



## Inside...

FY10 DoD budget increased by \$20 billion

Line item budget changes are coming ... but declines in large programs may be offset with gains in several smaller ones.

Defense, security, and space gets roughly \$20 billion in the stimulus package.

Is the market valuing the sector at levels normally seen *after* a budget decline?

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

**Morningstar Gives the  
Powershares Aerospace &  
Defense ETF (NYSE: PPA) a**

**\*\*\*\*\* 5 Star Rating \*\*\*\*\***

**for Large Growth Funds**

## SPADE Defense Index Statistics

2/27/09 Close: 1292.55  
All-time Close: 2747.67  
Date of all-time close: 9 October 2007

	SPADE Defense	S&P500
February	[16.36%]	[10.99%]
1st Qtr	[18.94%]	[18.62%]
YTD	[18.94%]	[18.62%]

## Commentary

After starting the year off with strength as compared to the broader markets, the defense and security sector slid significantly in February posting one of its worst one-month returns. Whereas in January, when the SPADE Defense Index outperformed the markets by better than 5%, February saw the sector give it all back. The Top 10 laggards for the month included three of the sector's largest firms with Boeing, Lockheed Martin, and General Dynamics all losing more than 20% of their value.

Meanwhile, the sector's price-to-earnings and price-to-book ratios are at a level usually seen **after** the sector has undergone a significant downturn in defense spending leading some to wonder if the sector has already priced in budget declines years in advance and hence, open up the possibility for upward action.

As we enter March, the broader market continue to drift lower as an understanding of the global economic situation becomes clearer. For defense sector investors, there are five things on their mind.

### 1. The Budget

Details and specifics won't be released until mid- to late-April but some are already beginning to react based on expectations that some individual programs will be cut or cancelled. There are three things to consider.

One, that the FY10 budget will **add** approximately \$20 billion to the core DoD budget

bringing it to \$533.7 billion.

Two, that while this top level figure gets all the attention, ultimately, the important figure is the amount devoted to procurement and R&D (what is known as the investment accounts) and the percent of the operations budget that is outsourced to private companies. This is the money that is awarded in contracts to private and public firms. What is interesting to note is that although the investment account budgets have remained flat in recent years, companies have been **increasing** their revenues and earnings. While specific details won't be known for at least another month, the investment account budget is expected to be similar to prior estimates.

And third, it is a given that a number of programs will be reworked or cancelled. Witness the recent flap over cost overruns to develop upgraded Marine One helicopters for the President and the reorganization of the TSAT satellite program, a \$20 billion effort to revolutionize DoD communications whose contract has been postponed to allow additional development. Importantly, if the top line remains the same, other existing or new programs will see an increase. At the end of the day, the question for individual firms is, what is the net? **Declines in a big program may be offset with gains in several smaller ones.** Until the budget is released, this is an unknown and investors shouldn't necessarily jump to conclusions.

### 2. Iraq

The White House has announced an August 2010 deadline for two-thirds of the troops in Iraq to return home and the remaining third by the end of 2011. The current force of 142,000 will be reduced to a level of 35,000 to 50,000 until the final pullout. Additionally, 17,000 troops will be sent to Afghanistan. Of the roughly \$10 billion dollars a month being spent in Iraq (estimates vary), most of the resources do not end up with defense contractors and is instead allocated for fuel, healthcare, salaries, transportation, and other operational activities. A company like Raytheon, would be expected to benefit greatly from the the use of its products during a military action, yet, their CEO at the recent Cowen & Company investor meeting said that Iraq generates *less than 5%* of revenues. Though the war effort is costing the U.S. more than \$100 billion/year, leaving Iraq will likely benefit the sector in the long-term and free up resources that could be allocated elsewhere and into areas that companies could compete for.

### 3. The Stimulus

The defense sector got much less than many expected. With products of need and a manufacturing force in place, from an economic standpoint the sector could have produced a turnkey option for employment while resetting the military.

