



Index Highlights

- Volume in NYSE: PPA ETF picking up.
- SPADE Defense Index passes its 200-day moving average.
- During the first days of June, the Index has gained another 8%
- Release of FY10 DoD budget specifics contains few surprises -- procurement set to rise 5.6%.

Factoid

In doing research for a Dow Jones Newswire reporter, we noticed that during the 2nd quarter when the stock market has gone up, the SPADE Defense Index has outperformed the broader markets:

2007	10.76% vs	5.81%
2005	3.91% vs	0.91%
2004	6.34% vs	1.30%
2003	19.03% vs	14.89%
2001	5.91% vs	5.52%

SPADE Defense Index Statistics

5/29/09 Close: 1593.27
 All-time Close: 2747.67
 Date of all-time close: 9 October 2007

	SPADE Defense	S&P500
May	5.08%	5.04%
2nd QTD	18.54%	15.20%
YTD	[0.08%]	1.76%

Morningstar 5-Star Rating *****
Powershares Aerospace & Defense ETF (NYSE: PPA)

Commentary

Specifics of the FY2010 Defense Department budget were finally made available in early May and there were few surprises from the information that was leaked over the previous weeks. A number of large programs were cancelled or scaled back including major initiatives such as the Future Combat System, Transformational Satellite TSAT, and the presidential helicopter, but each were "replaced" with other programs that are designed to meet the ongoing needs of the agency. In fact, despite the cancellation of the multi-billion TSAT program, spending on new communications satellites in FY10 rose.

Analysts have now shifted their attention toward gathering information on the 2010 Quadrennial Defense Review (QDR) which will be the guide for the FY-2011 to FY-2015 budgets -- although final details are not due until next February.

While a number of analysts think defense spending has peaked with the FY-10 budget, dramatic cuts in future budgets is meeting with resistance from a number of current and former members of the executive branch and Congress as well as military officials.

So with investors starting to look again toward the sector, it appears as if the recent decline in share prices over the past nine months went too far. Which brings us to the top 10 keys for the next six months.

Ten Keys for the Next Six Months (and Beyond)

1. The FY10 Budget is Released

The budget has always been the most important factor in determining the health of the sector

and the companies that will benefit. With the base budget for FY 2010 showing a 5.6% growth (\$5.7 billion) in procurement and another supplemental spending package to fund war efforts through the rest of 2009 coming, the issue has been put to rest for the time being.

2. Global Tension: North Korea and Iran

The launch of rockets by Iran and North Korea as well as their nuclear interests have raised the potential that something might happen. Fears that Israel may act in Iran before the U.S. are rising.

3. Rebound in Commercial Aerospace

The global recession and the collapse of the financial system had little impact on defense spending but commercial activities suffered. With roughly 20% of the defense sector maintaining commercial aerospace operations, an improving economy is showing benefits. The first test flights and delivery of the Boeing 787 will an additional provide a boost to the sector.

4. Positive Press Over the Next Month from the Paris Air Show

The improving commercial sector be showcased at the mid-June Paris Air Show, the largest and most important show of its kind. Over the next several weeks hundreds of press releases and articles will be issued highlighting new contracts and new products. More than \$50 billion worth of contract announcements are anticipated. In addition, rumor is that the Boeing 787 may make its maiden flight.

Nine Consecutive Years Outperforming the S&P500 (2000 - 2008)

Summary FY10 Base Budget

	FY09	FY10	Delta
Army	139.2 B	142.1 B	+2.1%
Navy	147.4 B	156.4 B	+6.1%
Air Force	141.2 B	144.5 B	+2.3%
Defense-wide	85.5 B	90.8 B	+6.1%
TOTAL	513.3 B	533.8 B	+4.0%

	FY09	FY10	Delta
Operations & Maintenance	179.1 B	185.7 B	+3.7%
Procurement	101.7 B	107.4 B	+5.6%
RDT&E	79.5 B	78.6 B	-1.1%

5. Declining Dollar is Positive for Exports

The United States has become a net importer of products; but one sector in which the U.S. has a positive trade balance is aerospace. With companies around the world still operating in a recessionary mindset, a weakening dollar offers a competitive advantage against global competitors.

