet:

Mission:

To enhance the opportunities for economic and personal independence of persons who are blind primarily through creating, sustaining and improving employment.

Vision:

Our vision is to be a premier organization of empowered employees that exceeds expectations of all stakeholders and champions opportunities for people who are blind to achieve their full potential.

Values:

We are committed to maintaining the highest level of trust and integrity while conducting business with individuals, organizations, private industry and government.

We are committed to conducting business lawfully and ethically with all people who are blind, employees, associated industries, customers and suppliers.

A primary goal of NIB and our associated agencies is to enhance the opportunities for personal and economic independence of people who are blind. We seek to achieve excellence in delivery of service and provision of access, both physical and programmatic.

We are accountable for all our decisions and actions.

We are committed to providing excellent quality, value, competitive prices and superior service to all our customers who use products and services made and/or provided by people who are blind.

We are committed to recognizing the changing needs and preferences of our customers.

Page visible through vellum fly sheet: Photo of woman walking with a cane

Back Cover:

Graphic:

NIB logo

National Industries for the Blind

1310 Braddock Place

Alexandria, VA 22314-1691

703-310-0500

www.NIB.org

NIB Senior Management

Kevin A. Lynch

President and Chief Executive Officer

Steven T. Brice

Vice President and Chief Financial Officer

Angela Hartley

Executive Vice President

Stephen E. Heinecke

Vice President, Electronic Commerce and Product Catalogs

Claudia "Scottie" Knott

Chief Operating Officer

Lynn Millar Konetschni

Vice President, Human Resources

Thomas A. Panek

Vice President, Relationship Management

John F. Qua

Vice President, Services

Laura Reimers

Vice President, Communications

Rick Webster

Vice President, Public Policy

Graphics:

AbilityOne Program logo

SKILCRAFT logo

Printed on 30% recycled stock with eco-friendly inks.

1010-1-12