**February 2009 Top Gainers**

1	GeoEye	31.01%
2	Applied Signal	9.01%
3	OSI Systems	8.00%
4	Ball Corp.	5.09%
5	Mercury Computer	3.85%
6	Stanley Inc.	2.48%
7	Garmin	[2.34%]
8	Mantech Int'l	[2.72%]
9	Elbit Systems	[3.23%]
10	Cubic Corp.	[4.05%]

**February 2009 Laggards**

1	Ladish	[39.75%]
2	Textron	[37.43%]
3	L-1 Identity	[36.55%]
4	Ducommun	[32.84%]
5	Esterline Tech.	[29.79%]
6	AAR Corp	[27.12%]
7	Boeing	[25.69%]
8	Ceradyne	[24.80%]
9	Lockheed Martin	[23.07%]
10	General Dynamics	[22.76%]

**YTD 2009 Top Gainers**

1	GeoEye	17.52%
2	OSI Systems	14.08%
3	Applied Signal	6.58%
4	Computer Sciences	[1.14%]
5	Mercury Computer	[1.74%]
6	Harris Corp.	[2.02%]
7	SAIC	[2.93%]
8	Ball Corp.	[3.13%]
9	Mantech Int'l	[3.73%]
10	Cubic Corp	4.19%

**YTD 2009 Laggards**

1	Textron	[59.26%]
2	Ladish Corp	[50.55%]
3	Teledyne Tech.	[48.57%]
4	ICx Technologies	[42.23%]
5	Axsys Technologies	[39.46%]
6	VSE Corporation	[39.13%]
7	Moog	[36.42%]
8	Trimble Navigation	[34.75%]
9	FLIR Systems	[33.47%]
10	Esterline Tech.	[33.12%]

**ETF Statistics (NYSEarca: PPA)  
Powershares Aerospace & Defense**

Exchange / Ticker Symbol: NYSE / PPA  
 Fee 60 basis  
 Assets (2/27/09) \$104.5 M  
 Closing Price (2/27/09) \$11.36  
 Yield (SEC 30-day yield) 1.61%  
 February 09 Volume 1,390,800  
 3 month Avg Daily Trading Volume\*\* 59,477  
 source: Yahoo Finance \*\*\* February 27 2009

**Largest Defense  
Prime Contractors**

	Feb	2008
Lockheed Martin	[23.07%]	[24.94%]
Boeing	[25.69%]	[26.32%]
General Dynamics	[22.76%]	[23.91%]
Northrop Grumman	[22.36%]	[17.05%]
Raytheon	[21.04%]	[21.69%]

Year	SPADE	S&P500
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%

**Powershares Aerospace & Defense ETF (PPA)**

Morningstar Rating (3-yr, Large Growth): 5 Star

**Modern Portfolio Theory (comparison to S&P500)**

Sharpe Ratio [0.24]  
 Beta (3 month) 1.20  
 Alpha (3 month) 8.78  
 R-squared (3 month) .86

source: Morningstar (12/31/08)

Quarter	SPADE	S&P500
4Q08	[18.14%]	[22.45%]
3Q08	[8.13%]	[9.00%]
2Q08	[4.69%]	[3.23%]
1Q08	[13.53%]	[9.92%]
4Q07	[4.22%]	[3.82%]
3Q07	[2.39%]	[2.99%]
2Q07	10.76%	5.81%
1Q07	4.37%	0.18%
4Q06	8.79%	6.17%
3Q06	3.21%	5.17%
2Q06	[4.03%]	[1.91%]
1Q06	10.65%	3.73%
4Q05	[0.47%]	1.59%
3Q05	4.44%	3.15%
2Q05	3.91%	0.91%
1Q05	[2.52%]	[2.59%]
4Q04	9.80%	8.73%
3Q04	2.81%	[2.30%]
2Q04	6.34%	1.30%
1Q04	0.36%	1.29%
4Q03	18.97%	11.64%
3Q03	5.27%	2.20%

Quarter	SPADE	S&P500
2Q03	19.03%	14.89%
1Q03	[7.92%]	[3.60%]
4Q02	3.39%	7.92%
3Q02	[17.04%]	[17.63%]
2Q02	[2.86%]	[13.73%]
1Q02	16.57%	[0.06%]
4Q01	14.59%	10.29%
3Q01	[10.40%]	[14.29%]
2Q01	5.91%	5.52%
1Q01	[7.18%]	[12.11%]
4Q00	[0.05%]	[8.09%]
3Q00	12.14%	[1.24%]
2Q00	[7.11%]	[2.93%]
1Q00	0.83%	2.00%
4Q99	7.57%	14.54%
3Q99	[10.18%]	[6.56%]
2Q99	21.39%	6.71%
1Q99	[1.68%]	4.65%
4Q98	13.70%	20.87%
3Q98	[16.88%]	[10.30%]
2Q98	[1.88%]	2.91%
1Q98	14.99%	13.53%