May 2009 Top Gainers

1	Ladish Co.	55.75%
2	Cubic Corp.	32.88%
3	Ceradyne	31.09%
4	Oshkosk Truck	23.65%
5	Elbit Systems	21.46%
6	L-1 Identity	18.44%
7	AeroVironment	18.01%
8	Axsys Technologies	17.11%
9	SRA International	15.27%
10	Computer Sciences	14.88%

May 2009 Laggards

1	Garmin Ltd	[17.19%]
2	VSE Corporation	[15.99%]
3	GeoEye	[13.70%]
4	Cogent	[11.38%]
5	Moog	[10.75%]
6	Trimble Navigation	[10.54%]
7	Taser Int'l	[9.17%]
8	Mercury Computer	[7.14%]
9	DynCorp	[5.11%]
10	Orbital Sciences	[4.79%]

YTD 2009 Top Gainers

1	Force Protection	44.31%
2	Cubic Corp.	40.26%
3	Precision Castparts	38.82%
4	Oshkosh Truck	33.52%
5	OSI Systems	32.85%
6	Goodrich Corp.	31.12%
7	Elbit Systems	29.32%
8	L-1 Identity	28.64%
9	Computer Sciences	20.83%
10	Mercury Computer	19.49%

YTD 2009 Laggards

1	Integral Systems	[36.93%]
2	VSE Corporation	[35.99%]
3	Moog	[34.65%]
4	Mantech	[29.23%]
5	Esterline Tech.	[27.84%]
6	FLIR Systems	[26.79%]
7	Teledyne Tech.	[26.22%]
8	Cogent	[25.94%]
9	Orbital Sciences	[24.63%]
10	AeroVironment	[24.15%]

Largest Defense Prime Contractors

	May	2009
Lockheed Martin	6.49%	[0.54%]
Boeing	11.99%	5.11%
General Dynamics	10.12%	[1.20%]
Northrop Grumman	[1.51%]	5.73%
Raytheon	[1.28%]	[12.52%]

Year	SPADE	S&P500
09YTD	[0.08%]	1.76%
2008	[38.03%]	[38.49%]
2007	22.17%	3.53%
2006	19.33%	13.62%
2005	5.30%	3.00%
2004	20.47%	8.99%
2003	37.27%	26.38%
2002	[2.87%]	[23.37%]
2001	0.94%	[13.04%]
2000	4.98%	[10.14%]
1999	15.31%	19.53%
1998	6.63%	26.67%

ETF Statistics (NYSEarca: PPA)

Powershares Aerospace & Defense

Exchange / Ticker Symbol: NYSE / PPA
 Fee 60 basis
 Assets (5/29/09) \$123.8 M
 Closing Price (5/29/09) \$14.07
 Yield (SEC 30-day yield) 1.61%
 May 09 Volume 1,361,000
 3 month Avg Daily Trading Volume** 74,177
 Turnover 13%
 source: Yahoo Finance ** May 31 2009

	31 May 2009
Avg. Market Cap.	7.44 B
Portfolio P/E	9.31
Portfolio P/S	0.50
Portfolio P/B	1.77
Portfolio P/Cash Flow	4.95
Earnings Growth Rate (ttm)	11.92%
(Most recent estimate) source: Yahoo Finance	

Powershares Aerospace & Defense ETF (NYSE: PPA)

Modern Portfolio Theory (vs the S&P500)

Beta (3 month) 1.13
 Alpha (3 month) 5.72
 R-squared (3 month) 84.64
 source: Yahoo! Finance (5/31/09)

Contracts

\$50 Billion over 10 Years - Among the 59 firms eligible to compete for the Alliant contract (integrated IT solutions) are **CSC, Harris, and Lockheed Martin**.

\$3 Billion - Lockheed Martin to provide support services at a nuclear site in Richland Washington including fire protection, security, and information technology.

\$1.5 Billion - to **Lockheed Martin** for two additional Space Based Infrared System (SBIRS) missile detection satellites.

