

Textron, Elbit, AAR, and Triumph Added to the SPADE Defense Index™

Washington, DC – December 27, 2007 – The ISBC today announced the results of its quarterly review of the SPADE Defense Index™ (**AMEX: DXS**). Effective December 31, 2007, Textron (NYSE: TXT), Elbit Systems (NASDAQ: ESLT), AAR Corporation (NYSE: AIR), and Triumph Group (NYSE: TGI) were added to the index. EDO and United Industrial exited the index during the quarter as acquisitions of both companies, by ITT and Textron respectively, were completed. The SPADE Defense Index serves as a benchmark for the value that the markets ascribe to companies involved with defense, homeland security, and space, and forms the basis for the PowerShares Aerospace & Defense Portfolio ETF (**AMEX: PPA**), the longest-operating exchange-traded fund for this sector.

Changes to the Index, effective December 31, 2007, are as follows:

ADDITIONS (NAME / SYMBOL)

- **Textron Inc. (NYSE: TXT)** – The firm is a manufacturer of military helicopters and their recent acquisition of United Industrial Corp. provides them with access to the unmanned aerial vehicle (UAV) market. Overall, the firm generates approximately 35% of its revenues from defense. An addition 35% is generated from its business line that manufactures the Cessna aircraft, which is increasingly being used for homeland security reconnaissance.
- **Elbit Systems (NASDAQ: ESLT)** - Elbit Systems, Ltd. and its subsidiaries are involved with defense electronic and electro-optic systems including C4ISR systems for unmanned vehicles for defense and homeland security applications. Its operations include military aircraft and helicopter systems and upgrades; helmet mounted systems; electronic warfare and signal intelligence systems; commercial aviation products; land vehicle systems and upgrades; military communications systems and equipment; C4I and government information systems; unmanned air vehicle systems; electro-optic and countermeasures systems and products; homeland security systems; naval systems; and technology spin-offs and other commercial activities.
- **AAR Corporation (NYSE: AIR)** - AAR provides products and services to the aviation, aerospace, and defense industries worldwide. This includes the maintenance, repair, and overhaul of aircraft systems. Other divisions are involved with in-plane cargo loading and handling systems for military aircraft and helicopters, and advanced composite structures. The addition of this company provides exposure to a growing MRO market in light of rising age of military aircraft along with an expanding commercial aviation market. More than a third of revenues are derived from its defense operations with the balance from commercial aerospace companies.
- **Triumph Group (NYSE: TGI)** - Triumph Group, Inc., through its subsidiaries, engages in the design, engineering, manufacture, repair, overhaul, and distribution of aircraft components worldwide. Like AAR, this company provides exposure to the MRO market, which is growing due to the rising age of military aircraft and an expanding commercial aviation market. One-third of the company's revenues are derived from military contracts.

SUBTRACTIONS (NAME / SYMBOL)

None.

COMPLETED ACTIONS DURING THE QUARTER

- **EDO (NYSE: EDO)** - ITT closed its acquisition of EDO on 21 December 2007.
- **UIC (NYSE: UIC)** - Textron closed its acquisition of UIC on 11 November 2007.

“The SPADE Defense Index aims to cover the broad diversity of activities that is representative of companies involved with defense, homeland security, and space – including not only industrial firms that manufacture aircraft, tanks, ships, and missiles but those involved with current and next generation systems related to network centric warfare and information technology; intelligence, surveillance, and

reconnaissance; satellites; border security; and defense systems that protect the lives of our servicemen and servicewomen”, said Scott Sacknoff, Manager of the SPADE Defense Index.

“Companies are required to meet a variety of eligibility criteria for market valuation, trading volume, and listing on a major U.S. exchange. The addition of these firms provides the Index with added diversification in defense growth areas such as unmanned aerial vehicles, persistent surveillance, electro-optics, as well as operations and technical support.”

Compiling a track record that many professional money managers and mutual funds would envy, the SPADE Defense Index is on pace to outperform the S&P500 benchmark for an eighth consecutive year, with year-to-date gain of 24.4%, nearly 20% better than the widely followed S&P500 broad-market index.

The SPADE Defense Index is a modified market capitalization-weighted index that currently has 57 constituents. Full details on the SPADE Defense Index and its rules and methodology are available at www.spadeindex.com