	31 Dec 08	31 Oct 08
Avg. Market Cap.	\$8.63 Billion	\$9.42 Billion
Portfolio P/E	10.20	10.15
Portfolio P/S	0.61	0.68
Portfolio P/B	1.70	1.67
Portfolio P/Cash Flow	6.57	5.72
Earnings Growth Rate (ttm)	11.96%	12.59%

(Most recent estimate) source: Yahoo Finance

**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 service-women.

**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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**Commentary (continued)**

Stimulus funding of interest to the sector's companies include:

- \$4.5B for renovation and modernization of posts, camps, and stations
  - \$1.7B for energy efficiency on military bases
  - \$3.75B for construction of military hospitals and medical facilities and care for service members and their families
  - \$1.6B for construction and modernizing troop housing and child care and development centers
  - \$350M for R&D and pilot projects to improve energy generation and transmission
  - \$4B to Justice Dept grants to state and local law enforcement
  - \$2.7B to Homeland Security including
    - \$1B for airport baggage screening equipment
    - \$420M to build border checkpoints
    - \$210M for fire stations
    - \$300M for port, transit and rail security
    - \$240M for the Coast Guard
    - \$200M for a new Department HQ
  - \$400M to NASA for Earth science climate research missions and to increase its supercomputing abilities.
- Other non-defense, but areas of interest
- \$4.7B grants to extend broadband + \$2.5B to expand broadband into rural areas
  - \$20B to digitize medical records
  - Investments, such as the \$165M to Fish & Wildlife to manage natural resources, could benefit the sector when satellite imagery is acquired to assist in that management.

**What's New at SPADE Indexes**

For those unaware, the ISBC/SPADE Indexes has been contracted by an Oklahoma-based financial institution to produce an index focused on firms headquartered in the State of the Oklahoma. The Index is currently live and lists under the ticker: OKLAH. An exchange-traded fund is forthcoming pending SEC approval of their application. Additional information on this index as well as future benchmarks can be found on our website.

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**4. The Budget**

Oh, did I mention this already? Well, it is that important. There are concerns about what will happen in 2011, 2012, and 2013 but a lot can change by then. Defense companies have already begun to conserve cash and apply their skills to related areas in order to capture business in other sectors and initiatives. Cybersecurity and the anticipated health care digitization revolution, are but two emerging markets that will utilize technologies and skill sets developed to keep military and intelligence systems secure.

**5. The Budget**

Yes, this is what the sector revolves around -- how much its primary customer plans to spend. The question that investors need to ask is, how much of a decline has already been priced in? As mentioned, many companies are trading at levels normally seen **after** a decline in defense spending has already taken place. Look at the list of companies in the SPADE Defense Index and see how many have a PEG (price to earnings growth) of less than 1 -- a level historically associated with undervalued firms. Ultimately though, the issue is not whether any contract cancellation or weakness in the budget will lead to a decline, but how far and how fast the company/sector will bounce back from these levels. Considering current market conditions, this is an unknown.

Ultimately, defense and security is as important today and the foreseeable future as it was ten years ago. Economic issues will only exacerbate instability around the world. [According to a recent *Defense News* article, the 70%+ drop in oil prices has not led to a decline in the acquisition of military hardware by countries in the Middle East.] And the Obama administration and their supporters need to remember that when history is finally written, all the good he can/will accomplish can be washed away in the aftermath of a single action.

SPADE Oklahoma Index  
<http://oklahoma.spadeindex.com>

SPADE Defense Index (no changes)  
<http://www.spadeindex.com>

New Top Level Homepage  
<http://www.spadeindexes.com>

**News Items of Interest**

There is speculation that the *Missile Defense Agency* budget will be cut by roughly \$2 billion from the current \$9.4 billion after years of criticism that billions were being spent on anti-missile defense system without adequate testing. The agency has launched a comprehensive review of its test plans which it expects to complete by May 2009. Rep. Ellen Taushcer (D-CA), head of the strategic forces subcommittee of the House Armed Services Committee, urged the agency to focus their spending on theater systems such as Aegis and THAAD (Lockheed Martin) and PAC-3 (Raytheon and Lockheed) and to make this their highest priority.

*Defense News* reported that details are emerging that Boeing and Lockheed have partnered in the design of a new, *nuclear-capable long-range bomber* for 2018 delivery, presumably in a competition with Northrop Grumman.