\$736 Million - Harris Corporation for data processing systems for data generated by advanced weather satellites (from NOAA)

\$570 Million - CSC for a 10-year contract from the UK to revamp elements of the the British passport system.

\$500 Million - Textron received a credit facility from the U.S. Export-Import Bank to help finance new Cessna and Bell helicopters to international customers

\$400 Million - Lockheed Martin by the GSA to support the Federal Acquisition Service.

\$400 Million - Lockheed Martin from DARPA to design a high-altitude, autonomous surveillance aircraft.

\$399.9 Million - From DARPA to **Lockheed Martin and Raytheon** for an airborne radar blimp. They will create a scale model and receive \$100 million initially and remainder in phases.

\$184 Million - CACI was awarded several contracts including five from DoD (three on intelligence-related efforts and two related to DoD acquisition activities) as well as one from the Veterans Affairs Department to improve its budgetary and financial systems.

\$150 Million - Harris received a \$150 million order from the Army for the Falcon III AN/PRC-117G radio.

\$19 Million - (Small, but I thought it was interesting) - to Raytheon for a laser radar vibration sensor capable of locating tunnels and underground facilities by measuring ground vibrations.

Commentary (continued)

6. Valuations Still Well Below Recent Levels

The market decline wiped out years of gains that took the sector through the dotcom bubble, the 9-11 attacks, and the wars in Iraq and Afghanistan. Today, valuations in the industry are at levels typically seen after a major decline in the defense budget with P/E, P/S, PEG, etc all bottoming earlier this year. Advance comments from several companies indicate that 2Q09 reports should continue to show healthy balance sheets.

7. Strength in the Satellite and Space Business

Like the defense sector, spending on satellite services did not see major declines over the past year and many firms are reporting steady revenue gains. Going forward, U.S. satellite manufacturers (such as Orbital Sciences, Lockheed Martin, Boeing, General Dynamics) and other hardware and software providers (Integral Systems, Moog, etc.) could benefit if a provision in the 2010 State Department Authorization Act passes turning satellite

export review over to the Department of Commerce. Prior to the law change in 1998, the AIA states that 78% of communications satellites were U.S. made, whereas today it is 27%.

8. Rebound in the Economy to Put Less Pressure on Obama

Beginning with the FY-11 budget, the Obama administration will seek to reduce a number of spending programs in order to pay for new programs (such as health care) and pay down the debt generated from the stimulus and overcoming the financial crisis. Defense, as the largest discretionary budget item, is likely to come under pressure. Defense Secretary Gates and a number of members of Congress have already begun efforts to hold back any dramatic cuts. A recent article in the *NY Times* highlighted that rocket launches by North Korea have started to sway some in Congress toward the need for continued defense spending.

9. Leaks about the 2010 QDR

Lastly, between now and February 2010, there

will be a number of leaks as the agency determines its strategic direction and acquisition plans for the rest of Obama's first term. We can anticipate that not every trial balloon that is flirited with will make it to the final version. It is likely, however, that these comments will lead to temporary moves in the market for the companies that might be impacted.

10. New Initiatives / Diversification

Defense companies have seen the future and have already begun positioning their firms to adapt to changes inside the Pentagon as well as to leverage their skills and technologies to meet the needs of customers outside the core defense sector. (eg. see the \$3 billion contract to Lockheed Martin mentioned on page 2 for nuclear facility services.) In addition, the cancellation of large multi-billion programs is opening up new opportunities to compete for new business against the former incumbent and new initiatives, such as cybersecurity, will see billions spent not only by DoD but other government agencies.

News and Analysis

Acquisitions and Partnerships

General Dynamics acquired **Axsys Technologies** for \$643 million (\$54/share). Axsys supplied EO/IR sensors and optics and is a constituent of the SPADE Defense Index.

Harris acquired Tyco Electronics Wireless Systems (M/A-Com) for \$675 million to expand its capabilities in the \$9 billion federal land mobile radio market. Analysts were mixed with Chris Donaghey of SunTrust Robinson Humphrey stating that it "makes Harris' land mobile radio business a formidable competitor to market leader Motorola while investment counselors at Cowen & Co. thought that it was a "suboptimal use of cash".