*Defense News* also reported that the Pentagon plans to increase irregular warfare spending with items such as linguistics, special operations, and intelligence getting a boost, while budget shifts could see the *F/A-18 Super Hornet* and *F-22 Raptor* suffering. As indicated in the below box (see: Global Economic Downturn...) both Boeing and Lockheed have begun publically making a case for both planes.

*Weapons Systems Acquisition Reform Act of 2009* - Sponsored by Sen. Carl Levin (D-MI) and Sen. John McCain (R-AZ) to “get accountability, transparency, and put in renewed measures to bring the system back under control.” Legislation was anticipated for quite some time.

*Space Control* - With DoD relying on satellites for its communications and C4ISR needs, one of its biggest concerns deals with controlling the space environment. Spending in this area, already on the rise, could see additional funding after an unanticipated collision between a disabled Russian military satellite and a commercial communications satellite owned by Iridium destroyed both craft and left debris scattered around orbit.

FY08 Largest Vendors Department of Homeland Security		
Rank	Company Name	Total Contract Value
1	<b>Boeing</b>	\$617.2M
2	IBM	\$480.3M
3	Accenture	\$386.7M
4	Cooperative Personnel Services	\$376.5M
5	Unisys	\$332.4M
6	<b>General Dynamics</b>	\$326.1M
7	<b>SAIC</b>	\$297.3M
8	<b>L-3 Communications</b>	\$293.7M
9	<b>Lockheed Martin</b>	\$255.7M
10	<b>Integrated Coast Guard Syst.</b>	\$245.0M

source: Government Security News  
ICGS is a joint venture of Lockheed and Northrop

**Other SPADE Defense Index constituents**

15 Computer Sciences Corp.	\$130.2M
21 Northrop Grumman	\$102.9M
23 SI International	\$ 96.4M

**The Global Economic Downturn on the Defense Industry**

*Northrop Grumman* warned Congress that a \$200 million cut on the E-2D Advanced Hawkeye would mean that unit costs could rise 20% with a smaller order and cost 350 jobs. (Aerospace Daily and Defense Report). In NY and Florida newspaper ads, the company stated that nearly 1,000 jobs could be lost beginning in September.

*Boeing* stated that its aging F/A-18 jet has a price tag of less than \$50 million per plane and can be produced for \$4 million less than what the Pentagon paid in 2003 if they buy in bulk. (Wall Street Journal)

*Lockheed Martin* said its F-22 aircraft, which is facing the end of its production run, is a “shovel ready” economic stimulus and could protect nearly 100,000 jobs nationwide. Jeff Goen, president of Local #709 of the Int’l Association of Machinists in Georgia stated, “Aircraft programs have always been political footballs.”

*Textron’s Bell Helicopters* saw only three orders in January 2009 as compared to 40 in the same month the previous year. According to a company official, “Helicopter demand is there, but you can’t get the finance.” Their order book stands at \$6.2 billion with 180 helicopters expected to be delivered in 2009. (Wall Street Journal)

**The Stimulus Plan:** Among the beneficiaries cited by the *Washington Post* are: Boeing (\$200 M) for a virtual fence along the Mexican border, Northrop Grumman and Raytheon (millions in extra spending on weather satellites), GE and L-3 (\$1 billion push to install high-tech baggage scanners at U.S. airports).

**By the Numbers**

**\$533.7 Billion** - President Obama’s base budget for the Department of Defense in FY2010, up from \$513.3 billion in FY2009.

**\$17.5 Billion** – Raytheon received a 10-year contract for up to \$17.5 billion to enhance the Army’s training and testing abilities.

**\$11.2 Billion** - The cost of the updated Marine One presidential helicopter project which has been taking heat from President Obama, Sen. John McCain and others as an example of “the procurement process gone amok.” The cost for the 28 helicopters has risen from the initial \$6 billion. Key upgrades were Air Force One-like communications capabilities.

**\$3 Billion** – From the United Arab Emirates to Lockheed Martin and Boeing for military transport aircraft -- 12 C-130s and four C-17s, respectively. (Associated Press)

**\$3 Billion** – From the Pentagon to Boeing for 15 more Boeing C-17 long-range transport aircraft. (BBC)

**\$1.5 Billion** – Anticipated funding boost for NASA over 2009 levels in the FY-2010 budget.

**\$800 Million** – Amount in President Obama’s budget outline for the satellite-based Next Generation Air Traffic Control System (NextGen). The money will go to help build a nationwide network of 794 satellite ground stations due for completion in 2013. (American City Business Journals/Louisville)

**\$574 Million** – To Northrop Grumman from the U.S. Army to work on a situational awareness system for soldiers in Iraq and Afghanistan.