Harris also acquired the Air Traffic Control division of Canada's SolaCom Technologies and gains some 200 air traffic customers on six continents.

General Dynamics and **Elbit Systems** announced the formation of UAS Dynamics, a joint venture to supply UAVs to the DoD and other government agencies.

Boeing is shopping for a partner to share development costs for the Silent Eagle, a stealth update to the F-15 fighter.

Forthcoming Contracts

The Pentagon will issue new program requirements by September 1 after cancelling the \$15 billion Combat, Search and Rescue aircraft

United Airlines announced that the plan to buy as many as 150 new aircraft to replace some of its 747 and 767 wide-body aircraft as well as some single-aisle 757s. The contract is worth between \$10 billion and \$20 billion.

According to *Forbes*, the forthcoming war funding bill is expected to include \$3.1 Billion to purchase 8 C-17 military transport planes (Boeing) and 7 C-130s (Lockheed Martin).

In what could be an order worth more than \$40 billion, the *Associated Press* stated that Qatar Airways may announce orders for 200 new planes at the Paris Air Show.

After eliminating much of the controversial FCS (Future Combat Systems) modernization program, Army Chief of Staff General George Casey told a Senate subcommittee that new ground vehicles are a top priority and could be developed in 5-7 years. the Pentagon budget includes \$26.3 billion FY2010 to modernize Army and Marine Corps ground vehicles.

\$55.1 Billion - Proposed budget in FY10 for the Department of Homeland Security; it will be focused on protecting travelers, securing

the nation's borders, and defending computer networks against cyber attacks. Sec. Janet Napolitano also wants to create 15 teams tasked with detecting explosive devices in public space and transportation networks, and allocate \$400 million to protecting critical infrastructure from terrorist attacks.

The discretionary budget of Homeland Security Department would increase 6.15%. TSA's budget, would jump by 11% with most (\$565 Million) earmarked for baggage screening equipment. According to the *Wall Street Journal*, only L-3, GE, and Reveal Imaging are able to meet government standards.

According to *Voice of America*, Australia plans to go on a weapons buying spree. Among that proposed by Prime Minister Kevin Rudd were 12 submarines, 100 fighter jets, 24 naval combat helicopters, and nine surface ships.

\$2 Billion+ Proposal - Boeing from the Indian government for two helicopter projects including 22 attack helicopters and at least 15 heavy-lift helicopters as part of their \$30 billion modernization plan.

Top Unfunded Priorities

Military services provided Congress with a \$3.4 billion wish list of equipment, infrastructure and other needs left out of the FY2010 budget

More News & Analysis on page 4

About

The SPADE Defense Index (**ticker: DXS**) provides an investment benchmark for companies involved with defense, homeland security, and space.

The Index is designed to reflect the broad diversity of activities that is representative of companies involved with defense, homeland security, and space – including industrial firms that manufacture aircraft, tanks, ships, and missiles and 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.

Licensed Products

Exchange Traded Fund - ETF

Licensed to Powershares, their Aerospace & Defense Portfolio ETF (NYSEarca: PPA) is designed to track the performance of the SPADE Defense Index.

Rules

The Index was designed to be RIC (Registered Investment Company) compliant for the purpose of enabling financial products. Companies are required to meet a variety of eligibility criteria including market valuation, liquidity, and listing on a major U.S. exchange. Full details are available on our website.

- * Market Cap: Minimum \$100M
- * Share Price: Minimum \$5.00
- * Liquidity: 50,000 shares/day avg

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More News & Analysis

request. This is down significantly (87%) from past years and a result of Gates' attempt to increase fiscal discipline. A more manageable list increases the possibility of funding.

The Air Force's \$1.9 billion list includes \$78 million to upgrade EC-130s and \$103.4 million for an infrared imaging satellite known as ORS-1 (led by **Goodrich**). The list also includes adding a nuclear detection kit onto new SBIRS missile warning satellites and two undisclosed classified efforts (worth \$140 million and \$191.1 million)

On June 4th, Jim Cramer stated that Aerospace stocks were the next sector to see a dramatic rise in value (a bit late but at least it got a mention).

A *Bloomberg* article cited that shares of large defense companies have the potential to post substantial gains during the Obama administration. Defense stocks climbed 259% during the Clinton Administration and just 21% under President George W. Bush. Regarding Defense Secretary Robert Gates plans to spend less on major weapons systems and more on conventional warfare capabilities, John Dorfman writes, "This will affect all defense contractors, but I think most are capable of adapting to the new marching orders".

Backlogs for aerospace and defense companies remain at near record levels and the industry continues to experience strong demand from the Pentagon. While the economic downturn affect commercial aircraft, the economy has had only a limited effect on demand for military equipment and weapons -- *Aviation Week*.

Army reset would take two years after the conflicts in Iraq and Afghanistan end - Gen. Peter Chiarelli, Vice chief of staff, Army

Northrop Grumman released a white paper stating that the Air Force could achieve significant long-term savings on the aerial refueling tanker by a split, competitive contract to both Northrop and Boeing.

The U.S. Senate is discussing the possibility of an export-only version of the F-22. U.S. law currently bans the export of this plane but Japan is interested due to recent activities by North Korea.

Facing a shortage of fighter jets, the Air Force is looking into upgrading F-15 and F-16 jets that

take the F-15 from 8000 service hours to 12,000 and the F-16 from 4000 to 8000.

The Air Force also plans to retire 134 F-16s, 112 F-15s, and 3 A-10s to save \$3.5 billion over five years. The resources will be applied to unmanned vehicles, intelligence analysis and modifications to bombers and fighters.. Currently the service has 2,360 fighters but it means as least five squadrons will be shuttered. By 2014, the Air Force plans to buy 513 F-35s and 2443 by the end of the program in 2034. Delays in the F-35 delivery schedule could create a fighter gap in light that the FY10 budget does not include any funds for new F-15s or F-16s.

Navy Fighter Gap: RAdm Allen Myers thinks that it could be 70 fighters starting in 2013 although the number could go as high as 129. Other studies think the top end could go to 243-300 planes. They are determining how best to either fix or replace the F/A-18 Hornet in advance of the F-35 Lightning II being ready for service.

Support for missile defense in Congress is rising after recent missile launches by North Korea according to DoD Secretary Gates.

According to *Defense News*, among DoD's next-generation technologies include:

- "Synthetic biology" - the capability of building living organisms from scratch including viruses.
- Nano-sized sensors that can detect traces of chemical or biological agents;
- Artificial intelligence to mine data; virtual reality to see data.
- Merger of sensors and computing power to lead to biometric technology to monitor humans in real time.
- Sensors that can detect emotions such as stress, cybersecurity, digital noses to sniff out IEDs.

Among the Air Force's future plans are:
 - To operate more than one Predator UAV from the same ground station with one crew, ie. fly more than one UAV at a time.
 - Build a new bomber with moderate range capability and moderate payload
 - Develop remotely piloted cargo aircraft
 - UAVs with auto-land features (coming to its MQ-9 Reaper B models)

DoD base budget for operations and maintenance is \$185.7B + another \$90.6 billion for wars in Iraq and Afghanistan. The \$276 billion it is up slightly from the \$274 billion in FY09 and represents nearly 41% of the total request for FY 2010.