**\$40 Million** – To Northrop Grumman from the Navy for drones.

**4 Percent** - The level that several GOP lawmakers are seeking in a resolution as a floor for defense spending in relation to GDP. It is being sponsored by Trent Franks (R-AZ) and Sen. James Inhofe (R-OK). (Defense News)

Feb-09		SPADEF Defense Inde					Market		Forward	Price/	Price/	PEG	
Company	Ticker	Float %	Price	Price	% Ch	% Ch	Cap	P/E	Sales	Book	5 yr	Div Yld	
			30-Jan-09	27-Feb-09	YTD	MTD	intraday	(ttm)	ttm	mrq	expected	forward %	
United Technologies	UTX	6.83%	47.99	40.83	-23.82%	-14.92%	38.47	8.58	0.66	2.44	0.93	3.70%	
Lockheed Martin	LMT	6.66%	82.04	63.11	-24.94%	-23.07%	24.78	7.64	0.63	9.45	0.75	3.30%	
Boeing Co	BA	6.64%	42.31	31.44	-26.32%	-25.69%	22.83	5.97	0.39		0.74	5.10%	
Honeywell Intl	HON	6.57%	32.81	26.83	-18.28%	-18.23%	19.72	8.18	0.55	2.82	0.88	4.40%	
General Dynamics	GD	5.76%	56.73	43.82	-23.91%	-22.76%	16.92	6.2	0.60	1.76	0.72	3.10%	
Raytheon Co	RTN	5.58%	50.62	39.97	-21.69%	-21.04%	15.99	8.04	0.73	1.85	0.70	2.70%	
SAIC	SAI	4.73%	19.74	18.91	-2.93%	-4.20%	7.65	15.63	0.75	3.81	1.22		
Precision Castparts	PCP	4.60%	64.95	55.43	-6.81%	-14.66%	7.76	6.96	1.11	1.71	0.57	0.20%	
Northrop Grumman	NOC	4.58%	48.12	37.36	-17.05%	-22.36%	12.22	6.62	0.38	1.08	0.60	4.10%	
L-3 Communications Hldgs	LLL	4.43%	79.02	67.65	-8.31%	-14.39%	8.08	8.26	0.57	1.45	0.94	2.00%	
Itt Indus	ITT	3.95%	45.28	37.35	-18.79%	-17.51%	6.74	9.99	0.60	2.28	0.78	2.20%	
Computer Sciences	CSC	3.68%	36.84	34.74	-1.14%	-5.70%	5.26	8.23	0.30	0.92	0.80		
Harris Corp	HRS	3.51%	43.29	37.28	-2.02%	-13.88%	4.98	8.75	0.88	2.32	0.57	2.10%	
Rockwell Collins	COL	3.46%	37.68	31.20	-20.18%	-17.20%	4.93	7.54	1.08	3.43	0.61	3.00%	
Goodrich Corp	GR	2.86%	38.66	33.14	-10.48%	-14.28%	4.10	7.07	0.59	1.99	0.61	3.00%	
Ball Corp	BLI	2.67%	38.34	40.29	-3.13%	5.09%	3.79	9.64	0.50	3.46	1.39	1.00%	
Garmin Ltd	GRMN	2.43%	17.53	17.12	-10.69%	-2.34%	3.43	7.22	0.98	1.54	0.58	4.40%	
Flir Systems	FLIR	1.99%	24.97	20.41	-33.47%	-18.26%	2.85	12.52	2.75	3.52	0.75		
URS Corporation	URS	1.81%	34.05	30.92	-24.16%	-9.19%	2.58	10.48	0.30	0.74	0.88		
Alliant Techsystems	ATK	1.62%	80.81	70.66	-17.61%	-12.56%	2.31	9.13	0.52	2.51	0.78		
Mantech International'a'	MANT	1.29%	53.63	52.17	-3.73%	-2.72%	1.85	15.71	0.98	2.70	1.14		
Elibit Systems	ESLT	1.28%	44.56	43.12	-7.23%	-3.23%	1.81	11.75	0.72	2.90	1.33	2.00%	
Trimble Navigation Ltd	TRMB	1.18%	14.82	14.10	-34.75%	-4.86%	1.68	10.29	1.29	1.51	0.62		
Textron	TXT	0.95%	9.03	5.65	-59.26%	-37.43%	1.36	3.45	0.10	0.59	0.42	1.40%	