Jun-09		SPADEFENSE Index					Market	Forward	Price/	Price/	PEG	
Company	Ticker	Float %	Price	Price	% Ch	% Ch	Cap	P/E	Sales	Book	5 yr	Div Yld
			30-Apr-09	29-May-09	YTD	MTD	intraday	(ttm)	ttm	mrq	expected	forward %
Boeing Co	BA	7.77%	40.05	44.85	5.11%	11.99%	32.57	10.10	0.52		1.19	3.90%
United Technologies	UTX	7.75%	48.84	52.61	-1.85%	7.72%	49.56	11.88	0.87	3.12	1.40	3.00%
Lockheed Martin	LMT	7.71%	78.53	83.63	-0.54%	6.49%	32.52	10.03	0.75	11.45	1.02	2.80%
Honeywell Intl	HON	6.95%	31.21	33.16	1.01%	6.25%	24.67	11.76	0.68	3.23	1.16	3.80%
General Dynamics	GD	6.26%	51.67	56.90	-1.20%	10.12%	21.91	8.85	0.72	2.14	1.03	2.70%
Raytheon Co	RTN	5.09%	45.23	44.65	-12.52%	-1.28%	17.60	8.86	0.74	1.92	0.81	2.80%
Precision Castparts	PCP	4.59%	74.86	82.57	38.82%	10.30%	11.55	10.70	1.72	2.55	0.78	0.10%
Northrop Grumman	NOC	4.44%	48.35	47.62	5.73%	-1.51%	15.40	8.46	0.45	1.29	0.87	3.60%
Rockwell Collins	COL	3.75%	38.35	42.42	8.52%	10.61%	6.72	11.43	1.44	4.11	0.63	2.30%
L-3 Communications Hldgs	LLL	3.70%	76.15	73.51	-0.37%	-3.47%	12.39	9.03	0.57	1.46	1.16	1.90%
Computer Sciences	CSC	3.59%	36.96	42.46	20.83%	14.88%	6.43	9.54	0.38	1.15	1.20	
Itt Indus	ITT	3.58%	41.01	41.18	-10.46%	0.41%	7.49	11.57	0.66	2.39	1.40	2.10%
SAIC	SAI	3.38%	18.10	17.47	-10.32%	-3.48%	7.07	12.94	0.70	3.39	1.13	
Goodrich Corp	GR	3.36%	44.28	48.54	31.12%	9.62%	6.01	10.55	0.85	2.66	0.87	2.10%
Garmin Ltd	GRMN	2.34%	25.19	20.86	8.82%	-17.19%	4.18	10.03	1.26	1.83	0.78	3.70%
Harris Corp	HRS	2.32%	30.58	31.08	-18.32%	1.64%	4.11	9.99	0.72	1.87	0.66	2.60%
URS Corporation	URS	2.28%	44.06	48.08	17.93%	9.12%	4.00	14.35	0.38	1.05	1.39	
Ball Corp	BLL	2.08%	37.72	39.80	-4.30%	5.51%	3.74	9.50	0.49	3.29	1.38	1.00%
Flir Systems	FLIR	1.78%	22.18	22.46	-26.79%	1.26%	3.37	13.86	3.13	3.62	0.83	
Textron	TXT	1.69%	10.73	11.50	-17.09%	7.18%	2.82	12.78	0.21	1.15	5.07	0.70%
Alliant Techsystems	ATK	1.58%	79.65	86.29	0.62%	8.34%	2.83	9.66	0.63	4.68	0.89	
Eibit Systems	ESLT	1.41%	49.49	60.11	29.32%	21.46%	2.53	13.10	0.94	3.41	1.53	5.30%
Trimble Navigation Ltd	TRMB	1.28%	21.44	19.18	-11.24%	-10.54%	2.29	14.53	1.78	1.95	0.98	
Mantech International'a'	MANT	0.76%	36.19	38.35	-29.23%	5.97%	1.36	11.80	0.71	1.90	1.11	
Teledyne Technologies	TDY	0.66%	31.93	32.87	-26.22%	2.94%	1.18	10.08	0.63	2.28	2.14	
Caci Intl	CACI	0.64%	39.55	38.37	-14.90%	-2.98%	1.15	11.39	0.44	1.21	1.05	
Moog Inc.	MOGA	0.57%	26.78	23.90	-34.65%	-10.75%	1.02	9.80	0.54	1.00	1.21	