Caci Intl	CAI	0.90%	45.15	42.77	-5.15%	-5.27%	1.28	12.77	0.48	1.35	1.06		
Moog Inc.	MOGA	0.70%	29.96	23.25	-36.42%	-22.40%	0.99	7.75	0.53	1.03	0.77		
Cogent Inc.	COGT	0.65%	11.64	10.40	-23.36%	-10.65%	0.93	16.51	7.19	1.74	0.93		
Orbital Sciences Corp	ORB	0.58%	16.77	14.15	-27.55%	-15.62%	0.83	12.75	0.70	1.78	1.12		
Teledyne Technologies	TDY	0.58%	27.87	22.91	-48.57%	-17.80%	0.84	7.20	0.45	1.58	1.63		
Sra International'a'	SRX	0.53%	16.33	13.58	-21.28%	-16.84%	0.76	12.23	0.49	1.06	0.97		
Esterline Technologies	ESL	0.53%	36.09	25.34	-33.12%	-29.79%	0.75	6.40	0.59	0.86	0.35		
Stanley Inc.	SXE	0.51%	30.26	31.01	-9.35%	2.48%	0.73	17.62	0.96	3.50	1.18		
Cubic Corp	CUB	0.49%	27.16	26.06	-4.19%	-4.05%	0.70	12.47	0.79	1.87	1.05	0.70%	
DynCorp	DCP	0.49%	15.04	12.19	-19.64%	-18.95%	0.69	8.24	0.25	1.46	0.69		
AeroVironment	AVAV	0.46%	37.06	31.22	-15.19%	-15.76%	0.66	22.14	3.08	3.70	1.41		
Triumph Group	TGI	0.42%	45.28	36.12	-14.93%	-20.23%	0.60	6.03	0.49	0.81	0.40	0.40%	
Viasat Inc	VSAT	0.40%	22.16	18.30	-24.00%	-17.42%	0.57	10.76	0.91	1.26	0.74		
American Science & Engineering	ASEI	0.37%	78.00	60.69	-17.94%	-22.19%	0.55	16.45	2.84	3.18	1.28	1.30%	
AAR Corp	AIR	0.36%	18.14	13.22	-28.19%	-27.12%	0.51	6.09	0.36	0.86	0.47		
Oshkosh Truck	OSK	0.33%	7.22	6.26	-29.58%	-13.30%	0.46	4.74	0.07	0.39	3.33	5.70%	
Ceradyne Inc	CRDN	0.32%	22.82	17.16	-15.51%	-24.80%	0.44	9.28	0.65	0.70	0.66		
GeoEye	GEOY	0.29%	17.25	22.60	17.52%	31.01%	0.41	30.96	2.64	1.74	2.59		
L-1 Identity Solutions	ID	0.28%	7.25	4.60	-31.75%	-36.55%	0.39	21.90	0.70	0.57	3.37		
Argon St	STST	0.26%	19.14	17.01	-9.81%	-11.13%	0.37	13.39	1.08	1.26	1.12		
AXSYS Technologies	AXYS	0.26%	42.70	33.21	-39.46%	-22.22%	0.37	10.92	1.59	2.04	0.66		
NCI Information Technology	NCIT	0.25%	30.00	27.70	-8.07%	-7.67%	0.36	16.00	0.95	3.76	1.18		
Osi Systems	OSIS	0.20%	14.63	15.80	14.08%	8.00%	0.27	14.50	0.43	1.05	1.09		
TASER International Inc.	TASR	0.19%	5.07	4.30	-18.56%	-15.19%	0.27	28.67	2.87	2.37			
Applied Signal Technology	APSG	0.17%	17.54	19.12	6.58%	9.01%	0.24	19.31	1.27	1.86	1.28	2.70%	
ICX Technologies	ICXT	0.11%	5.74	4.57	-42.23%	-20.38%	0.16		0.96	0.86			
Mercury Computer Sys	MRCY	0.10%	5.97	6.20	-1.74%	3.85%	0.14	21.38	0.68	1.06			
Ducommun	DCO	0.09%	18.94	12.72	-23.83%	-32.84%	0.13	5.60	0.32	0.58	0.45	2.40%	
VSE Corporation	VSEC	0.08%	28.76	23.88	-39.13%	-16.97%	0.12		0.12	1.73		0.70%	
Ladish Co	LDSH	0.08%	11.37	6.85	-50.55%	-39.75%	0.11	3.51	0.24	0.50	0.54		

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