Cubic Corp	CUB	0.57%	28.71	38.15	40.26%	32.88%	1.02	17.58	1.07	2.55	0.86	0.50%
Sra International'a'	SRX	0.56%	15.39	17.74	2.84%	15.27%	1.00	15.84	0.65	1.38	1.44	
Cogent Inc.	COGT	0.50%	11.34	10.05	-25.94%	-11.38%	0.90	18.61	6.86	1.71	1.39	
Oshkosh Truck	OSK	0.49%	9.60	11.87	33.52%	23.65%	0.88	10.89	0.13	11.87		3.50%
Orbital Sciences Corp	ORB	0.47%	15.46	14.72	-24.63%	-4.79%	0.83	13.89	0.70	1.76	1.37	
DynCorp	DCP	0.46%	15.25	14.47	-4.61%	-5.11%	0.82	9.71	0.29	1.70	1.21	
Esterline Technologies	ESL	0.45%	26.35	27.34	-27.84%	3.76%	0.81	7.19	0.60	0.84	0.47	
Viasat Inc	VSAT	0.43%	22.99	25.08	4.15%	9.09%	0.80	13.13	1.20	1.64	0.86	
L-1 Identity Solutions	ID	0.42%	7.32	8.67	28.64%	18.44%	0.77	36.12	1.25	1.07	5.31	
Triumph Group	TGI	0.36%	41.33	39.41	-7.18%	-4.65%	0.66	7.70	0.51	0.80	0.67	0.40%
Stanley Inc.	SXE	0.34%	25.78	26.09	-23.74%	1.20%	0.62	13.18	0.78	2.71	0.94	
Force Protection	FRPT	0.33%	7.62	8.63	44.31%	13.25%	0.60	13.70	0.54	2.09	0.68	
AeroVironment	AVAV	0.33%	23.66	27.92	-24.15%	18.01%	0.60	22.52	2.52	2.96	1.17	
Ceradyne Inc	CRDN	0.33%	17.24	22.60	11.28%	31.09%	0.58	13.78	0.98	0.92	1.72	
AAR Corp	AIR	0.32%	15.07	14.70	-20.15%	-2.46%	0.57	7.70	0.38	0.86	0.53	
American Science & Engineering	ASEI	0.32%	60.26	62.53	-15.45%	3.77%	0.55	18.12	2.47	2.97	1.13	1.30%
AXSYS Technologies	AXYS	0.31%	41.91	49.08	-10.54%	17.11%	0.57	16.04	2.25	2.89	0.82	
Argon St	STST	0.25%	20.39	20.72	9.86%	1.62%	0.45	16.31	1.24	1.46	1.28	
GeoEye	GEOY	0.22%	24.89	21.48	11.70%	-13.70%	0.40	14.92	2.60	1.75	1.05	
NCI Information Technology	NCIT	0.19%	24.36	25.16	-16.50%	3.28%	0.34	14.71	0.83	3.22	1.12	
Osi Systems	OSIS	0.18%	18.75	18.40	32.85%	-1.87%	0.32	16.43	0.51	1.21	1.15	
TASER International Inc.	TASR	0.15%	4.80	4.36	-17.42%	-9.17%	0.27	31.14	2.73	2.29		
Applied Signal Technology	APSG	0.15%	19.76	20.93	16.67%	5.92%	0.27	21.14	1.40	2.06	1.32	2.50%
Ducommun	DCO	0.11%	17.32	19.01	13.83%	9.76%	0.20	7.99	0.47	0.87	0.61	1.70%
Mercury Computer Sys	MRCY	0.10%	8.12	7.54	19.49%	-7.14%	0.17	18.39	0.82	1.23	2.61	
Ladish Co	LDSH	0.10%	7.57	11.79	-14.89%	55.75%	0.19	10.92	0.40	0.85	2.11	
Herley Industries	HRLY	0.08%	10.34	10.67	-13.11%	3.19%	0.15	17.49	0.87	0.73	4.60	
VSE Corporation	VSEC	0.07%	29.89	25.11	-35.99%	-15.99%	0.13	5.96	0.12	1.57		0.70%
Integral Systems	ISYS	0.07%	6.63	7.60	-36.93%	14.63%	0.13	13.82	0.75	1.10	0.82	

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